PRESS RELEASE **Tuesday 19th April 2011**

Coface Worldwide Tour of Country Risk stops in Moscow
Risks in Russia back to pre-crisis level with a B rating

Warning: the Coface country rating does not pertain to the sovereign debt since it indicates the average level of risk displayed by the companies in a country within the framework of their commercial transaction. This average change does not prejudge that of the score for each company, which remains determined by its own characteristics: it is therefore necessary for the partners of a company in one of the countries mentioned to have its specific evaluation by Coface.

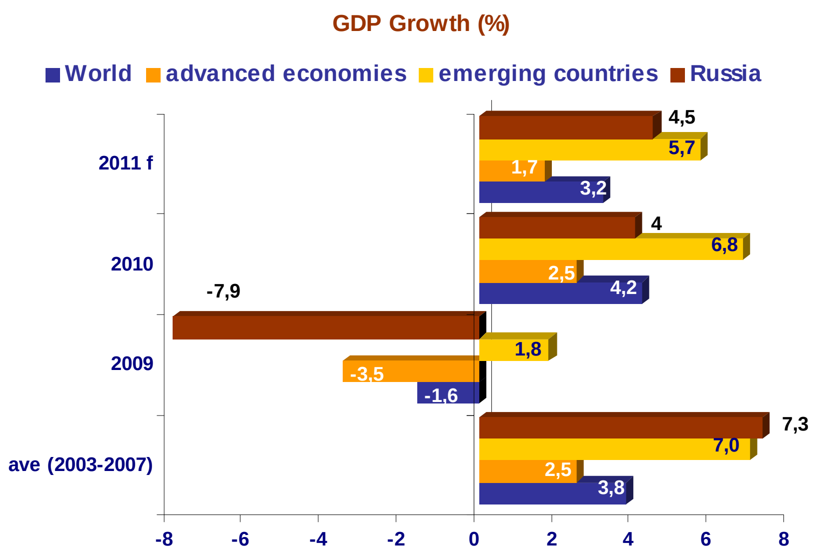
The Country Risk Conference organized each year by Coface in Paris on an international level is followed by a regional one in key economic capitals worldwide. The tour is now stopping in Moscow, for discussions around the effects of the crisis, at a regional and local level.

On the occasion of this first Russian edition of the Country Risk Conference, Coface indicates that Russia, which was hard hit, has recovered to its pre-crisis level. Contrary to the rest of the world, the CIS will be the only region to accelerate its growth trajectory in 2011. Nonetheless the recovery has been limited as Russia still has a rating that is 2 notches lower than the other BRICs, due to deficiencies in its business climate.

- **Russia and CIS region, kept intact from worldwide growth slowdown in 2011**

According to Coface, worldwide growth should slow down in 2011 at 3.2% compared to 4.2% in 2010. This is due to recent events in Japan, North Africa and the Middle East, debt reduction in the private sector, setting up of restrictive budget policies in Europe, rise of oil prices by 25% and the expected slowing in worldwide trade. Despite this slowdown, a scissor effect for the risks between the advanced countries and the emerging countries will be as pronounced as ever: emerging countries, big winners of the crisis, should have a growth rate of 5.6% compared to 1.7% for the advanced countries.

The CIS will be the only zone to slightly accelerate its growth in 2011 with 4.7% compared to 4.4% in 2010. For Russia, Coface foresees a stable growth, at 4.5%, driven by a renewed private consumption and a rebound in oil prices.



- **Russia back to its pre-crisis level of country risks but still behind other BRICs**

Only 9 out of 28 advanced countries rated by Coface have returned to their pre-crisis level. Contrary to the euro zone, where the private debt bubble has resulted in sovereign crises, Russia has recently recovered its pre-crisis B rating.

In 2011 the main economic engines will continue to be public spending, with further increases in social benefits and the continuation of support measures for sectors in difficulty, and private consumption. Although inflation is expected to continue to rise until mid-2011, it will nonetheless remain below the rates prevailing before the crisis.

Companies are pursuing their debt reduction process and investments are therefore contained. According to Coface, the payment behaviour of Russian companies, which had seriously deteriorated during the crisis, has improved significantly with the growth resumption.

The recovery has nonetheless been limited as Russia still has a rating that is 2 notches lower than the other BRICs, due to deficiencies in its business climate, notably the lack of transparency in the company information available and the weak creditor law enforcement. Improvement in governance and gains in combating corruption have been slow to materialize.

- **A high level of risks in the CIS**

In spite of their strategic situation between Asia and Europe, most of the CIS countries kept a high risk assessment in 2010 as in 2009. These countries all have in common the political instability and the continuing heavy dependence on Russia, as well as a lack of economic diversification.

Kazakhstan maintains a B rating since 2009. The very abundant natural resources and the increase of oil exports thanks to the exploitation of the Kashagan oilfield contribute to the Kazakh economy's healthy results. After a deep financial crisis, **Ukraine**'s growth recovers. For this reason, a positive watch was put on the D rating in June 2010. But the country still faces big challenges (banking fragility, dependence on international support, public debt…). **Belarus** (D) is under high risk of liquidity crisis and closely depends on Russian support.

	Country Risk Rating									Business Climate Rating
	January 2007	January 2008	January 2009	January 2010	March 2010	June 2010	September 2010	January 2011	April 2011	2010
Kazakhstan	B	B	B	B	B	B	B	B	B	B
Russia	B	B	B↘	C	C↗	C↗	B	B	B	B
Armenia	C	C	C	C	C	C	C	C	C	C
Azerbaijan	C	C	C	C	C	C	C	C	C	C
Ukraine	C	C	C↘	D	D	D↗	D↗	D↗	D↗	C
Belarus	D	D	D	D	D	D	D	D	D	D
Kirghistan	D	D	D	D	D	D	D	D	D	D
Moldavia	D	D	D	D	D	D	D	D	D	D
Uzbekistan	D	D	D	D	D	D	D	D	D	D
Turkmenistan	D	D	D	D	D	D	D	D	D	D

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About Coface
Coface's mission is to facilitate global business-to-business trade by offering its 135,000 customers solutions to fully or partly outsource trade relationship management and to finance and protect their receivables: credit insurance, factoring, business information and receivables management. Thanks to the worldwide local service delivered by 6,600 staff in 65 countries, over 45% of the world's 500 largest corporate groups are already customers of Coface.
Coface is a subsidiary of Natixis whose share capital (Tier 1) was 16.8 billion Euros end December 2010.
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ANNEXE

Country @rating definitions

A1	The political and economic situation is very propitious and the business environment is excellent, which has a positive effect on corporate payment behaviour. Average default probability is very low.
A2	The political and economic situation is propitious. The business environment may have a few shortcomings. Average corporate default probability is not very high.
A3	Payment behaviour is apt to be affected by changes in the country's good but somewhat volatile economic and political environment. The business environment has shortcomings. Average corporate default probability is satisfactory.
A4	The political and economic outlook may be marked by a few weaknesses. The relative volatility of the business environment may affect payment behaviour, but the average probability of that resulting in a payment default remains within acceptable limits.
B	An uncertain economic and financial context and a sometimes difficult business environment can affect payment behaviour. Average corporate default probability is relatively high.
C	A very uncertain economic and political outlook and business environment affected by many shortcomings are apt to seriously undermine payment behaviour. Average corporate payment default probability is high.
D	The economic and political outlook is subject to very high risks and the business environment can be very difficult. These weaknesses can have a very substantial effect on payment behaviour. Average corporate payment default probability is very high.