



Press conference

January 16, 2013

Patrice RACT MADOUX - Chairman of CADES
Philippe NOËL - Head of Capital Markets

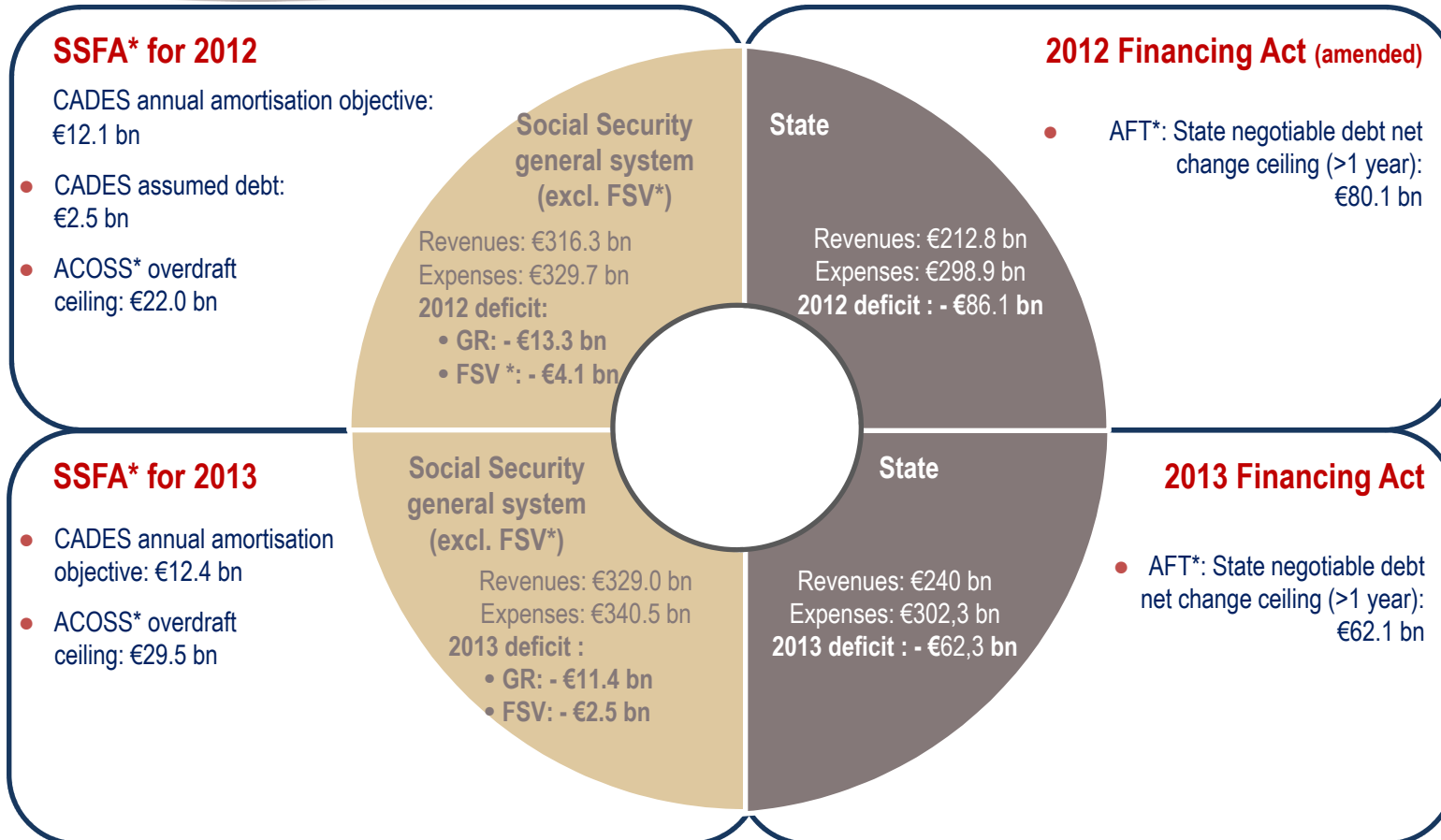


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 - 2012 funding programme review
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 - Key figures



Two budgets, two deficits, two agencies One French public debt



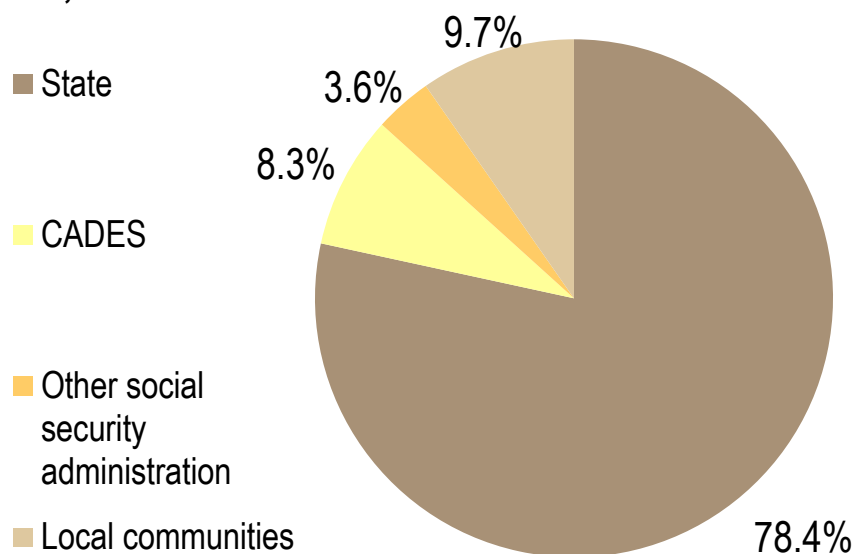
ACOSS: Agence Centrale des Organismes de Sécurité Sociale
AFT: Agence France Trésor

SSFA: Social Security Financing Act
FSV : Fonds de Solidarité Vieillesse



Distribution of French public debt

Total French public debt (under Maastricht terms) :
€1,717.3 billion*



* Data INSEE at the end of December 2011

Total 2011 French GDP: €1,996.6 billion*

Social debt amortised by CADES since 1996:
€71.7 billion

→ corresponding to 3.6% of 2011 French GDP

Interest saved on Amortised debt:
circa €20 billion

→ corresponding to 1% of 2011 French GDP



**Reduction of French public debt
to more than 4 points of GDP**



CADES highlights

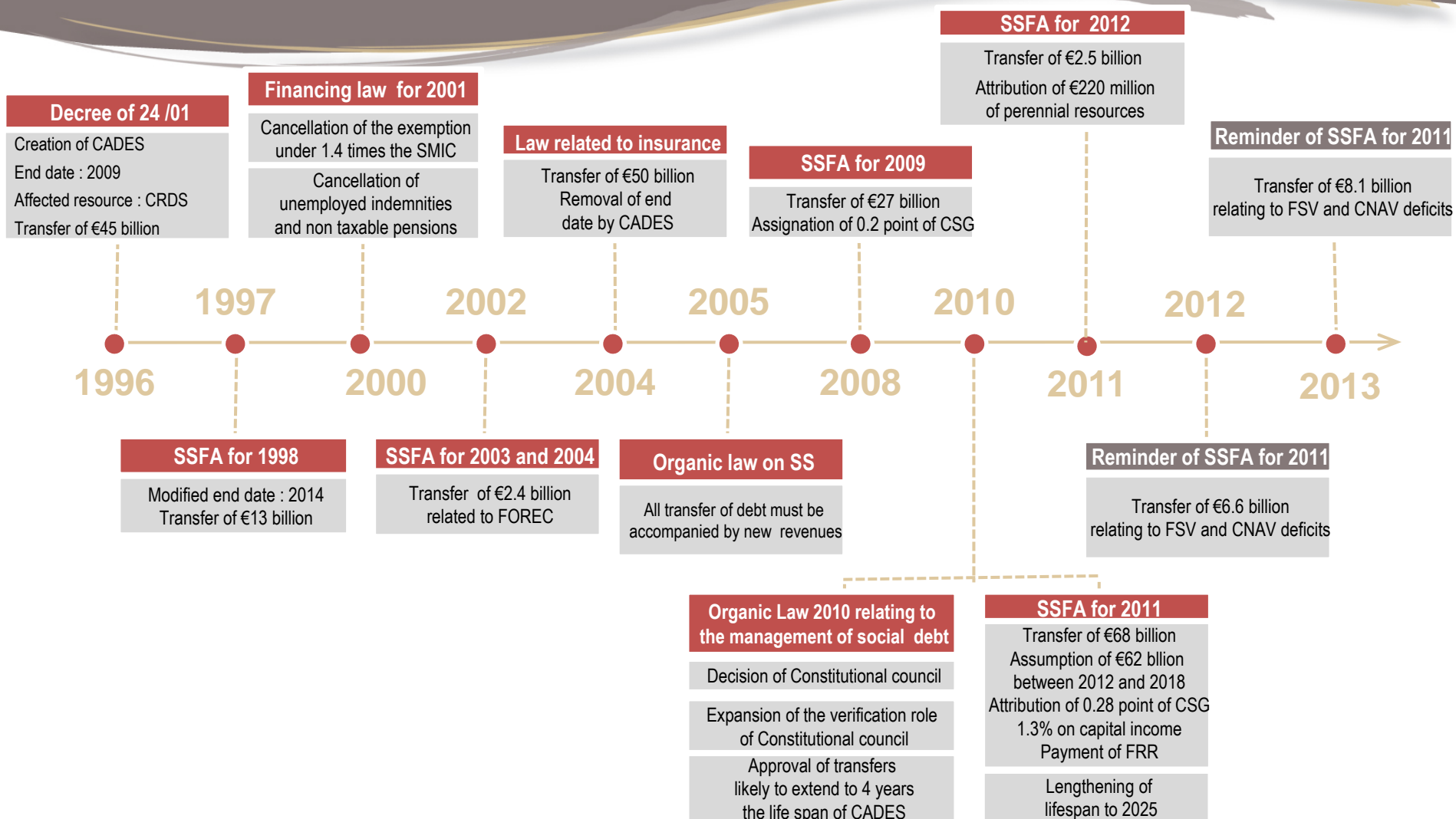
- Established in 1996 by Government ordinance n°96-50 dated 24 January 24 1996
- Owned and controlled by French State (administrative public body statute)
- Regular fiscal income defined and secured by law
- Well defined regulations

Mission: to amortise French social debt



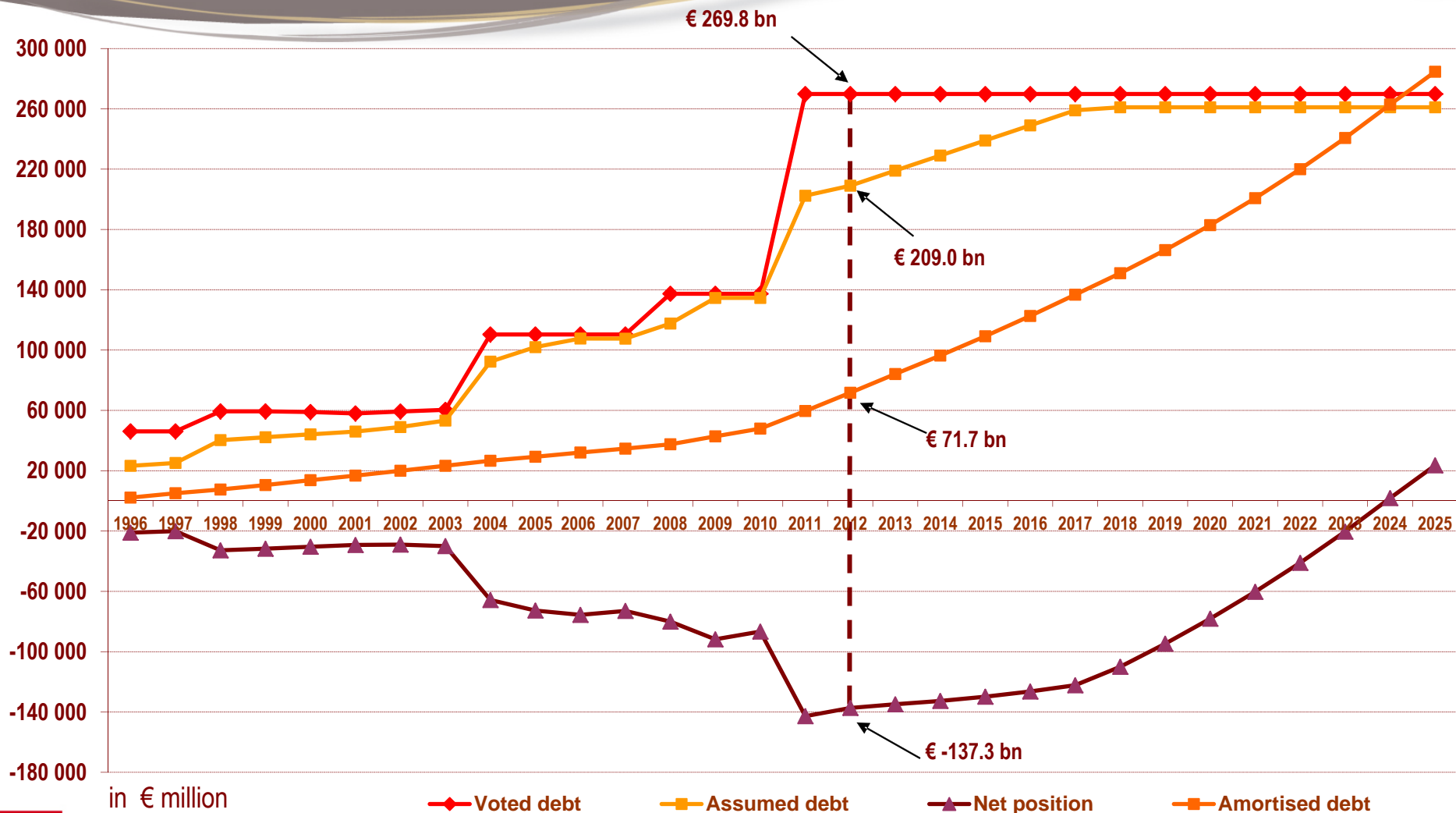
Key stages from 1996

€209 billion assumed by CADES since its creation





Voted, assumed and aggregated amortised debt and net position after assumed debt at the end of 2012





Estimated net position at the end of 2012

In € billion

Total debt voted	269.8
Debt assumed	209.0
Total resources collected (i)	109.3
Amortised principal	71.7
Interest paid	37.6
Estimated net position at the end of 2012	137.3

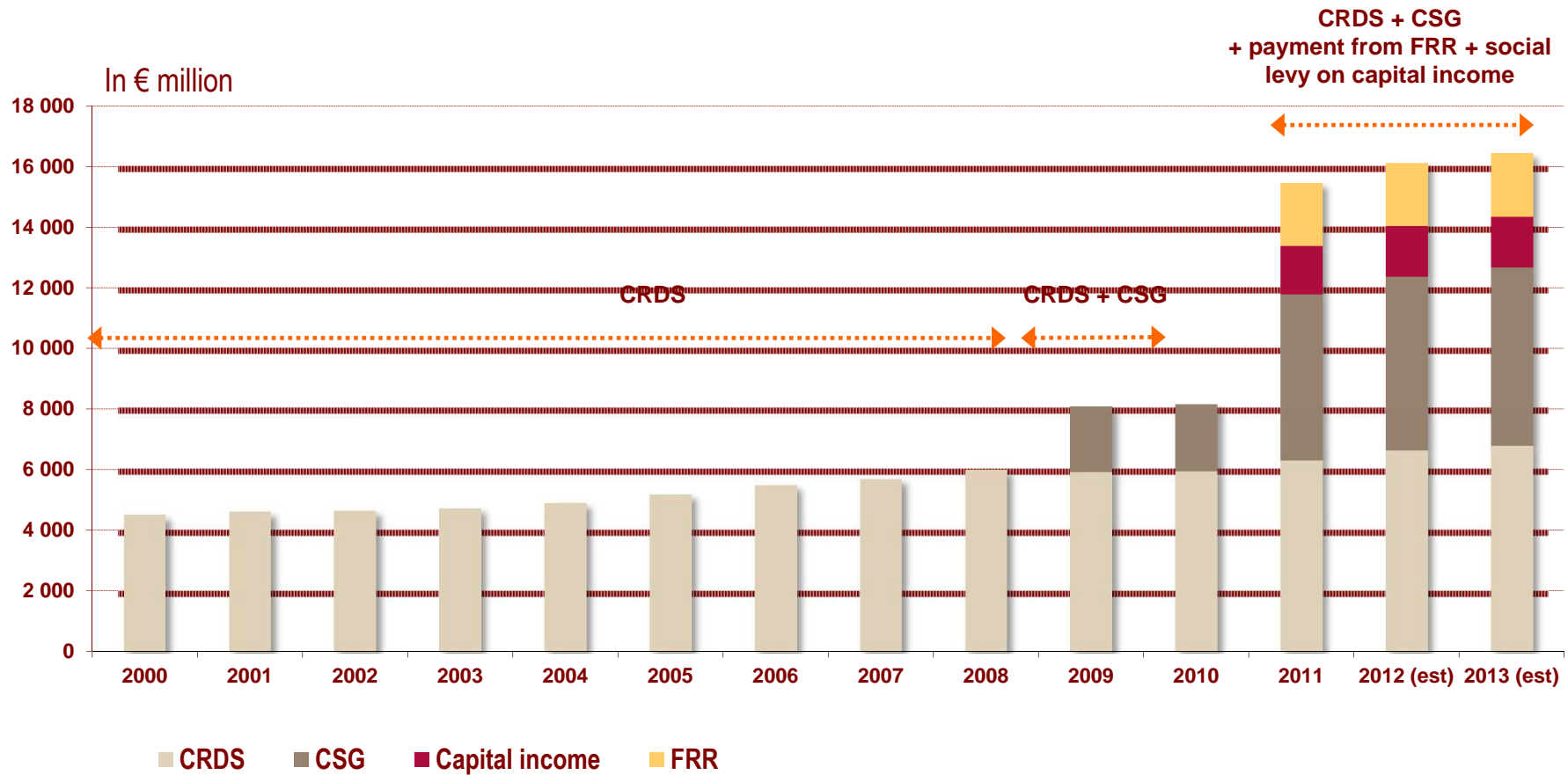
Annual amortisation objective voted in 2013 SSFA: €12.4 billion

Source : CADES

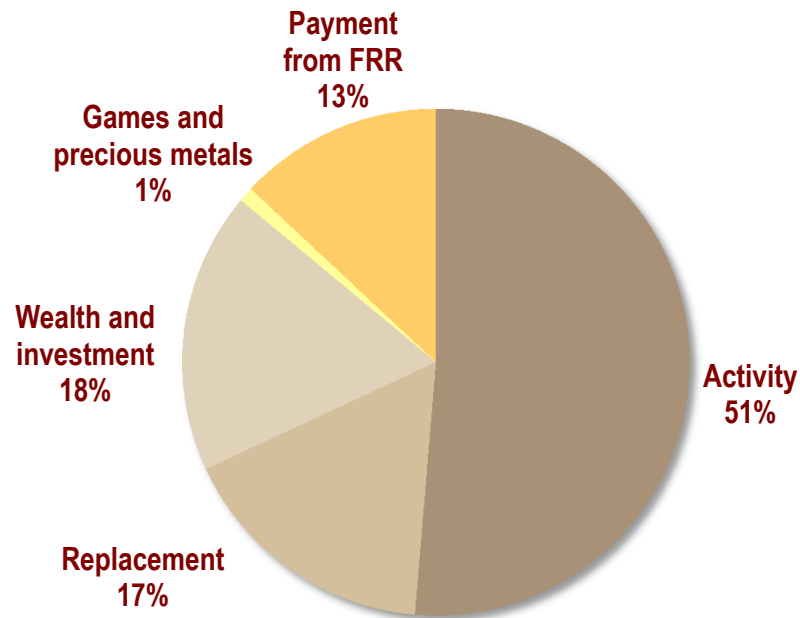
(i) Including €0.5bn for total disposal of real estate assets



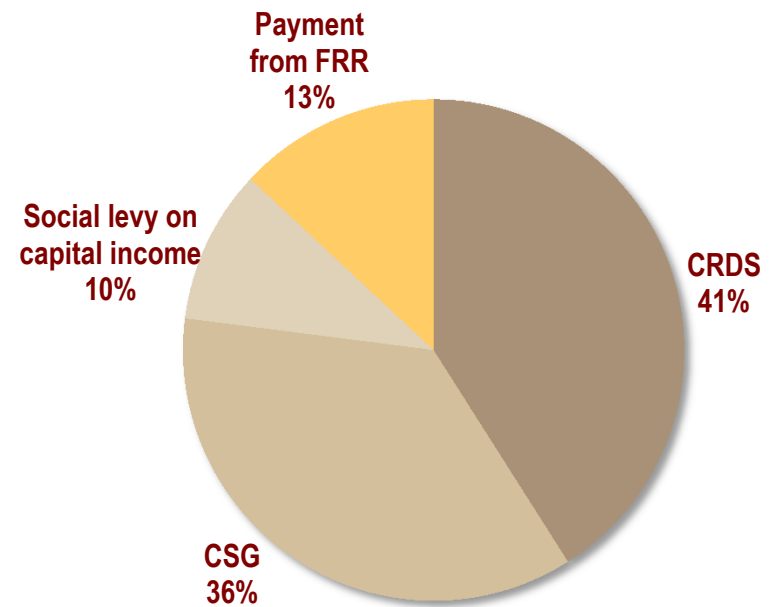
Evolution of income between 2000 et 2013



Breakdown of resource by type of tax



Breakdown of resource by nature of tax



Total estimated resources for 2013 : €16.4 billion



Programme of funding 2012

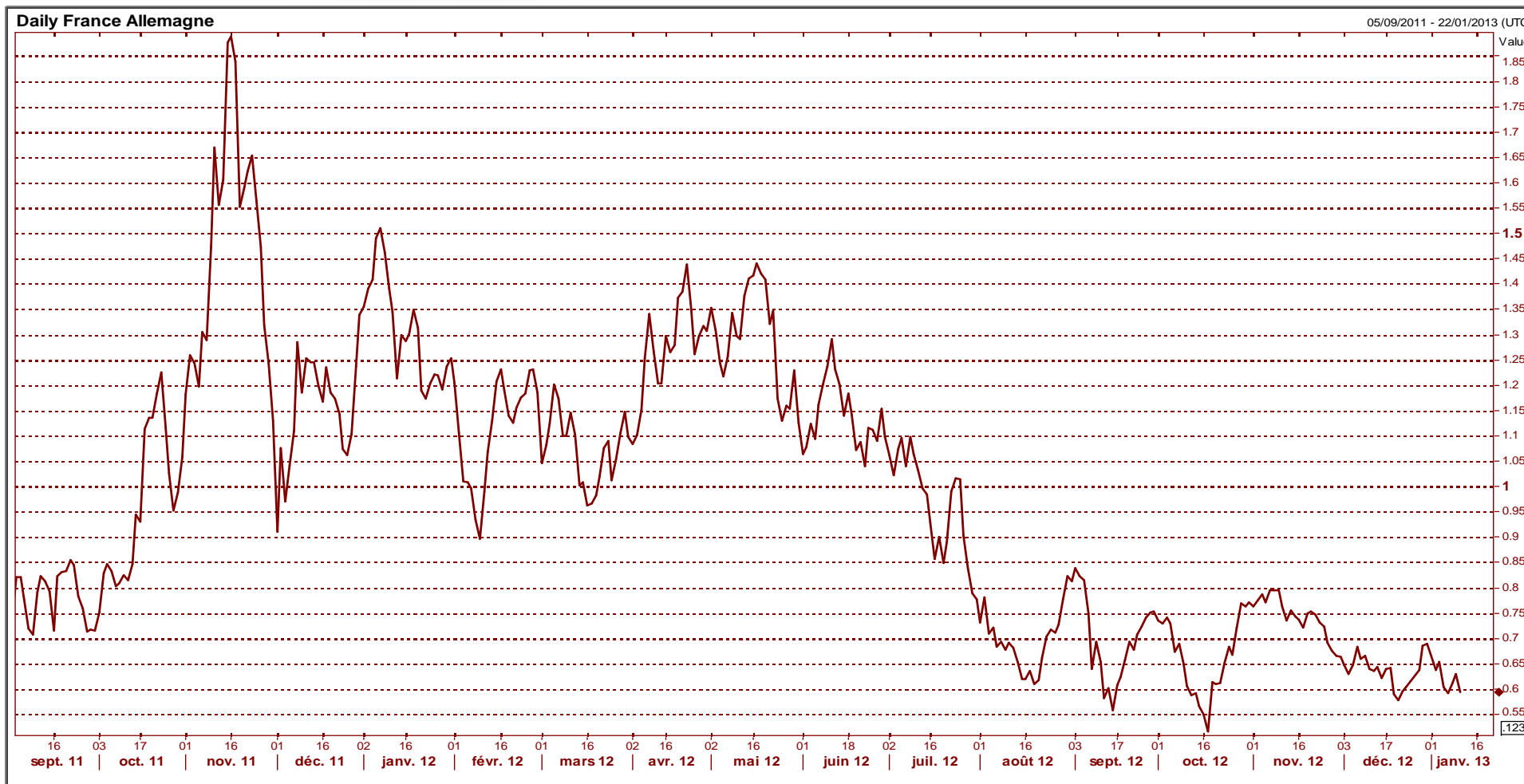
In € billion

	Announced		Realised
	As at 1/1/2012	Enhanced market conditions	
Euro benchmarks	4 - 6	9	11 (3)
Tap of existing issues	4 - 5	6	3.75 (7)
Inflation-linked bonds	1 - 2	2	2.75 (4)
US Dollar benchmarks	2 - 3	5	6.2 (3)
Sterling benchmarks	1 - 2	3	1.7 (2)
Other currency benchmarks	1 - 2	3	1.5 (5)
Other bonds and private placements	1 - 2	3	3.3 (17)
TOTAL medium- and long-term	12 - 20	28	30.2
Outstanding short-term securities (as at 12/31/12)	20 - 28	12	10
TOTAL	40	40	40.2



Spread France vs. Germany

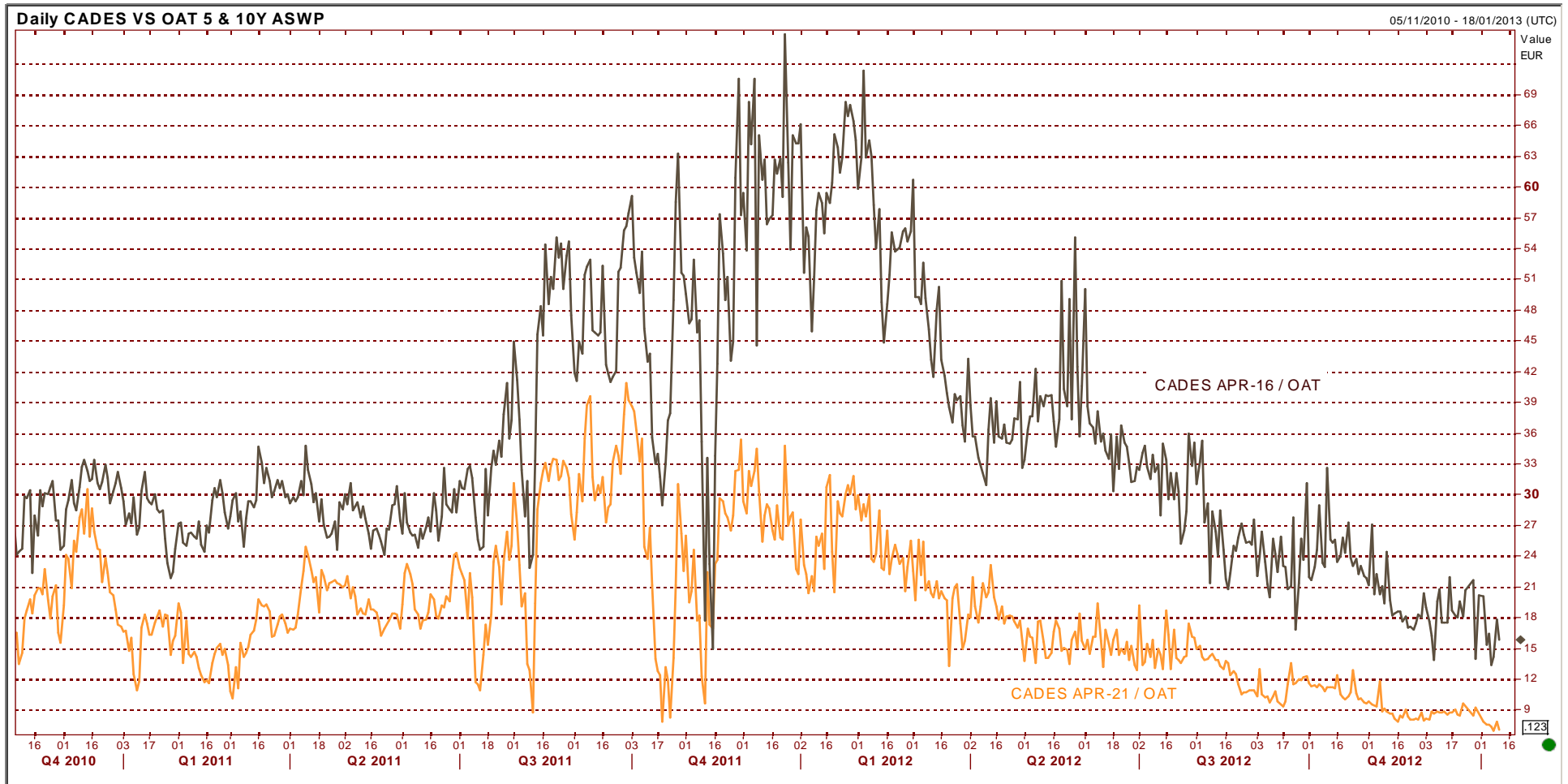
In basis points





CADES vs. T-bonds

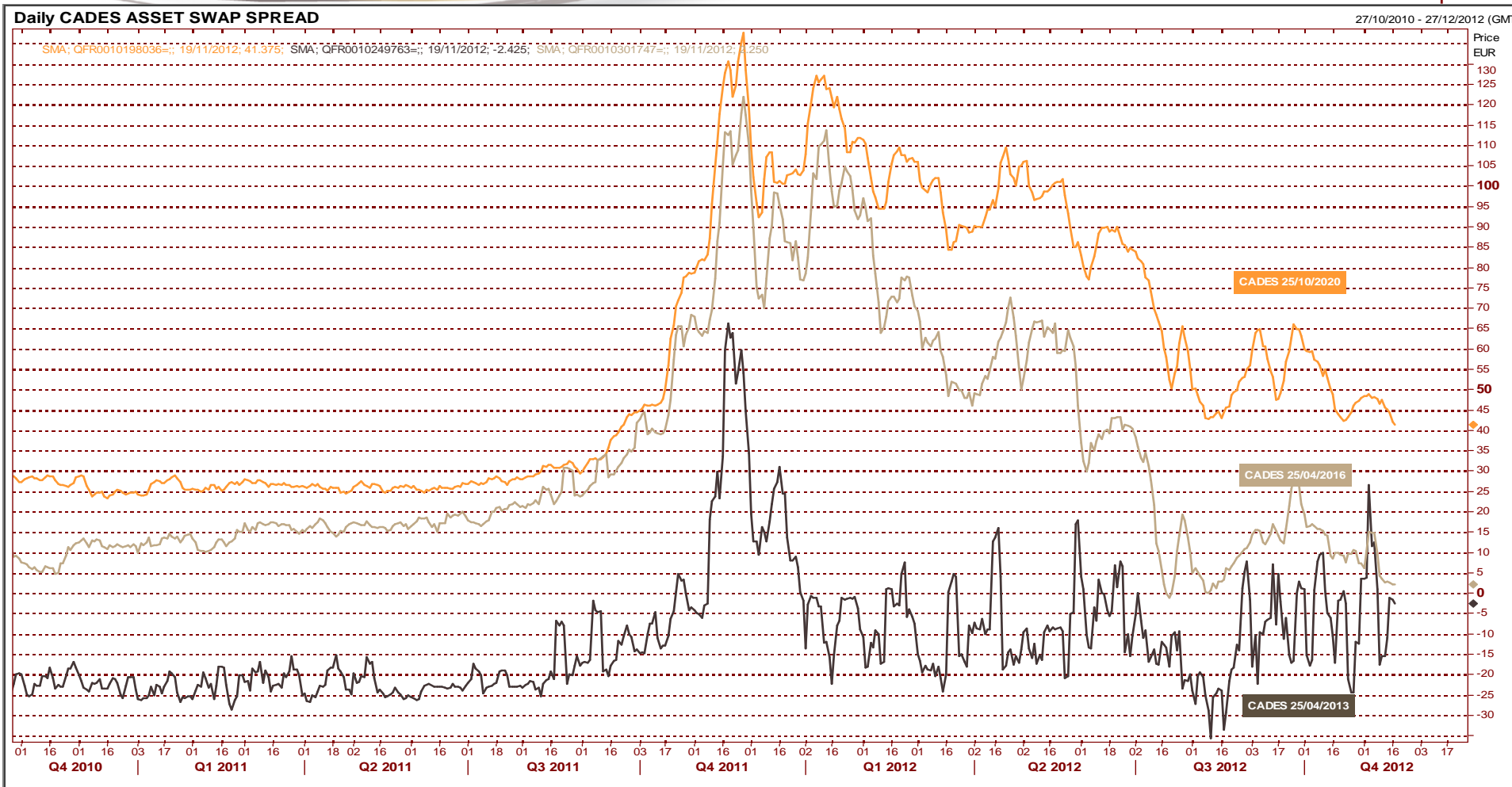
In basis points





CADES vs. swap

In basis points





Yield CADES vs. KFW and EIB

In basis points





Short-term programmes

Global CP Programme

A €60 billion programme

- Euro Commercial Paper Programme (ECP)

- ✓ All OECD currencies
- ✓ Outstanding : €6.9 bn*

- USD Commercial Paper Programme (USCP)

- ✓ Currencies: USD
- ✓ Outstanding: \$1.4 bn*

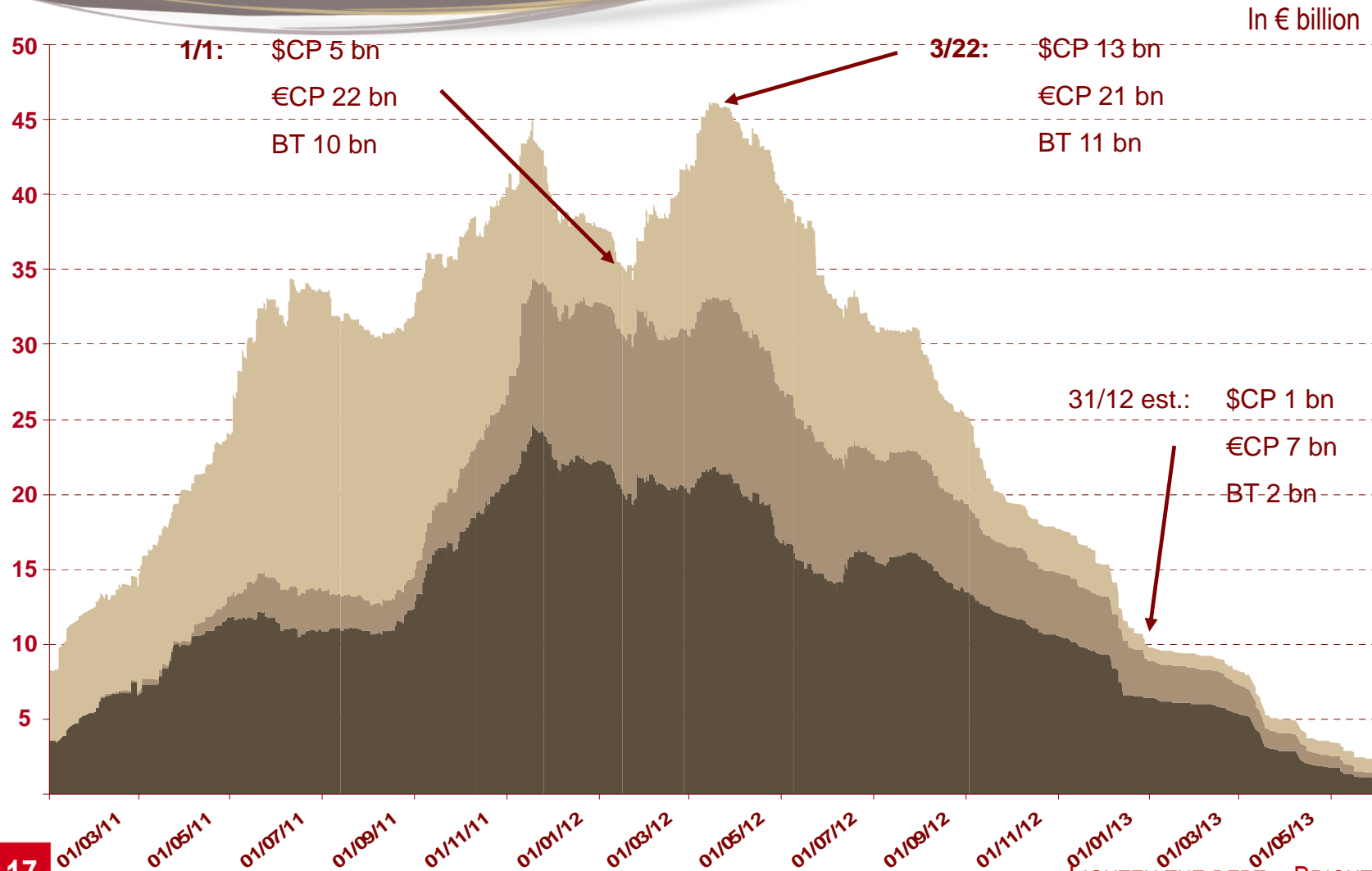
Alternative sources of funding

- Treasury bill (BT) programme of €15bn
 - ✓ Outstanding: €2.4 bn*
- Bilateral CP lines

* As at 12/31/2012

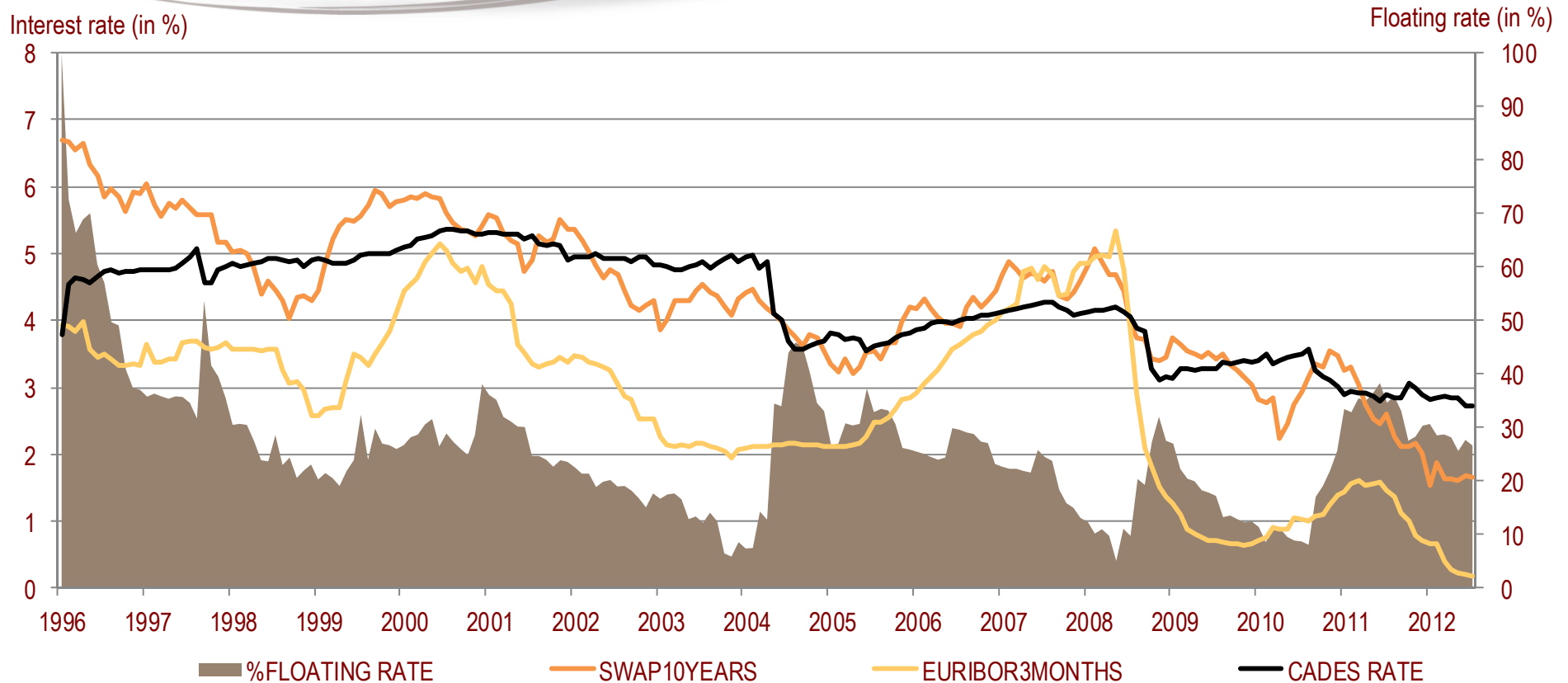


Implementation of short-term funding





Evolution of refinancing rate

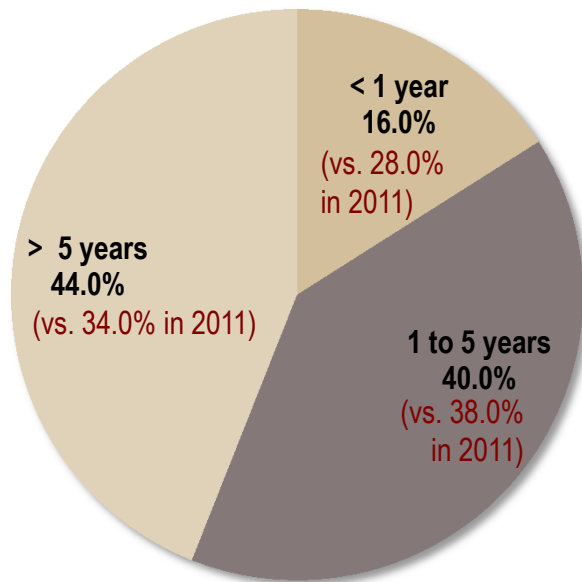


A refinancing rate of 2.70% as at 12/31/12

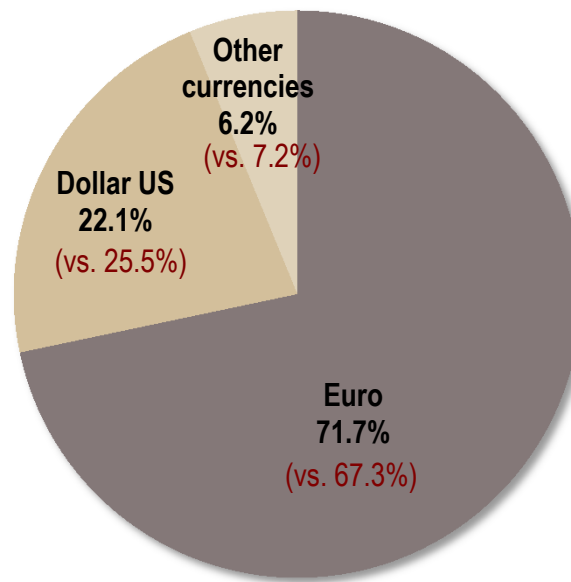


Breakdown of debt outstanding as at 31.12.2012 (€137 billion)

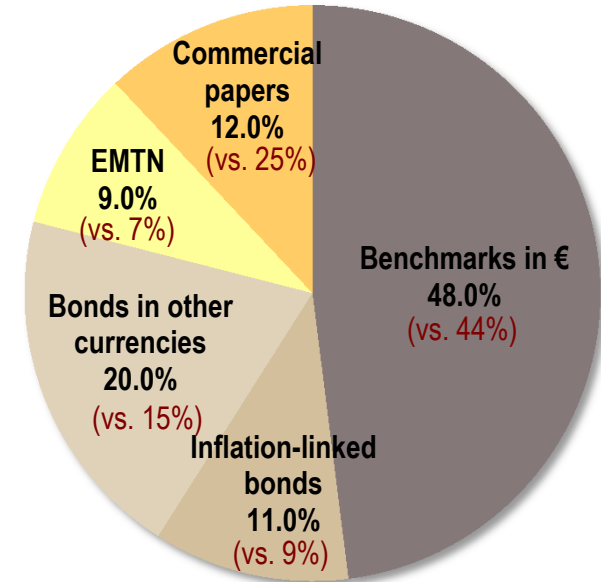
By maturity



By currency



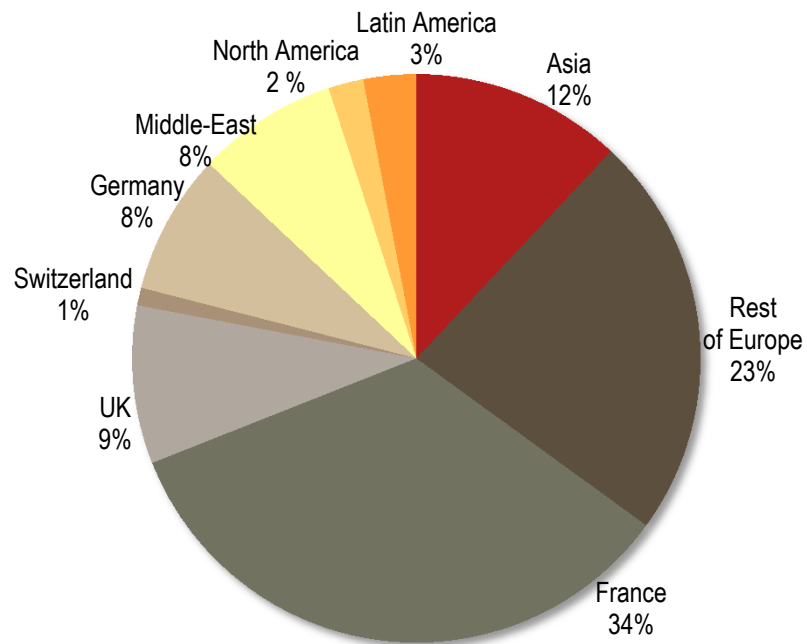
By instrument type



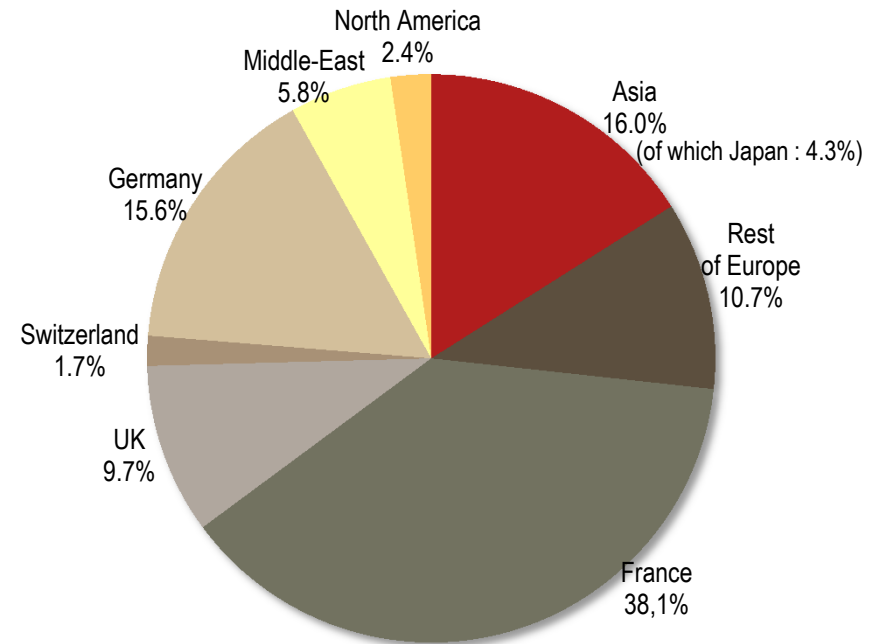


Changes in investor demand by region

2011 programme
(€31.4 bn)



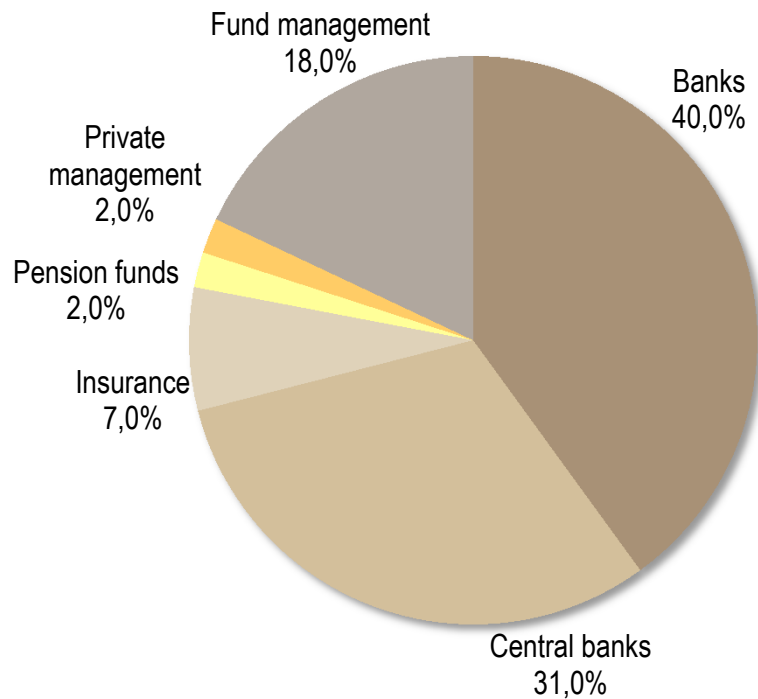
2012 programme
(€30.2 bn)



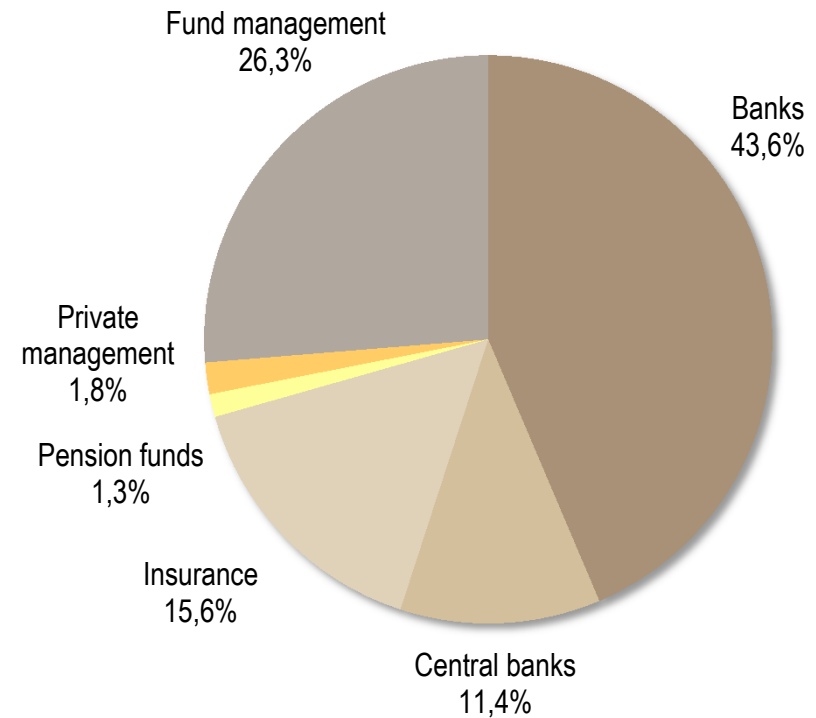


Changes in investor demand by investor type

2011 programme
(€31.4 bn)



2012 programme
(€30.2 bn)





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Voted measures for 2013

- **Reminder of the SSFA for 2011:**
 - New remit endorsed: to balance the reform of pensions finance entrusted by French Parliament to CADES
 - To assume from 2012 the deficits of the retirement funds of the general social security system and from FSV*, for a maximum of €10 billion per year and in total €62 billion
- **In 2013, debt transfer of €8.1 bn corresponding to:**
 - €9.3 billion relating to deficits from the retirement funds of the general social security system and from the FSV*
 - The regularisation of €1.2 billion, on transfers between 2011 and 2012, in order to consider the 2011 year end final accounts

*FSV : Fonds de Solidarité Vieillesse



Estimation of funding needs for 2013

In € billion

Transfer of debt	8.1
CP maturities	10.4
MLT maturities	20.4
Payment of interests	4.1
Margin calls (est.12.31.12)	3.4
46.4	

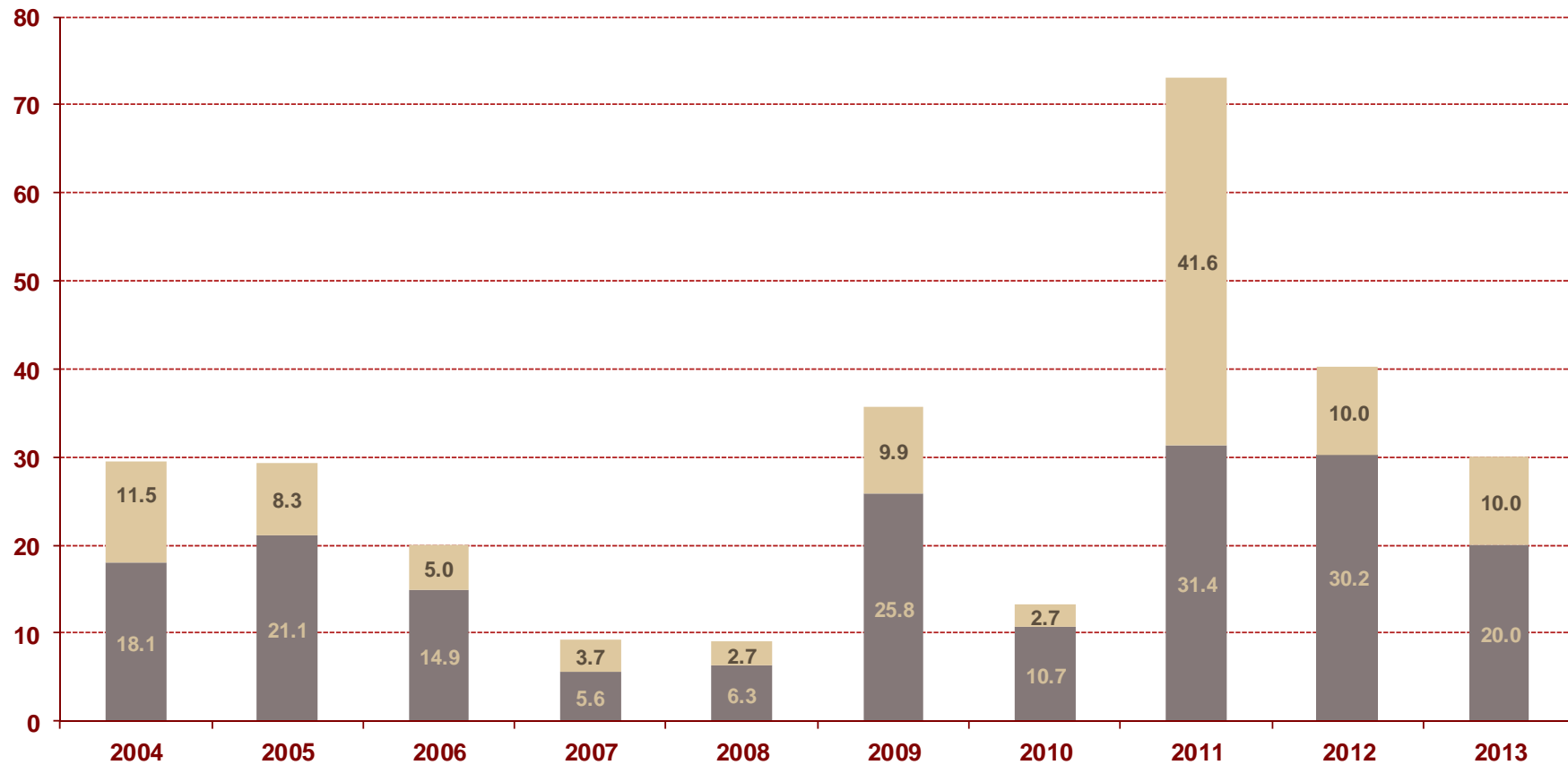
Resource	16.4
Financing need	30.0
46.4	



Evolution of financing programme since 2004

- Short-term issues
- Mid- and long-term issues

In € billion





2013 indicative funding programme

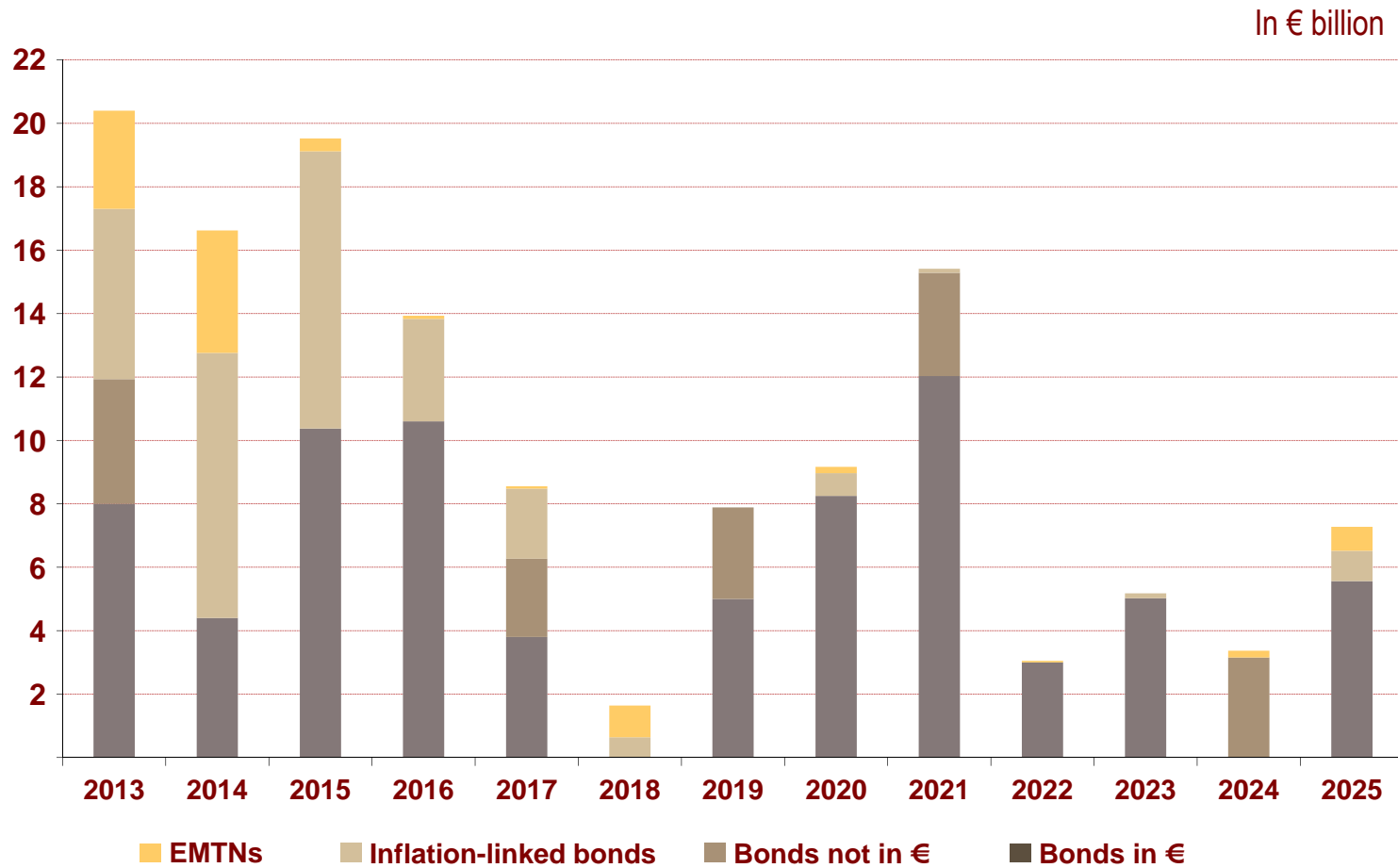
In € billion

(x) : indicative number of planned operation

Euro benchmarks	6 - 9	(2-3)
Tap of existing issues	2 - 3	
Inflation-linked bonds	1 - 2	(1-2)
USD benchmarks	4 - 6	(3-4)
Other currency benchmarks	1 - 2	(4-5)
Other bonds and private placement	1 - 2	(10-12)
TOTAL medium and long-term	20	
Short-term outstanding (est 12/31/13)	10	
TOTAL	30	



Maturity of mid- and long-term bonds





New website



CADES

FUNDING SOURCES

FINANCIAL INFORMATION

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CADES makes an assessment of its activity in 2012 and announces its funding programme for 2013.

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MESSAGE FROM THE CHAIRMAN OF THE BOARD

Welcome to CADES website!

The site gathers all information you need to better understand its activity, its mechanisms, its financial and regulatory environment...

Since inception in 1996, CADES has the mission to redeem and amortize the deficits from the social security. To support its mission, CADES uses a diversified range of bonds issued in euros and in other currencies to meet the needs of international investors.

Each year, CADES defines an annual funding programme after the Social Security Financing Act (SSFA) was voted by the French Parliament. The SSFA sets the annual social debt amortization objective and establish, if any, the social debt to transfer to CADES for the year to come.

In order to reach its objectives, pay the interests to bearers of CADES' bonds and pay off investors, CADES receives the following income: CRDS(1) at a rate of 0.5%; 0.43% of CSG(1); 1.3% of social levy on capital income and 2.1 billion of euros paid by the FRR(1) until 2024.

In 2012, CADES income reached 16.1 billion euros, enabling 4 billion euros to be paid to bearers of CADES' bonds and 12.1 billion euros of social security debt to be amortized, in accordance with the amortization objective stipulated by the 2012 SSFA.

Furthermore, 30.2 billion euros of mid- and long-term debt were raised in 2012, consolidating its position as one of the top European government and 'quasi-government' bond issuers.

In 16 years, CADES redeemed 209 billion euros of social debt and amortised 71.7 billion euros, equating to a reduction in French public debt of more than 4 per cent of France's GDP.

The high quality, diversification and liquidity of our issues combined with the trust that we have developed throughout the years with international investors, are among the strong assets which make us confident that in the future we will be able to efficiently pursue the mission entrusted to us by the French Parliament to manage and amortise the French social debt.

(1) CRDS: Contribution au Remboursement de la Dette Sociale - CSG: Contribution Sociale Généralisée - FRR: Fonds de Réserve des Retraites

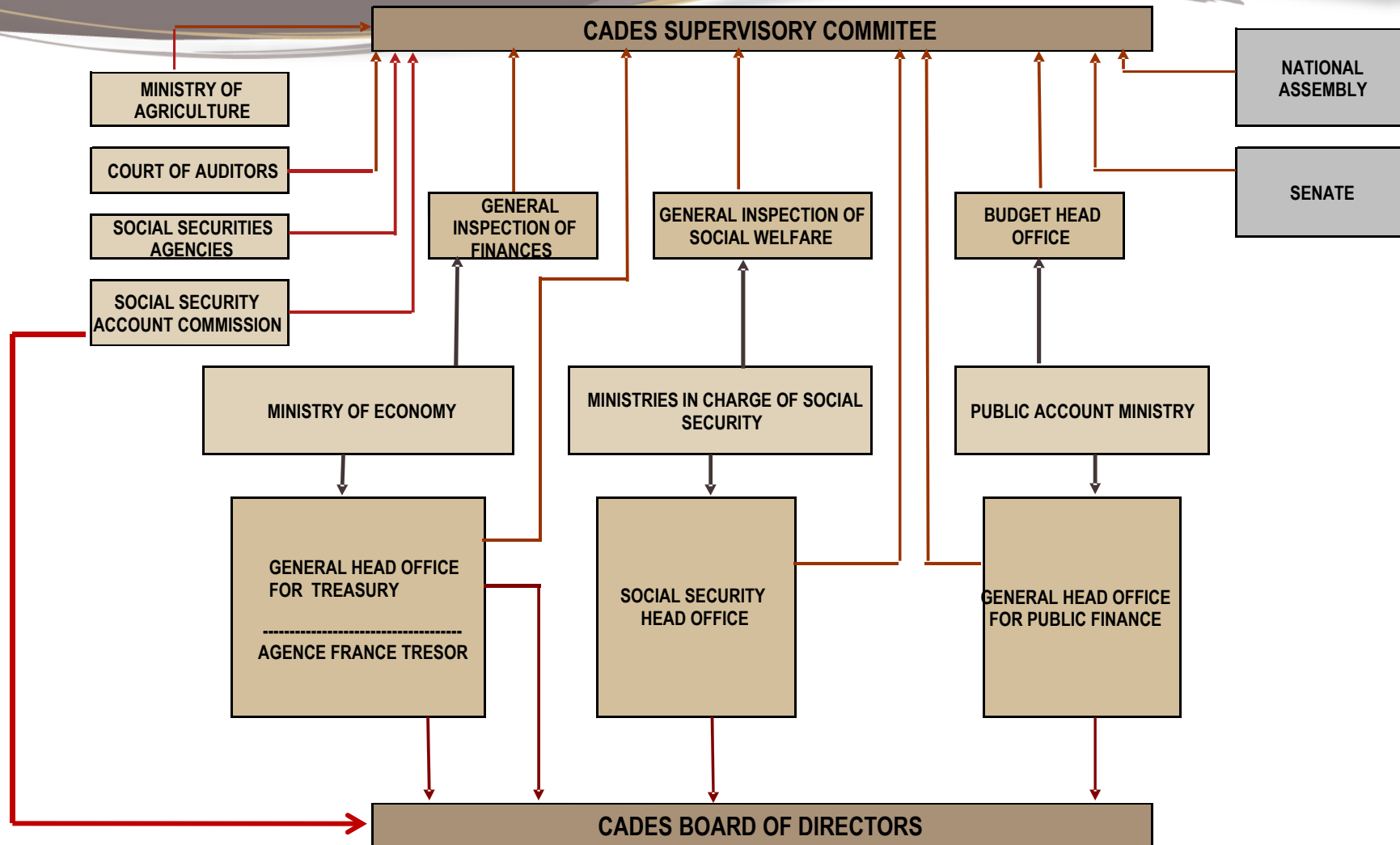


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A tightly controlled organisation





CADES Board of Directors

Chairman of the Board of Directors			
Patrice RACT MADOUX			
Full Members		Alternate Members	
Central Agency of Social Security (ACOSS)			
Jean-Eudes TESSON	Chairman of the Board	Jean-Claude GUERY	Member of the Board
Pierre-Yves CHANU	Vice –Chairman of the Board	Serge CIGANA	Member of the Board
National Fund of Health Insurance for Employees (CNAM)			
Michel REGEREAU	Chairman of the Board	Jean-Marc LAMERE	Vice-Chairman of the Board
National Insurance Fund for Employees (CNAV)			
Gérard RIVIERE	Chairman of the Board	Pierre BURBAN	Vice-Chairman of the Board
National Fund for Family Allowances (CNAF)			
Jean-Louis DEROUSSSEN	Chairman of the Board	Olivier COLLAS	Vice-Chairman of the Board
National Fund of the Social System of Independents (RSI)			
Gérard QUEVILLON	Chairman of the Board	Louis GRASSI	Vice-Chairman of the Board
Central Fund of Agricultural Mutual Assistance (MSA)			
Gérard PELHATE	Chairman of the Board	Jean-François BELLIARD	Senior Vice-Chairman of the Board
Representatives of the Minister of Economy and Finance			
Emmanuel BRETIN	Deputy Director – General Head Office for Treasury	Olivier VAZEILLE	Office Manager – Treasury Department
Philippe MILLS	Chief Executive - Agence France Trésor	Maya ATIG	Deputy Chief Executive - Agence France Trésor
Representatives of the Minister of the Budget			
François TANGUY	Deputy Director of Public Accountancy Head Office	Grégory BERTHELOT	Office Manager of Public Accountancy Head Office
Representatives of the Minister for Social Security			
Thomas FATOME	Director of Social Security	Jean-François CHADELAT	General Inspector of Social Affairs
Jonathan BOSREDON	Vice-Director of Social Security	Damien VERGÉ	Deputy Vice-Director of Social Security
Representatives of the Supervisory Board of the Reserve Fund for Pensions (FRR)			
Valérie CORMAN	Director, companies and society, MEDEF	Emilie MARTINEZ	Mission executive, Social protection department, MEDEF



French parliamentary members of CADES Supervisory Committee

- Members of National Assembly:



Mrs. Valérie RABAULT
Deputy of Tarn-et-Garonne



Mr Bernard ACCOYER
Deputy of Haute-Savoie

- Members of Senate:



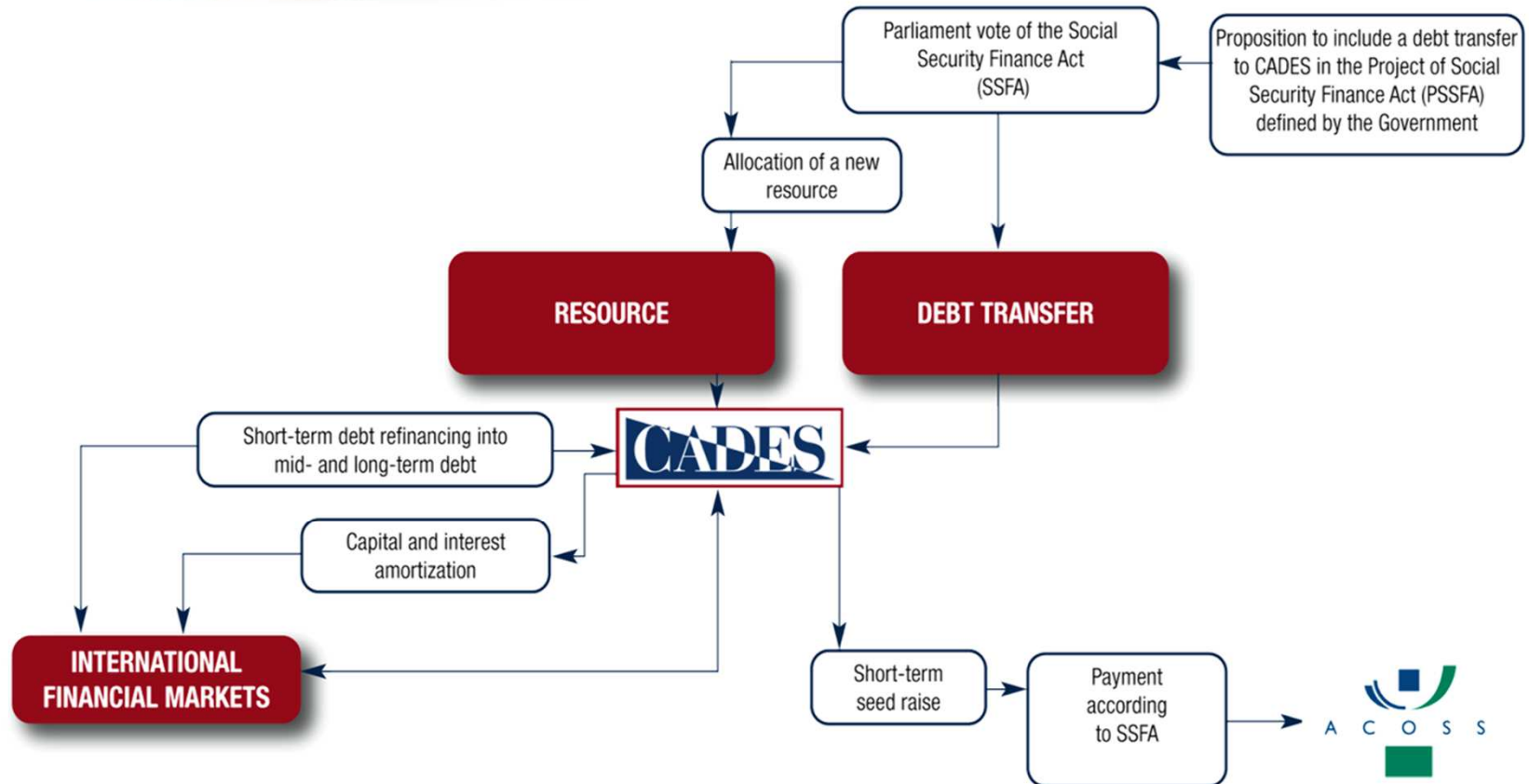
Mr Yves DAUDIGNY
Senator of Aisne



Mr Jean-Pierre CAFFET
Senator of Paris

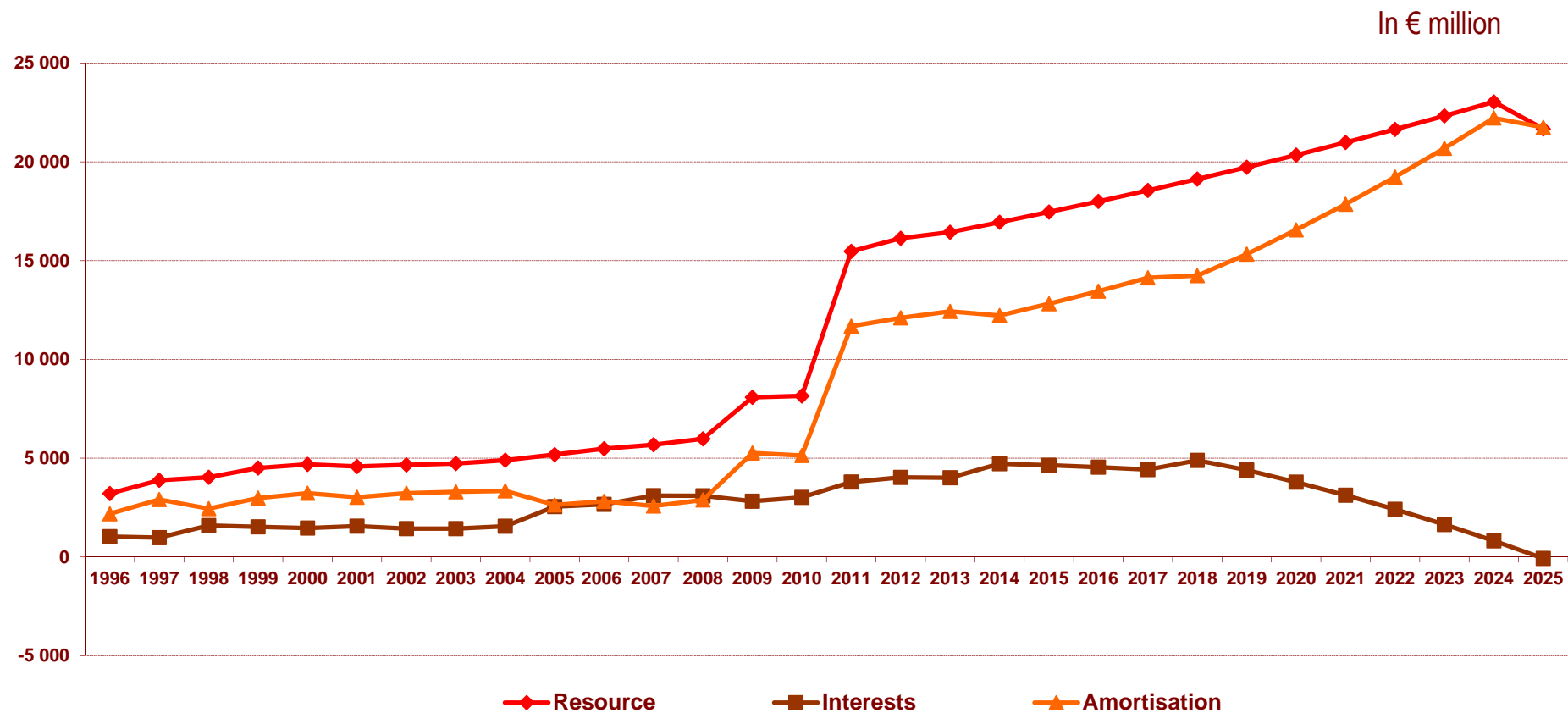


CADES debt transfer process





Breakdown of resources between amortisation and interest





Statutory and administrative regulation

- Creation of CADES (Ordinance n°96-50 of January 24th 1996)
 - Administrative public body statute (decree 53-1227 from December 10th 1953)
 - Creation of an exclusive and allocated resource (chapter 2 of ordinance n°96-50)
 - Guarantee of resource (article 7 of ordinance n°96-50)
- Increase of CADES' legislative protection
 - Guarantee of liquidity (Organic law n°2001-692 related to financing laws of August 1st 2001 + article on annual financing laws balance)
 - Additional resources for every debt transfer in order not to increase CADES' life span (Organic law of August 2nd 2005)
 - Quality of resources (organic law n°2010-1380 of Nov. 13th 2010 related to social debt management approved by the constitutional council – Decision 2010-620DC of December 16th 2010)



Key figures

	Payment expressed as amount carried forward	CANAM payment	payment unser SSFA	Assets FRR	Govt off balance sheet	SS off balance sheet	Govt payment	Voted debt	Assumed debt	Payment of interest/borrowings	Resources (CRDS+ CSG+real estate)	Resources (CRDS+ CSG+real estate+ assets FRR)	Result	Net situation	estimate of aggregate amortised debt (8) + (12)	estimate of annual amortised debt
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
					24 773											
1996	20 886	457			22 867		1 906	46 116	23 249	1 027	3 211	3 211	-179	-21 065	2 184	2 184
1997					20 962		1 906	46 116	25 154	976	3 883	3 883	1 001	-20 063	5 091	2 907
1998	13 263				19 056		1 906	59 379	40 323	1 590	4 034	4 034	538	-32 788	7 535	2 444
1999					17 150		1 906	59 379	42 228	1 524	4 504	4 504	1 074	-31 713	10 515	2 980
2000					14 818		1 906	58 952	44 134	1 462	4 688	4 688	1 138	-30 393	13 741	3 226
2001					12 000		1 852	57 986	45 986	1 560	4 581	4 581	1 169	-29 224	16 762	3 021
2002					9 000	1 283	3 000	59 269	48 986	1 433	4 660	4 660	227	-28 997	19 989	3 227
2003			1 283		6 000	1 097	3 000	60 366	53 269	1 432	4 728	4 728	-987	-29 984	23 285	3 296
2004	35 000		1 097		3 000	15 000	3 000	110 366	92 366	1 554	4 899	4 899	-752	-65 736	26 630	3 345
2005	6 610					6 700	3 000	110 366	101 976	2 548	5 181	5 181	-367	-72 713	29 263	2 633
2006	5 700							110 366	107 676	2 664	5 479	5 479	2 815	-75 598	32 078	2 815
2007	-65							110 366	107 611	3 103	5 681	5 681	2 578	-72 955	34 656	2 578
2008	10 000							137 366	117 611	3 095	5 980	5 980	2 885	-80 070	37 541	2 885
2009	17 000							137 366	134 611	2 822	8 082	8 082	5 260	-91 810	42 801	5 260
2010								137 366	134 611	3 016	8 151	8 151	5 135	-86 675	47 936	5 135
2011	67 767			2 100				269 833	202 378	3 794	13 372	15 472	11 678	-142 764	59 614	11 678
2012e	6 648			2 100				269 833	209 026	4 028	14 030	16 130	12 102	-137 310	71 716	12 102
2013e	10 000			2 100				269 833	219 026	4 010	14 339	16 439	12 429	-134 881	84 145	12 429
Total	192 809	457	2 380	6 300	0	0	23 380	269 833	219 026	41 638	119 483	125 783	57 746	-134 881	84 145	84 145



Contact details



15 rue Marsollier
75002 Paris, France

 +33 1 55 78 58 00

www.cades.fr

actifin

76-78 rue Saint Lazare
75009 Paris

www.actifin.fr

Chairman

patrice.ract-madoux@cades.fr

Markets

philippe.noel@cades.fr

pierre.hainry@cades.fr

aude.klipfel@cades.fr

aldo.quaranta@cades.fr

Communication

genevieve.gauthey@cades.fr

Press relations (Paris)

Charlène Masson

cmasson@actifin.fr

+33 1 56 88 11 28

Press relations (London)

Jeremy Carey/Teresa Towner

jcarey/ttowner@tavistock.co.uk

+44 297 920 3150



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