

In ten years, CADES has amortized 29 billion euros of debt

PRESS RELEASE

Patrice Ract Madoux, Chairman of the CADES board of directors, presented today to the economic and financial media a review of the CADES issue program in 2005 and its financing program for 2006.

2005 PROGRAM TOTALS 35 BILLION EUROS

On the strength of the new mission entrusted by French legislators by virtue of the Act of August 13, 2004 (assumption by CADES of deficits from the 2004–2006 period and extension of the agency's mission until such time as the debt is fully paid down), which raised the approved debt to 110.4 billion euros, CADES carried out an intensive debt issue program in 2005.

Thanks to good market conditions, CADES was able to offer a range of major debt issues, thereby promoting the expansion and diversification of its investor base while also reinforcing its status as a benchmark debt issuer.

CADES conducted a varied issue program that included 14 billion euros in the form of euro benchmark notes, 3.5 billion euros in benchmark bonds denominated in US dollars, 2.6 billion euros in structured private placements in various currencies, and a 0.9 billion euro tap-up of two issues indexed to French inflation. Of the total debt assumed as of 12/31/05 (102 billion euros), the amortized principal amount was 29 billion euros. The estimated net position of CADES at year-end 2005 was consequently around 73 billion euros.

OUTLOOK FOR 2006

In 2006, CADES expects to make a final payment of around 6.7 billion euros to ACROSS, pursuant to the Act of 2004. In addition, the agency intends to continue its diversified and flexible issue program. While maintaining substantial short-term debt programs (BT, ECP, USCP), CADES expects to give preference to benchmark issues denominated in euros and French inflation linkers with maturities of up to 15 years, benchmark issues in other currencies besides the euro, and structured private placements in all currencies.

Overall, CADES expects to issue around 27 billion euros in 2006, making the agency one of the top sovereign or quasi-sovereign issuers in Europe .

CADES: A BENCHMARK ISSUER IN THE EUROPEAN MARKET

Created in 1996, CADES is an administrative public agency under the authority of the French government. CADES enjoys the highest ratings by the principal international rating agencies (AAA/A1+, Aaa/P1, AAA/F1+), and a 0% Basel ratio weighting, which makes CADES one of the five largest non-government issuers in Europe .