

For its 10 years, CADES issues a new ten year bond (3 billion euros)

PRESS RELEASE

Earlier today, CADES priced a new € 3 billion 3.625 % issue due 25 April 2016 at a re-offer price of 99.935 %, to give a spread of mid-swaps minus 6 bps, equivalent to OAT 3.25 % 25 April 2016 + 9.27 bps. This is CADES' first € benchmark this year.

CADES has announced a funding program of € 27 billion for 2006, comprising: € 5 billion to € 10 billion in € benchmarks, € 1 billion to € 3 billion in French inflation-linked bonds, € 2 billion to € 5 billion in non-€ currency issues, and € 2 billion to € 5 billion in private placements. € 4.8 billion has now been completed out of this program since January 1 st, 2006.

The total order book of the new 10-year € benchmark closed at approximately € 4 billion (including co-leads) after just 2 days of book-building, with some 70 different investors participating.

Investor distribution was focused on high quality orders, mainly across Europe. The order book can be summarised as follows :

By region

France	32 %
Germany	27 %
UK/Ireland	19 %
Asia	6 %
Switzerland	5 %
Benelux	5 %
Scandinavia	4 %
Middle-East	2%

By investor type

Fund managers	41%
Banks	17%
Hedge Funds	16%
Insurance companies	11%
Official institutions	10%
Money managers	3%
Pension Funds	2%

This strong result was achieved despite quiet secondary market conditions ahead of a widely expected ECB rate hike on Thursday 2 nd March and 10-year swap spreads currently at a 3-year high. CADES thus becomes the first agency issuer to price a new 10-year EUR benchmark below the mid-swaps minus 5 bps mark since at least the year 2002.

Calyon, Dresdner Kleinwort Wasserstein, Lehman and UBS acted as joint bookrunners.

CADES, which celebrates its 10th anniversary this year, has already amortized € 29 billion out of the € 110.4 billion debt that has been entrusted to it by a series of laws aimed at social security reform. Thanks to both its dedicated resource and its status as public agency, it has a high degree of proximity to the State, which has allowed it to position itself as one of the strongest and best recognised agency issuers in Europe. CADES is pursuing the objective of being an efficient and transparent issuer through the use of a broad range of financial instruments, an active investor communications policy and of its own asset liability matching model to manage the risk of its debt portfolio.

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 .