

First half of 2006, CADES reports results that confirm its ability to amortize the debt efficiently

PRESS RELEASE

The CADES board of directors, meeting on September 28, 2006 under the chairmanship of Mr. Patrice Ract Madoux, signed off on the financial statements for the first six months of 2006.

<i>in millions of euros</i>	June 30, 2006	June 30, 2006
CRDS revenue	2 515.4	2 331.0
Financial result	-1 261.0	-1 320.4
Operating surplus	1 253.3	1 009.7
Payment to the French government	0	-1 500.0
Result	1 253.3	-490.3

Results in line with targets

CRDS revenue was up slightly, rising from 2 331 million euros to 2 515.4 million euros, for a financial result of 1 261 million euros, compared with 1 320.4 million euros at June 30, 2005 . The operating surplus for the first half year was up by 20%.

The last installment of the payment to the French government was made at the end of 2005, which enabled CADES to record a 1 253.3 million euro result that was automatically allocated to the amortization of the debt.

An issuer of the first rank, CADES has made use of a broad array of financial instruments since the beginning of the year. In particular, two issues pegged to French inflation were tapped up by 200 million euros each, and a new CADESi falling due in 2017 was issued for 1.250 billion euros. CADES also issued two benchmark bonds, one for 3 billion euros due in 2016, and one for 3.5 billion euros maturing in 2021; three 1 billion dollar bonds; 2 billion euros in private placements; and several EMTNs in various currencies.

CADES is pursuing its mission of amortizing the French social security debt: As of June 30, 2006 ,CADES had amortized 30.6 billion euros out of the 102 billion euros in debt that it has assumed.

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 .

CADES
LIGHTEN THE DEBT – BRIGHTEN THE FUTURE