

CADES- 10 year US\$ 1.25bln Eurodollar

PRESS RELEASE

Caisse d'Amortissement de la Dette Sociale (CADES), (Aaa/AAA/AAA) today successfully launched and priced an oversubscribed US\$1.25 billion (increased from US\$ 1 billion) 5.25% Eurobond benchmark due 2 November 2016, at a re-offer price of 99.803%, to give a spread of Treasury 4.875% August 2016 +37bps. The issue was joint-lead managed by JP Morgan, Lehman Brothers and Nomura. This transaction is the fourth USD benchmark transaction of 2006 for CADES and its debut 10 year operation (having already issued 3yr, 5yr and 7yr in 2006).

The summary terms and conditions are as follows:

Issuer : CADES

Rating : AAA/Aaa/AAA

Issue amount : USD 1.25 billion

Payment Date : 2 November 2006

Coupon : 5.25%, Annual

Maturity : 2 November 2016

Reoffer Price : 99.803

Reoffer Yield : 5.208%

Books opened on Monday October 23rd, taking opportunity of good market conditions after extensive market research and positive feedback from key target investors last week. The transaction saw strong Asian and European order flow, achieving an oversubscribed book within six hours of launch. The transaction was upsized to US\$ 1.25bn, oversubscribed at this level and priced at 10 year Treasury Notes +37bps, equating to Mid Swaps – 17.5bps.

Not only is this CADES's debut 10 year USD transaction but also the first AAA borrower this year to launch and price a 10 year benchmark transaction in a single day with both an oversubscribed order book and upsized transaction.

The issuer's strong credit standing and careful stance to pricing and timing allowed the transaction to achieve a diversified order book of a very high quality, with a total of 33 different tickets.

By Region		By Investor	
Europe/UK	50%	Central Banks	55%
Asia	40%	Fund Managers	31%
Offshore US	8%	Banks	10%
Middle East	2%	Pension Funds /Ins.	4%

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