

CADES

N°19 - JUNE 2007

News

ca des 5,125 % octobre 2008 cades 3,375 % juillet 2004
 cades 3,15 % juillet 2013 cades 5,25 % octobre 2012 cades 3,8 % juillet 2006
 cades 3,4 % juillet 2011

É D I T O R I A L



Patrice RACT MADOUX
 Chairman of CADES

When at the end of 2006 CADES completed the assumption of the deficits entrusted by the Act of August 13, 2004 passed by the French Parliament, the agency demonstrated yet again its ability to respond effectively to the demands of its role.

The result for fiscal year 2006 was positive: 2.815 billion euros. This sum was allocated to the repayment of the debt for just over the rectified amortization objective of 2.773 billion euros set forth in the Social Security Financing Act.

Since it was established, CADES has received 50 billion in CRDS (Contribution pour le Remboursement de la Dette Sociale) tax revenue. It has managed to amortize 32 billion euros of debt, out of the 107.7 euros it has assumed, in conformity with the legislation passed by Parliament, and interest totaling 18 billion euros has been paid to investors (central banks, insurance companies, pension funds, etc.).

A quasi-sovereign issuer, appreciated by many international investors for the quality of its issues and its active communications strategy, CADES launched a new program in 2007 for 9 billion euros.

Since the beginning of the year, CADES has issued 8 MTN (medium term notes) for 356 million euros and listed a new benchmark issue in euros for 3 billion, with a gross yield to maturity of 4.125%, maturing April 25, 2017.

Thanks to the success of this bond, issued under conditions that were identical to those of Europe's two principal agencies—the KfW (Kasse für Wiederaufbau) and the EIB (European Investment Bank)—CADES is able to continue to diversify its tools and enlarge its investor base.

More aligned than ever with the spirit of its founders, who separated management of the social security debt from that of the public debt, making transparency its number one obligation, CADES is squarely focused on its stated mission and is actively pursuing the amortization of the social security debt entrusted to it by the French Parliament.

P Ract Madoux

Condensed financial information for the year ended December 31, 2006

<i>in millions of euros</i>	December 31, 2005	December 31, 2006
CRDS revenue	5 181	5 479
Interest expense	- 2 546	- 2 661
Payment to the government	- 3 000	
Result	- 367	2 815

A sought-after, rare and liquid issuer

At December 31, 2006, total voted debt was €110.4 billion.

**Total debt assumed:
 €107.7 billion**

An issuer of quality

CADES enjoys a triple-A rating and a 0% Basel ratio weighting.

**AAA/A1+
 Aaa/P1
 AAA/F1+
 0 %**

Focus

At December 31, 2006, amortization was 32 billion euros.

**Amortization
 €32 billion**

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Human resources

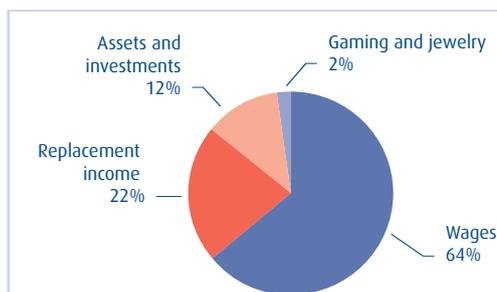
Aude Klipfel joined the market operations department of CADES on February 19, 2007. In particular, she is responsible for cash monitoring.

Relative bond values: CADES, EIB, KFW (Asw, bps)

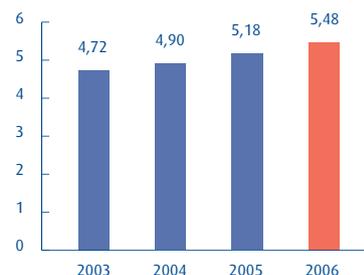


Steady resources, dedicated allocation

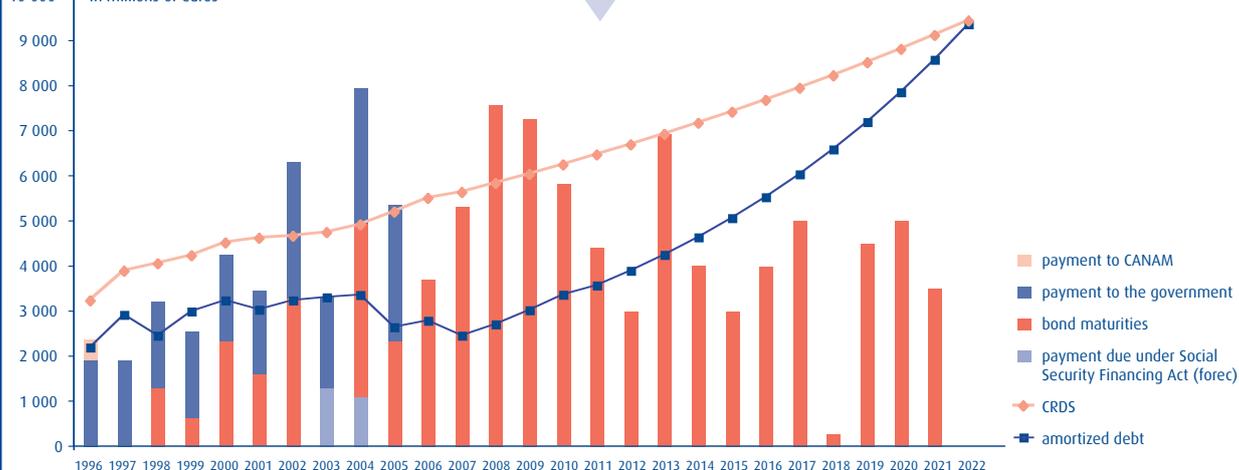
Revenue on which CRDS is levied



Change in CRDS revenue 2003-2006



In millions of euros



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