CADES

The Letter

N°24 MARCH 2009

Patrice Ract Madoux
Chairman of the CADES

In 2008, CADES (Caisse d'Amortissement de la Dette Sociale) reached once again the mission which was defined by the French Parliament to amortize 2.8 billion euros. During the year, we used a large range of financial instruments, of which 3 billions euros in benchmark bonds denominated in euros, 3.5 billion euros in benchmark bonds denominated in American and Australian dollars, and 0.566 billion euros in private placements and MTNs, (Medium Term Notes) totaling 8.6 billion euros in line with our objective.

I remind you here that, since 1996, the French State has chosen to manage distinctly its tradable debt and its social debt, enhancing the legislative procedures during the years. For the first time, at the end of 2008, the Public Accounts Ministry coordinated together votes of finance law and Social Security finance law. The finance law, voted for 2009, defined the variation of French debt (€24bn) which constitutes the authorized debt increase ceiling of AFT (Agence France Trésor). In the 2009 Social Security finance law, French Parliament voted the ACOSS (Agence Centrale des Organismes de Sécurité Sociale) overdraft ceiling :18.9 billion euros and CADES amortizing objective : 4 billion euros.

Moreover, the law extended our mission with the transfer of 26.9 billion euros additional debt to amortize. As of March 6, 2009, we had paid to ACOSS the total amount of the debt transferred (see chart on page 2).

In exchange of this new debt and in accordance with organic law of August 2nd 2005, an increase of resource was voted by the Parliament corresponding to 0.2 % of CSG (Contribution Sociale Généralisée). As a result, resources of CADES will reach 8.3 billion euros in 2009.

With this newly debt assumed, our funding programme for 2009 amount to 33.1 billion euros. Our programme is running well as we already issued to date a total of 5 billion euros broken down into one benchmark bond denominated in euros, one issued in dollars, two issued in Swiss francs, and one tap of our 10-year French inflation-linked bond.

Despite difficult financial market conditions, CADES high-quality offer allows us to carry out our programme under excellent short-term financing conditions. On the mid and long term basis, we will continue to issue under appreciably better conditions than most of the other Sovereign European countries.

P Ractdx

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

An issuer of quality
CADES is awarded triple-A rating and a 0% basel ratio weighting.

Assumed debt
€134.5bn

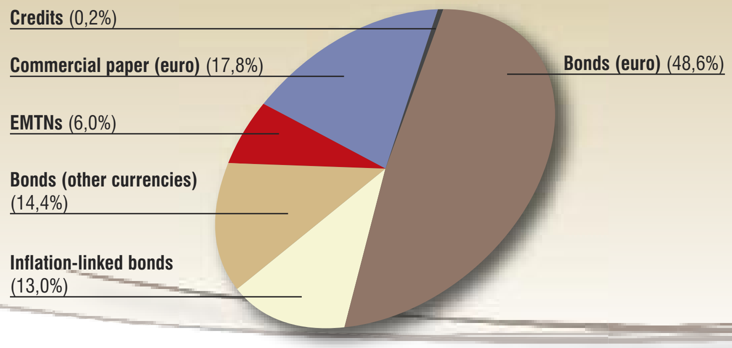
A sought-after, rare and liquid issuer
As of March 6, 2009, total assumed debt was €134.5bn.

Aggregate amortized debt
€37.5 bn

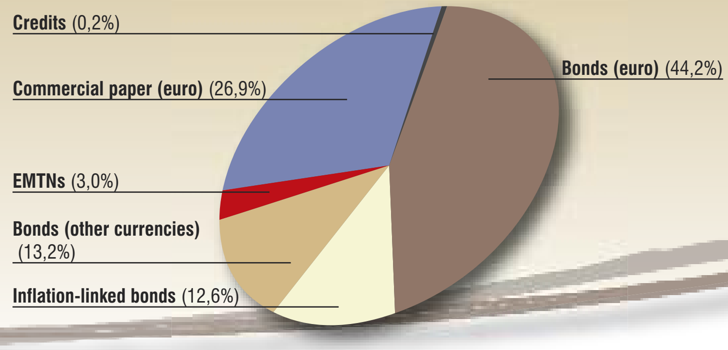
At the beginning of 2009, CADES had amortized €37.5bn

Still to amortize
€97bn

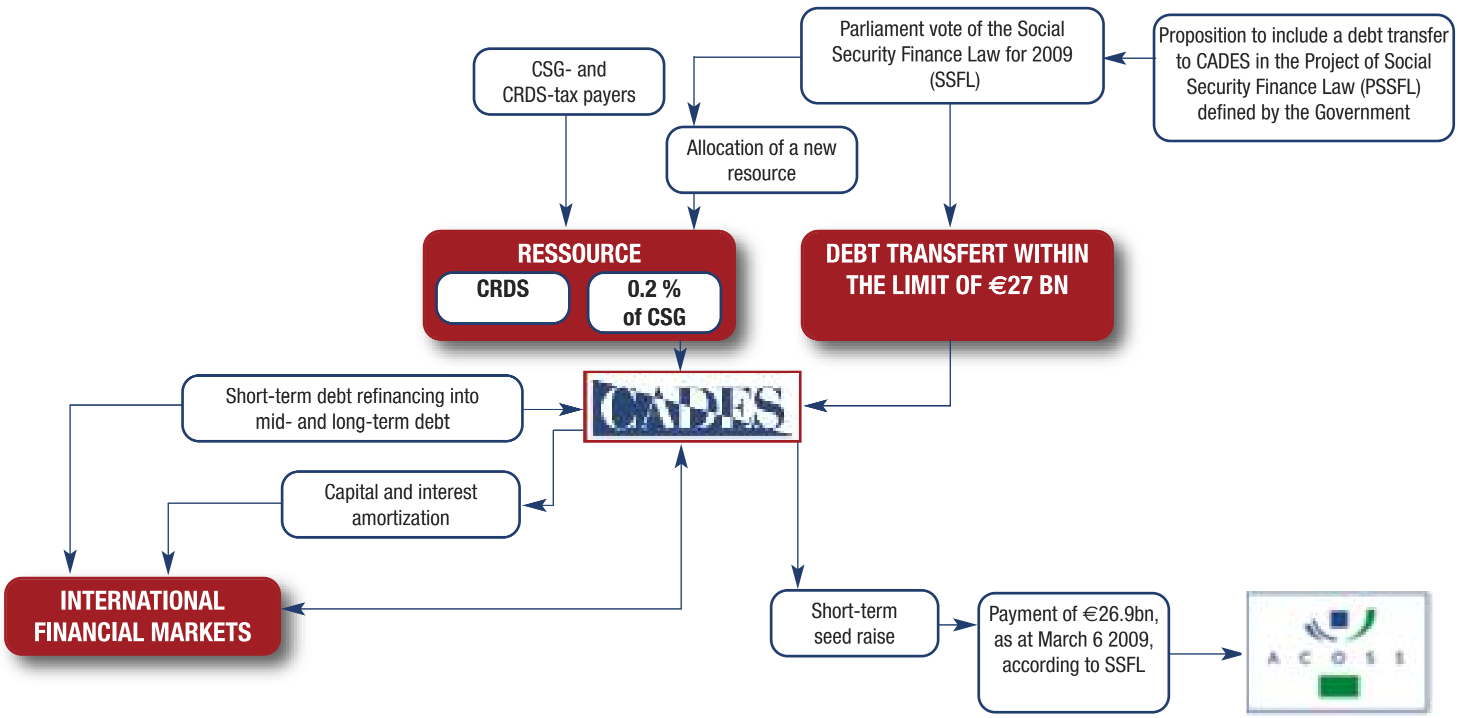
ANALYSIS OF THE DEBT BY INSTRUMENT
As of Decembre 31st 2008



ANALYSIS OF THE DEBT BY INSTRUMENT
As of March 6th 2009

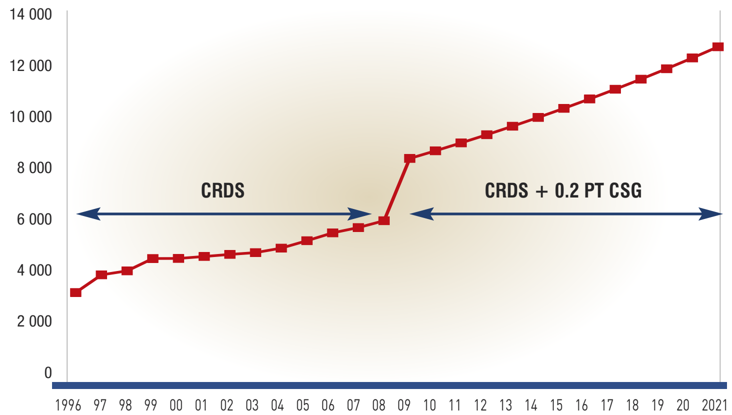


CADES DEBT TRANSFER PROCEDURE



CSG, A NEW REVENUE ALLOCATED TO CADES

CADES REVENUE EVOLUTION
in € million



What are the main characteristics of this new resource?

CSG, now allocated to CADES for 0.2%, is very similar to CRDS. It comes essentially from activity's revenues. It also comes from replacement's revenues, property's, placement's and games'.

In total, CADES revenues will amount to €8.3 bn in 2009, of which €6.1bn from CRDS and €2.2bn from CSG.

INFORMATION ABOUT CADES

Geneviève GAUTHEY
Budget and Media Manager
Tel: +33(0)1 55 78 58 07
genevieve.gauthey@cades.fr

Magali CLAVIER
Assistant to the Chairman and webmaster
Tel: +33(0)1 55 78 58 00

www.cades.fr
Bloomberg CADES <GO> - Reuters CADES/T/U/V

CADES information letter
15 rue Marsollier - 75002 Paris

Website: http://www.cades.fr

Director of Publication
Patrice Ract Madoux

Text contribution: CADES

Design: Actifin

ISSN 1633-1915