

# The Letter

N°26 NOVEMBER 2009

2009 interim results were approved on September 29 by the Board of Directors.

2009 first-half results of €2.4 billion were allocated to amortizing the debt. This result represents the difference between revenues of €3.8 billion, composed with CRDS and CSG<sup>(1)</sup>, and financial results of €1.4 billion which paid interests to investors.

Since this year, and Social Security financing law voted by French Parliament for 2009, a new resource, corresponding to 0.2 point of CSG is attributed to CADES (Caisse d'Amortissement de la Dette Sociale) in addition to CRDS. This new resource was allocated in accordance with organic law of August 2nd 2005, in order to refinance the €27 billion new debt assumed in 2009, without increasing CADES' life span.

Interests reached €1.4 billion against €1.6 billion on first half 2008. Decline in interests paid is due to short-term rate strong decrease combined with inflation slow-down in a context of massive debt assumed. This resulted to decreasing CADES average refinancing rate from 4.16% in June 2008 to 3.28% in June 2009.

CADES continues to run its 2009 financing programme of €33.1 billion. As of September 30 2009, it has issued €20.4 billion mid- and long-term bonds on international markets.

Short-term programmes (TB, ECP, USCP<sup>(2)</sup>) are still operating actively. Since 1 January 2009, CADES issued €56.7 billion with maturities from 1 to 12 months and repaid €54 billion of maturing short-term bonds. As at September 30, 2009, Treasury bill and commercial paper outstanding was €17 billion.

As Social Security financing law (SSFL) draft is under review at the Parliament, CADES was heard, like each year, by Senate and National Assembly. Law draft for 2010 does not include a debt transfer to CADES, but increases ACOSS<sup>(3)</sup> overdraft ceiling to €65 billion.

Before summer 2010, a Parliamentary social debt commission, including 5 senators and 5 representatives, will decide, based on a Government report, on how to best amortize the €60 billion new debt that should be accumulated by Social Security by the end of 2010. Decisions made will be translated in the SSFL for 2011. CADES will provide this commission and Government report writers all necessary information to feed their analysis. CADES is still ready to carry out its mission to amortize social debt in the future.



**Patrice Ract Madoux**  
Chairman of the Board



(1) Contribution Sociale Généralisée

(2) Treasury Bills, Euro Commercial Paper, US commercial paper

(3) Agence centrale des organismes de sécurité sociale

## KEY FIGURES AS OF 30/06

In million euros

	1st half 2009	1st half 2008
Revenues (CRDS+CSG)	3,800	2,796
Financial results	-1,356	-1,639
Net earnings	2,443	1,156

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**  
€134.5 bn

**A sought-after, rare and liquid issuer**  
As of September 30, 2009, total assumed debt was €134.5bn..

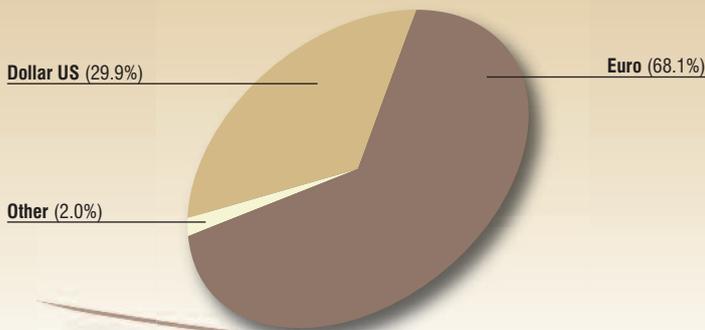
**Aggregate amortized debt**  
€40 bn

As of June 30, 2009, CADES had amortized €40bn.

**Still to amortize**  
€94.5 bn

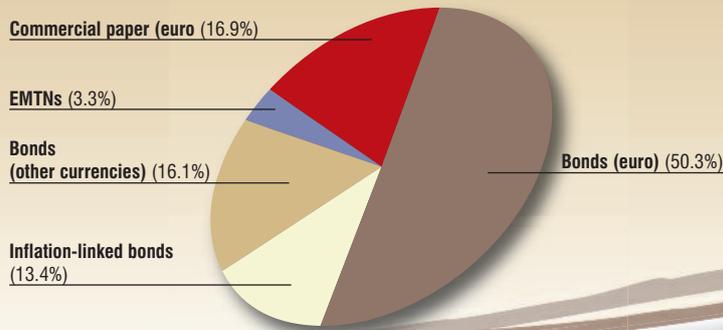
## ANALYSIS OF THE DEBT BY CURRENCY

As of 30 September 2009

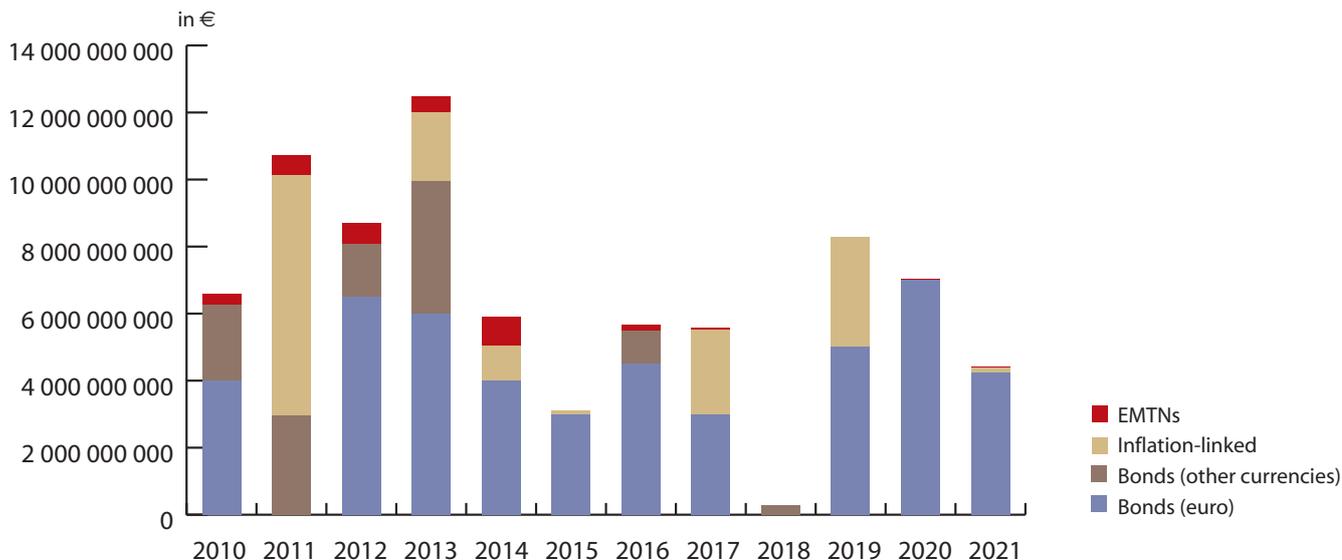


## ANALYSIS OF THE DEBT BY INSTRUMENT

As of 30 September 2009

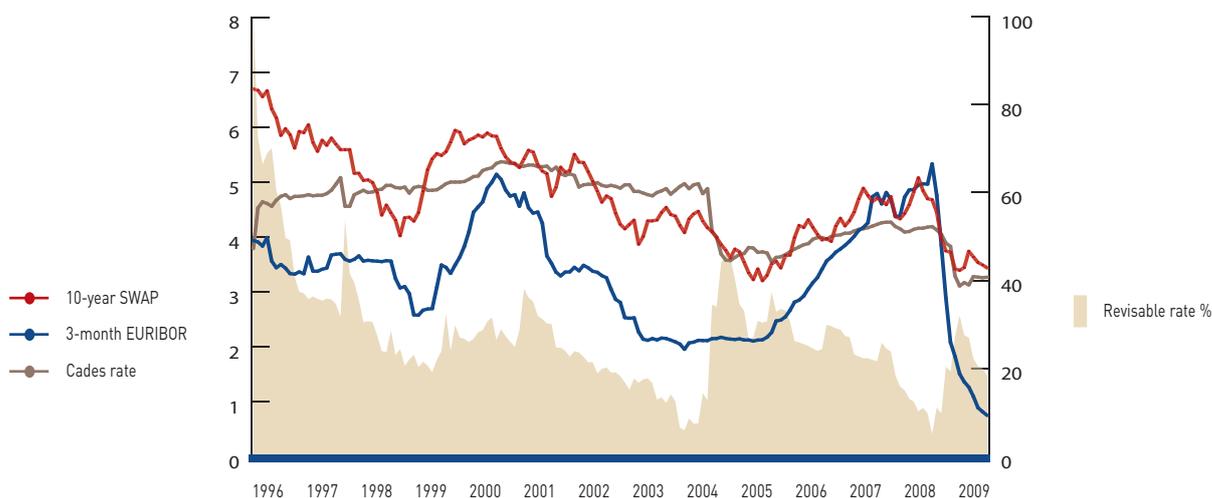


## EVOLUTION OF MID- AND LONG-TERM DEBT OUTSTANDING BY MATURITY UNTIL 2021



## REFINANCING RATE EVOLUTION

As of 30 September 2009



## APPOINTMENT

By decree dated June 4, 2009, Mr. Sébastien RASPILLER is appointed deputy director of the Board

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