

The Letter

N°30 DECEMBER 2011

In 2011, CADES has once again demonstrated its strength and efficiency.

This year, CADES paid to ACOSS €65.3 billion of which a last tranche of €2.3 billion paid on December 9, 2011 in accordance with Social Security Financing Act (SSFA). Overall, 34 new bonds and 11 taps have been launched this year, which make up more than €30 billion of mid and long term debt issued as of today, i.e. the full programme announced at the beginning of the year.



Patrice Ract Madoux
Chairman of the Board

Furthermore, the updated Social Security Financing Act (SSFA) for 2012 was voted by the French Parliament on November 29, 2011. In particular, article 27 of the Act proposes the transfer to CADES of up to €2.5 billion of accumulated deficits from the agricultural workers' regime between 2009 and 2010.

In order to comply with the clauses stipulated under the organic law of 2005, CADES will collect additional revenues totalling €220 million per year as a result of fiscal amendments on real estate capital gains (except in the case of the main residence) and also due to an increase of 1.25 basis points of CSG and CRDS tax on employment income.

Furthermore, in 2012, a first portion of up to €10 billion will be transferred to CADES, in compliance with its new mission to balance French retirement plan financing, approved by the French Parliament at the end of 2010, which stipulated that CADES will pay a maximum of €62 billion between 2012 and 2018.

On November 30, the Board of Directors agreed the CADES budget for 2012

In 2012, CADES will pursue its mission assigned by the French Parliament to manage and amortise French social debt.



NEW APPOINTEMENTS AT CADES' BOARD

Mr Jean-Eudes TESSON (Chairman of the Board of ACOSS⁽¹⁾) as a replacement for Mr Pierre BURBAN,
Mr Gérard RIVIERE (Chairman of the Board of CNAV⁽¹⁾) as a replacement for Mrs Danièle KARNIEWICZ,
Mr Pierre BURBAN (Deputy Chairman of the Board of CNAV⁽¹⁾) as a replacement for Mr Marcel LESCA,
Mr Olivier COLLAS (Deputy Chairman of the Board of CNAF⁽¹⁾) as a replacement for Mrs Roselyne LECOULTRE.

(1) **ACOSS** : Agence centrale des organismes de sécurité sociale, **CNAV** : Caisse nationale d'assurance vieillesse, **CNAF** : Caisse nationale des allocations familiales

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

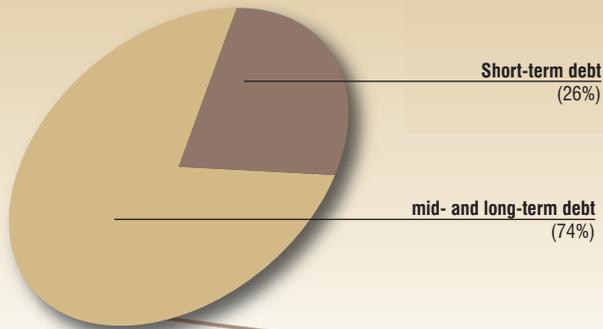
An issuer of quality
Cades is awarded triple-A rating and a 0% basel ratio weighting.

Aggregate amortized
debt : €60 bn

As of December 31, 2011, CADES will have amortized since inception €60 billion equivalent to 3 point of GDP in 2011

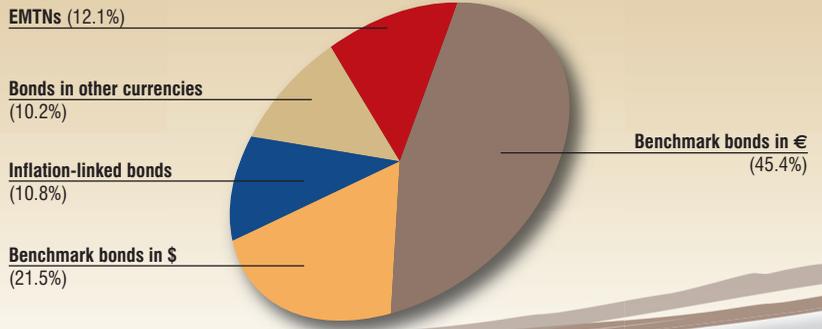
ANALYSIS OF THE DEBT ISSUED BY MATURITY

As of 30 november 2011

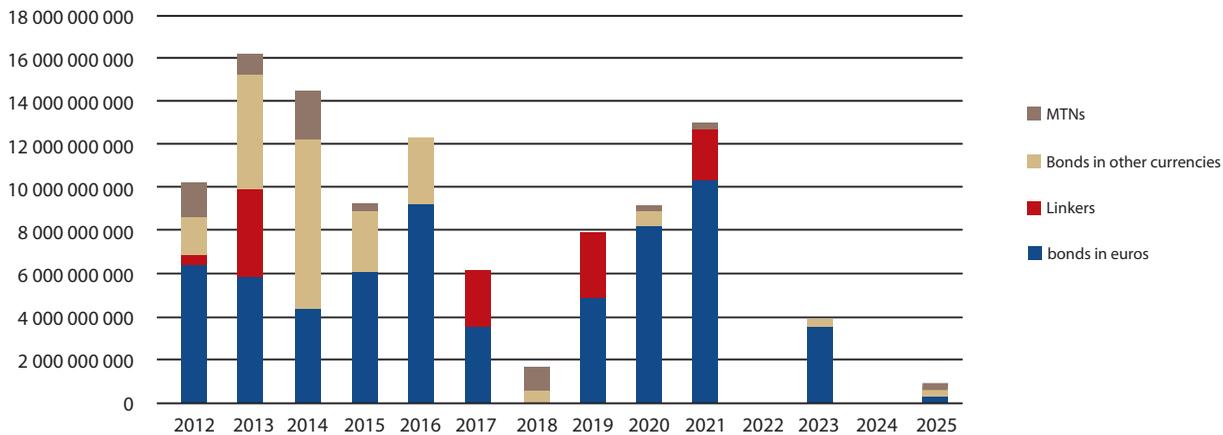


ANALYSIS OF THE DEBT ISSUED BY INSTRUMENT

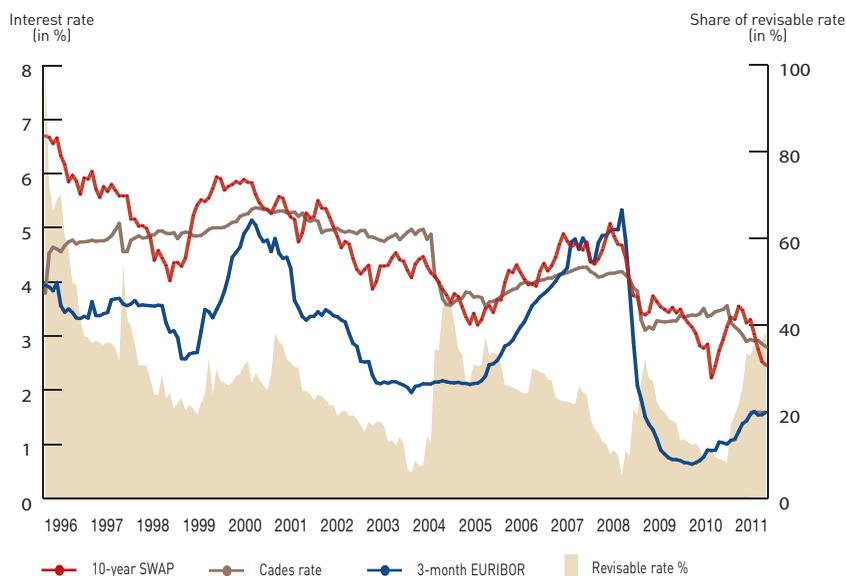
As of 30 november 2011



SCHEDULE OF CADES BONDS REPAYMENTS



REFINANCING RATE EVOLUTION



Refinancing rate sets up at 2.90% at the end of November 2011 due to notably of the share in variable and revisable rate indebtedness currently the most performing. This increase is linked to the payment of €63 billion to ACOSS following debt transferred to CADES in 2011 refinanced short-term in the first place.

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