

**Final Terms** dated 04 January 2008



**COMPAGNIE DE FINANCEMENT FONCIER**

Euro 75,000,000,000

Euro Medium Term Note Programme

for the issue of *Obligations Foncières*

Due from one month from the date of original issue

**SERIES NO: 446**

**TRANCHE NO: 1**

**EUR 50,000,000 Index Linked Notes due January 2020 (the “Notes”)**

**Issued by: COMPAGNIE DE FINANCEMENT FONCIER (the “Issuer”)**

Issue Price: 100 per cent.

**Morgan Stanley & Co. International plc**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 16 July 2007 which has received visa n° 07-256 from the *Autorité des marchés financiers* (the “AMF”) on 16 July 2007 and the first supplement to the Base Prospectus dated 3 September 2007 which has received visa n° 07-299 from the AMF on 3 September 2007 and the second supplement to the Base Prospectus dated 29 October 2007 which has received visa n°07-376 from the AMF on 29 October 2007 and which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplements to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the *Autorité des marchés financiers*, and copies may be obtained from Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

<b>1</b>	Issuer:	Compagnie de Financement Foncier
<b>2</b>	(i) Series Number:	446
	(ii) Tranche Number:	1
<b>3</b>	Specified Currency or Currencies:	Euro (“ <b>EUR</b> ”)
<b>4</b>	Aggregate Nominal Amount of <i>Obligations Foncières</i> admitted to trading:	
	(i) Series:	EUR 50,000,000
	(ii) Tranche:	EUR 50,000,000
<b>5</b>	Issue Price:	100 per cent. of the Aggregate Nominal Amount
<b>6</b>	Specified Denominations:	EUR 50,000
<b>7</b>	(i) Issue Date:	04 January 2008
	(ii) Interest Commencement Date:	04 January 2008
<b>8</b>	Maturity Date:	04 January 2020
<b>9</b>	Interest Basis:	Index Linked Interest (further particulars specified below)
<b>10</b>	Redemption/Payment Basis:	Redemption at par
<b>11</b>	Change of Interest or Redemption/Payment Basis:	Not Applicable
<b>12</b>	Call Options:	Not Applicable
<b>13</b>	(i) Status of the Notes:	<i>Obligations Foncières</i>

- (ii) Dates the corporate authorisations for issuance of the Notes: Decision of the *Conseil d'administration* of Compagnie de Financement Foncier dated 21 December 2006 authorising the issue of the Notes, decision of the *Conseil d'administration* dated 31 July 2007 authorising, *inter alios*, its *Président du Conseil d'administration* and its *directeur général délégué* to sign and execute all documents in relation to the issue of Notes, and decisions of the *Conseil d'administration* of the Issuer dated 27 September 2007 and 9 October 2007 authorising the quarterly programme of borrowings which benefit from the *privilège* referred to in Article L.515-19 of the *Code monétaire et financier* up to and including Euro 14 billion for the fourth quarter of 2007.

**14** Method of distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY)  
PAYABLE**

**15 Fixed Rate Note Provisions** Not Applicable

**16 Floating Rate Provisions** Not Applicable

**17 Zero Coupon Note Provisions** Not Applicable

**18 Index Linked Interest Note Provisions/other variable-linked interest Notes** Applicable

- (i) Index/Formula/other variable: Subject to item 18(xi), the rate of interest in respect of each Note for the Interest Period from and including the Interest Commencement Date to but excluding the Maturity Date will be a rate, expressed as a percentage, as determined by the Determination Agent on the relevant Valuation Date, in accordance with the following formula:

$$1.80\% + \text{Leverage} \times \text{Spread} + \text{French\_Inflation}$$

Where:

“**Leverage**” means 5.00

“**Spread**” means an amount determined by the Determination Agent equal to the following:

$$\text{ECPI\_Return} \text{ minus } \text{FCPI\_Return.}$$

“**ECPI\_Return**” means an amount determined by the Determination Agent in accordance with the following:

$$(\text{ECPI}(t-3) / \text{ECPI}(t-15)) - 1$$

“**ECPI(t-3)**” means the Eurozone HICP Index for the month which is 3 months prior to the month of the end of the relevant Interest Period as determined by the Determination Agent.

For the avoidance of doubt, for a coupon paid in July in year N, ECPI(t-3) will be that of April in year N. Similarly, for a coupon paid in January in year N, ECPI(t-3) will be that of October in Year N-1.

“**ECPI(t-15)**” means the Eurozone HICP Index for the month which is 15 months prior to the month of the end of the relevant Interest Period as determined by the Determination Agent.

For the avoidance of doubt, for a coupon paid in July in year N, ECPI(t-15) will be that of April in year N-1. Similarly, for a coupon paid in January in year N, ECPI(t-15) will be that of October in Year N-2.

“**Eurozone HICP Index**” means the Non-revised Index of Consumer Prices excluding Tobacco, or the relevant successor index, measuring the rate of inflation in the European Monetary Union excluding tobacco as published on the Information Source on a monthly basis.

“**FCPI Return**” means an amount determined by the Determination Agent in accordance with the following:

$$(FCPI(t-3) / FCPI(t-15)) - 1$$

“**FCPI(t-3)**” means the French CPI Index for the month which is 3 months prior to the month of the end of the relevant Interest Period as determined by the Determination Agent.

For the avoidance of doubt, for a coupon paid in July in year N, FCPI(t-3) will be that of April in year N. Similarly, for a coupon paid in January in year N, FCPI(t-3) will be that of October in Year N-1.

“**FCPI(t-15)**” means the French CPI Index for the month which is 15 months prior to the month of the end of the relevant Interest Period as determined by the Determination Agent.

For the avoidance of doubt, for a coupon paid in July in year N, FCPI(t-15) will be that of April in year N-1. Similarly, for a coupon paid in January in year N, FCPI(t-15) will be that of October in Year N-2.

“**French CPI Index**” means the Non-revised Index of Consumer Prices excluding Tobacco, or the relevant successor index, measuring the rate of inflation in France excluding tobacco as published by the Information Source on a monthly basis.

“**French Inflation**” means an amount determined by the Determination Agent in accordance with the following:

$$(FCPI(t-7) / FCPI(t-19)) - 1$$

“**FCPI(t-7)**” means the French CPI Index for the month which is 7 months prior to the month of the end of the relevant Interest Period as determined by the Determination Agent.

For the avoidance of doubt, for a coupon paid in July in year N, FCPI(t-7) will be that of December in year N-1. Similarly, for a coupon paid in January in year N, FCPI(t-7) will be that of June in Year N-1.

“**FCPI(t-19)**” means the French CPI Index for the month which is 19 months prior to the month of the end of the relevant Interest Period as determined by the Determination Agent.

For the avoidance of doubt, for a coupon paid in July in year N, FCPI(t-19) will be that of December in year N-2. Similarly, for a coupon paid in January in year N, FCPI(t-19) will be that of June in Year N-2.

“**Valuation Date**” means, in respect of an Interest Period, five (5) Business Days prior to the Specified Interest Payment Date in respect of such Interest Period.

#### **INDEX DELAY AND DISRUPTION EVENT PROVISIONS:**

- (a) **Delay of Publication:** If, in relation to a particular Interest Period, any level of an Index relating to a month (the “**Reference Month**”) which is relevant to the calculation of the rate of interest (a “**Relevant Level**”) has not been published or announced by the relevant scheduled Valuation Date, the Determination Agent shall determine a substitute index level in place of such Relevant Level (a “**Substitute Index Level**”) as follows:

Substitute Index Level = Base Level x (Latest Level/Reference Level)

Where:

“**Base Level**” means the level of the relevant Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

“**Latest Level**” means the latest level of the relevant Index (excluding any “flash” estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

“**Reference Level**” means the level of the relevant Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month referred to in “Latest Level” above.

If a Relevant Level is published or announced at any time after the relevant scheduled Valuation Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to the above provision, will be the definitive level for that Reference Month and no further payment by way of adjustment shall be made notwithstanding that the Relevant Level may subsequently be published;

- (b) **Cessation of Publication:** if a level for an Index has not been published or announced for two consecutive months or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index, then the Determination Agent shall determine a successor index (in lieu of any previously applicable Index) (the “**Successor Index**”) by using the following methodology:

- (i) if a notice has been given or an announcement has been made by an Index Sponsor, specifying that the relevant Index will be superseded by a replacement Index specified by the Index Sponsor, and the Determination Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of calculations from the date that such replacement Index comes into effect; or
  - (ii) if a Successor Index has not been determined under (i) above, the Determination Agent shall ask five leading independent dealers to state what the replacement index for the relevant Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the Successor Index. If fewer than three responses are received, the Determination Agent will proceed to subparagraph (iii) hereof; or
  - (iii) if no Successor Index has been deemed under (i) or (ii) above by the relevant scheduled Valuation Date the Determination Agent will determine an appropriate alternative index for such specified Interest Payment Date, and such index will be deemed a Successor Index.
- (c) **Rebasing of the Index:** If the Determination Agent determines that the relevant Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the level of an Index from the date of rebasing; provided, however, that the Determination Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments of interest;
- (d) **Material Modification:** If on or prior to the relevant scheduled Valuation Date the Index Sponsor announces that it will make a material change to the relevant Index, the Determination Agent shall make such adjustments as it determines are necessary for the modified Index to continue as the relevant Index;

(e) **Manifest Error in Publication:** If within thirty days of publication, the Determination Agent determines that the Index Sponsor has corrected the level of the relevant Index to remedy a manifest error in its original publication, the Determination Agent will notify the Issuer and the holders of the Notes of (i) that correction, (ii) the amount payable as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such correction.

“**Index**” means the Eurozone HICP Index or French CPI Index as appropriate.

“**Information Source**” means, in respect of the Eurozone HICP Index, Reuters page OATEI01 or any successor page and in respect of French CPI Index, Reuters page OATINFLATION01 or any successor page.

“**Index Sponsor**” means, in respect of the Eurozone HICP Index, Statistical Office of the European Communities (EUROSTAT), or any successor thereof, and in respect of French CPI Index, the Institut National de la Statistique et des Etudes Economiques (INSEE) or any successor thereof.

(ii) Calculation Agent and Determination Agent responsible for calculating the interest due:

Calculation Agent:

Deutsche Bank AG London

Determination Agent:

Morgan Stanley & Co. International plc

The Determination Agent shall determine the rate of interest in respect of each Interest Period in accordance with the above provisions and shall forthwith notify such rate to the Calculation Agent, who shall calculate the amount of interest payable in respect of each Interest Period. The determinations and calculations of the Determination Agent and the Calculation Agent will be, in the absence of manifest error, final and binding on the Issuer, the Agents and the holders of the Notes.

(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:

See item 18(i) above

(iv) Interest Period(s):

The period from and including the Interest Commencement Date to but excluding the first Specified Interest Payment Date and each subsequent period from and including a Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date.



(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula an/or other variable is impossible or impracticable or otherwise disrupted:	See item 18(i) above
(vi)	Interest Determination Date:	See Valuation Date (item 18(i) above)
(vii)	Specified Interest Payment Dates:	04 January and 04 July in each year commencing on and including 04 July 2008 to and including the Maturity Date.
(viii)	Business Day Convention:	Not Applicable
(ix)	Business Centre(s) (Condition 5(a)):	Not Applicable
(x)	Minimum Rate of Interest:	0.00 per cent per annum
(xi)	Maximum Rate of Interest:	8.50 per cent per annum
(xii)	Day Count Fraction (Condition 5(a)):	30/360, unadjusted
<b>19</b>	<b>Dual Currency Obligation Foncière Provisions</b>	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

<b>20</b>	<b>Call Option</b>	Not Applicable
<b>21</b>	<b>Other Option</b>	Not Applicable
<b>22</b>	<b>Final Redemption Amount of each Note:</b>	EUR 50,000 per Note of EUR 50,000 Specified Denomination.
<b>23</b>	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) of each <i>Obligation Foncière</i> payable on redemption for taxation reasons or on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions).	Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

<b>24</b>	Form of Notes:	Dematerialised Notes
	(i) Form of Dematerialised Notes:	Bearer dematerialised form ( <i>au porteur</i> )
	(ii) Registration Agent	Not Applicable
	(iii) Temporary Global Certificate:	Not Applicable
	(iv) Applicable TEFRA exemption:	Not Applicable
<b>25</b>	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:	TARGET

(i) Adjusted Payment Date (Condition 7(h)):	The first following day that is a business day.
<b>26</b> Talons for future Coupons or Receipts to be attached to definitive Materialised Notes (and dates on which such Talons mature):	Not Applicable
<b>27</b> Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay]:	Not Applicable
<b>28</b> Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
<b>29</b> Redenomination, renominatisation and reconventioning provisions:	Not Applicable
<b>30</b> Consolidation provisions:	Not Applicable
<b>31</b> Representation of holders of Notes <i>Masse</i> (Condition 10):	Applicable
	The initial Representative will be: MURACEF 5, rue Masseran75007 Paris France
	The alternate Representative will be: M. Hervé Bernard VALLEE 1, Hameau de Suscy 77390 Crisenoy France
	The Representative will not receive any remuneration.
<b>32</b> Other final terms:	Not Applicable
<b>DISTRIBUTION</b>	
<b>33</b> (i) If syndicated, names of Managers:	Not Applicable
(ii) Stabilising Manager(s) (if any):	Not Applicable
<b>34</b> If non-syndicated, name of Dealer:	Morgan Stanley & Co. International plc

**35** Additional selling restrictions:

The Dealer and the Issuer represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that, in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (investisseurs qualifiés) as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 to D.411-3 of the French Code monétaire et financier, but excluding individuals referred to in Article D.411-1 II 2° of the French Code monétaire et financier.

In addition, the Dealer and the Issuer have represented and agreed that in connection with their initial distribution they have not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Base Prospectus, these Final Terms or any other offering material relating to the Notes other than to those investors to whom offers and sales of the Notes in the Republic of France may be made as described above.

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the *Bourse de Luxembourg* (regulated market of the Luxembourg Stock Exchange) of the Notes described herein pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Compagnie de Financement Foncier.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:

## PART B – OTHER INFORMATION

### 1. RISK FACTORS

Not Applicable

### 2. LISTING AND ADMISSION TO TRADING

- |       |  |   |
|-------|--|---|
| (i)   | Admission to trading:  | Application has been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on the <i>Bourse de Luxembourg</i> (regulated market of the Luxembourg Stock Exchange). |
| (ii)  | Estimate of total expenses related to admission to trading:  | EUR 4,180   |
| (iii) | Regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading: | Not Applicable  |

### 3. RATINGS

Ratings:	The Programme has been rated Aaa by Moody's Investors Service and AAA by Standard & Poors Ratings Services.
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For Moody's Investors Service, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody's rating desk or moodys.com.

The Notes issued under the Programme will be rated AAA by Standard & Poors Ratings Services 1 and by Fitch Ratings1.

### 4. NOTIFICATION

The *Autorité des marchés financiers* in France has provided the *Commission de Surveillance du Secteur Financier* in Luxembourg with certificates of approval attesting that the Base Prospectus dated 16 July 2007 and the supplements dated 3 September 2007 and 29 October 2007 have been drawn up in accordance with the Prospectus Directive in connection with the 2007 update of the Programme.

### 5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### 6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- |      |                         |   |
|------|-------------------------|---|
| (i)  | Reasons for the offer:  | See "Use of Proceeds" wording in Base Prospectus. |
| (ii) | Estimated net proceeds: | Euro 50,000,000                                   |

(iii) Estimated total expenses: Not Applicable

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Details of the past and future performance and other background information in respect of Indices may be obtained from the relevant website <http://epp.eurostat.ec.europa.eu> in respect of the Eurozone HICP Index and [www.insee.fr](http://www.insee.fr) in respect of the French CPI Index.

8. **OPERATIONAL INFORMATION**

ISIN Code: FR0010563825

Common Code: 001056382

Depositories:

(i) Euroclear France to act as  
Central Depository Yes

(ii) Common Depository for  
Euroclear Bank S.A./N.V.  
and Clearstream No  
Luxembourg

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

The Agents appointed in respect of the Notes are:

**Calculation Agent, Fiscal and Principal Paying Agent**

Deutsche Bank AG London  
Winchester House  
1 Great Winchester Street  
EC2N 2DB London  
United Kingdom

**Luxembourg Listing Agent**

Deutsche Bank Luxembourg S.A.  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**Determination Agent**

Morgan Stanley & Co. International plc  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

Names and addresses of additional  
Paying Agent(s) (if any):

**Paris Paying Agent**

Crédit Foncier de France  
4, Quai de Bercy  
94224 Charenton Cedex  
France

**Luxembourg Paying Agent**

Deutsche Bank Luxembourg S.A.  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

The aggregate principal amount of  
Notes issued has been translated  
into Euro at the rate of [*currency*]  
per Euro 1.00, producing a sum of:

Not Applicable