



FISCAL YEAR 2006 :

**END OF ASSUMPTION OF PROJECTED HEALTH
INSURANCE DEFICIT PLANNED UNDER ACT OF
AUGUST 13, 2004**

32 BILLION EUROS OF DEBT AMORTIZED

The CADES board of directors met on April 24, 2007 under the chairmanship of Mr. Patrice Ract Madoux, to approve the financial statements for fiscal 2006. These statements are subject to the subsequent approval of the Minister of Economy and Finance and the Minister of Social Security, and will be submitted to the Supervisory Board, which will meet once the two legislative representatives from the French Assemblée Nationale have been designated.

<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 State	- 3 000	
Result	- 367	2 815

Results for 2006 reflect the enlarged scope of the CADES mission:

CRDS revenue rose by 5.7%, reaching 5.5 billion euros in 2006.

After CADES assumed additional debt of 35 billion euros in late 2004, as provided for in the Act of August 13, 2004, and 6.61 billion euros on October 7, 2005 and 5.7 billion euros in October 2006, net interest expense rose from 2 546 million euros to 2 661 million euros.

The 2.815 billion euro result was used to redeem the debt, for an amount that slightly exceeded the adjusted amortization target of 2.773 billion euros for 2006, stipulated in Article 6 of the Social Security Financing Act for 2007, and for the “financing” quality and efficiency program set forth under this same legislation.

Since it was created by a government order dated January 24, 1996, CADES has amortized 32 billion euros of the 107.7 billion debt assumed in accordance with French legislators.

2006 marked by diversity of financing transactions :

In the course of 2006, CADES redeemed 21 EMTN notes (medium long-term debt) for a total amount of 803 million euros, as well as two bonds totaling 4 billion euros.

A top-ranking issuer, CADES made use of a wide variety of financial instruments in 2006: benchmark issues in euros (6.5 billion), US dollars (4.25 billion), Australian dollars (1 billion) and Canadian dollars (400 million); 1.65 billion euros in the form of French inflation-linked bonds; and 2.39 billion euros in private placements and MTNs.

Leveraging favorable market conditions, CADES enlarged and diversified both its array of financial instruments and its investor base.

CADES: A BENCHMARK ISSUER IN THE FINANCIAL MARKETS

Created in 1996, CADES is an administrative public agency under the authority of the French government. CADES enjoys the highest ratings by the principal international rating agencies (AAA/A1+, Aaa/P1, AAA/F1+), and a 0% Basel ratio weighting, which makes CADES one of the five largest non-government issuers in Europe.

Complete information on CADES and its issues are available on the website (www.cades.fr), as well as on Reuters and Bloomberg.

CADES LIGHTEN THE DEBT – BRIGHTEN THE FUTURE

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