



**Final Terms dated 7 March 2011**

**CADES (Caisse d'Amortissement de la Dette Sociale)**

Issue of EUR 700,000,000 1.50 per cent. French Inflation Indexed Notes due July 2021  
(the "Notes")

to be assimilated (*assimilées*) and form a single series with the existing  
EUR 750,000,000 1.50 per cent. French Inflation Indexed Notes due July 2021  
under the EUR 75,000,000,000 Debt Issuance Programme

SERIES NO: 294

TRANCHE NO: 2

Issue Price: 100.055 per cent. of the Aggregate Nominal Amount of the Notes  
multiplied by the Inflation Index Ratio on 9 March 2011 (i.e. 1.00439) plus an amount  
corresponding to accrued interest for the period from, and including, 25 July 2010 to,  
but excluding, 9 March 2011, at a rate of 0.936972041 per cent.

**J.P. MORGAN  
NATIXIS**

## 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 which received from the *Autorité des marchés financiers* (“**AMF**”) visa n°10-156 on 28 May 2010 (the “**Base Prospectus**”) and the supplements which received from the AMF visa n°10-430 on 7 December 2010 and visa n°10-451 on 28 December 2010, respectively, which together which 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 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 supplemented. The Base Prospectus and the supplements are available for viewing on the AMF website and copies may be obtained from the Issuer.

1. Issuer: Caisse d'amortissement de la dette sociale
2. (i) Series Number: 294  
(ii) Tranche Number: 2  

The Notes will be assimilated (*assimilées*) and form a single series with the existing EUR 750,000,000 1.50 per cent. French Inflation Indexed Notes due July 2021 issued on 10 February 2011 (the “**Existing Notes**”) as from the date of assimilation which is expected to be on or around the date which is 40 days after the Issue Date (*i.e.*, 18 April 2011) (the “**Assimilation Date**”).
3. Specified Currency or Currencies: Euro (“**EUR**”)
4. Aggregate Nominal Amount:
  - (i) Series: EUR 1,450,000,000
  - (ii) Tranche: EUR 700,000,000
5. Issue Price: 100.055 per cent. of the Aggregate Nominal Amount multiplied by the Inflation Index Ratio on 9 March 2011 (*i.e.* 1.00439) plus an amount corresponding to accrued interest for the period from, and including, 25 July 2010 to, but excluding, 9 March 2011, at a rate of 0.936972041 per cent. (rate calculated on the basis of the number of days elapsed *i.e.* 227 days)
6. Specified Denominations: EUR 1,000

- |     |   |  |
|-----|---|--|
| 7.  | (i) Issue Date:   | 9 March 2011   |
|     | (ii) Interest Commencement Date                             | 25 July 2010   |
| 8.  | Maturity Date:  | 25 July 2021   |
| 9.  | Interest Basis:   | Index Linked Interest<br>(further particulars specified below)   |
| 10. | Redemption/Payment Basis:                                   | Index Linked Redemption<br>(further particulars specified below)   |
| 11. | Change of Interest or<br>Redemption/Payment Basis:          | Not Applicable   |
| 12. | Put/Call Options:   | Not Applicable   |
| 13. | (i) Status of the Notes:                                    | Senior   |
|     | (ii) Date Board approval for<br>issuance of Notes obtained: | Resolution of the Board of Directors ( <i>Conseil<br/>d'administration</i> ) of the Issuer dated 5 March 2010<br>authorising the Issuer's borrowing programme and<br>delegating all powers to issue notes to its <i>Président</i> and<br>of the approval of the Issuer's borrowing programme<br>by the Minister of the Economy, Finance and Industry<br>dated 27 April 2010. |
| 14. | Method of distribution:                                     | Syndicated   |

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

- |     |  |                          |
|-----|--|--------------------------|
| 15. | <b>Fixed Rate Note Provisions</b>  | Not Applicable           |
| 16. | <b>Floating Rate Note Provisions</b>   | Not Applicable           |
| 17. | <b>Zero Coupon Note Provisions</b>   | Not Applicable           |
| 18. | <b>Index-Linked Interest Note/other<br/>variable-linked interest Note<br/>Provisions</b> | Applicable               |
|     | (i) Index/Formula/other<br>variable:   | (See Annex, paragraph 1) |
|     | (ii) Calculation Agent<br>responsible for calculating<br>the interest due:               | Société Générale         |

(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	(See Annex, paragraph 2)
(iv)	Determination Date(s):	(See Annex, paragraph 1)
(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	(See Annex, paragraph 3)
(vi)	Interest or calculation period(s):	<b>"Interest Period"</b> means the period beginning on (and including) 25 July 2010 and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.
(vii)	Specified Interest Payment Dates:	25 July in each year commencing on 25 July 2011
(viii)	Business Day Convention:	Following Business Day Convention
(ix)	Business Centre(s):	Not Applicable
(x)	Minimum Rate/Amount of Interest:	Not Applicable
(xi)	Maximum Rate/Amount of Interest:	Not Applicable
(xii)	Day Count Fraction:	Actual/Actual-ICMA
19.	<b>Dual Currency Note Provisions</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20.	<b>Call Option</b>	Not Applicable
21.	<b>Put Option</b>	Not Applicable
22.	<b>Final Redemption Amount of each Note</b>	

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: Unless previously purchased and cancelled, the Notes will be redeemed by the Issuer on the Maturity Date according to the following formula:
- Final Redemption Amount = IIR x nominal amount of the Notes
- IIR being in this case the ratio between the Daily Inflation Reference Index on Maturity Date and the Base Reference on 25 July 2010 amounting to 120.00839.
- If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: Société Générale
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: (See paragraph 22(i) above)
- (iv) Determination Date(s): On the fifth Business Day before the Maturity Date.
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: (See Annex, paragraph 3)
- (vi) Payment Date: Maturity Date
- (vii) Minimum Final Redemption Amount: EUR 1,000 per Note of EUR 1,000 Specified Denomination
- (viii) Maximum Final Redemption Amount: Not Applicable

## 23. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

Early Redemption Amount = IIR x nominal amount of the Notes

IIR being in this case the ratio between the Daily Inflation Index on the relevant date of an early redemption (the “**Early Redemption Date**”) and the Base Reference on 25 July 2010 amounting to 120.00839.

If the Early Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

For the avoidance of doubt, for the purposes of the provisions of Condition 5 (b) (ii), if the Notes fall to be redeemed for whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the Early Redemption Date. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the Early Redemption Date at a rate per annum calculated by the Calculation Agent on the basis, *mutatis mutandis*, of the provisions of paragraph 18 (xii) above and the Annex except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:	Dematerialised Notes
(i) Form of Dematerialised Notes:	Bearer form ( <i>au porteur</i> )
(ii) Registration Agent	Not Applicable
(iii) Temporary Global Certificate:	Not Applicable
(iv) Applicable TEFRA exemption:	Not Applicable

25. Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
27. 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, including any right of the Issuer to forfeit the Notes and interest due on late payment]: Not Applicable
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
29. Redenomination, renominalisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: Not Applicable
31. Masse Applicable

The name of the initial representative of the masse is:

Valérie Razou  
8 bis, avenue du Château  
92200 Neuilly sur Seine  
France

The name of the alternate representative of the masse is:

Stanislas Dont  
8, rue de la belle feuille  
92100 Boulogne  
France

The acting representative shall receive no remuneration.

32. Other final terms: (See Annex, paragraph 4)

The following items are defined in the Annex and the definition given to them in the Base Prospectus shall not apply:

“Interest Determination Date”;

“Rate of Interest”;

“Interest Amount”.

## DISTRIBUTION

(i) If syndicated, names and addresses of Joint Lead Managers and underwriting commitments:

**Natixis**  
47, quai d’Austerlitz  
75013 Paris  
France

Underwriting commitment: EUR 350,000,000

**J.P. Morgan Securities Ltd.**

125 London Wall  
London EC2Y 5AJ  
United Kingdom

Underwriting commitment: EUR 350,000,000

(ii) Date of Subscription Agreement:

7 March 2011

(iii) Stabilising Manager(s) (if any):

Not Applicable

33. If non-syndicated, name and address of Dealer:

Not Applicable

34. Total commission and concession:

0.20 per cent. of the Aggregate Nominal Amount

35. Additional selling restrictions:

**United States of America:** TEFRA rules are not applicable.

### **European Economic Area:**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Joint Lead Manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by these Final Terms in relation



thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

## **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 75,000,000,000 Debt Issuance Programme of the Issuer.

## **RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By: Patrice RACT MADOUX

Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING

- |   |  |
|---|--|
| (i) Listing:  | Euronext Paris   |
| (ii) Admission to trading:  | Application has been made for the Notes to be admitted to trading on Euronext Paris with effect from 9 March 2011.<br><br>The Existing notes are already listed and admitted to trading on the Euronext Paris. |
| (iii) Estimate of total expenses related to admission to trading:   | EUR 12,000 (listing fees)  |
| (iv) 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   |

### 2. RATINGS

- |          |  |
|----------|--|
| Ratings: | The Issuer has been rated:<br><br>S & P: AAA<br>Moody's: Aaa<br>Fitch: AAA |
|----------|--|

Each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, although the result of such application has not yet been notified by the relevant competent authority.

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

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

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

- (i) Reasons for the offer See "Use of Proceeds" wording in the Base Prospectus
- (ii) Estimated net proceeds: EUR 708,618,494.44
- (iii) Estimated total expenses: Not Applicable.

#### 5. *Index-Linked or other variable-linked Notes only* – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

All interest and principal payments are linked to the evolution of the consumer price index (CPI) excluding tobacco for all households residing in metropolitan France, published every month by the INSEE according to indexation mechanism set forth in Item 18 of the Final Terms.

The index can be obtained on the INSEE website ([www.insee.fr](http://www.insee.fr)) as well as historical data series and a schedule of release.

A lower index value will impact the Daily Inflation Reference and subsequently lower the Daily Inflation Index Ratio. This ratio may therefore drop below 1 and result in coupon payments being a fraction of the 1.50 per cent. annual Coupon.

Should the Daily Inflation Index Ratio be lower than 1 at maturity, a floor at 100 per cent. of the principal is applied to the Redemption Amount, protecting therefore the Noteholder against deflation on its principal investment.

#### 6. OPERATIONAL INFORMATION

- ISIN Code: FR0011020155 until the Assimilation Date and thereafter FR0011003672
- Common Code: 060243654 until the Assimilation Date and thereafter 058998745
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): Not Applicable
- Delivery: Delivery against payment
- Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- Names and addresses of relevant Dealer(s): (See Section "DISTRIBUTION" above)
- Date of the Subscription Agreement 7 March 2011

## ANNEX

- (1) The Rate of Interest will be determined by the Calculation Agent on the following basis:

On the fifth Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

The "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the Daily Inflation Reference Index (as defined below) applicable on 25 July 2010 (the "**Base Reference**", amounting to: 120.00839). The IIR will be rounded off, if necessary to the fifth decimal place.

"**Daily Inflation Reference Index**" means (A) in relation to the first calendar day of any given month, the CPI Monthly Reference Index of the third month preceding such month, and (B) in relation to a calendar day (D) (other than the first calendar day) in any given month (M), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third month preceding such month (M - 3) and the second month preceding such month (M - 2) calculated in accordance with the following formula:

Daily Inflation Reference Index =

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

**ND<sub>M</sub>**: number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31 ;

**D**: actual calendar day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25 ;

**CPI Monthly Reference Index<sub>M-2</sub>** : price index of month M-2 ;

**CPI Monthly Reference Index<sub>M-3</sub>** : price index of month M-3.

The Daily Inflation Reference Index will be rounded off to the fifth decimal place after truncating up to the sixth decimal.

For information purposes, such Daily Inflation Reference Index appears on the Agence Française du Trésor Reuters page OATINFLATION01 or/and on Bloomberg TRESOR <GO> pages and on the website "www.aft.gouv.fr". In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected by the French *Trésor* for its *obligations assimilables du Trésor indexées sur l'inflation*.

CPI Monthly Reference Index refers to the definitive consumer price index excluding tobacco for all households in metropolitan France, as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* ("**INSEE**") as such index may be adjusted or replaced from time to time as provided herein.

- (2) The calculation method described below is based on the recommendation issued by the French Notes Normalisation Committee (*Comité de Normalisation Obligataire*) in its December 2010 Paper entitled "Inflation Indexed Notes" (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l'inflation*). In the case of any conflict between the calculation method provided below and the calculation method provided by the Normalisation Committee (*Comité de Normalisation Obligataire*), the calculation method provided by the Normalisation Committee (*Comité de Normalisation Obligataire*) shall prevail.

The rate of interest applicable from time to time in respect of the Notes for each Interest Period ("**Rate of Interest**") will be equal to 1.50 per cent. per annum multiplied by the Inflation Index Ratio (as defined above).

(3)

- (i) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the "**Substitute CPI Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

- (x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading "*Indice de substitution*". Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
- (y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index<sub>M</sub> =

$$\text{CPI Monthly Reference Index}_{M-1} \times \left( \frac{\text{CPI Monthly Reference Index}_{M-1}}{\text{CPI Monthly Reference Index}_{M-13}} \right)^{\frac{1}{12}}$$

- (ii) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{CPI Monthly Reference Index}_{\text{New basis}}^{\text{Date D}} = \text{CPI Monthly Reference Index}_{\text{Previous basis}}^{\text{Date D}} \times \text{Key}$$

(4)

(i) Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after 12:00 p.m. (Paris time) on the Interest Determination Date in relation to each Interest Payment Date, calculate the amount of interest (the "**Interest Amount**") payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Payment Date to the principal amount of such Note, and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

When any interest is required to be calculated, it will be calculated on the basis of the Day Count Fraction defined in paragraph 18 (xii).

(ii) Determinations etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Final Terms by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(iv) Calculation Agent

The Issuer will procure that, so long as any of the Notes remains outstanding, it will at all times maintain a Calculation Agent for the purposes of the Notes. Subject as provided herein, the Issuer reserves the right at any time to vary or terminate the appointment of the Calculation Agent. Notice of any change of Calculation Agent or any change in its specified office will be published in accordance with Condition 13 of the Base Prospectus.