



Final Terms dated 20 February 2012

**CADES
(CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE)
Issue of EUR 240,000,000 1.50 per cent. French Inflation Linked Notes due July 2024 (the
"Notes")
to be assimilated (*assimilées*) and form a single series with the existing
EUR 400,000,000 1.50 per cent. French Inflation Linked Notes due July 2024
under the Euro 130,000,000,000 Debt Issuance Programme
of CADES (the "Issuer")**

**SERIES NO: 317
TRANCHE NO: 2**

Issue Price: 100.121 per cent. of the Aggregate Nominal Amount of the Tranche multiplied by the Inflation Index Ratio on 22 February 2012 (i.e. 1.00807) plus an amount corresponding to accrued interest for the period from, and including, 25 July 2011 to, but excluding, 22 February 2012, at a rate of 0.87586414 per cent.

MANAGER

J.P. MORGAN

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus which received from the *Autorité des marchés financiers* ("**AMF**") visa n°11-193 on 30 May 2011 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 13 October 2011 which received from the AMF visa n°11-452 on 13 October 2011, the second supplement to the Base Prospectus dated 27 December 2011 which received from the AMF visa n°11-592 on 27 December 2011 and the third supplement to the Base Prospectus dated 18 January 2012 which received from the AMF visa n°12-025 on 18 January 2012 (the "**Supplements**") which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") as amended by Directive 2010/73/EC (the "**2010 PD Amending 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 dated 30 May 2011 as supplemented. The Base Prospectus dated 30 May 2011 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: 317
(ii)Tranche Number: 2

The Notes will be assimilated (*assimilées*) and form a single series with the existing EUR 400,000,000 1.50 per cent. French Inflation Indexed Notes due July 2024 (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.*, 3 April 2012) (the "**Assimilation Date**")
3. Specified Currency or Currencies: Euro ("**EUR**")
4. Aggregate Nominal Amount:
(i) Series: EUR 640,000,000
(ii) Tranche: EUR 240,000,000
5. Issue Price: 100.121 per cent. of the Aggregate Nominal Amount of the Tranche multiplied by the Inflation Index Ratio on 22 February 2012 (*i.e.* 1.00807) plus an amount corresponding to accrued interest for the period from, and including, 25 July 2011 to, but excluding, 22 February 2012, at a rate of 0.87586414 per cent. (rate calculated on the basis of the number of days elapsed *i.e.* 212 days)

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| 6. | Specified Denomination: | EUR 1,000 |
| 7. | (i) Issue Date: | 22 February 2012 |
| | (ii) Interest Commencement Date: | 25 July 2011 |
| 8. | Maturity Date: | 25 July 2024 |
| 9. | Interest Basis: | Index Linked Interest
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Index Linked Redemption
(further particulars specified below) |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | (i) Status of the Notes: | Senior |
| | (ii) Date of Board approval for issuance of Notes obtained: | Resolution of the Board of Directors (<i>Conseil d'administration</i>) of the Issuer dated 28 April 2011 authorising the Issuer's borrowing programme and delegating all powers to issue notes to its <i>Président</i> and of the approval of the Issuer's borrowing programme by the Minister of the Economy, Finance and Industry dated 27 May 2011. |
| 14. | Method of distribution: | Non Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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

(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): "**Interest Period**" means the period beginning on (and including) 25 July 2011 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 2012

(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. Dual Currency Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Call Option Not Applicable

21. Put Option Not Applicable

22. Final Redemption Amount of each Note

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 2011 amounting to 122.38194
- 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: Natixis
- (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(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 2011 amounting to 122.38194
- 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

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| 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, renominatisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: Not Applicable
31. *Masse*: Applicable
- The name of the initial representative of the *Masse* is:
- Thomas Leocadio
c/o 47 quai d'Austerlitz
75013 Paris
France
- The name of the alternative representative of the *Masse* is:
- Anne Marie de Corcelles
c/o 47 quai d'Austerlitz
75013 Paris
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

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- (ii) Date of Subscription Agreement: 20 February 2012
- (iii) Stabilising Manager(s) (if any): Not Applicable
34. If non-syndicated, name and J.P. Morgan Securities Ltd.

- address of Dealer: 125 London Wall
London EC2Y 5AJ
United Kingdom
35. Total commission and concession: 0.20 per cent. of the Aggregate Nominal Amount
36. Additional selling restrictions: **United States of America:**
TEFRA rules are not applicable.
The Issuer is Category 2 for the purposes of Regulation S.

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 130,000,000,000 Debt Issuance Programme of the Issuer.

RESPONSIBILITY

I accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:



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 22 February 2012.
- The Existing Notes are already listed and admitted to trading on Euronext Paris.
- (iii) Estimate of total expenses related to admission to trading: EUR 11,900 (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:
S & P: AA+
Moody's: Aaa
Fitch: AAA
- Each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service is established in the European Union and registered under Regulation (EU) No 1060/2009 as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**").
- As such, each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

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

So far as the Issuer is aware, no person involved in the issue 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" in the Base Prospectus
- (ii) Estimated net proceeds: EUR 243,851,617.46
- (iii) Estimated total expenses: EUR 11,900

5. 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) 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: FR0011204106 until the Assimilation Date and thereafter FR0011198787

Common Code: 074902235 until the Assimilation Date and thereafter 074400108

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *Société Anonyme* and the relevant identification number(s): Euroclear France S.A.

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Names and addresses of relevant Dealer(s): See § 34 of Part A.

Date of the Subscription Agreement: 20 February 2012

ANNEX

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

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 below).

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 2011 (the "**Base Reference**", amounting to: 122.38194). 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 =

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

With:

ND_M: 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_{M-2} : price index of month M-2 ;

CPI Monthly Reference Index_{M-3} : 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.

(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_M =

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

(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:

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

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.