



CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE

*Euro 1,100,000,000 4 per cent. Bonds due October 2019
to be assimilated (assimilables) and interchangeable with the existing
Euro 3,000,000,000 4 per cent. Bonds due October 2019 issued on 21 December 2004*

consisting of

Euro 550,000,000 4 per cent. Bonds due October 2019 (the "A Bonds")

A Bonds Issue Price: 99.659 per cent. of the aggregate principal amount of the A Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed)

Euro 200,000,000 4 per cent. Bonds due October 2019 (the "B Bonds")

B Bonds Issue Price: 99.272 per cent. of the aggregate principal amount of the B Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed)

Euro 350,000,000 4 per cent Bonds due October 2019 (the "C Bonds")

C Bonds Issue Price: 98.661 per cent. of the aggregate principal amount of the C Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed)

This document constitutes a prospectus (the "Prospectus") for the purposes of article 5.3 of the Directive 2003/71/EC (the "Prospectus Directive").

The A Bonds, the B Bonds and the C Bonds (together collectively referred to as the "Bonds") of Caisse d'amortissement de la dette sociale (the "Issuer" or "CADES") are identical in all respects (save as to issue date and issue price) and will, upon listing on Euronext Paris, be assimilated (assimilables) and interchangeable for trading purposes with the existing Euro 3,000,000,000 4 per cent. Bonds due October 2019 issued on 21 December 2004 (the "Original Bonds"). The Bonds will be redeemed on 25 October 2019.

The Bonds benefit from the exemption from deduction of tax at source provided for in article 131 quater of the French Code général des impôts (general tax code). See "Terms and Conditions of the Bonds – Taxation".

The Bonds bear interest at a rate per annum equal to 4 per cent. payable annually in arrear on 25 October of each year. The first payment of interest will be made on 25 October 2009 for the period from, and including, 25 October 2008 to, but excluding, 25 October 2009.

Application has been made to list and admit to trading the Bonds on Euronext Paris. The Bonds may, subsequently, be listed on one or more exchanges located within the European Union.

The Bonds have not been and will not be registered under the United States of America Securities Act of 1933 as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States of America.

The Bonds will, upon issue on 9 April 2009, be inscribed in book entry form in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Bonds – Form, denomination and title" below) including the depositary banks for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear"). The Bonds have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg.

The Bonds will at all times be represented in book entry form (inscription en compte) in compliance with article L. 211-4 of the French Code monétaire et financier in the books of the Account Holders. No definitive Bond certificates will be issued.

The long term debt of the Issuer has been rated Aaa by Moody's Investors Service, Inc., AAA by Standard & Poor's Rating Services and AAA by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

NATIXIS

**SOCIETE GENERALE CORPORATE &
INVESTMENT BANKING**

In connection with the issue and offering of the Bonds, no person has been authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint-Lead Managers. Neither the delivery of this Prospectus, nor any sale made in connection therewith shall, under any circumstances, create any implication that the information therein is correct as of any time subsequent to its date.

The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions.

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Under the Securities Act, and subject to certain exceptions, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S ("**Regulation S**") under the Securities Act).*

A further description of certain restrictions on offers and sales of the Bonds, and on distribution, is set forth in "Subscription and Sale".

This Prospectus does not constitute, and may not be used for the purposes of an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation and no action is being taken to permit an offering of the Bonds or the distribution of this Prospectus in any jurisdiction where such action is required.

*In this Prospectus references to "€", "**EURO**", "**EUR**" or "**euro**" are to the single currency which was introduced in the member states of the European Communities which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by the Single European Act 1986 and the Treaty on the European Union of 7 February 1992 establishing the European Community, as amended from time to time.*

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SUMMARY

This summary must be read as an introduction to this Prospectus. Any decision to invest in any Bonds should be based on a consideration of the Prospectus as a whole, including the documents incorporated herein by reference. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the Member States of the European Community or the European Economic Area, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated. The persons who presented the summary, including its translation and requested its notification, only have civil liability if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

1 Essential characteristics and risks associated with the Issuer

(A) The Issuer

In December 1995 law No 95-1348 was adopted authorising the French government to take a series of measures by way of legislation by ordinances over the subsequent four month period to reform the social benefits system. One such measure was to define the conditions for consolidating and paying off the debts accumulated by the general social security system.

Accordingly, the *Caisse d'amortissement de la dette sociale* (CADES) was created with effect from 1st January, 1996 by ordinance No 96-50 of 24th January, 1996 and by decree No 96-353 of 24th April 1996 as amended by the law No 97-1164 of 19th December, 1997 (the "Ordinance") as a national administrative public agency (*établissement public national à caractère administratif*) under the control of the minister in charge of economy and finance and the minister in charge of social security. Initially CADES had a duration of thirteen years and one month that was extended to eighteen years and one month by law No 97-1164 of 19th December 1997. Law No 2004-810 of 13th August 2004 extended CADES' duration until it has fulfilled its purpose.

The purpose of CADES is:

- to pay off the cumulative debt of the central social security administration (the *Agence centrale des organismes de sécurité sociale*) to the *Caisse des dépôts et consignations*, of an aggregate amount of euro 34.15 billion (FRF 224 billion), corresponding to the financing of the deficits for the fiscal years 1994 to 1998;
- to pay euro 1.9 billion (FRF 12.5 billion) to the French state every year from 1996 to 2008 (now modified to 4 annual payments of euro 3 billion every year from 2002 to 2005) in connection with the transfer to CADES of the repayment debt of the social security system in the amount of euro 16.8 billion assumed by the French state in January 1994 and previously assumed by the National Fund for the elderly *Fonds de Solidarité Vieillesse (F.S.V.)*; and
- in addition, to pay during 1996 only, an aggregate amount of EUR 0.45 billion (FRF 3 billion) to the National fund for health insurance of non-wage earning persons in non-agricultural professions (*Caisse Nationale d'Assurance Maladie et Maternité des Travailleurs Non-Salariés des Professions Non-Agricoles*).

The Budget bills for the Social Benefits System per fiscal year 2003 and 2004 provide for an exceptional payment of Euro 1.28 billion in 2003 and Euro 1.1 billion in 2004 to various social security funds.

Other laws concerning CADES are as follows:

- Under a law of 13th August 2004, the transferred debt of the French health insurance system has increased by a maximum of Euro 50 billion and the taxable base for CRDS is enlarged from 95% to 97% of the gross wage. The assumed debt in 2004 was Euro 35 billion and Euro 6.6 billion in 2005; the estimated assumed debt for 2006 is Euro 6.7 billion. Any future surpluses of the French health insurance system shall be allocated to CADES;
- Under the Social Security Organic Act 2005, all subsequent transfers of debt to CADES must be accompanied by a concomitant rise in tax revenue;
- Under Law 2005-842, life insurance policies stated in Euros are now allowed to be transformed into unit-linked contracts which may impact on the social taxes collected;
- Under the Social Security Financing Act 2006 (dated 19th December 2005), CADES has been assigned an annual amortisation target. In addition, home savings contracts that are in force for more than ten years will now become subject to social taxation; and
- By the Finance Act 2006 (dated 30th December 2005), the government order of 1996 has been modified so as to authorise the finance minister to issue on behalf of CADES, subject to the enactment of a decree specifying the technical conditions of application. As at 22 May 2008, no such decree has been enacted.

On 6 October 2006 CADES has received the last transfer of debt from the French health insurance system which was Euro 5.7 billion. The total debt transferred reaches Euro 47.3 billion: Euro 35 billion in 2004, Euro 6.6 billion in 2005 and Euro 5.7 billion in 2006.

(B) Essential risks associated with the Issuer

Payment risks

Credit risk in relation to CADES is limited, because of the fact that the State is ultimately responsible for the solvency of CADES and because of the allocation of resources to CADES by the government.

Market risks

CADES faces interest rate risks, exchange rate risks and counterparty risks. These risks are hedged by the limits fixed by the board of directors that bring the exchange rate risks to a residual level. Otherwise, CADES does not face any liquidity risk as a result its status as administrative public agency (*établissement public national à caractère administratif*).

Legal risks

CADES is subject to all laws and regulations governing public agencies and in particular to the law on public procurements (*Code des marchés publics*). CADES appoints specialised law firms for drafting its issuance programmes.

2 Essential characteristics of the Bonds and risks associated with the Bonds

(A) The Bonds

Description: Euro 1,100,000,000 4 per cent Bonds due October 2019 to be assimilated (*assimilables*) and interchangeable upon listing with the existing Euro 3,000,000,000 4 per cent. Bonds due October 2019 issued on 21 December 2004 consisting of Euro 550,000,000 4 per cent Bonds due October 2019 (the "**A Bonds**"), Euro 200,000,000 4 per cent Bonds due October 2019 (the "**B Bonds**") and Euro 350,000,000 4 per cent Bonds due October 2019 (the

"C Bonds")

Joint-Lead Managers:	Natixis and Société Générale
Issue Price:	<p>A Bonds Issue Price: 99.659 per cent. of the aggregate principal amount of the A Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed)</p> <p>B Bonds Issue Price: 99.272 per cent. of the aggregate principal amount of the B Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed)</p> <p>C Bonds Issue Price: 98.661 per cent. of the aggregate principal amount of the C Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed)</p>
Amount:	Euro 1,100,000,000
Form of the Bonds:	<p>The 1,100,000 Bonds are issued in dematerialised bearer form (<i>au porteur</i>) in the denomination of euro 1,000 (550,000 A Bonds, 200,000 B Bonds and 350,000 C Bonds).</p> <p>Title to the Bonds will be evidenced by book entries (<i>inscription en compte</i>) in accordance with article L. 211-4 of the French <i>Code monétaire et financier</i>. No physical document of title will be issued in respect of the Bonds (including <i>certificats représentatifs</i> issued pursuant to article R. 211-7 of the French <i>Code monétaire et financier</i>).</p>
Denomination:	Euro 1,000
Maturity Date:	25 October 2019
Status of the Bonds:	The Bonds are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> among themselves all as described in "Terms and Conditions of the Bonds – Status of the Bonds".
Ratings:	The long term debt of the Issuer has been rated Aaa by Moody's Investors Service, Inc., AAA by Standard & Poor's Rating Services and AAA by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.
Negative Pledge:	The terms and conditions of the Bonds contain a negative pledge provision as described in "Terms and Conditions of the Bonds – Negative pledge".
Interest and Payment of Interest:	The Bonds bear interest from, and including, 25 October 2008 to, but

excluding 25 October 2019, payable annually in arrear on 25 October in each year (each an “**Interest Payment Date**”).

The first payment of interest will be made on 25 October 2009 for the period from, and including, 25 October 2008 to, but excluding, 25 October 2009.

The rate of interest applicable from time to time in respect of the Bonds for each Interest Period (“**Rate of Interest**”) will be equal to 4 per cent. per annum.

“**Interest Period**” means the period beginning on (and including) 25 October 2008 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;

Withholding Tax: Payments of interest and other revenues in respect of the Bonds benefit from the exemption from deduction of tax at source provided for in article 131 *quater* of the French *Code général des impôts* (general tax code). Accordingly, such payments do not give the right to any tax credit from any French source.

Governing Law: French law.

Event of Default: The terms and conditions of the Bonds contain an event of default provision and no cross default provision as described in “Terms and Conditions of the Bonds – Events of Default”.

Early

Redemption: None.

Use of Proceeds: The net proceeds to be received by the Issuer from the issue of the Bonds amounting to Euro 1,109,792,958.96 will be used for general financing purposes of the Issuer.

Listing: Euronext Paris.

Fiscal Agent,

Principal Paying

Agent: Caceis Corporate Trust

Selling

Restrictions: For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of offering material, see “Subscription and Sale” below.

(B) Essential risks associated with the Bonds

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries.

An active trading market for the Bonds may not develop.

There can be no assurance that an active trading market for the Bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, the market or trading price and liquidity of the Bonds may be adversely affected.

Fixed Rate

The Bonds bearing interest at a fixed rate, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Investments in the Bonds entail significant risks and may not be appropriate for investors lacking financial expertise.

An investment in the Bonds entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. In particular, the Bonds (because their interest is linked to the French inflation index) may be subject to considerable volatility.

Please see "Risk Factors" below for further details.

TRADUCTION EN FRANCAIS DU RÉSUMÉ

Ce résumé doit être lu comme une introduction au Prospectus. Toute décision d'investir dans les Obligations doit être fondée sur un examen exhaustif du Prospectus, y compris des documents qui y sont incorporés par référence. Lorsqu'une action concernant l'information contenue dans le Prospectus est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des États membres de la Communauté européenne ou parties à l'accord sur l'Espace économique européen, avoir à supporter les frais de traduction du Prospectus avant le début de la procédure judiciaire. Les personnes qui ont présenté le résumé, y compris sa traduction et en ont demandé la notification, n'engagent leur responsabilité civile que si le résumé est trompeur, inexact ou contradictoire par rapport aux autres parties de ce Prospectus.

1 Caractéristiques essentielles et risques de l'Émetteur

(A) L'Émetteur

En décembre 1995 a été adoptée la loi n°95-1348 autorisant le gouvernement français à prendre, durant les quatre mois suivants, une série de mesures par voie d'ordonnances afin de réformer le système de sécurité sociale. Une des mesures a consisté à définir les conditions pour consolider et apurer les dettes accumulées par le régime général de sécurité sociale.

C'est ainsi que la Caisse d'amortissement de la dette sociale (CADES) a été créée, avec effet au 1^{er} janvier 1996, par l'ordonnance n° 96-50 du 24 janvier 1996 et par le décret n° 96-353 du 24 avril 1996 tels que modifiés par la loi n° 97-1164 du 19 décembre 1997 (l'"Ordonnance"), en tant qu'établissement public national à caractère administratif placé sous la tutelle du ministre chargé de l'économie et des finances et du ministre chargé de la sécurité sociale. Initialement la CADES avait été créée pour une durée de treize ans et un mois, durée allongée à dix-huit ans et un mois par la loi n° 97-1164 du 19 décembre 1997. La loi n°2004-810 du 13 août 2004 a étendu la durée de vie de la CADES jusqu'à l'extinction de ses missions.

La CADES a pour missions:

- d'apurer la dette de l'Agence centrale des organismes de sécurité sociale à l'égard de la Caisse des dépôts et consignations, pour un montant cumulé de 34,15 milliards d'euros (224 milliards de FRF), correspondant au financement des déficits des exercices 1994 à 1998;
- d'effectuer un versement de 1,9 milliards d'euros à l'État français chaque année de 1996 à 2008 (désormais remplacé par 4 versements annuels de 3 milliards d'euros chaque année de 2002 à 2005) représentatif du remboursement de la reprise de la dette de 16,8 milliards d'euros du régime général de sécurité sociale par l'État français intervenue en janvier 1994 et auparavant assuré par le Fonds de Solidarité Vieillesse (F.S.V.); et
- en outre, de verser, au cours de la seule année 1996, un montant cumulé de 0,45 milliards d'euros (3 milliards de FRF) à la Caisse Nationale d'Assurance Maladie et Maternité des Travailleurs Non-Salariés des Professions Non-Agricoles.

Les lois de financement de la sécurité sociale pour les exercices 2003 et 2004 ont prévu un versement exceptionnel de 1,28 milliards d'euros en 2003 et de 1,1 milliards d'euros en 2004 à différentes caisses de sécurité sociale.

D'autres lois concernant la CADES ont été prises :

- Augmentation de 50 milliards de dette reprise de la branche maladie et modification de l'assiette de la CRDS (de 95 à 97% du salaire brut) - Loi du 13 août 2004. La dette reprise était de 35

milliards en 2004, de 6.6 milliards en 2005 et devrait être de 6.7 milliards en 2006 La branche maladie affectera ses excédents futurs à la CADES;

- Tout nouveau transfert de dette à la CADES devra être accompagné de recettes nouvelles - Loi organique sur la sécurité sociale 2005;
- Loi permettant la transformation des contrats d'assurance-vie en euros, en contrats en unités de compte, pouvant avoir un impact sur les prélèvements sociaux - Loi 2005-842 ;
- Institution d'un objectif annuel d'amortissement pour la CADES et du prélèvement social sur les plans épargne logement d'ancienneté supérieure à 10 ans - Loi de financement de la sécurité sociale pour 2006, du 19 décembre 2005 ;
- Modification de l'ordonnance de 1996 autorisant le ministre des finances, après prise d'un décret en définissant les conditions techniques d'application, à procéder à des émissions pour le compte de la CADES - Loi de finances pour 2006 du 30 décembre 2005. Au 22 mai 2008, aucun décret n'a été pris à ce sujet.

Le 6 octobre 2006, la CADES a reçu un dernier transfert de dette du système d'assurance maladie français pour un montant de 5,7 milliards d'euros. Le montant total ainsi transféré s'élève à 47,3 milliards d'euros : 35 milliards en 2004, 6,6 milliards en 2005 et 5,7 milliards en 2006.

(B) Risques essentiels de l'Émetteur

Risques de paiement

Le risque de crédit que présente la CADES est limité en raison du rôle de l'État de garant de la solvabilité de la CADES et en raison de l'affectation de ressources à la CADES par le Gouvernement.

Risques de Marché

La CADES est confrontée aux risques de taux, de change et aux risques de contrepartie. Ces risques sont encadrés dans un cahier des limites adopté par le conseil d'administration qui limite le risque de change à un niveau résiduel. Par ailleurs, le statut d'établissement public national à caractère administratif supprime tout risque de liquidité.

Risques juridiques

La CADES est soumise à la réglementation applicable aux établissements publics et en particulier au Code des marchés publics. La CADES fait appel à des cabinets d'avocats spécialisés pour la rédaction de ses programmes d'émission.

2 Caractéristiques essentielles des Titres et risques des Titres

(A) Les Titres

Description:

Les Titres sont émis dans le cadre d'un emprunt obligataire portant intérêt au taux de 4 % l'an d'un montant de 1.100.000.000 d'euros venant à échéance le 25 octobre 2019 et sont identiques à tous égards (sauf pour leur date d'émission et leur prix d'émission) et seront assimilées, dès leur cotation, aux titres émis par l'Émetteur, le 21 décembre 2004 dans le cadre d'un emprunt obligataire portant intérêt au taux de 4 % l'an d'un montant de 3.000.000.000 d'euros. Les Titres comprennent trois tranches:

- une tranche d'un montant de 550.000.000 euros (les "**Titres A**");
- une tranche d'un montant de 200.000.000 euros (les "**Titres B**"); et

	- une tranche d'un montant de 350.000.000 euros (les " Titres C ").
Chefs de File:	Natixis et Société Générale.
Prix d'Emission :	<p>Prix d'émission des Titres A : 99,659 % du montant nominal total des Titres A majoré d'un montant correspondant aux intérêts courus pour la période du 25 octobre 2008 inclus, au 9 avril 2009 exclu au taux de 1,819178 % (calculé sur la base du nombre exact de jours écoulés).</p> <p>Prix d'émission des Titres B : 99,272 % du montant nominal total des Titres B majoré d'un montant correspondant aux intérêts courus pour la période du 25 octobre 2008 inclus, au 9 avril 2009 exclu au taux de 1,819178 % (calculé sur la base du nombre exact de jours écoulés).</p> <p>Prix d'émission des Titres C : 98,661 % du montant nominal total des Titres C majoré d'un montant correspondant aux intérêts courus pour la période du 25 octobre 2008 inclus, au 9 avril 2009 exclu au taux de 1,819178 % (calculé sur la base du nombre exact de jours écoulés).</p>
Montant nominal de l'Emission :	1.100.000.000 d'euros
Forme des Titres :	<p>Les 1.100.000 Titres sont émis sous forme dématérialisée au porteur avec une valeur nominale de 1.000 euros chacun (550.000 Titres A, 200.000 Titres B et 350.000 Titres C).</p> <p>La propriété des Titres sera établie par une inscription en compte, conformément à l'article L. 211-4 du Code monétaire et financier. Aucun Titre (y compris des certificats représentatifs prévus à l'article R. 211-7 du Code monétaire et financier) matérialisant la propriété des Titres ne sera émis.</p>
Dénomination :	1.000 euros
Echéance:	25 octobre 2019
Rang de créance des Titres:	<p>Les Titres constituent des engagements directs, inconditionnels, non subordonnés et non assortis de sûretés de l'Émetteur qui viennent et viendront au même rang entre eux tel que décrit dans les modalités des Titres au paragraphe "Rang de créance".</p>
Notations:	<p>La dette à long terme de l'Émetteur a fait l'objet d'une notation Aaa par Moody's Investors Service Inc., AAA par Standard & Poor's Ratings Services et AAA par Fitch Ratings. La notation d'une valeur mobilière ne constitue pas une recommandation à l'achat, à la vente ou la conservation de ladite valeur mobilière et une telle notation est susceptible de révision, suspension, réduction et de retrait à tout moment par l'agence de rating concernée.</p>
Maintien de l'emprunt à son rang:	<p>Les modalités des Titres contiennent une clause de maintien de l'emprunt à son rang conformément à ce qui est énoncé dans le paragraphe "Maintien de l'emprunt à son rang" des modalités des Titres.</p>
Intérêts et paiement de l'intérêt:	<p>Les Titres portent intérêt du 25 octobre 2008 inclus au 25 octobre 2019 exclu, payable annuellement à terme échu le 25 octobre de chaque année (chacune une "Date de Paiement d'Intérêt").</p> <p>Le premier paiement d'intérêt sera effectué le 25 octobre 2009 pour la période allant du 25 octobre 2008, inclus, au 25 octobre 2009, exclu.</p> <p>Le taux d'intérêt applicable aux Titres pour chaque période d'intérêt (le</p>

"**Taux d'Intérêt**") sera égal au taux de 4 % l'an.

"**Période d'Intérêt**" signifie la période commençant le 25 octobre 2008 (inclus) et finissant à la première Date de Paiement d'Intérêt (exclue) et les périodes successives commençant à une Date de Paiement d'Intérêt (inclus) et finissant à la Date de Paiement d'Intérêt suivante (exclue).

Régime fiscal:	Les paiements d'intérêts et autres revenus afférents aux Obligations bénéficient de l'exonération de retenue à la source prévue à l'article 131 <i>quater</i> du Code général des impôts. En conséquence, ces paiements ne donneront droit à aucun crédit d'impôt de source française.
Droit applicable:	Droit français.
Cas de Défaut:	Les modalités des Titres contiennent une clause de cas de défaut mais pas de clause de défaut croisé conformément à ce qui est énoncé au paragraphe " Cas de Défaut" des modalités.
Remboursement anticipé :	Aucun
Usage du Produit Net de l'Emission :	Le produit net devant être perçu par l'Emetteur au titre de l'émission des Titres, s'élevant à 1.109.792.958,96 euros, sera utilisé pour les besoins de financement généraux de l'Emetteur.
Cotation :	Euronext Paris
Agent Financier et Agent Payeur Principal :	Caceis Corporate Trust
Restrictions à la Vente:	Pour une description de certaines restrictions faites à l'offre, la vente et la livraison de Titres et à la distribution de la documentation afférente à l'offre, voir la rubrique « Souscription et Vente » ci-après.

(B) Risques essentiels des Titres

Le marché des titres de créance peut s'avérer volatile et être pénalisé par de nombreux évènements.

Le marché des titres de créance émis par les émetteurs est influencé par les conditions économiques et les conditions de marché et, à des degrés divers, par les taux intérêts, les taux de change et les taux d'inflation dans les autres pays européens et les autres pays industrialisés.

Le marché des Titres est susceptible de rester atone.

Il ne peut être garanti que les Titres feront l'objet de volume d'échanges importants ni que, dans l'hypothèse où de tels volumes apparaîtraient, ils se maintiennent à un tel niveau. Un manque de volumes d'échanges sur les Titres risque de pénaliser leurs cours et leur liquidité.

Taux fixe

Les Obligations portant intérêt à taux fixe, tout investissement dans les Obligations entraîne le risque que des changements ultérieurs sur le marché des taux d'intérêt diminuent la valeur des Obligations.

Les investissements dans les Titres présentent des risques significatifs et ne sont pas forcément appropriés pour des investisseurs manquant d'expertise financière.

Un investissement dans un Titre présente des risques significatifs qu'on ne retrouve pas dans des investissements similaires dans des titres de créance conventionnels à taux fixe ou à taux variable.

En particulier, les Titres (parce que leur intérêt est lié à l'indice de l'inflation française) peuvent être sujet à une très forte volatilité.

Voir la rubrique "Facteurs de risques" ci-dessous pour davantage d'explications.

SELECTED FINANCIAL INFORMATION

€ Billions	30/06/2008	30/06/2007
CRDS revenue	2.795	2.564
Financial result	-1.639	-1.546
Result	1.156	1.017

€ Billions	31/12/2007	31/12/2006
CRDS revenue	5.681	5.479
Financial result	-3.103	- 2.664
Result	2.578	2.815

RISK FACTORS

The Issuer believes that the following factors ("Risk factors relating to the Issuer") may affect its ability to fulfil its obligations under Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Bonds are also described below ("Risk factors relating to the Bonds").

The Issuer believes that the factors (although not exhaustive) described below represent the principal risks inherent in investing in Bonds, but the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. The risks described below are not the only risks an investor faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on the risks relating to holding the Bonds. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Bonds prior to investing in Bonds.

The Issuer believes that Bonds should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in the Bonds involves.

1 Risk Factors relating to the Issuer

Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

Payment risks

Credit risk in relation to CADES is limited, because of the fact that the State is ultimately responsible for the solvency of CADES (see "Description of CADES – 6. Solvency" and "7. Liquidity" in the base prospectus incorporated by reference (see section "Documents incorporated by reference")) and because of the allocation of resources to CADES by the government (see "Description of CADES - Source of Funds" in the base prospectus incorporated by reference (see section "Documents incorporated by reference")).

Market risks

CADES faces interest rate risks, exchange rate risks and counterparty risks. These risks are hedged by the limits fixed by the board of directors that bring the exchange rate risk to a residual level. Otherwise, CADES does not face any liquidity risk as a result its status as administrative public agency (*établissement public national à caractère administratif*).

An external auditor checks on a quarterly basis whether the limits and procedures, in particular those regarding the division of responsibilities between market operators and post-market operators, are adhered to. So far no external auditor has been appointed for a period longer than 3 consecutive years.

Counterparty risk mainly results from the dealing in over-the-counter derivative contracts. A counterparty can only be accepted if it executes a guarantee agreement with margins calls with CADES.

Exchange rate risk may lie in CADES' issues in foreign currencies. The limits fixed by the board of directors require that all interest and principal payments be fully hedged from the outset. Any

other operation that may generate an exchange rate risk is prohibited. The only remaining exchange rate risk lies in the fees paid, on a quarterly basis and partly in USD, to the intermediaries in the commercial paper market.

Equity securities risk does not affect CADES as it does not operate in these markets.

Interest rate risks result from the difference in nature between CADES' assets (consisting of a tax) and its liabilities, consisting of financial debts. The management of interest rate risks is based on an asset/liability management model developed internally and approved in April 2001 by external advisers. This model is currently being reviewed to take into account the modifications introduced by Law No 2004-810 of 13 August 2004 which eliminates the notion of a final date for CADES.

This model's functions are the following:

- modelling the main non-independent factors (growth rate of the CRDS tax, interest rate, inflation excluding tobacco) governing the evolution of the various elements of the balance sheet, by projecting it onto CADES' likely duration under various scenarios generated by simulations carried out under the Monte Carlo method, the econometric method or by specific cases,
- proposing a range of debt portfolios by category (fixed rate, variable rate, inflation indexed) and by maturity,
- ranking portfolios' performances according to the expectation and variation of representative elements of CADES, and with a risk-aversion function.

The results are sent on a weekly basis to the Chairman and on a monthly basis to the other members of the board of directors.

The debt portfolio on 31 January 2009 is as follows: inflation indexed rate: 16.64%; fixed rate: 64.07%; variable rate: 19.29%.

Legal risks

CADES is subject to all laws and regulations governing public agencies and in particular to the law on public procurements (*Code des marchés publics*).

2 Risk Factors relating to the Bonds

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Bonds or that economic and market conditions will not have any other adverse effect.

An active trading market for the Bonds may not develop.

There can be no assurance that an active trading market for the Bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, the market or trading price and liquidity of the Bonds may be adversely affected. The Issuer is entitled to buy the Bonds, as described in Condition 6, and the Issuer may issue further Bonds, as described in Condition 10. Such transactions may favourably or adversely affect the price development of the Bonds. If additional and competing products are introduced in the markets, this may adversely affect the value of the Bonds.

Fixed rate

The Bonds bearing interest at a fixed rate, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Investments in the Bonds entail significant risks and may not be appropriate for investors lacking financial expertise.

An investment in the Bonds (which are linked to the French inflation index ratio) entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- such index may be subject to significant changes, whether due to the composition of the index itself;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer through the Issuer at the same time;
- the investment in the Bonds may be subject to considerable volatility;
- the risks of investing in the Bonds encompasses both risks relating to the French Inflation indexed securities and risks that are unique to the Bond itself;
- it may not be possible for investors to hedge their exposure to these various risks relating to the Bonds; and
- a significant market disruption could mean that the relevant French inflation index ratio on which the Bonds are based ceases to exist.

In addition, the value of the Bonds on the secondary market is subject to greater levels of risk than is the value of other Bonds. The secondary market, if any, for the Bonds will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable French inflation index ratio, including the volatility of the applicable French inflation index ratio, the time remaining to the maturity of such Bonds, the amount outstanding of such Bonds and market interest rates. The value of the applicable French inflation index ratio depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control. The historical experience of the relevant French inflation index ratio should not be taken as an indication of future performance of such French inflation index ratio during the term of the Bond. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of the Bonds.

The credit ratings assigned to the Bonds are a reflection of the credit status of the Issuer, and in no way are a reflection of the potential impact of any of the factors discussed above, or any other factors, on the market value of the Bonds. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in the Bonds and the suitability of such Bonds in light of their particular circumstances.

Various transactions by the Issuer could impact the performance of the Bonds, which could lead to conflicts of interest between the Issuer and holders of its Bonds.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency

relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

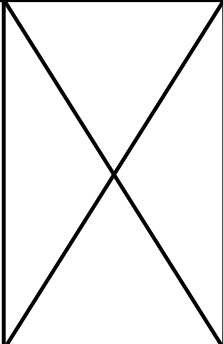
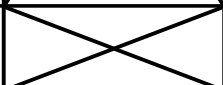

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published and that have been filed with the *Autorité des marchés financiers* (“AMF”) and are incorporated in, and form part of, this Prospectus:

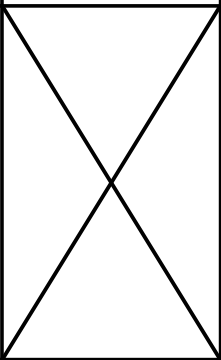
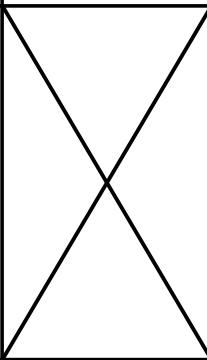
- the base prospectus dated 22 May 2008 which has received from the AMF the *visa* n° 08-104 on 22 May 2008 (the “**Base Prospectus**”), containing the annual financial statements (including the auditor’s reports thereon and notes thereto) of CADES for the years ended 31 December 2006 and 31 December 2007,
- the supplement to the Base Prospectus dated 27 October 2008 which has received from the AMF the *visa* n° 08-0226 on 27 October 2008 (the “**First Supplement**”), containing the interim financial statements (including the auditor’s limited review report thereon and notes thereto) of CADES for the half-year period ended 30 June 2008, and
- the supplement to the Base Prospectus dated 16 January 2009 (the “**Second Supplement**”) which has received from the AMF the *visa* n° 09-0010 on 16 January 2009.

The Issuer will, at the specified offices of the Paying Agents set out at the end of this Prospectus, make available, free of charge, a copy of any or all the documents deemed to be incorporated herein by reference. The Prospectus and all documents incorporated by reference in this Prospectus will also be available on the website of the AMF (www.amf-france.org).

Cross-reference table

INFORMATION INCORPORATED BY REFERENCE Annex IV of the EC Regulation no. 809/2004		REFERENCE		
		Base Prospectus	First Supplement	Second supplement
A4.5	INFORMATION ABOUT THE ISSUER			
A4.5.1	History and development of the Issuer	Pages 50 to 51	Page 3	Pages 3 to 5
A4.6	BUSINESS OVERVIEW			
A4.6.1	<u>Principal activities</u>	Pages 50 to 56	Page 3	Pages 3 to 5
A4.6.2	<u>Principal markets</u>			
A4.10	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
A4.10.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 51 and 52		Page 3
A4.10.2	Conflicts of interests Potential conflicts of interests between any duties to	Page 52		

INFORMATION INCORPORATED BY REFERENCE Annex IV of the EC Regulation no. 809/2004	REFERENCE		
<p>the issuing entity of the persons referred to in item 10.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.</p>		X	X
A4.11 BOARD PRACTICES			
<p>A4.11.1 Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.</p>	<p>Page 52</p>	X	X
A4.13 CONSOLIDATED FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
<p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:</p>			
<ul style="list-style-type: none"> • balance sheet; 	<p>2006: Page 63 2007: Page 103</p>	X	X
<ul style="list-style-type: none"> • income statement; 	<p>2006: Page 64 2007: Page 104</p>	X	X
<ul style="list-style-type: none"> • Statement of changes in equity; 		X	X
<ul style="list-style-type: none"> • cash flow statement; 		X	X
<ul style="list-style-type: none"> • accounting policies; and 	<p>2006: Pages 67 to 71 2007: Pages 107 to 113</p>	X	X
<ul style="list-style-type: none"> • explanatory notes. 	<p>2006: Pages 72 to 94 2007: Pages 113 to 135</p>	X	X
<p>A4.13.5 <u>Auditing of historical annual consolidated financial information</u></p>			
<p>A4.13.3.1 A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal OR such qualifications OR disclaimers must be reproduced in full and the reasons given.</p>	<p>2006: Page 95 2007: Page 138</p>	X	X

INFORMATION INCORPORATED BY REFERENCE Annex IV of the EC Regulation no. 809/2004	REFERENCE		
A4.13.5 <u>Interim and other financial information</u>			
A4.13.5.1 If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is un-audited or has not been reviewed state that fact.		Pages 8 to 38	

Any information not listed in the cross-reference table but included in the documents incorporated by reference is given for information purposes only.

TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the Bonds will be as follows:

The Euro 1,100,000,000 4 per cent Bonds due October 2019 consisting of the Euro 550,000,000 4 per cent Bonds due October 2019 (the "**A Bonds**"), the Euro 200,000,000 4 per cent Bonds due October 2019 (the "**B Bonds**") and the Euro 350,000,000 4 per cent Bonds due October 2019 (the "**C Bonds**" and together with the A Bonds and the B Bonds collectively referred to as the "**Bonds**") are issued with the benefit of a fiscal agency agreement dated 21 December 2004, as amended and supplemented by a first supplemental fiscal agency agreement dated 9 April 2009, (together, the "**Fiscal Agency Agreement**") between the Caisse d'amortissement de la dette sociale (the "**Issuer**"), Caceis Corporate Trust, as fiscal agent and principal paying agent (the "**Fiscal Agent**"), and the paying agent(s) named therein (together with the Fiscal Agent, the "**Paying Agents**"). The holders of the Bonds (the "**Bondholders**") are entitled to the benefit of the provisions of the Fiscal Agency Agreement.

The Bonds are identical in all respect (save as to issue date and issue price) and will, upon listing on Euronext Paris, be assimilated (*assimilables*) and interchangeable for trading purposes with the existing Euro 3,000,000,000 4 per cent. Bonds due October 2019 issued on 21 December 2004 (the "**Original Bonds**") bringing the total nominal amount to Euro 4,100,000,000.

Certain statements herein are summaries of, and are subject to the detailed provisions of, the Fiscal Agency Agreement. The expressions "Fiscal Agent" and "Paying Agent(s)", shall include, as the case may be, any substitute fiscal agent, substitute or additional paying agent(s) appointed pursuant to the Fiscal Agency Agreement.

References below to the "**Conditions**" shall, unless the context otherwise requires, be to the numbered paragraphs below. References to the Paying Agents shall, where the context admits, include the Fiscal Agent.

Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the office of the Fiscal Agent and at the offices of the other Paying Agent(s) specified hereunder.

1 Form, denomination and title

The 1,100,000 Bonds are issued in dematerialised bearer form (*au porteur*) in the denomination of euro 1,000 (550,000 A Bonds, 200,000 B Bonds and 350,000 C Bonds).

Title to the Bonds will be evidenced by book entries (*inscription en compte*) in accordance with article L. 211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the Bonds (including *certificats représentatifs* issued pursuant to article R. 211-7 of the French *Code monétaire et financier*).

The Bonds will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holder**" shall mean any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euroclear France, and includes the depositary banks for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Title to the Bonds shall be evidenced by entries in the books of the Account Holders. Title will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

2 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for those preferred by mandatory provisions

of French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

3 Negative pledge

The Issuer undertakes that, so long as any of the Bonds remains outstanding, it shall not create on any of its present or future assets or revenues any mortgage, pledge or other encumbrance to secure any Publicly Issued External Financial Indebtedness of the Issuer unless the Bonds shall also be secured by such mortgage, pledge or other encumbrance equally and rateably therewith. "**Publicly Issued External Financial Indebtedness**" is defined to mean any present or future marketable indebtedness represented by bonds, notes or any other publicly issued debt securities (i) which are expressed or denominated in a currency other than euro or which are, at the option of the person entitled to payment thereof, payable in a currency other than euro and (ii) which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or other similar securities market.

4 Interest

The Bonds bear interest from, and including, 25 October 2008 to, but excluding 25 October 2019 at a rate of 4 per cent. per annum, payable annually in arrear on 25 October in each year (each an "**Interest Payment Date**").

The first payment of interest will be made on 25 October 2009 for the period from, and including, 25 October 2008 to, but excluding, 25 October 2009.

Interest will cease to accrue on each Bond from the due date for redemption thereof unless payment of principal is improperly withheld or refused on such date. In such event, such Bond shall continue to bear interest at the rate of interest applicable to such Bond on the due date for redemption (both before and after judgment) until, and including, whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (ii) the day of receipt by or on behalf of Euroclear France of all sums due in respect of all the Bonds.

When interest is required to be calculated for a given period it will be calculated on an Actual/Actual-ICMA basis, that is, on the basis of the actual number of days elapsed during that period divided by 365 (or 366 if the period includes 29 February).

5 Payments

(a) *Method of payment*

Payments of principal and interest in respect of the Bonds will be made in euro by credit or transfer to an account denominated in euro and specified by the payee with a bank located in a principal financial centre for payments in euro, including without limitation, Luxembourg.

Such payments shall be made for the benefit of the Bondholders to the Account Holders (including the depositary banks for Clearstream, Luxembourg or Euroclear).

Payments of principal and interest in respect of the Bonds will be subject to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions described in Condition 7.

(b) *Payment on Business Days*

If any day for payment in respect of any Bond is not a Business Day, no payment shall be made until the next following Business Day and the holder of such Bond shall not be entitled to any interest or other sums with respect to such postponed payment.

In these Conditions, "**Business Day**" means a day on which commercial banks and foreign exchange markets are open for business in Paris and which is a day on which TARGET System is operating or if the TARGET System ceases to operate or the TARGET System is no longer consistent, as determined by the Issuer (with prior consultation with the Fiscal Agent), with the market practice for payment on fixed note euro denominated debt obligations issued in the euromarket, the business day definition that shall apply to the Bonds shall be a business day definition for fixed rate euro denominated debt obligations issued in the euromarket which is consistent with the then existing or anticipated market practice and determined by the Issuer (with prior consultation with the Fiscal Agent). The Issuer shall notify the Bondholders of such definition in accordance with Condition 11. The "**TARGET System**" means the Trans-European Real-time Gross Settlement Express Transfer System.

(c) *Fiscal Agent and Paying Agents*

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another fiscal agent or additional or other paying agents, provided that the Issuer shall maintain a Paying Agent in Paris so long as the Bonds are listed on Euronext Paris. Notice of any such termination or appointment and of any changes in the specified offices of the Fiscal Agent or any Paying Agent will be given to the Bondholders in accordance with Condition 11.

The names and specified offices of the Fiscal Agent and Principal Paying Agent are as follows:

FISCAL AGENT AND PRINCIPAL PAYING AGENT

Caceis Corporate Trust
14, rue Rouget de Lisle
92862 Issy-les-Moulineaux Cedex 9
France

6 Redemption and purchase

(a) *Final redemption*

Unless previously purchased and cancelled, the Bonds will be redeemed by the Issuer at their principal amount on 25 October 2019.

(b) *Purchases*

The Issuer may at any time purchase Bonds at any price in the open market or otherwise.

(c) *Cancellation*

All Bonds which are purchased by the Issuer will forthwith be cancelled and accordingly may not be reissued or resold.

7 Taxation

Payments of interest on, and other revenues with respect to the Bonds, are entitled to the exemption from deduction at source provided by article 131 quater of the French *Code général des impôts* (general tax code). Accordingly such payments do not give the right to any tax credit from any French source.

All payments of principal and interest will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of France, or any authority therein or thereof having power to tax,

unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law in which case the Issuer shall pay no additional amounts.

8 Prescription

Claims for the payment of principal and interest under the Bonds shall be prescribed upon the expiry of four years after the 1st January following the relevant due date thereof.

9 Events of Default

If any of the following events (hereinafter referred to as the "**Event of Default**") shall occur and be continuing:

- (a) there is a default in the payment of any principal or default for more than 30 days in the payment of any interest due and payable on or in respect of any Bond, or
- (b) the Issuer defaults in the due performance and observance of any other provision contained in the Bonds and such default (if capable of remedy) remains unremedied for 90 days after written notice thereof shall have been given to the Issuer at the specified office of the Fiscal Agent by any Bondholder, or
- (c) the Issuer is dissolved or ceases to be an *établissement public* prior to the repayment in full of the Bonds or the payment in full of all sums due under the Bonds unless its activities and debts are validly transferred to another *établissement public* or assumed by the French state,

then, in any such event, the Representative (as defined in Condition 13(a)), as its own initiative on behalf of the *Masse* or upon request of any Bondholder, may by written notice to the Issuer (through the Fiscal Agent), effective upon receipt, declare, pursuant to a resolution of the general assembly of Bondholders, all Bonds then outstanding to be forthwith due and payable, whereupon the principal amount of all such Bond, together with interest accrued to the date of payment, shall become immediately due and payable unless, prior to the time when the Fiscal Agent received such notice, all such Events of Default shall have been cured.

10 Further issues and consolidation

The Issuer shall be at liberty from time to time without the consent of the Bondholders to issue further bonds, which further bonds may be assimilated (*assimilables*) to the A Bonds, the B Bonds and the C Bonds as regards their financial service, provided that such further bonds and the Bonds carry rights identical in all respects (or in all respects save for the first payment of interest thereon) and that the terms of such further bonds provide for such assimilation.

The Issuer may also from time to time, without the consent of the Bondholders, consolidate the Bonds with one or more issues of other bonds issued by it, whether or not originally issued in euro, provided that all such bonds have been redenominated into euro (if not originally denominated in euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Bonds. The relevant fiscal agency agreement(s) will be amended accordingly and notice or any such consolidation will be given to the Bondholders in accordance with Condition 11.

11 Notices

Any notice to the Bondholders, will be deemed to have been duly given if published once, so long as the Bonds are listed on Euronext Paris and the rules applicable to that Stock Exchange so require, in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos*). Any such notice shall be deemed to have been given on the date of such publication or if published on different dates on the date of the first publication.

La Tribune OF

12 Financial information

As soon as they are available after the close of each financial year during the term of the Bonds, the Issuer shall provide the Fiscal Agent with copies of its annual reports for such financial year (the "Annual Statements"). Copies of such Annual Statements will be made available at the specified office of the Fiscal Agent.

13 Representation of the Bondholders

The Bondholders will be grouped automatically for the defence of their common interests in a masse (hereinafter collectively referred to as the "*Masse*").

The *Masse* will be governed by the provisions of the French *Code de Commerce* (the "**Code**"), with the exception of articles L. 228-48, L. 228-59, L. 228-65-II, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

(a) *Legal Personality*

The *Masse* will be a separate legal entity acting in part through a representative (hereinafter called "**Representative**") and in part through a general assembly of Bondholders.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefit which now or in the future may accrue respectively with respect to the Bonds.

(b) *Representative*

The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its *Conseil d'administration*, its employees and their ascendants, descendants and spouses, or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, or
- (iii) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The initial Representative will be:

Eric Noyer
10 Harewood Avenue
London NW1 6AA
Great Britain

The alternate Representative will be:

Nicole Georgeon
10 Harewood Avenue
London NW1 6AA
Great Britain

The Issuer shall pay to the acting Representative a total amount of euro 305 per year with respect to the Bonds and the Original Bonds.

In the event of death, retirement or revocation of appointment of the initial Representative, such Representative will be replaced by the alternate Representative. In the event of death, retirement, or revocation of the alternate Representative, a replacement representative will be elected by a meeting of the general assembly of Bondholders.

All interested parties will at all times have the right to obtain the name and address of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

(c) *Powers of the Representative*

The Representative shall, in the absence of any decision to the contrary of the general assembly of Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders. All legal proceedings against the Bondholders or initiated by them, must be brought against the Representative or by him.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) *General Assemblies of Bondholders*

General assemblies of Bondholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds, may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such demand, such Bondholders may commission one of themselves to petition a Court sitting in the jurisdiction of the *Cour d'Appel* of Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place and agenda of any general assembly will be published as provided under Condition 11.

Each Bondholder has the right to participate in general assemblies in person or by proxy. Each Bond carries the right to one vote.

(e) *Powers of the general assemblies*

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the terms and conditions of the Bonds including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that a general assembly may not increase amounts payable by Bondholders, nor authorise or accept a postponement in the maturity for the payment of interest or a modification of the terms of repayment or of the rate of interest, nor establish any unequal treatment between the Bondholders.

Meetings of a general assembly may deliberate validly on first convocation only if Bondholders present or represented hold at least a quarter of the bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Bondholders attending such meetings or represented thereat.

Decisions of general assemblies must be published in accordance with the provisions set forth in Condition 11.

(f) *Information to Bondholders*

Each Bondholder or representative thereof will have the right, during the fifteen-day period preceding the holding of each general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the general

assembly, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of the general assembly.

(g) *Expenses*

The Issuer will pay all expenses incurred in the operations of the *Masse*, including expenses relating to the calling and holding of general assemblies and the expenses which arise by virtue of the remuneration of the Representative and, more generally, all administrative expenses resolved upon a general assembly of Bondholders, it being expressly stipulated that no expense may be imputed against interest payable on the Bonds.

(h) *Single Masse*

The Bondholders and the holders of further bonds, which provide for their assimilation and/or consolidation with such bonds, issued in accordance with Condition 10 "Further Issues and Consolidation", may, for the defence of their common interest, be grouped in a single *Masse*.

14 Governing Law and Jurisdiction

The Bonds and the Fiscal Agency Agreement are governed by, and shall be construed in accordance with, the laws of France. The Issuer hereby irrevocably and unconditionally submits to the competent Court in Paris for all purposes in relation to the Bonds and waives any objection to proceedings in such Courts whether on the grounds that the proceedings have been brought in an inconvenient forum or otherwise.

USE OF PROCEEDS

The net proceeds to be received by the Issuer from the issue of the Bonds amounting to Euro 1,109,792,958.96 will be used for general financing purposes of the Issuer.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 7 April 2009 (the "**Subscription Agreement**"), Natixis and Société Générale (the "**Joint-Lead Managers**") have agreed with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay jointly and severally for the Bonds at an issue price of (i) 99.659 per cent. of the aggregate principal amount of the A Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed) less a combined management and underwriting commission of 0.20 per cent. of the principal amount of the A Bonds, (ii) 99.272 per cent. of the aggregate principal amount of the B Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed) less a combined management and underwriting commission of 0.20 per cent. of the principal amount of the B Bonds, and (iii) 98.661 per cent. of the aggregate principal amount of the C Bonds plus an amount corresponding to accrued interest for the period from, and including, 25 October 2008, to but excluding, 9 April 2009 at a rate of 1.819178 per cent. of their aggregate principal amount (calculated on the basis of the actual number of days elapsed) less a combined management and underwriting commission of 0.20 per cent. of the principal amount of the C Bonds.

The underwriting commitment of Natixis amounts to Euro 550,000,000.

The underwriting commitment of Société Générale amounts to Euro 550,000,000.

The Subscription Agreement entitles the Joint-Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Selling Restrictions

General Restrictions

No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Bonds, or the possession or distribution of offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and no offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Directive 2003/71/EC (the "**Prospectus Directive**") (each, a "**Relevant Member State**"), each Joint-Lead Manager has represented 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**"), unless as otherwise specified in the Issue Specific Conditions, it has not made and will not make an offer of Bonds to the public in that Relevant Member State and may, with effect from and including the Relevant Implementation Date, only offer at any time:

- (i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

- (iii) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds 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 Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States of America

The Bonds have not been and will not be registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States of America.

The Bonds are being offered and sold outside the United States of America in reliance of Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds by any dealer (whether or not participating to the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial and Markets Services Act 2000 (the “**FSMA**”) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(a) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Issuer and the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, in connection with their initial distribution, directly or indirectly, any Bonds to the public in the Republic of France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Bonds, except to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code Monétaire et financier.

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the Common Code 020807296 and Euroclear France with the ISIN (International Securities Identification Number) number FR0010143743. The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France, the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
2. For the sole purpose of the admission to trading of the Bonds on Euronext Paris, and pursuant to articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the *Autorité des marchés financiers* and received a *visa* no. 09-079 dated 3 April 2009.
3. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was duly authorised pursuant to a resolution of Conseil d'administration of the Issuer dated 5 August 2008 authorising the Issuer's borrowing programme and delegating all powers to issue bonds under the programme to its chairman, and approved by the Minister of Economy, Finance and Industry on 25 September 2008.
4. Except as disclosed in this Prospectus (including the documents incorporated by reference therein), there has been no significant change in the financial or trading position of the Issuer since 30 June 2008, and no material adverse change in the financial position, affairs or prospects of the Issuer since the date of publication of the financial statements for the period ended 31 December 2007. The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects, in the context of the issue of the Bonds, on the financial position or profitability of the Issuer.
5. The Issuer publishes (i) audited annual accounts and (ii) interim accounts subject to a limited review from the Auditors. So long as any of the Bonds remain outstanding, copies of the most recent annual accounts and interim semi-annual accounts of the Issuer may be obtained without charge from the Issuer and at the specified offices for the time being of the Paying Agents during normal business hours. Copies of the Prospectus, the annual accounts of the Issuer as of 31 December 2006 and 31 December 2007 and the interim accounts of the Issuer as of 30 June 2008 are available free of charge at the offices of the Paying Agents during normal business hours. Copies of the Agency Agreement will be available for inspection at the specified offices for the time being of the the Paying Agents during normal business hours.
6. There are no material contracts that are not entered into the ordinary course of CADES' s business which could result in any member of CADES being under an obligation or entitlement that is material to CADES' ability to meet its obligation to Bondholders in respect of the Bonds being issued.
7. The Issuer's public accountant (*Trésorier Payeur Général Agent Comptable de la CADES*) is responsible for the preparation of its statutory accounts and financial statements. Such accounts and financial statements are also approved by the Minister of the Economy, Finance and Industry and the Minister of Employment and Solidarity and are controlled periodically by the Court of Accounts (*Cour des Comptes*), which has authority to accept or reject the accounts presented. The Issuer has, in relation to its 2006 and 2007 annual financial statements, requested Salustro Reydel (KPMG) and KPMG Audit to carry out a contractual audit of such financial statements which are incorporated by reference in this Prospectus. The report issued by Salustro Reydel (KPMG) and KPMG Audit in respect of such financial statements is also incorporated by reference in this Prospectus. While the Issuer will restate its future financial statements in the manner of the 2007 annual financial statements referred to above, there is no commitment on the Issuer's part to require Salustro Reydel (KPMG) and KPMG Audit or

any other accounting firm to carry out any review of such financial statements or to produce any report in respect thereof. Salustro Reydel (KPMG) and KPMG Audit are members of the *Compagnie Nationale des Commissaires aux Comptes*.

8. The yield of the A Bonds is 4.038 per cent per annum, the yield of the B Bonds is 4.084 per cent per annum and the yield of the C Bonds is 4.157 per cent per annum as calculated on the Issue Date on the basis of the respective Issue Price of the A, B and C Bonds and in accordance with the ICMA method which determines the effective rate of interest taking into account accrued interest on a daily basis. The yields indicated in this paragraph are not anticipations of the future yields.
9. Save as discussed in “Subscription and Sale” so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.
10. Euronext Paris and the Regulated Market of the Luxembourg Stock Exchange are the regulated markets on which, to the knowledge of the Issuer, securities of the same class of the Bonds are already admitted to trading.
11. On 3 June 2003, the EU adopted directive 2003/48/EC regarding the taxation of savings income received in the form of interest payments (the “**Directive**”). The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

The rate of such withholding tax will equal 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period.

Such transitional period will end if and when the European Community enters into agreements on exchange of information upon request with several jurisdictions (the United States, Switzerland, Liechtenstein, San Marino, Monaco and Andorra).

Member States are required, from 1 July 2005, to provide the tax authorities of another member State with, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to or for the benefit of an individual resident in that other member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

**PERSONS RESPONSIBLE FOR THE INFORMATION SET OUT IN
THE PROSPECTUS**

Having taken all reasonable care to ensure that such is the case, we declare that, to the best knowledge of the Issuer, the information contained in this Prospectus is true. All the information necessary for investors to be able to base their judgement on the business, activity, financial situation, income and outlook of the Issuer and on the rights attached to financial instruments is included in the Prospectus and there has been no omission of material facts.

Caisse d'amortissement de la dette sociale

15-17 rue Marsollier
75002 Paris
France

Duly represented by:

Mr. Patrice RACT MADOUX

Président du Conseil d'administration

Caisse d'amortissement de la dette sociale





AUTORITÉ
DES MARCHÉS FINANCIERS

In accordance with articles L. 412-1 et L. 621-8 of the *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular articles 211-1 à 216-1, the *Autorité des marchés financiers* (AMF) has granted to this Prospectus the *visa* n°09-079 on 3 April 2009. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Bonds.

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Caisse d'amortissement de la dette sociale

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