Financial Report 2007

"Steadfastly committed
to serving the public interest
and economic development."

Caisse des Dépôts

NOTION OF GROUP

The activities of Caisse des Dépôts derive from its original mission as the legal depository for private funds that the French legislature wished to safeguard by ensuring that they were managed in a way guaranteeing their protection.

The management of these funds, which are used to finance public interest investments and support local and regional development in France, has led Caisse des Dépôts to become a major player in the financial markets, through its specialised subsidiaries subject to regular market conditions.

This entity forms a public and decentralised group, carrying out its business in France and abroad in the financial, real estate and service industries. These activities are either governed by public fiduciary obligations or exercised freely in the competitive sector:

Public interest missions

> management of passbook savings funds and financing of social housing;
> fiduciary management of major public pension schemes;
> regulated banking and financial activities;
> support for local development, urban planning, job creation and small- and medium-sized businesses.

Competitive businesses

> **personal insurance** with CNP Assurances;
> **services and engineering** for regional and local development with the Egis, Transdev, Compagnie des Alpes and Santoline groups;
> **real estate activities,** through the SNI and Icade groups;
> **private equity**;
> **infrastructure**.

Presentation of the financial statements

For accounting and financial presentation purposes, the Caisse des Dépôts group's activities are divided according to its two principal missions:
> the fiduciary management of the funds entrusted to Caisse des Dépôts according to the rules defining the nature of the services provided and the related financial conditions. These funds are managed on a completely separate basis. This concerns in particular the savings funds centralised at Caisse des Dépôts and the management of public sector pension funds;

> the direct activities carried out by the Central Sector – Caisse des Dépôts' financial and administrative entity which is managed independently from the fiduciary operations – and by affiliated groups in France and abroad, notably Icade, Transdev, Egis, Compagnie des Alpes, Santoline, SNI and CNP Assurances. Only this activity is considered to constitute a group for the purposes of preparing consolidated financial statements, drawn up in accordance with accounting standards applicable to credit institutions. The consolidating entity is the Central Sector. Subsidiaries are fully or proportionally consolidated, or accounted for by the equity method, depending on the level of control.

This distinction is evidenced by the exclusion of the savings funds and pension funds from the scope of consolidation. Their financial statements are presented separately.

AUDIT OF THE FINANCIAL STATEMENTS

Since 2004, Caisse des Dépôts has complied with the following provisions of Article 30 of French Law No. 84-148 of 1 March 1984, as amended by Article 110 of French Law No. 2004-1484 of 30 December 2004:

"Public institutions of the State, whether they are subject or not to public accounting rules shall be obliged to appoint at least two statutory auditors and two alternates when they draw up consolidated accounts pursuant to Article 13 of Law No.85-11 of 3 January 1985 relating to the consolidated accounts of certain commercial companies and public undertakings."
"Each year, Caisse des dépôts et consignations shall present its company and consolidated financial statements, audited by two statutory auditors, to the Finance Committees of the National Assembly and the Senate. The supervisory board of Caisse des dépôts et consignations shall appoint the statutory auditors and their alternates on the recommendation of its Chairman and Chief Executive."

Consolidated financial statements

adopted by the Chief Executive Officer of Caisse des Dépôts on 3 April 2008.

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Consolidated income statement,
year ended 31 December 2007

(in millions of euros)	Notes	31.12.2007	31.12.2006
Interest income	1	5,192	4,432
Interest expense	1	(1,933)	(1,606)
Fee and commission income	2	35	54
Fee and commission expense	2	(80)	(98)
Gains and losses on financial instruments at fair value through profit or loss, net	3	816	932
Gains and losses on available-for-sale financial assets, net	4	3,109	1,932
Income from other activities	5	17,171	15,746
Expenses from other activities	5	(17,256)	(16,461)
Net banking income		**7,054**	**4,931**
General operating expenses	6	(2,941)	(2,480)
Depreciation, amortisation and impairment of property and equipment and intangible assets		(285)	(213)
Gross operating profit		**3,828**	**2,238**
Cost of risk	7	(28)	(34)
Operating profit		**3,800**	**2,204**
Share of profit of associates	21	103	58
Gains and losses on other assets, net	8	70	183
Change in value of goodwill		3	(5)
Profit before tax		**3,976**	**2,440**
Income tax expense	9	(1,174)	(873)
Net profit from discontinued operations	10		2,398
Net profit		**2,802**	**3,965**
Minority interests		(314)	(312)
Net profit attributable to equity holders of the parent		**2,488**	**3,653**

Consolidated balance sheet

at 31 December 2007

(in millions of euros)	Notes	31.12.2007	31.12.2006
Assets			
Cash and amounts due from central banks and post office banks		11	23
Financial assets at fair value through profit or loss	12	34,594	30,657
Hedging instruments with a positive fair value	13	109	23
Available-for-sale financial assets	14	123,771	126,392
Loans and receivables due from credit institutions	15	4,941	5,254
Loans and receivables due from customers	16	20,232	14,611
Cumulative fair value adjustments to portfolios hedged against interest rate risk			
Held-to-maturity investments	17	17,398	15,325
Current and deferred tax assets	18	334	319
Prepayments, accrued income and other assets	19	5,788	7,263
Non-current assets held for sale	20	10	21
Investments in associates	21	2,506	887
Investment property	22	7,296	6,042
Owner-occupied property and equipment	22	2,442	1,685
Intangible assets	22	547	380
Goodwill	23	1,192	762
Total assets		**221,171**	**209,644**
Liabilities and equity			
Due to central banks and post office banks			
Financial liabilities at fair value through profit or loss	12	1,537	841
Hedging instruments with a negative fair value	13	72	12
Amounts due to credit institutions	24	22,594	25,244
Amounts due to customers	25	43,711	43,298
Debt securities	26	7,824	10,313
Cumulative fair value adjustments to portfolios hedged against interest rate risk			
Current and deferred tax liabilities	18	4,241	4,209
Accruals, deferred income and other liabilities	27	9,549	7,310
Insurance company technical reserves	28	97,973	84,008
Provisions	29	1,122	984
Subordinated debt	30	777	709
Equity attributable to equity holders of the parent			
Reserves and retained earnings		17,794	15,915
Profit for the year		2,488	3,653
Unrealised or deferred gains and losses		8,798	10,129
Total equity attributable to equity holders of the parent		**29,080**	**29,697**
Minority interests		2,691	3,019
Total equity		**31,771**	**32,716**
Total liabilities and equity		**221,171**	**209,644**

Consolidated statement of changes in equity, 1 January 2006 to 31 December 2007

(in millions of euros)	Retained earnings	Attributable net profit	Translation reserve	Cumulative fair value adjustments to available-for-sale financial assets	Cumulative fair value adjustments to cash flow hedges	Equity attributable to equity holders of the parent	Minority interests in reserves	Minority interests in profit	Minority interests in unrealised or deferred gains and losses	Minority interests	Total equity
Equity at 1 January 2006 under French GAAP	**14,218**	**2,088**	**(45)**			**16,261**	**1,481**	**180**		**1,661**	**17,922**
Effect of first-time adoption of IFRS	(783)		135	8,321	(2)	7,671	244		178	**422**	8,093
Equity at 1 January 2006 under IFRS	**13,435**	**2,088**	**90**	**8,321**	**(2)**	**23,932**	**1,725**	**180**	**178**	**2,083**	**26,015**
Effect of changes in accounting methods											
Appropriation of 2005 profit	2,088	(2,088)					180	(180)			
2005 dividend	(696)					(696)	(175)			**(175)**	(871)
Transactions with minority shareholders (1)	437					437					437
Other changes	614			(447)		167	734		(7)	**727**	894
Profit for the period		3,653				3,653		312		**312**	3,965
Unrealised or deferred gains and losses											
Exchange differences on translation of foreign operations			(55)			(55)	(4)			**(4)**	(59)
Fair value adjustments to financial instruments recognised directly in equity	2			2,993	26	3,021	(1)		82	**81**	3,102
Fair value adjustments to financial instruments reclassified to the income statement				(764)	2	(762)			(5)	**(5)**	(767)
Equity at 31 December 2006 under IFRS	**15,880**	**3,653**	**35**	**10,103**	**26**	**29,697**	**2,459**	**312**	**248**	**3,019**	**32,716**
Effect of changes in accounting methods	6					6	2			**2**	8
Appropriation of 2006 profit	3,653	(3,653)					312	(312)			
2006 dividend	(1,491)					(1,491)	(256)			**(256)**	(1,747)
Transactions with minority shareholders (2)	(193)					(193)	(374)			**(374)**	(567)
Other changes	(103)		6	107	(18)	(8)	148		(19)	**129**	121
Profit for the period		2,488				2,488		314		**314**	2,802
Unrealised or deferred gains and losses											
Exchange differences on translation of foreign operations							4			**4**	4
Fair value adjustments to financial instruments recognised directly in equity	1			257	28	286			(7)	**(7)**	279
Fair value adjustments to financial instruments reclassified to the income statement				(1,701)	(4)	(1,705)			(140)	**(140)**	(1,845)
Equity at 31 December 2007 under IFRS	**17,753**	**2,488**	**41**	**8,766**	**32**	**29,080**	**2,295**	**314**	**82**	**2,691**	**31,771**

(1) Corresponding mainly to the dilution of Caisse des Dépôts' interest in Icade following the rights issues carried out in connection with Icade's stock market listing and the sale of Icade shares.
(2) Corresponding mainly to the Écureuil Vie goodwill recognised on the buyout of minority interests.

Consolidated cash flow statement,
year ended 31 December 2007

The cash flow statement is prepared using the indirect method.
Investing activities correspond to purchases and sales of interests in consolidated companies, property and equipment and intangible assets.
Financing activities are activities that result in changes in the size and composition of equity, subordinated debt and bond debt.
Operating activities correspond to all cash flows that do not fall within the above two categories.

(in millions of euros)	31.12.2007	31.12.2006
Profit before tax (excluding discontinued operations)	**3,976**	**2,440**
Net depreciation, amortisation and impairment of property and equipment and intangible fixed assets	494	393
Impairment losses on goodwill and other non-current assets	(12)	(3)
Provision expense, net [1]	7,254	8,124
Share of profit of associates	(103)	(61)
Net revenues from investing activities	(46)	(941)
(Profits) losses from financing activities, net		
Other movements	509	(924)
Total non-monetary items included in profit before tax and other adjustments	**8,096**	**6,588**
Net increase (decrease) in cash from transactions with credit institutions [2]	(4,822)	1,871
Net increase (decrease) in cash from customer transactions [3]	(5,730)	(3,831)
Net increase (decrease) in cash from other transactions affecting financial assets and liabilities [4]	3,208	(1,119)
Net increase (decrease) in cash from investment property	(474)	(258)
Net increase (decrease) in cash from other transactions affecting non-financial assets and liabilities	550	(1,229)
Income taxes paid	(862)	(775)
Net increase (decrease) in cash related to assets and liabilities from operating activities	**(8,130)**	**(5,341)**
Net cash from operating activities	**3,942**	**3,687**
Net increase (decrease) in cash from financial assets [5]	(4,275)	(1,289)
Net increase (decrease) in cash from property and equipment and intangible assets	(591)	(230)
Net cash used in investing activities	**(4,866)**	**(1,519)**
Net increase (decrease) in cash from transactions with equity holders [6]	(1,640)	(337)
Net increase (decrease) in cash from other financing activities	(985)	727
Net cash (used in) from financing activities	**(2,625)**	**390**
Effect of discontinued operations on cash and cash equivalents [7]	**1,500**	**5,556**
Effect of changes in exchange rates on cash and cash equivalents	**(65)**	**(1)**
Net increase (decrease) in cash and cash equivalents	**(2,114)**	**8,113**
Cash and cash equivalents at the beginning of the period	**3,725**	**(4,388)**
Cash, central banks and post office banks, net	23	1
Net loans to (borrowings from) credit institutions repayable on demand	3,702	(4,389)
Cash and cash equivalents at the period-end	**1,611**	**3,725**
Cash, central banks and post office banks, net	11	23
Net loans to (borrowings from) credit institutions repayable on demand	1,600	3,702
Net increase (decrease) in cash and cash equivalents	**(2,114)**	**8,113**

Composition of cash and cash equivalents

Cash and cash equivalents comprise cash, advances to and from central banks and post office banks, loans to and borrowings from credit institutions repayable on demand, and short-term investments in money market instruments. These investments generally have maturities of less than three months, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	31.12.2007		31.12.2006	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Cash	6		5	
Central banks and post office banks	5		18	
Sub-total	**11**		**23**	
Loans to (borrowings from) credit institutions repayable on demand	4,269	4,618	4,701	3,226
Money market mutual funds	1,949		2,227	
Sub-total	**6,218**	**4,618**	**6,928**	**3,226**
Cash and cash equivalents	**1,611**		**3,725**	

1. This item corresponds mainly to net transfers to insurance company technical reserves
2. The 2007 change is attributable to a €5.5 billion reduction in collateralised repurchase agreements.
3. The 2007 change is attributable in part to the €3.8 billion negative impact of increased Acoss drawdowns.
4. The net increase primarily reflects the financing needs created by higher Acoss drawdowns.
5. This item corresponds to the net effect on cash and cash equivalents of purchases and sales of long-term equity interests. In 2007, the main effects on cash and cash equivalents concerned the purchase of shares in Eutelsat Communications (€863 million), Séché Environnement (€171 million), HIME (€350 million), Tyrol Acquisition 1 & Cie SCA (€330 million), CNP Assurances (€467 million) and Écureuil Vie (€564 million, based on Caisse des Dépôts' proportionate share of CNP Assurances).
6. This item includes dividends of €1,491 million paid to the French State and €256 million paid to minority shareholders of subsidiaries.
7. This item corresponds to the sale of the Group's interest in CNCE for €7 billion, of which €5.5 billion was received on 18 December 2006 and €1.5 billion on 29 January 2007.

Notes to the consolidated financial statements
1. Significant events

I - Eutelsat Communications

On 14 February 2007, Caisse des Dépôts acquired 25.5% of Eutelsat Communications for €863 million, through the CDC Infrastructure holding company. Including shares acquired in previous transactions, at that date the Group's total interest stood at 26.1%, representing an investment of €886 million. Its stake has since been diluted to 25.8% through the exercise of employee stock options.

Listed on Euronext Paris, Eutelsat Communications is the parent company of Eutelsat SA. With a market share of 30% in Europe and 13% worldwide, Eutelsat is one of the top three global providers of fixed satellite services. Operating a fleet of 24 satellites, it provides coverage from positions on the geostationary orbit that are ideal for broadcasting to Europe. Capacity is leased to broadcasting platforms, TV channels, telecom operators and Internet solution providers. The Group is based in Paris and employs 529 people representing 27 different nationalities.

Goodwill recognised on the business combination in the consolidated financial statements amounted to €592 million.

Eutelsat Communications has been accounted for by the equity method, as the Group exercises significant influence over the company.

The carrying amount of the investment, reported in the consolidated balance sheet under "Investments in associates", includes goodwill.

II - Séché Environnement

On 22 September 2006, Caisse des Dépôts increased its interest in Séché Environnement from 5.6% to 14%, by acquiring all of the shares previously held by funds managed by Apax France.

Then, on 24 April 2007, the Group converted all of its Séché Environnement stock warrants, raising its stake to 20% of the capital and 13.99% of the voting rights. Séché Environnement has been accounted for by the equity method, as the Group exercises significant influence over the company.

Séché Environnement is one of France's leading non-radioactive industrial and hospital waste storage and treatment companies. Its facilities allow it to offer high quality solutions complying with the most stringent environmental standards. The top ranking independent operator in France, Séché Environnement also occupies a unique position in the higher value added downstream waste treatment and storage markets. The company owns 33% of HIME, parent company of the Saur group, which is accounted for by the equity method. Séché Environnement is listed on Eurolist by Euronext.

The shares were acquired at a cost of €208 million and goodwill recognised on the business combination in the consolidated financial statements amounted to €125 million.

The carrying amount of the investment, reported in the consolidated balance sheet under "Investments in associates", includes goodwill.

III - Holding d'Investissement dans les Métiers de l'Environnement (HIME)

HIME was set up by Caisse des Dépôts (47%), Séché Environnement (33%) and the AXA IM Infrastructures vehicles (20%). On 26 April 2007, it acquired the entire capital of Novasaur, parent company of the Saur group.

With some 12,000 employees, the Saur group operates a range of strategically aligned water and sanitation businesses. The group is ranked among the top three players in the French water and sanitation market, serving over 5.5 million customers. It is also present in international markets, serving the populations of cities such as Valencia in Spain and Gdansk in Poland. Through its Stereau subsidiary, it is a recognised expert in the design and construction of water treatment facilities. The sanitation subsidiary, Coved, offers end-to-end waste treatment services.

Caisse des Dépôts contributed €350 million to HIME in exchange for its 47% stake in the company, including €140 million in equity capital and €210 million in debt capital represented by convertible bonds issued by HIME.

HIME has been accounted for by the equity method, as the Group exercises significant influence over the company.

IV - Tower Participations - Tyrol Acquisition 1 & Cie SCA

Caisse des Dépôts took part in the reorganisation of TDF's ownership structure that was completed on 31 January 2007. Following the reorganisation, Caisse des Dépôts is TDF's second largest shareholder with 24% of the capital, after reinvesting €330 million in Tyrol Acquisition 1 & Cie SCA, the group's new holding company. The reinvested funds came from the sale of Caisse des Dépôts' interest in Tower Participations. The shares were sold for €916 million, generating an after-tax gain of €708 million. The gain recognised in the consolidated financial statements amounted to €143 million, after eliminating the portion corresponding to the reinvested proceeds. The CDC Entreprises II venture capital fund also sold its stake in Tower Participations, representing 11.5%, for €338 million. The transaction generated an after-tax gain of €264 million, of which €137 million attributable to Caisse des Dépôts.

Tyrol Acquisition 1 & Cie SCA's governance structure gives Caisse des Dépôts significant influence over the company, which has therefore been accounted for by the equity method in 2007.

TDF is Europe's leading terrestrial broadcaster, offering a wide range of services to television channels, radio stations and telecom operators.

V - Verdun Participations 1

In July 2007, Caisse des Dépôts acquired 49% of Verdun Parti cipations 1 from the Eiffage group. Verdun Participations 1 owns the entire capital of Compagnie Eiffage du Viaduc de Millau, which holds the concession for the Millau Viaduct until 2079. Verdun Participations 1 has been accounted for by the equity method, as the Group exercises significant influence over the company.

The net cost of the shares was €117 million. The identifiable assets acquired included concession assets valued at €380 million, net of tax. Caisse des Dépôts' share of these concession assets, representing €186 million, is included in the carrying amount of the investment reported under "Investments in associates".

VI - AEW Europe

On 27 December 2007, Caisse des Dépôts acquired 40% of AEW Europe from Natixis Global Asset Management. AEW Europe has been accounted for by the equity method, as the Group exercises significant influence over the company.

AEW Europe is a property investment and management company. The transaction had the effect of reducing Natixis Global Asset Management's stake to 60%.

The shares were acquired at a cost of €84 million and the provisional goodwill recognised on the business combination in the consolidated financial statements amounted to €57 million. The carrying amount of the investment, reported in the consolidated balance sheet under "Investments in associates", includes goodwill.

VII - PBW Real Estate Fund N.V.

At the end of December 2007, Caisse des Dépôts acquired 40% of PBW Real Estate Fund N.V. from a group of German investors for €139 million. The transaction terms enabled the Group to recognise all the purchase transactions at 31 December 2007. PBW Real Estate Fund N.V. was previously 50% owned and was accounted for by the equity method at the level of Caisse des Dépôts' subsidiary AIH BV. The transactions raised the Group's interest to 90% and PBW Real Estate Fund N.V. was therefore fully consolidated at 31 December 2007. The change of consolidation method led to the company's investment properties being remeasured at fair value at that date. The revaluation difference, corresponding to the difference in net assets between the equity method and the full consolidation method, has been recognised in consolidated equity for €73 million.

VIII - Écureuil Vie

On 20 February 2007, CNP Assurances completed the acquisition of 49.9% of Écureuil Vie from Groupe Caisse d'Épargne for €1,405 million. The related goodwill, in the amount of €471.6 million, was recognised in equity in CNP Assurances' balance sheet. Caisse des Dépôt's proportionate share amounted to €173 million and was also recognised in equity.

At the General Meeting held on 18 December 2007, CNP Assurances' shareholders approved the merger of Écureuil Vie into the company, as decided by its Board of Directors on 11 September.

IX - CNP Assurances

CNP Assurances' acquisition of 49.9% of Écureuil Vie was financed by a rights issue and a deeply-subordinated debt issue. Caisse des Dépôts took up its share of the rights issue (carried out on 12 February 2007) for €278 million.

Under the terms of the third addendum to the CNP Assurances shareholders' agreement, signed on 8 January 2007, Caisse des Dépôts was given the option of increasing its stake in CNP Assurances to up to 40%. Caisse des Dépôts used this option during the year, raising its interest from 36.49% to 40% by purchasing shares on the market.

The additional shares were acquired at a total cost of €464 million and the related goodwill amounted to €164 million.

In view of the timing of the share purchases, which were carried out in the first six months of the year, CNP Assurances has been proportionately consolidated in the first-half income statement on the basis of the Group's 36.76% interest at 12 February 2007, and in the second half based on the 39.30% held at 30 June 2007.

X - Icade

During the year, Icade aligned its legal structure with its business model, by merging four companies (Icade Foncière des Pimonts, Icade Patrimoine, Icade Foncière Publique and Icade SA) into Icade EMGP with retroactive effect on 1 January. The expanded company has been renamed Icade SA. One of the effects of the merger has been to extend the REIT-style (SIIC) tax regime to the businesses of Icade SA, Icade Patrimoine and Icade Foncière Publique from 1 January 2007. The exit tax due on election for this regime was paid in full in 2007 in the amount of €228.7 million. The mergers led to a reduction in Caisse des Dépôts interest in Icade to 61.6% of the capital and voting rights from 64.7%.

XI - Connexxion NV

In June 2007, TBC Holding BV, which is 75%-owned by Transdev SA and 25% by NV Bank Nederlandse Gemeenten (BNG), the Dutch public finance bank, was selected by the Dutch State to acquire its stake in Connexxion NV, starting with an initial 66.67% interest.

Connexxion is the Netherlands' leading public transport operator, with a fleet of some 7,000 vehicles consisting mainly of buses but also including trams, on-demand transport vehicles, coaches and river shuttles. Transdev and Connexxion share the same vision of modern public transport services and boast a wide range of complementary skills that will enable them to perform even better in their respective markets and increase their growth potential.

The Dutch State intends to sell its remaining 33.33% interest in Connexxion to TBC Holding BV over a maximum of five years.

Goodwill on the business combination provisionally estimated at €93 million has been recognised in assets, while the €50 million corresponding to the Dutch State's put option has been recorded in equity.

XII - CDA – Acquisitions from Sofival

On 1 October 2007, Compagnie des Alpes ("CDA") acquired from Sofival 60% of Société des Téléphériques de Val d'Isère ("STVI"), 20% of Société d'Exploitation des Remontées Mécaniques de Morzine-Avoriaz, 20% of Société Domaines Skiables de Valmorel and 20% of Société Domaines Skiables de La Rosière. In addition, on 4 May 2007, the two companies signed an agreement providing for the acquisition by CDA of Sofival's remaining interest in STVI on 1 October 2013. The 1 October transactions and the put and call options on the remaining 40% of STVI represent a total investment of €159 million; the corresponding goodwill has been provisionally estimated at €122 million.

XIII - Complete transfer of assets and liabilities

During 2007, the assets and liabilities of CDC Entreprises Holding, CDC Holding Finance, CDC Projets Urbains, Société Foncière Anatole France and C3D Investment were completely transferred to Caisse des Dépôts. All of these companies were wholly-owned by Caisse des Dépôts and the impact of the transfers on the consolidated financial statements was not material.

2. Summary of significant accounting policies

I - Basis of preparation of the financial statements

On 19 July 2002, the European Parliament adopted regulation 1606/2002 requiring companies that are not listed in the European Union but whose debt securities are traded on a regulated market to prepare their consolidated financial statements in accordance with IFRS as from 2007.

In line with this regulation, Caisse des Dépôts Group has decided to apply IFRS as from the financial year commencing 1 January 2007.

The IFRS transition date is therefore 1 January 2006.

IFRS include International Financial Reporting Standards (IFRSs) 1 to 8, International Accounting Standards (IASs) 1 to 41 and the related interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union as of 31 December 2007.

The consolidated financial statements for the year ended 31 December 207 have been prepared in accordance with the recognition and measurement principles set out in the relevant IASs/IFRSs and IFRIC interpretations that were applicable when the consolidated financial statements were drawn up (March 2008). They include comparative information for the year ended 31 December 2006, restated on an IFRS basis.

The Group decided not to early adopt IFRS 8 – Operating Segments whose application is compulsory for annual periods beginning on or after 1 January 2009 when it will replace IAS 14 – Segment Information.

Likewise, the Group has not early-adopted the other standards and interpretations that had not been adopted by the European Union as of 31 December 2007.

The preparation of financial statements in accordance with IFRS involves making certain critical accounting estimates. Management is also called on to exercise judgment in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, and areas where assumptions and estimates are significant to the financial statements are presented in the section entitled "Accounting policies". They mainly concern available-for-sale financial assets.

II - Rules applied for the first-time adoption of IFRS

The opening IFRS balance sheet has been prepared in accordance with IFRS 1 – First-Time Adoption of IFRS, based on the principle of full retrospective application of the standards.

IFRS 1 nevertheless provides for certain compulsory and optional exemptions from this principle. The Group elected to apply the following optional exemptions for the preparation of the opening IFRS balance sheet:

Business combinations

The Group elected not to restate business combinations recorded prior to the IFRS transition date (1 January 2006). Unamortised goodwill at that date is no longer amortised but is tested for impairment. Nevertheless, only those assets and liabilities acquired in business combinations that fulfilled the recognition criteria for assets and liabilities under IFRS were recognised in the opening IFRS balance sheet. In line with this principle, intangible assets acquired prior to 1 January 2006 that did not fulfil IFRS recognition criteria, such as market shares, were reclassified as goodwill.

Measurement of property and equipment and intangible assets

In the opening IFRS balance sheet, property and equipment and intangible assets were maintained at cost less accumulated depreciation or amortisation and any accumulated impairment losses, the Group having chosen not to apply the option available under IFRS 1 to use fair value or a revaluation as deemed cost.

Employee benefits

Cumulative actuarial gains and losses under defined benefit plans at the IFRS transition date were recognised in equity in the opening IFRS balance sheet. The option available under IFRS 1 to companies applying the corridor method, consisting of immediately recognising actuarial gains and losses in profit or loss, was not applicable to the Group.

Cumulative translation differences

Cumulative translation differences for all foreign operations were deemed to be zero at the IFRS transition date. As a result of this adjustment, which had no impact on opening equity, only translation differences arising after the transition date will be taken into account for the calculation of the gain or loss on any subsequent disposal of a foreign operation.

Designation of financial instruments as being at fair value through profit or loss

An entity that presents its first IFRS financial statements is permitted to designate, at the date of transition to IFRS, any financial asset or financial liability as at fair value through profit or loss provided the asset or liability meets the criteria in IAS 39 (revised) at that date. The Group applied this exception provided for in IFRS 1.

III - Effect of first-time adoption of IFRS

The effects of first-time adoption of IFRS are presented in Note 3, which includes the opening IFRS balance sheet and the reconciliations required under IFRS 1.
In preparing the opening IFRS balance sheet at 1 January 2006, the Group made the following main reclassifications and restatements:
- Non-derivative financial instruments were reclassified in the four categories provided for in IAS 39, based on their nature and the intended holding period;
- Lent securities were reclassified in the portfolios in which they were originally held;
- Borrowed securities were eliminated, as they are not recognised under IFRS;
- Available-for-sale financial assets were measured at fair value;
- All derivative financial instruments were measured at fair value;
- All non-derivative financial assets and liabilities classified as being at fair value through profit or loss were measured at fair value;
- Financial assets and liabilities forming part of a hedging relationship that did not qualify for hedge accounting under IFRS were measured at fair value;
- Government grants carried in equity were reclassified as a deduction from the assets they served to finance;
- The Funds for General Banking Risks were restated.

The effects on opening equity disclosed in Note 3.1 are presented as follows:
- Non-recyclable reserves: these effects correspond to fair value adjustments that would have been recognised through profit or loss if IFRS had always been applied (mainly concerning derivative instruments not qualifying for hedge accounting and the Funds for General Banking Risks).
- Recyclable reserves: this caption corresponds to fair value adjustments that would have had a temporary direct impact on equity if IFRS had always been applied (mainly concerning remeasurement at fair value of available-for-sale financial assets).

IV - Basis of consolidation

1 - Scope of consolidation

The consolidated financial statements comprise the financial statements of the Central Sector, the consolidated financial statements of the sub-groups and the financial statements of subsidiaries over which Caisse des Dépôts exercises exclusive or joint control or significant influence, whose consolidation has a material impact on the Group financial statements.

2 - Consolidation methods and definition of control

Subsidiaries over which the Group exercises exclusive control are fully consolidated. Exclusive control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when Caisse des Dépôts owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity or when it owns half or less of the voting power but has the power (i) to appoint or remove the majority of the members of the board of directors or equivalent governing body or (ii) to exercise dominant influence.

In assessing the existence and percentage of control, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible.

Jointly-controlled companies are proportionally consolidated. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to be exercised when the Group holds, directly or indirectly, 20% or more of the voting power of the investee.

The results of companies acquired during the period are included in the consolidated financial statements from the acquisition date, while the results of companies sold during the period are included up to the date when control is relinquished.

Special purpose entities
Special purpose entities (“SPEs”) set up specifically to manage a transaction or a group of similar transactions are consolidated when the substance of the relationship between Caisse des Dépôts and the SPE indicates that the SPE is controlled by the Group. Control over an SPE may result from any of the following circumstances:
- In substance, the activities of the SPE are being conducted on behalf of the Group so that the Group obtains benefits from the SPE’s operation;
- In substance, the Group has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an ‘autopilot’ mechanism, the Group has delegated these decision-making powers;
- In substance, the Group has rights to obtain the majority of the benefits of the SPE;
- In substance, the Group retains the majority of the residual or ownership risks related to the SPE or its assets.

Financial year-end
Substantially all consolidated companies have a 31 December year-end. Companies whose financial year-end is more than three months before or after the Group’s year-end are consolidated

based on financial statements drawn up as at 31 December. In the case of companies whose financial year-end falls within three months of the Group's year-end, any material transactions occurring between their year-end and 31 December are taken into account in preparing the consolidated financial statements when this is necessary to comply with the true and fair view principle.

3 - Companies excluded from the scope of consolidation

Investments in associates and jointly-controlled companies held by the Group's venture capital organisations are not consolidated, in line with the exclusions provided for in IFRS. These investments are classified as *financial assets designated as at fair value through profit or loss.*

The low-cost housing companies (HLM) are excluded from the scope of consolidation because they are not controlled by the Group within the meaning of IFRS. Shares in these companies are classified as *available-for-sale financial assets.*

Semi-public companies (SEMs, SAIEMs) are also excluded from the scope of consolidation and classified as *available-for-sale financial assets.*

Shares in companies acquired with the intention of being sold in the near term are excluded from the scope of consolidation and classified as *non-current assets held for sale.*

4 - Consolidation adjustments and intra-group eliminations

The financial statements of consolidated companies are restated based on Group accounting policies when the effects of the restatement are material. The accounting policies applied by associates are aligned with Group policies where necessary.

Intra-group balances, income and expenses between fully and proportionately consolidated companies are eliminated when their impact on the consolidated financial statements is material.

Gains and losses on intra-group sales of assets to associates are eliminated proportionately, based on the Group's percentage interest in the associate, except when the sold asset is considered as being permanently impaired.

5 - Foreign currency translation

The consolidated financial statements are presented in euros. The financial statements of entities whose functional currency is different from the Group's presentation currency are translated by the closing rate method. Under this method, all monetary and non-monetary assets and liabilities are translated at the exchange rate on the balance sheet date, while income and expenses are translated at the average exchange rate for the period. The differences arising from translation are recognised as a separate component of equity.

Gains and losses arising from the translation of the net investment in foreign operations, borrowings and foreign exchange instruments that are effective hedges of these investments are deducted from consolidated equity.

When the foreign operation is sold, the cumulative exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on the sale.

6 - Business combinations and goodwill

Business combinations carried out since the IFRS transition date (1 January 2006) are accounted for using the purchase method. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The assets given and liabilities incurred or assumed that fulfil the recognition criteria under IFRS 3 are measured at fair value at the date of exchange.

If the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities can be determined only provisionally, any adjustments to those provisional values are recorded within twelve months of the acquisition date.

The excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in assets, under *Goodwill*. If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is greater than the cost of the business combination, the resulting negative goodwill is recognised directly in profit or loss.

Goodwill is initially measured at cost in the currency of the acquiree and is translated at the exchange rate on the balance sheet date.

Goodwill is tested for impairment, as explained in note V-7.

7 - Transactions with minority interests

When the Group buys out minority shareholders in an entity that is already under exclusive control, the difference between the cost of the minority interest and its carrying amount in the consolidated financial statements is recorded as a deduction from equity.

Partial sales leading to an increase in minority interests are also recognised by adjusting equity.

8 - Segment information

Reportable business segments have been determined based on the Group's internal organisation as described by executive management. Operating activities are organised and managed based on the type of service provided.

The six main business segments are as follows:
- Caisse des Dépôts;
- Infrastructure;
- Private Equity;
- Insurance;
- Real Estate;
- Services.

V - Accounting policies

1 - Financial instruments

Financial assets and liabilities are recognised and measured in accordance with IAS 39, as adopted by the European Commission on 19 November 2004 and subsequently amended, in particular the amendment relating to the use of the fair value option published in 2005.

IAS 39 defines fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The best estimate of fair value is the quoted price, when the financial instrument is quoted in an active market. If the market for a financial instrument is not active, fair value is established by using a recognised valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

1.1 - Securities

Securities held by the Group are classified in the four categories of financial assets defined by IAS 39, as follows:
- Financial assets at fair value through profit or loss (including financial assets designated upon initial recognition as at fair value through profit or loss);
- Available-for-sale financial assets;
- Held-to-maturity investments;
- Loans and receivables.

Securities purchases and sales are recognised in the balance sheet on the settlement/delivery date, except in certain specific cases.

■ Financial assets and liabilities at fair value through profit or loss

This category includes financial assets and liabilities held for trading and financial assets and liabilities designated upon initial recognition as at fair value through profit or loss.
Financial assets and liabilities held for trading are financial assets and liabilities acquired or incurred principally for the purpose of selling or repurchasing them in the near term.
IAS 39 also allows the fair value option to be used in place of hedge accounting, to avoid separately recognising and measuring derivatives embedded in hybrid contracts or when a group of financial assets and/or financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about this group is reported on this basis internally.

Financial assets classified as at fair value through profit or loss are initially recognised at fair value, excluding directly attributable transaction costs but including accrued interest. They are subsequently measured at fair value, with changes in fair value recognised in the income statement under *"Gains and losses on financial instruments at fair value through profit or loss, net"*. Exceptionally, on first-time adoption of IFRS, fair value adjustments to opening financial assets at fair value through profit or loss were recognised in equity and will never be reclassified to the income statement.

Changes in fair value and disposal gains and losses are recognised in the consolidated income statement under *"Gains and losses on financial instruments at fair value through profit or loss, net"*.

■ Available-for-sale financial assets

This category is used by default for all non-derivative financial assets not classified in any of the other three categories.

It comprises fixed and variable income securities that are initially recognised at cost, including directly attributable transaction costs (unless it can be demonstrated that these costs are not material) and accrued interest.

Changes in fair value are recognised in equity.

When the assets are sold or have been impaired, the cumulative unrealised gain or loss recognised in equity is reclassified to the income statement under *"Gains and losses on available-for-sale financial assets, net"*.

An impairment loss is recognised on equity instruments when there is objective evidence of other-than-temporary impairment, defined as a significant or prolonged decline in the fair value of the investment below its cost.

Where a significant or prolonged decline in fair value has occurred, the impairment is qualified as other-than-temporary for accounting purposes only if it gives rise to a probable loss.

An impairment loss is recognised on debt instruments when there is objective evidence that default by the counterparty is probable.

Revenue from fixed income securities classified as available-for-sale is reported in the income statement under *"Interest income"*. Dividends received on variable income securities are reported in the income statement under *"Gains and losses on available-for-sale financial assets, net"*.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.
If any financial assets classified in this category are sold before maturity, the entire portfolio must be reclassified as *"available-for-sale"* and no further financial assets may be classified as *"held-to-maturity"* for a period of two years, unless (i) the sale takes place at a date very close to the financial asset's maturity or (ii) the Group has collected substantially all of the financial asset's principal, or (iii) the sale is attributable to an isolated, unforeseeable event, such as a serious adverse change in the issuer's credit quality.

To qualify for classification as held-to-maturity investments, the financial assets concerned may not be hedged against interest rate risks.

Held-to-maturity investments are initially recognised at cost, including directly attributable transaction costs (unless it can be demonstrated that these costs are not material) and accrued interest. They are subsequently measured at amortised cost, determined using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

If there is objective evidence that an impairment loss has been incurred on held-to-maturity investments, a provision is booked for the difference between the carrying amount and the estimated recoverable amount, discounted at the original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed.

Loans and receivables

The option of classifying non-derivative financial assets with fixed or determinable payments that are not quoted in an active market as *"Loans and receivables"* has not been used by the Group.

1.2 - Loans

Loans made by the Group are classified as *"Loans and receivables"* due from financial institutions or from customers, as appropriate.

They are initially recognised at fair value. The fair value of loans corresponds to the nominal amount less any fees and commissions received, less any discount and plus transaction costs.

They are subsequently measured at amortised cost, determined using the effective interest method.

The effective interest rate includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Accrued interest is recorded separately, with the contra-entry recorded in the income statement.

An impairment loss is recognised when there is objective evidence of an event that occurred after the initial recognition of the loan (a "loss event") and that loss event has an impact on the estimated future cash flows of the loan that can be reliably estimated. Impairment losses are identified at the level of each individual loan and then at the level of the related loan book.

The amount of the impairment loss corresponds to the difference between the carrying amount of the loans, before impairment, and the sum of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised either as allowances or as discounts on loans restructured following borrower default.

There are two types of impaired loans:
- Loans for which impairment losses are recognised on an individual basis: these are non-performing loans covered by allowances and loans restructured following borrower default for which the impairment is recognised as a discount;
- Loans covered by general provisions: these are loans with similar credit risk characteristics for which the impairment loss is determined for all the loans taken as a whole.

Specific allowances

Loans covered by specific allowances include non-performing loans and irrecoverable loans. These classifications, which are applicable in the individual financial statements under French GAAP in accordance with standard CRC 2002-03, have also been used in the IFRS financial statements.

In the case of non-performing loans, the "proven risk" criteria used under French GAAP are applied to determine the existence of objective evidence of impairment under IAS 39.

A proven risk exists when it is probable that all or some of the amounts due under the loan agreement will not be received, notwithstanding the existence of collateral or a guarantee.

As a general principle, loans are classified as non-performing when:
- One or more instalments are over three months past due (or six months in the case of real estate loans and nine months in the case of loans to local authorities);
- The borrower's financial position has deteriorated, resulting in a collection risk;
- Legal collection procedures have been launched.

Irrecoverable loans are non-performing loans for which the likelihood of collection is remote and that are expected to be written off. Non-performing loans not meeting these criteria are qualified as recoverable.
When a loan is classified as non-performing, an allowance is booked immediately for the probable loss. These allowances correspond to the present value of the aggregate probable losses on non-performing and irrecoverable loans, discounted at the original effective interest rate.

Discounts on restructured loans and allowances on non-performing loans are recognised in the income statement under *"Cost of risk"*. Discounts on restructured loans reclassified as performing are reversed over the remaining life of the loans by crediting interest income.

Reversals of allowances for credit losses due to a reduction in the underlying risk are recognised in the income statement under *"Cost of risk"*, while reductions in allowances and discounts due to the passage of time adjust the interest margin.

General provisions
The analyses performed by the Group show that there are no material groups of loans with similar credit risk characteristics requiring the recording of significant general provisions.

1.3 - Financial liabilities
IAS 39 identifies two categories of financial liabilities:
- Financial liabilities at fair value through profit or loss;
- Other financial liabilities.

Financial liabilities in the latter category are initially recognised at fair value and are subsequently measured at amortised cost by the effective interest method.

1.4 - Debt securities
Financial instruments are qualified as debt securities if the issuer has a contractual obligation to deliver cash or a financial asset, or to exchange instruments on potentially unfavourable terms.

Debt securities are initially recognised at their issue value including transaction costs. They are subsequently measured at amortised cost by the effective interest method.

Perpetual subordinated notes are classified as equity instruments when the timing of interest payments is determined by the Group. All other dated and undated debt instruments are included in debt.

1.5 - Derivative instruments
Derivative instruments are financial assets and liabilities initially recognised in the balance sheet at the transaction price. They are subsequently measured at fair value, regardless of whether they are held for trading or as part of a hedging relationship.

Derivative instruments held for trading
Derivative instruments held for trading are recognised in the balance sheet under *"Financial assets/liabilities at fair value through profit or loss"*. They are recognised as assets when their fair value is positive and as liabilities when it is negative. Realised and unrealised gains are recognised in the income statement under *"Gains and losses on financial instruments at fair value through profit or loss, net"*.

Derivative instruments and hedge accounting
A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.
A cash flow hedge is a hedge of the exposure to variability in cash flows from financial instruments or a highly probable forecast transaction.
A derivative instrument qualifies for hedge accounting only where there is formal designation and documentation of the hedging relationship at the inception of the hedge.

For a hedging relationship to exist, the following conditions must be met:
- The hedging instrument and the hedged item must both be eligible for hedge accounting.
- The documentation of the hedging relationship must include identification of the hedging instrument and the hedged item, the nature of the hedging relationship and the nature of the risk being hedged.
- Details must be provided of the hedge's expected effectiveness at the inception of the hedge and its actual effectiveness at each period-end.
Derivative instruments qualifying for hedge accounting are recognised in the balance sheet under *"Hedging instruments"*.

The Group has chosen to recognise certain hedged items and the related hedges under *"Financial assets/liabilities at fair value through profit or loss"* as allowed under IAS 39. This treatment has been applied primarily to government bonds and negotiable debt securities hedged by swaps under asset swap agreements.

■ **Embedded derivatives**
An embedded derivative is a component of a hybrid (combined) instrument that fulfils the definition of a derivative instrument. If the hybrid instrument is not measured at fair value through profit or loss, the embedded derivative is separated from the host contract when, at inception, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. In this case, the embedded derivative is recognised at fair value under *"Financial assets/liabilities at fair value through profit or loss"*.

1.6 - Financial guarantees given
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially recognised at fair value and are subsequently measured at the higher of the amount of the obligation and the amount initially recognised less accumulated amortisation of the related commission.

Where appropriate, a provision is recorded in liabilities in accordance with IAS 37.

1.7 - Financing commitments
Financing commitments are initially recognised at fair value. They are accounted for in accordance with IAS 37 unless they meet the criteria for classification as derivative instruments.

2 - Non-current assets held for sale and related liabilities, discontinued operations

A non-current asset or a disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset or disposal group is reported on a separate line of the balance sheet when it is highly probable that the sale will be completed within 12 months.

An operation is considered as discontinued when the related assets fulfil the criteria for classification as held for sale or the operation has been sold. The profits or losses from discontinued operations are shown on a single line of the income statement for the periods presented. The reported amounts include the net profit or loss of the discontinued operations up to the date of sale and the after-tax disposal gains or loss.

3 - Foreign exchange transactions

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted into the Group's functional currency at the year-end exchange rate.

The resulting conversion gains and losses are recognised in the income statement. As an exception to this principle, for monetary assets classified as available-for-sale financial assets, only the portion of the conversion difference calculated on these assets' amortised cost is recognised in the income statement, with the other portion recognised in equity.

Concerning non-monetary assets:
- Assets measured at historical cost are converted at the exchange rate on the transaction date;
- Assets measured at fair value are converted at the exchange rate on the balance sheet date.

Conversion gains and losses on non-monetary items are recognised in the income statement if the gain or loss on the non-monetary item is also recognised in the income statement, or in equity if the gain or loss on the non-monetary item is also recognised in equity.

4 - Employee benefits

Employee benefits fall into four categories:
- Short-term benefits, such as salaries, paid annual leave, matching payments to employee savings plans, discretionary and non-discretionary profit-sharing, that are payable within twelve months of the year-end;
- Post-employment benefits, corresponding to pensions, length-of-service awards payable to employees on retirement, and financial support for employees receiving reduced rate pensions;
- Other long-term benefits such as jubilees and other long-service benefits, that are payable twelve months or more after the year-end;
- Termination benefits.

4.1 - Short-term benefits
Short-term employee benefits are employee benefits which fall due wholly within twelve months after the end of the period in which the employees render the related service. A liability and an expense are recognised when the Group has a contractual obligation or constructive obligation arising from past practices.

4.2 - Post-employment benefits
Post-employment benefit plans comprise defined contribution plans and defined benefit plans.

Obligations under defined contribution plans are generally covered by contributions paid to a pay-as-you-go pension scheme or to an insurance company that manages benefit payments. Defined contribution plans for civil service employees are covered by the State. In all cases, the contributions are in full discharge of any future liability. Contributions paid are expensed as incurred.

Defined benefit plans are plans under which the Group has an obligation to pay agreed benefits to current and former employees. These plans give rise to a medium- or long-term liability which is measured and recognised in the financial statements.

In accordance with IAS 19, the projected benefit obligation is measured by the projected unit credit method based on a range of actuarial, financial and demographic assumptions. The projected unit credit method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Units of benefit entitlement are determined based on the discounted present value of the future benefits.

The discount rate used by the Group is determined by reference to the French government bond rate or the interest rate for investment grade corporate bonds denominated in the benefit payment currency whose maturity approximates the estimated average duration of the benefit obligation.

The provision for defined post-employment benefits is therefore equal to the present value of the defined benefit obligation at the period-end, calculated by the projected unit credit method, less the fair value of the plan assets, if any.

The provision is adjusted at each balance sheet date to reflect changes in the projected benefit obligation.

As allowed under the 2005 amendment to IAS 19, actuarial gains and losses on defined post-employment benefit obligations – corresponding to gains and losses arising from changes in actuarial assumptions and experience adjustments – are recognised directly in equity.

Past service cost, corresponding to the increase in the present value of the defined benefit obligation resulting from the introduction of, or changes to, post-employment benefits, is recognised as an expense over the average period until the benefits become vested.

Outside France, Group employees are covered by various compulsory contributory pension schemes. The corresponding obligations are funded by contributions to company pension funds or recognised in the financial statements of the companies concerned.

4.3 - Other long-term benefits

Other long-term benefits are benefits other than post-employment benefits and termination benefits that do not fall due wholly within twelve months after the end of the period in which the employees render the related service.

They are measured and recognised on a similar basis to defined post-employment benefits, except that actuarial gains and losses and the past service cost are recognised directly in profit or loss.

5 - Share-based payments

Share-based payments consist of payments based on the equity instruments of Group subsidiaries that are equity settled or cash settled for amounts that reflect the value of the underlying shares. IFRS 2 applies solely to grants made after 7 November 2002 that had not yet vested at 1 January 2005.

Most of the share-based payment plans set up by Group entities are equity-settled plans.

IFRS 2 also applies to rights issues carried out under the Group's employee savings plans.

The employee benefit corresponds to the difference, at the purchase date, between the fair value of the acquired shares, taking into account the deemed cost of the lock-up feature, and the price paid by employees, multiplied by the number of shares purchased. At each period-end, the number of options likely to vest is reviewed. Where appropriate, the estimates are revised and the effect of the revision is recognised in the income statement with a corresponding adjustment to equity.

6 - Fixed assets

Fixed assets in the consolidated balance sheet include owner-occupied property and equipment, intangible assets and investment property.

Owner-occupied property is held for use in the production of services and for administrative purposes. It corresponds to assets not leased to third parties under operating leases.

Investment property corresponds to property held to earn rentals or for capital appreciation or both.

Owner-occupied and investment property are initially recognised at cost, corresponding to their purchase price, any directly attributable expenditure and any borrowing costs.

Land is not depreciated. Other assets are depreciated from the date they are put into service by the straight-line method. This method consists of recording a constant annual charge to write off the cost of the asset less its residual value over the asset's estimated useful life.

Government grants are recorded as a deduction from the carrying amount of the assets they serve to finance.

When an asset comprises several items with different patterns of use, that may require replacement at regular intervals or generate economic benefits at differing rates, each such item is recognised separately and depreciated over its estimated useful life, when the amounts involved are material.

The main items of property and equipment recognised by the Group and the related depreciation periods are as follows:
Building carcass: 30 to 100 years
Roof/façade: 25 to 40 years
Fixtures: 10 to 25 years
Fittings and technical installations: 10 to 25 years
Major maintenance work: 15 years

The depreciable amount of each asset is determined by deducting the residual value from its cost, where said value is both material and measurable. Residual value is defined as the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Software and development costs are recognised in intangible assets and amortised over 3 years.

At each balance sheet date, an impairment test is performed if there is any internal or external indication that an asset may be impaired and the amount of the impairment may be material. Impairment tests are performed by comparing the carrying amount of the asset with its recoverable amount.

If the recoverable amount is less than the carrying amount, the carrying amount is reduced by recording an impairment loss. If the recoverable amount increases in subsequent periods, all or part of the impairment loss is reversed.

7 - Impairment of non-amortisable intangible assets and goodwill

Goodwill and other intangible assets with an indefinite useful life are not amortised but are tested for impairment at annual intervals.

The impairment tests are performed at the level of cash-generating units (CGUs), representing the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment tests are performed by comparing the recoverable amount of the asset or CGU to its carrying amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use.

If the carrying amount is greater than the recoverable amount, an impairment loss is recognised in the income statement for the difference between these two amounts.

Impairment losses recognised on goodwill related to subsidiaries and intangible assets with indefinite useful lives are not reversible.

8 - Finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Leases are classified as finance leases when:
- The lease transfers ownership of the asset to the lessee by the end of the lease term;
- The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value for it to be reasonably certain that the option will be exercised;
- The lease term is for the major part of the economic life of the asset;
- The present value of the minimum lease payments amounts to substantially all of the fair value of the leased asset;
- The leased assets are of such a specialised nature that only the lessee can use them without major modifications.

In the consolidated financial statements, finance leases are accounted for as follows:
- The leased asset is recognised in assets, under "*Property and equipment*", and a liability for the same amount is recognised in debt;
- The asset is depreciated over its estimated useful life, in the same way as assets owned outright, and the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Leases that do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. Lease payments under operating leases (net of benefits obtained from the lessor) are recognised in the income statement on a straight-line basis over the duration of the lease.

9 - Service concession arrangements

The Group decided not to early-adopt IFRIC 12 and service concession arrangements are therefore accounted for in accordance with French GAAP, in the same way as in the separate financial statements.

10 - Provisions recorded under liabilities

Provisions recorded under liabilities include provisions for losses on financial instruments, provisions for employee benefit obligations, insurance company technical reserves and provisions for claims and litigation, fines and tax risks.

A provision is recorded when the Group has a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits without there being any expectation that economic benefits with at least an equivalent value will be received. The obligation may be legal, regulatory, contractual or constructive. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when the effects are material, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Increases in the provision to reflect the passage of time are recognised in *"Interest expense"*.

11 - Current and deferred taxes

Deferred taxes are recognised for temporary differences between the carrying amount of assets and liabilities and their tax base, by the liability method. Under this method, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in tax rates are recognised in the period in which the change is announced.

Deferred taxes are calculated at the level of each tax entity. Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available to permit their recovery.

Certain Group entities, held directly or indirectly, form part of a tax group.

Income tax expense is recognised in the income statement, except for tax on items recognised directly in equity, which is also recorded in equity.

Deferred tax rates in France at 31 December 2007 were as follows:
- Full rate: 34.43%, unchanged from 31 December 2006;
- Reduced rate applicable to gains on sales of shares in listed property companies ("*TSPIs*") and distributions by tax efficient private equity funds ("*FCPR fiscaux*"): 15.5%;
- Reduced rate applicable to gains on sales of participating interests (*"titres de participation"* as defined in French accounting and tax rules) other than "*TSPIs*": 1.72%;
- At 31 December 2006, a single 15.5% reduced rate applied in all cases.

Since 1 January 2006, the full tax rate applies to gains and losses on sales of marketable securities held in a long-term sub-account and representing less than 5% of the issuer's capital, that were acquired at a cost of more than €22.8 million, while if the interest represents more than 5% the applicable rate is 1.72%.

Deferred taxes are not discounted.

12 - Insurance operations

Insurance and financial liabilities arising from insurance policies and financial instruments with a discretionary participation feature are accounted for in accordance with IFRS 4, in the same way as in the insurance companies' financial statements.

Other insurance company assets and liabilities are accounted for in accordance with the IFRSs applied to the Group's other assets and liabilities. They are presented in the balance sheet under the captions corresponding to their characteristics, and in the income statement under *"Income from other activities"* with additional information disclosed in the notes to the consolidated financial statements.

For example, the insurance companies' financial assets are allocated to the four categories provided for in IAS 39 and measured on the basis prescribed by this standard.

Insurance liabilities are for the most part measured in accordance with French GAAP, pending publication of IFRS 4 Phase II.

Under the current version of IFRS 4, contracts fall into three categories:

> Insurance contracts, corresponding to contracts with a significant insurance risk as defined in IFRS 4 (such as personal risk, pension, property and casualty contracts and unit-linked savings contracts with a guaranteed yield);

> Financial instruments with a discretionary participation feature (DPF) issued by an insurer (such as non-unit-linked contracts with DPF and unit-linked contracts comprising a non-unit-linked component with DPF);

> Investment contracts without DPF (such as unit-linked savings contrats without a non-unit-linked component and without a guaranteed yield).

Contracts in the first two categories fall within the scope of IFRS 4 and are recognised and measured in accordance with this standard. The related technical reserves continue to be measured in the same way as under French GAAP.

Contracts in the third category fall within the scope of IAS 39 and are recognised and measured in accordance with this standard.

13 - Share capital

In light of its status, Caisse des Dépôts does not have any share capital.

3. Effects of first-time adoption of IFRS

3.1 - Effects of first-time adoption of IFRS on equity

3.1.1 - Effect of first-time adoption of IFRS on opening equity at 1 January 2006

Amounts net of deferred taxes (in millions of euros)	Unrealised or deferred gains and losses	Other reserves	Equity attributable to equity holders of the parent	Unrealised or deferred gains and losses	Other reserves	Minority interests
	Recyclable effects	Non-recyclable effects		Recyclable effects	Non-recyclable effects	
Equity at 31 December 2005 under French GAAP			**16,261**			**1,661**
Funds for General Banking Risks (FGBR)		610	610			
Revaluation of available-for-sale financial assets	8,320		8,320	192		192
Other-than-temporary impairment in value of available-for-sale financial assets		(1,188)	(1,188)			
Revaluation of financial assets at fair value through profit or loss		281	281		70	70
Deferred taxes on capitalisation reserves (insurance companies)		(159)	(159)			
Government grants		(74)	(74)			
Other items	1	(120)	(119)	(14)	174	160
Effect of first-time adoption of IFRS	**8,321**	**(650)**	**7,671**	**178**	**244**	**422**
Equity at 1 January 2006 under IFRS			**23,932**			**2,083**

3.1.2 - Effect of first-time adoption of IFRS on equity at 31 December 2006

(in millions of euros)	31.12.2006
Equity under French GAAP	**20,005**
Transition effects	
Funds for General Banking Risks (FGBR)	475
Unrealised or deferred gains and losses	10,128
Financial activities	(662)
Government grants	(108)
Deferred taxes on capitalisation reserves (insurance companies)	(140)
Other	(1)
Equity under IFRS	**29,697**

3.2 - Effects of first-time adoption of IFRS on the opening balance sheet at 1 January 2006

(in millions of euros)	French GAAP balance sheet	Reclassifications			Balance sheet after reclassifi-cations	Restate-ments	IFRS balance sheet
		Securities	Fixed assets	Other			
Cash and amounts due from central banks and post office banks	4				4		4
Financial assets at fair value through profit or loss		35,629			35,629	(2,086)	33,543
Hedging instruments with a positive fair value						22	22
Available-for-sale financial assets		115,302	1,467		116,769	3,725	120,494
Loans and receivables due from credit institutions	30,040	(18,725)		39	11,354	(49)	11,305
Loans and receivables due from customers	9,529	767	340	3,293	13,929	(554)	13,375
Securities portfolio	65,830	(65,830)					
Insurance company investments	88,553	(86,954)	(1,599)				
Cumulative fair value adjustments to portfolios hedged against interest rate risk							
Held-to-maturity investments		14,761			14,761	(55)	14,706
Current and deferred tax assets				252	252	(54)	198
Prepayments, accrued income and other assets	6,279	105	(34)	(3,271)	3,079	(198)	2,881
Non-current assets held for sale							
Long-term equity interests	2,579	(2,579)					
Investments in associates	4,892			17	4,909	578	5,487
Investment property			4,871		4,871	(67)	4,804
Owner-occupied property and equipment	6,702		(5,043)		1,659	(49)	1,610
Intangible assets	420		(2)		418	(153)	265
Goodwill	577			(25)	552	52	604
Total assets	**215,405**	**(7,524)**		**305**	**208,186**	**1,112**	**209,298**
Due to central banks and post office banks	2				2		2
Financial liabilities at fair value through profit or loss		6,344			6,344	362	6,706
Hedging instruments with a negative fair value		9			9	46	55
Amounts due to credit institutions	36,830			267	37,097	(160)	36,937
Amounts due to customers	45,748	(9)		904	46,643	(120)	46,523
Debt securities	4,709	2,639			7,348	(514)	6,834
Cumulative fair value adjustments to portfolios hedged against interest rate risk							
Current and deferred tax liabilities				529	529	1,602	2,131
Accruals, deferred income and other liabilities	23,081	(16,506)		(996)	5,579	(327)	5,252
Non-current liabilities held for sale							
Insurance company technical reserves	84,669			(127)	84,542	(6,987)	77,555
Negative goodwill	8			(8)			
Provisions	652	(1)		(4)	647	(51)	596
Subordinated debt	1,174			(260)	914	(222)	692
Funds for General Banking Risks (FGBR)	610				610	(610)	
Equity attributable to equity holders of the parent							
Retained earnings	14,174				14,174	(738)	13,436
Profit for the year	2,087				2,087		2,087
Unrealised or deferred gains and losses						8,409	8,409
Total equity attributable to equity holders of the parent	**16,261**				**16,261**	**7,671**	**23,932**
Minority interests	1,661				1,661	422	2,083
Total equity	**17,922**				**17,922**	**8,093**	**26,015**
Total liabilities and equity	**215,405**	**(7,524)**		**305**	**208,186**	**1,112**	**209,298**

3.3 - Opening balance sheet at 1 January 2006 – Restatements

(in millions of euros)	Revaluation of available-for-sale financial assets	Revaluation of financial assets at fair value through profit or loss	Other-than-temporary impairment in value of available-for-sale financial assets	Government grants	Funds for General Banking Risks	Business combinations	Other	Restatements
Cash and amounts due from central banks and post office banks								
Financial assets at fair value through profit or loss		1,821				(3,907)		(2,086)
Hedging instruments with a positive fair value							22	22
Available-for-sale financial assets	15,858		(2,031)			(10,121)	19	3,725
Loans and receivables due from credit institutions						(49)		(49)
Loans and receivables due from customers						(554)		(554)
Securities portfolio								
Insurance company investments								
Cumulative fair value adjustments to portfolios hedged against interest rate risk								
Held-to-maturity investments						(55)		(55)
Current and deferred tax assets	216		215			(11)	(474)	(54)
Prepayments, accrued income and other assets						(164)	(34)	(198)
Non-current assets held for sale								
Long-term equity interests								
Investments in associates	303					539	(264)	578
Investment property				(95)		(77)	105	(67)
Owner-occupied property and equipment				(30)		(19)		(49)
Intangible assets						(14)	(139)	(153)
Goodwill						(37)	89	52
Total assets	**16,377**	**1,821**	**(1,816)**	**(125)**		**(14,469)**	**(676)**	**1,112**
Due to central banks and post office banks								
Financial liabilities at fair value through profit or loss		422				(60)		362
Hedging instruments with a negative fair value							46	46
Amounts due to credit institutions						(12)	(148)	(160)
Amounts due to customers						(120)		(120)
Debt securities						(384)	(130)	(514)
Cumulative fair value adjustments to portfolios hedged against interest rate risk								
Current and deferred tax liabilities	1,856	146	89	(43)		(53)	(393)	1,602
Accruals, deferred income and other liabilities	12					(429)	90	(327)
Non-current liabilities held for sale								
Insurance company technical reserves	6,008	898	(696)			(13,197)		(6,987)
Negative goodwill								
Provisions						(6)	(45)	(51)
Subordinated debt						(120)	(102)	(222)
Fund for General Banking Risks (FGBR)					(610)			(610)
Equity attributable to equity holders of the parent								
Retained earnings		286	(1,188)	(73)	610	(7)	(366)	(738)
Profit for the year								
Unrealised or deferred gains and losses	8,312						97	8,409
Total equity attributable to equity holders of the parent	**8,312**	**286**	**(1,188)**	**(73)**	**610**	**(7)**	**(269)**	**7,671**
Minority interests	189	69	(21)	(9)		(81)	275	422
Total equity	**8,501**	**355**	**(1,209)**	**(82)**	**610**	**(88)**	**6**	**8,093**
Total equity and liabilities	**16, 377**	**1,821**	**(1,816)**	**(125)**		**(14,469)**	**(676)**	**1,112**

3.4 - Effects of first-time adoption of IFRS on the 2006 income statement

(in millions of euros)	Profit under French GAAP	Financial activities	Goodwill	Discontinued operations	Business combination	Transactions with minority interests	Other	Profit under IFRS
Net banking income	**5,154**	**(28)**			**(166)**		**(29)**	**4,931**
General operating expense	(2,565)				54		31	(2,480)
Net depreciation, amortisation and impairment of property and equipment and intangible assets	(221)				1		7	(213)
Gross operating profit	**2,368**	**(28)**			**(111)**		**9**	**2,238**
Cost of risk	(25)	(9)						(34)
Operating profit	**2,343**	**(37)**			**(111)**		**9**	**2,204**
Share of profit of associates	50				(3)		11	58
Share of profit of associates sold during the year	257			(257)				
Gains and losses on other assets, net	3,078	(16)		(2,413)	(7)	(469)	10	183
Change in value of goodwill	(45)		40					(5)
Net non-recurring income (expense)	2						(2)	
Net (charges to) reversals from the Funds for General Banking Risks	135						(135)	
Profit before tax	**5,820**	**(53)**	**40**	**(2,670)**	**(121)**	**(469)**	**(107)**	**2,440**
Income tax expense	(993)	(70)		127	20	32	11	(873)
Net profit (loss) from discontinued operations				2,314	82		2	2,398
Minority interests in profit	(354)	25		1	19		(3)	(312)
Profit attributable to equity holders of the parent	**4,473**	**(98)**	**40**	**(228)**		**(437)**	**(97)**	**3,653**

3.5 - Comments on the effects of first-time adoption of IFRS

Funds for General Banking Risks (FGBR)

The Funds for General Banking Risks do not fulfil the criteria for recognition as a liability under IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. They were therefore reclassified in equity in the opening IFRS balance sheet at 1 January 2006 and movements in the funds were eliminated from the income statement.

Securities

In the opening IFRS balance sheet, securities held by the Group were classified in the four categories of financial assets defined by IAS 39, as follows:
- financial assets at fair value through profit or loss (including financial assets designated upon initial recognition as at fair value through profit or loss);
- available-for-sale financial assets;
- held-to-maturity investments;
- loans and receivables.

> Changes in fair value of available-for-sale financial assets

Changes in fair value of available-for-sale financial assets are recognised directly in equity, under *"Unrealised or deferred gains and losses"*. The cumulative gain or loss is reclassified to the income statement when the securities are sold or when they are considered as being impaired. Impairment losses on equity securities are irreversible.

> Changes in fair value of financial assets at fair value through profit or loss

These assets are initially recognised and subsequently measured at fair value, with changes in fair value recognised in the income statement. Exceptionally, on first-time adoption of IFRS, fair value adjustments to opening financial assets at fair value through profit or loss were recognised in equity. These adjustments will never be reclassified to the income statement.

Insurance businesses

The financial assets of insurance companies fulfil the criteria for application of IAS 39. They were therefore reclassified in the opening IFRS balance sheet in the four categories defined by this standard and measured accordingly.

The effect of first-time adoption of IFRS on the equity of the consolidated insurance companies primarily concerned the recognition of deferred taxes on the capitalisation reserve. This reserve is used by life insurance companies to defer part of the capital gain realised on sales of redeemable securities in order to smooth policyholder yields. Under IFRS, a deferred tax liability is recognised on the reserve.

Government grants

Under IFRS, government grants are recorded as a deduction from the carrying amount of the assets they serve to finance.

Government grants not acquired in business combinations were reclassified in the opening IFRS balance sheet as a deduction from the assets they served to finance.

Business combinations

IFRS 1 allows first-time adopters to elect not to restate business combinations recorded prior to the IFRS transition date, provided that the assets acquired and liabilities assumed in the business combination fulfil the recognition criteria under IFRS.

In line with this principle, intangible assets recognised in business combinations prior to 1 January 2006 that did not fulfil IFRS recognition criteria, such as market shares, were reclassified as goodwill, and assets not considered as being identifiable under IFRS were not recognised in the opening IFRS balance sheet.

Under IFRS, goodwill is not amortised, but is tested for impairment at least once a year or whenever there is an indication that its recoverable amount may be less than its carrying amount.

Exclusive control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity (IAS 27, paragraph 13). The percentage of voting power corresponds to the sum of the voting rights held by the consolidating entity and by intermediate subsidiaries. Voting rights held by jointly controlled entities and associates are excluded from the calculation.

The effects on the opening balance sheet and the results for the twelve months ended 31 December 2006 primarily correspond to the non-recognition of the interest in CNP Assurances held by CNCE, which is an associate of Caisse des Dépôts.

Transactions with minority interests

When minority shareholders in an entity that is already under exclusive control are bought out, the difference between the cost of the minority interest and its carrying amount in the consolidated financial statements is recorded as a deduction from equity.

Partial sales leading to an increase in minority interests are also recognised by adjusting equity.

The impact on results for the year ended 31 December 2006 was mainly due to the stock market listing of Icade and the sale of Icade shares.

Scope of consolidation

The criteria for determining whether an entity is controlled are broadly the same under IFRS and French GAAP. Consequently, application of IFRS did not lead to any material change in the scope of consolidation.

4. Notes to the consolidated income statement

Note 1 - Interest income and expense

(in millions of euros)	31.12.2007			31.12.2006		
	Income	Expense	Net	Income	Expense	Net
Ordinary accounts in debit/credit	127		127	156		156
Accounts and loans/borrowings with fixed maturities	61	(854)	(793)	23	(659)	(636)
Repurchase and resale agreements	10		10	13		13
Other, including hedging instruments	28		28	6		6
Interbank transactions	**226**	**(854)**	**(628)**	**198**	**(659)**	**(461)**
Ordinary accounts in debit/credit	567		567	310		310
Accounts and loans/borrowings with fixed maturities	83	(746)	(663)	67	(627)	(560)
Other, including hedging instruments	34		34	24		24
Customer transactions	**684**	**(746)**	**(62)**	**401**	**(627)**	**(226)**
Available-for-sale financial assets	3,476	(1)	3,475	3,067	(70)	2,997
Held-to-maturity investments	806	(46)	760	766	(42)	724
Financial instruments	**4,282**	**(47)**	**4,235**	**3,833**	**(112)**	**3,721**
Debt securities		(286)	(286)		(208)	(208)
Borrowings		**(286)**	**(286)**		**(208)**	**(208)**
Total interest income and expense	**5,192**	**(1,933)**	**3,259**	**4,432**	**(1,606)**	**2,826**

Note 2 - Fee and commission income and expense

(in millions of euros)	31.12.2007		31.12.2006	
	Income	Expense	Income	Expense
Interbank transactions				
Customer transactions	10		14	
Securities and derivatives transactions		(31)		(34)
Financial services transactions	25	(49)	40	(64)
Other fees and commissions				
Fee and commission income and expense	**35**	**(80)**	**54**	**(98)**

Note 3 - Gains and losses on financial instruments at fair value through profit or loss, net

	31.12.2007		31.12.2006	
(in millions of euros)	Total	Of which fair value option	Total	Of which fair value option
Disposal gains and losses, net	303	(6)	112	(1)
Fair value adjustments, interest income	417	12	1,173	4
Dividend income	179		108	
Other income and expense, net	(25)		(341)	
Securities	**874**	**6**	**1,052**	**3**
Disposal gains and losses, net				
Fair value adjustments, interest income	22		(154)	
Futures and options (excluding hedging instruments)	**22**		**(154)**	
Disposal gains and losses, net				
Fair value adjustments, interest income	1		1	
Other income and expense, net				
Loans	**1**		**1**	
Disposal gains and losses, net				
Fair value adjustments, interest income	1		(1)	(2)
Other income and expense, net				
Borrowings	**1**		**(1)**	**(2)**
Disposal gains and losses, net				
Fair value adjustments, interest income				
Other income and expense, net				
Commitments				
Fair value hedges	(7)		(7)	
Ineffective portion of gains and losses on cash flow hedges	(4)			
Hedging instruments	**(11)**		**(7)**	
Portfolios hedged against interest rate risk				
Portfolios hedged against interest rate risk				
Currency instruments	(71)		41	
Currency instruments	**(71)**		**41**	
Total gains and losses on financial instruments at fair value through profit or loss, net	**816**	**6**	**932**	**1**

Note 4 - Gains and losses on available-for-sale financial assets, net

(in millions of euros)	31.12.2007	31.12.2006
Disposal gains and losses, net	164	203
Fixed-income securities	**164**	**203**
Disposal gains and losses, net	2,195	1,016
Other-than-temporary impairment	(208)	(77)
Dividend income	958	790
Variable-income securities	**2,945**	**1,729**
Loans		
Other		
Total gains and losses on available-for-sale financial assets, net	**3,109**	**1,932**

Note 5 - Income and expense from other activities

	31.12.2007		31.12.2006	
(in millions of euros)	Income	Expense	Income	Expense
Investment property transactions	1,252	(403)	1,038	(337)
Other banking income and expenses	4,187	(2,040)	3,165	(1,623)
Income and expenses from other activities	8	(15)	105	(23)
Income and expenses from insurance activities	11,724	(14,798)	11,438	(14,478)
Total income and expense from other activities, net	**17,171**	**(17,256)**	**15,746**	**(16,461)**

Note 6 - General operating expenses

(in millions of euros)	31.12.2007	31.12.2006
Employee benefits expense	**(2,158)**	**(1,816)**
Other expenses and external services	(767)	(648)
Provision (charges)/reversals	(16)	(16)
Other general operating expenses	**(783)**	**(664)**
Total general operating expenses	**(2,941)**	**(2,480)**

Note 7 - Cost of risk

(in millions of euros)	31.12.2007 Income	31.12.2007 Expense	31.12.2006 Income	31.12.2006 Expense
Impairment of loans and receivables due from credit institutions	11	(20)	30	(16)
Impairment of loans and receivables due from customers	15	(19)	23	(23)
Other-than-temporary impairment in value of available-for-sale financial assets				
Impairment of held-to-maturity investments				
Impairment of signature commitments and other commitments	8	(2)	9	(21)
Impairment losses	**34**	**(41)**	**62**	**(60)**
Other provisions for counterparty risk	2	(1)	9	(1)
Other provisions for counterparty risk	**2**	**(1)**	**9**	**(1)**
Loan losses		(22)		(45)
Recoveries on loans and receivables written off in prior years				
Losses and recoveries		**(22)**	**1**	**(45)**
Cost of risk	**36**	**(64)**	**72**	**(106)**

Note 8 - Gains and losses on other assets, net

(in millions of euros)	31.12.2007	31.12.2006
Gains and losses on disposals of property and equipment and intangible assets	8	5
Gains and losses on disposals of property and equipment and intangible assets	**8**	**5**
Gains or losses on disposals of securities	10	147
Dilution gains and losses	49	37
Other gains and losses on long-term equity interests	3	(4)
Gains and losses on long-term equity interests	**62**	**180**
Other gains and losses		(2)
Other gains and losses		**(2)**
Total gains and losses on other assets, net	**70**	**183**

Note 9 - Income tax expense

9.1 - Analysis of income tax expense

(in millions of euros)	31.12.2007	31.12.2006
Current taxes	(1,003)	(822)
Exit tax	(229)	
Deferred taxes	58	(51)
Income tax expense	**(1,174)**	**(873)**

9.2 - Reconciliation of theoretical and effective tax rates

(in millions of euros)	31.12.2007
Profit attributable to equity holders of the parent	2,488
Minority interests	314
Share of profit of associates	(103)
Change in value of goodwill	(3)
Income tax expense	1,174
Profit before tax, change in value of goodwill and share of profit of associates	**3,870**
Theoretical tax rate (1)	34.43%
Theoretical tax expense	**(1,332)**
Effect of differences in foreign tax rates	3
Effect of tax exempt transactions and transactions taxed at reduced rate	190
Effect of permanent differences	144
Utilisation of tax loss carryforwards	15
Exit tax	(229)
Tax credits	33
Other	2
Income tax expense	**(1,174)**
Effective tax rate	**30.34%**

(1) Corresponding to the tax rate applicable under ordinary law in France at 31 December 2007 including the additional social contribution.

Note 10 - Net profit from discontinued operations

(in millions of euros)	31.12.2007	31.12.2006
Income generated by discontinued operations		400
Expenses generated by discontinued operations		
Provision (charges)/reversals on discontinued operations		
Income tax expense on discontinued operations		
Recurring profit from discontinued operations		**400**
Fair value adjustments and disposal costs		
Net gain or loss from remeasurement of items at fair value		
Gain or loss on disposal of discontinued operations		2,126
Tax on gain or loss on disposal of discontinued operations		(128)
Net gain or loss on disposal of discontinued operations and other non-current assets		**1,998**
Net profit (loss) from discontinued operations		**2,398**

At 31 December 2006, the net profit from discontinued operations mainly concerned the CNCE sub-group.

Note 11 - Segment information

(in millions of euros)	Caisse des Dépôts and direct subsidiaries Division (including CNCE)		Infrastructure Division	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Net banking income	**2,620**	**1,374**		
General operating expenses	(287)	(240)		
Net depreciation, amortisation and impairment of property and equipment and intangible assets	(94)	(80)		
Gross operating profit	**2,239**	**1,054**		
Cost of risk	(20)	(27)		
Operating profit	**2,219**	**1,027**		
Share of profit of associates	42	36	36	
Gains and losses on other assets, net	15	44		
Change in value of goodwill				
Profit before tax	**2,276**	**1,107**	**36**	
Income tax expense	(640)	(621)		
Net profit (loss) from discontinued operations		2,396		
Net profit	**1,636**	**2,882**	**36**	
Minority interests	(8)	(47)	(3)	
Profit attributable to equity holders of the parent	**1,628**	**2,835**	**33**	

Private Equity Division		Insurance Division		Real Estate Division		Services Division		Total	
31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.12.2007	31.12.2006
439	**199**	**974**	**856**	**1,062**	**945**	**1,959**	**1,557**	**7,054**	**4,931**
(42)	(46)	(292)	(263)	(623)	(604)	(1,697)	(1,327)	(2,941)	(2,480)
		(8)	(9)	(24)	(5)	(159)	(119)	(285)	(213)
397	**153**	**674**	**584**	**415**	**336**	**103**	**111**	**3,828**	**2,238**
				(5)	(7)	(3)		(28)	(34)
397	**153**	**674**	**584**	**410**	**329**	**100**	**111**	**3,800**	**2,204**
		17	17			8	5	103	58
11	2	43	37		81	1	19	70	183
				3			(5)	3	(5)
408	**155**	**734**	**638**	**413**	**410**	**109**	**130**	**3,976**	**2,440**
(18)	(47)	(209)	(115)	(276)	(50)	(31)	(40)	(1,174)	(873)
							2		2,398
390	**108**	**525**	**523**	**137**	**360**	**78**	**92**	**2,802**	**3,965**
(161)	(40)	(87)	(104)	(23)	(82)	(32)	(39)	(314)	(312)
229	**68**	**438**	**419**	**114**	**278**	**46**	**53**	**2,488**	**3,653**

5. Notes to the consolidated balance sheet

Note 12 - Financial assets and liabilities at fair value through profit or loss

(in millions of euros)	31.12.2007 Held for trading	31.12.2007 Fair value option	31.12.2006 Held for trading	31.12.2006 Fair value option
Government bonds	51			
Treasury bills				
Other bonds	12,132	42	5,948	43
Negotiable debt securities	1,365	144	7,157	96
Mutual funds	12,878		11,684	
Other securities	1		10	
Fixed-income securities	**26,427**	**186**	**24,799**	**139**
Equities	4,858		3,240	
Venture capital funds				
Other securities	1,970	312	1,799	
Equities and other variable-income securities	**6,828**	**312**	**5,039**	
Derivative instruments held for trading	841		680	
Derivative instruments held for trading	**841**		**680**	
Total financial assets at fair value through profit or loss	**34,096**	**498**	**30,518**	**139**

(in millions of euros)	31.12.2007 Held for trading	31.12.2007 Fair value option	31.12.2006 Held for trading	31.12.2006 Fair value option
Due to credit institutions				
Due to customers				
Accounts and borrowings with fixed maturities				
Bonds				
Negotiable debt securities		688		101
Other				
Debt securities		**688**		**101**
Borrowed securities and short sales	52		1	
Borrowed securities and short sales	**52**		**1**	
Derivative instruments held for trading	797		739	
Derivative instruments held for trading	**797**		**739**	
Total financial liabilities at fair value through profit or loss	**849**	**688**	**740**	**101**

Note 13 - Hedging instruments

(in millions of euros)	31.12.2007	31.12.2006
Interest rate derivatives	13	
Currency derivatives		
Equity derivatives		
Other derivatives		
Fair value hedges	**13**	
Interest rate derivatives	96	23
Currency derivatives		
Equity derivatives		
Other derivatives		
Cash flow hedges	**96**	**23**
Interest rate derivatives		
Currency derivatives		
Equity derivatives		
Other derivatives		
Hedges of net investments in foreign operations		
Total hedging instruments with a positive fair value	**109**	**23**

(in millions of euros)	31.12.2007	31.12.2006
Interest rate derivatives	12	
Currency derivatives		
Equity derivatives		
Other derivatives		
Fair value hedges	**12**	
Interest rate derivatives	60	12
Currency derivatives		
Equity derivatives		
Other derivatives		
Cash flow hedges	**60**	**12**
Interest rate derivatives		
Currency derivatives		
Equity derivatives		
Other derivatives		
Hedges of net investments in foreign operations		
Total hedging instruments with a negative fair value	**72**	**12**

Note 14 - Available-for-sale financial assets

(in millions of euros)	31.12.2007 Fair value	31.12.2007 O/w hedged portion (fair value hedge)	31.12.2007 O/w unrealised gains and losses	31.12.2006 Fair value	31.12.2006 O/w hedged portion (fair value hedge)	31.12.2006 O/w cumulative gains and losses
Government bonds	13,093		(1)	10,125		(3)
Treasury bills	344		(2)	108		
Other bonds	42,262	(2)	(512)	37,817		1,010
Negotiable debt securities	22,500	(8)	4	33,728		(6)
Mutual funds	3,221		350	4,231		400
Other securities	833		(11)	649		
Accrued interest	1,430			1,127		
Fixed-income securities	**83,683**	**(10)**	**(172)**	**87,785**		**1,401**
Equities	37,003		15,040	35,182		15,859
Venture capital funds	658		85	373		88
Other securities	2,427		144	3,052		513
Equities and other variable-income securities	**40,088**		**15,269**	**38,607**		**16,460**
Total available-for-sale financial assets	**123,771**	**(10)**	**15,097**	**126,392**		**17,861**

Available-for-sale financial assets: impairment losses

(in millions of euros)	31.12.2007	31.12.2006
Fixed-income securities	(12)	(9)
Equities and other variable-income securities	(3,304)	(3,547)
Total impairment losses	**(3,316)**	**(3,556)**

Note 15 - Loans and receivables due from credit institutions

(in millions of euros)	31.12.2007	31.12.2006
Ordinary accounts in debit and overnight loans	4,269	4,701
Savings fund current accounts		
Securities and other assets purchased under collateralised fixed resale agreements		
Accrued interest	16	26
Non-performing items		
Impairment losses		
Loans to credit institutions repayable on demand	**4,285**	**4,727**
Accounts and loans with fixed maturities	575	267
Term loans to the savings funds		
Securities and other assets purchased under collateralised fixed resale agreements	80	251
Participating loans		
Subordinated loans		7
Advances on securities transactions		
Other receivables		
Accrued interest	1	2
Non-performing items	148	139
Impairment losses	(148)	(139)
Loans and receivables due from credit institutions with fixed maturities	**656**	**527**
Total loans and receivables due from credit institutions	**4,941**	**5,254**

Note 16 - Loans and receivables due from customers

(in millions of euros)	31.12.2007	31.12.2006
Ordinary accounts in debit	576	564
Accrued interest	27	17
Non-performing items	5	8
Impairment losses	(5)	(7)
Ordinary accounts in debit	**603**	**582**
Loans to financial sector customers	2	2
Cash facilities	12,171	7,864
Equipment financing	403	355
Housing loans	489	499
Advances on securities transactions	575	700
Participating loans		
Subordinated loans	56	50
Finance lease receivables	109	53
Securities and other assets purchased under uncollateralised resale agreements		
Other loans	1,709	1,401
Accrued interest	54	76
Non-performing items	375	241
Impairment losses	(181)	(179)
Other loans and receivables due from customers	**15,762**	**11,062**
Reinsurers' share of insurance and financial liabilities	2,463	2,163
Other insurance assets	1,404	804
Insurance and reinsurance receivables	**3,867**	**2,967**
Total loans and receivables due from customers	**20,232**	**14,611**

Note 17 - Held-to-maturity investments

(in millions of euros)	31.12.2007	31.12.2006
Government bonds	1,300	2,262
Treasury bills	546	543
Other bonds	11,442	9,975
Negotiable debt securities	3,697	2,132
Other securities	6	57
Accrued interest	407	356
Impairment losses		
Fixed-income securities	**17,398**	**15,325**
Other held-to-maturity investments		
Total held-to-maturity investments	**17,398**	**15,325**

Note 18 - Income taxes

(in millions of euros)	31.12.2007	31.12.2006
Deferred tax assets (liabilities), net	(3,656)	(3,850)
Current tax assets (liabilities), net	(251)	(40)
Total	**(3,907)**	**(3,890)**

Analysis of deferred taxes

(in millions of euros)	31.12.2007	31.12.2006
Fair value adjustments to financial instruments and securities	(3,741)	(3,870)
Rollover relief	(504)	(614)
Capitalisation reserves (insurance companies)	(210)	(191)
Fair value adjustments to financial assets at fair value through profit or loss	(135)	(100)
Temporary differences - securities	500	670
Temporary differences - other	433	255
Total recognised deferred tax assets and liabilities, net	**(3,656)**	**(3,850)**
Of which		
- deferred tax assets	*148*	*126*
- deferred tax liabilities	*(3,804)*	*(3,976)*

Note 19 - Prepayments, accrued income and other assets

(in millions of euros)	31.12.2007	31.12.2006
Prepaid expenses	87	81
Accrued income	304	26
Other accruals	2,307	2,335
Prepayments and accrued income	**2,698**	**2,442**
Miscellaneous receivables	1,168	3,248
Inventories	505	361
Guarantee deposits	129	67
Accounts receivable	940	861
Other	427	355
Impairment losses	(79)	(71)
Other assets	**3,090**	**4,821**
Total prepayments, accrued income and other assets	**5,788**	**7,263**

Note 20 - Non-current assets held for sale

(in millions of euros)	31.12.2007	31.12.2006
Loan portfolios		
Securities and derivatives portfolios		
Investment property	10	21
Owner-occupied property		
Other assets		
Assets held for sale	**10**	**21**
Assets of discontinued operations		
Total non-current assets held for sale	**10**	**21**

Note 21 - Investments in associates

21.1 - Balance sheet

(in millions of euros)	31.12.2007 Carrying amount	31.12.2007 Of which goodwill	31.12.2006 Carrying amount	31.12.2006 Of which goodwill
Caisse des Dépôts Division	**727**	**57**	**713**	
OSEO FINANCEMENT	604		576	
AEW EUROPE	84	57		
LOGISTIS	39		38	
ANATOL INVEST BV (PBW)			99	
Infrastructure Division	**1,540**	**717**		
EUTELSAT COMMUNICATIONS	917	592		
SÉCHÉ ENVIRONNEMENT	198	125		
HIME	187			
TYROL ACQUISITION 1 & CIE SCA	121			
VERDUN PARTICIPATIONS 1	117			
Insurance Division	**165**		**105**	
CNP ASSURANCES GROUP	165		105	
Services Division	**73**	**4**	**69**	
COMPAGNIE DES ALPES GROUP	43	3	45	
SANTOLINE GROUP	17		16	
EGIS GROUP	11	1	4	
TRANSDEV GROUP	2		4	
Investments in associates	**2,506**	**778**	**887**	

21.2 - Income statement

(in millions of euros)	31.12.2007	31.12.2006
Caisse des Dépôts Division	**42**	**36**
OSEO FINANCEMENT	38	33
ANATOL INVEST BV (PBW)	2	3
LOGISTIS	2	
Infrastructure Division	**36**	
EUTELSAT COMMUNICATIONS	42	
TYROL ACQUISITION 1 & CIE SCA	8	
SÉCHÉ ENVIRONNEMENT	3	
HIME	(17)	
Insurance Division	**17**	**17**
CNP ASSURANCES GROUP	17	17
Services Division	**7**	**5**
EGIS GROUP	7	2
COMPAGNIE DES ALPES GROUP	2	2
SANTOLINE GROUP	1	2
TRANSDEV GROUP	(3)	(1)
Share of profit of associates	**103**	**58**

Note 22 - Investment property, owner-occupied property and equipment and intangible assets

22.1 - Gross value

(in millions of euros)	31.12.2006	Additions	Disposals	Other movements	31.12.2007
Land	1,989	393	(111)	93	2,364
Buildings	5,738	330	(172)	685	6,581
Technical installations and fixtures	198		(2)	38	234
Woodland and land banks	56	1		111	168
Government grants	(185)	(12)		(2)	(199)
Assets under construction	285	304		(229)	360
Intangible assets related to investment property	7			4	11
Other	1				1
Investment property	**8,089**	**1,016**	**(285)**	**700**	**9,520**
Land	173	11		32	216
Buildings	744	18	(13)	150	899
Technical installations and fixtures	1,114	67	(31)	192	1,342
Prepayments	6	18		(17)	7
Government grants	(53)	(12)	7	(1)	(59)
Assets under construction	168	149	1	(115)	203
Other	1,031	141	(108)	799	1,863
Owner-occupied property and equipment	**3,183**	**392**	**(144)**	**1,040**	**4,471**
Software	451	25	(21)	100	555
Concessions, licences and patents	91	2		(4)	89
Intangible assets in progress	60	63		(60)	63
Other intangible assets	157	103	(1)	38	297
Contractual customer relationships (value of life insurance business acquired)	101			23	124
Intangible assets	**860**	**193**	**(22)**	**97**	**1,128**

"Other movements" related to investment property correspond to the full consolidation of the PBW Real Estate Fund sub-group, which was previously accounted for by the equity method. "Other movements" related to owner-occupied property and equipment mainly concern the acquisition of the Connexxion sub-group by Transdev.

22.2 - Depreciation, amortisation and impairment

(in millions of euros)	31.12.2006	Increases	Decreases	Other movements	31.12.2007
Land	(6)	(1)			(7)
Buildings	(1,959)	(188)	68	5	(2,074)
Technical installations and fixtures	(145)	(7)	1	(26)	(177)
Woodland and land banks	(3)	(2)	1	(31)	(35)
Government grants	67		2	2	71
Intangible assets related to investment property	(4)	(2)			(6)
Other	3		1		4
Investment property	**(2,047)**	**(200)**	**73**	**(50)**	**(2,224)**
Land	(1)				(1)
Buildings	(280)	(32)	12	(17)	(317)
Technical installations and fixtures	(571)	(77)	30	(72)	(690)
Other	(646)	(103)	93	(365)	(1,021)
Owner-occupied property and equipment	**(1,498)**	**(212)**	**135**	**(454)**	**(2,029)**
Software	(372)	(66)	7	(10)	(441)
Intangible assets in progress	(43)	(4)		3	(44)
Other intangible assets	(30)	(14)	1	(4)	(47)
Contractual customer relationships (value of life insurance business acquired)	(35)	(8)		(6)	(49)
Intangible assets	**(480)**	**(92)**	**8**	**(17)**	**(581)**

(in millions of euros)	Carrying amount 31.12.2006	Carrying amount 31.12.2007
Investment property (*)	**6,042**	**7,296**
Owner-occupied property and equipment	**1,685**	**2,442**
Intangible assets	**380**	**547**
Total	**8,107**	**10,285**

(*) Investment property is accounted for using the cost model. The properties' aggregate estimated fair value was €14,616 million at 31 December 2007 and €11,143 million at 31 December 2006.

Note 23 - Goodwill

23.1 - Change in value of goodwill

(in millions of euros)	31.12.2006	Increases (Acquisitions)	Decreases (Disposals)	Impairment losses for the period	Other movements	31.12.2007
Caisse des Dépôts Division	17		(8)			9
Insurance Division						
CNP ASSURANCES GROUP	259	164			28	451
Real Estate Division						
ICADE GROUP	122	9			(1)	130
Services Division						
EGIS GROUP	5					5
TRANSDEV GROUP	151	121			3	275
COMPAGNIE DES ALPES GROUP	208	122			(8)	322
Total goodwill	**762**	**416**	**(8)**		**22**	**1,192**

23.2 - Goodwill by company

(in millions of euros)	31.12.2007	31.12.2006
Caisse des Dépôts Division		
SCI ATHOS	9	9
SAS TOUR DESCARTES		6
C3D INVESTMENT		2
Insurance Division		
CNP ASSURANCES	208	44
CNP CAPITALIA VITA	142	129
CAIXA SEGUROS	82	68
OTHER	19	18
Real Estate Division		
PROPERTY INVESTMENT COMPANIES	32	34
PROPERTY DEVELOPMENT COMPANIES	37	26
PROPERTY SERVICES COMPANIES	61	62
Services Division		
EGIS group		
EGIS SA	3	3
SOFREAVIA	2	2
TRANSDEV group		
CONNEXXION	93	
LONDON UNITED 1994	43	47
BLAZEFIELD HOLDINGS LIMITED	30	25
CAIMA	21	21
LIMOCAR	17	
SZVB	16	10
BTL	12	12
TRANSDEV PARIS SUD	11	11
OTHER	32	25
COMPAGNIE DES ALPES group		
STVI	122	
BELPARK BV	108	113
DOLFINARIUM	18	18
GREVIN & CIE SA	14	14
MERIBEL ALPINA	12	12
STGM	11	11
OTHER	37	40
Total goodwill	**1,192**	**762**

Note 24 - Amounts due to credit institutions

(in millions of euros)	31.12.2007	31.12.2006
Ordinary accounts in credit and overnight borrowings	2,945	2,023
Demand deposits from savings funds	1,673	1,203
Securities and other assets sold under collateralised fixed repurchase agreements		
Accrued interest	12	7
Amounts due to credit institutions repayable on demand	**4,630**	**3,233**
Accounts and borrowings with fixed maturities	5,270	3,774
Securities and other assets sold under collateralised fixed repurchase agreements	12,536	18,050
Accrued interest	158	187
Amounts due to credit institutions with fixed maturities	**17,964**	**22,011**
Total amounts due to credit institutions	**22,594**	**25,244**

Note 25 - Amounts due to customers

(in millions of euros)	31.12.2007	31.12.2006
Ordinary accounts in credit	33,140	33,038
Accrued interest		1
Ordinary accounts in credit	**33,140**	**33,039**
Escrow accounts	3,344	3,134
Time deposits	5,540	5,842
Securities and other assets sold under collateralised fixed repurchase agreements	287	119
Other amounts due to customers with fixed maturities	2	
Accrued interest	516	490
Other amounts due to customers	**9,689**	**9,585**
Insurance payables	550	392
Other payables arising from insurance operations	332	282
Insurance and reinsurance payables	**882**	**674**
Total amounts due to customers	**43,711**	**43,298**

Note 26 - Debt securities

(in millions of euros)	31.12.2007	31.12.2006
Medium-term notes and other negotiable debt securities	6,079	7,822
Accrued interest	6	33
Interbank and negotiable debt securities	**6,085**	**7,855**
Bonds and similar debt securities	1,739	2,453
Accrued interest		5
Bonds and similar debt securities	**1,739**	**2,458**
Total debt securities	**7,824**	**10,313**

Note 27 - Accruals, deferred income and other liabilities

(in millions of euros)	31.12.2007	31.12.2006
Deferred income	625	241
Accrued expenses	25	32
Other accruals	2,782	1,481
Accruals and deferred income	**3,432**	**1,754**
Miscellaneous payables	1,299	1,521
Guarantee deposits	95	79
Accounts payable	957	767
Other	3,766	3,189
Other liabilities	**6,117**	**5,556**
Total accruals, deferred income and other liabilities	**9,549**	**7,310**

Note 28 - Insurance company technical reserves

(in millions of euros)	31.12.2007	31.12.2006
Insurance liabilities:		
Insurance liabilities – unit-linked	10,955	8,384
Insurance liabilities (excluding unit-linked)	21,805	16,411
Total insurance liabilities	**32,760**	**24,795**
Financial liabilities – financial instruments with discretionary participation feature (excluding unit-linked)	55,828	48,861
Financial liabilities – financial instruments without discretionary participation feature (excluding unit-linked)	207	143
Financial liabilities – unit-linked financial instruments	5,697	5,771
Total financial liabilities	**61,732**	**54,775**
Deferred participation reserve	3,481	4,438
Derivative financial instruments separated from the host contract		
Total other insurance liabilities	**3,481**	**4,438**
Total insurance company technical reserves	**97,973**	**84,008**

Note 29 - Provisions

(in millions of euros)	31.12.2006	Increases	Reversals (utilisations)	Reversals (surplus provisions)	Other move-ments	31.12.2007
Provisions for employee benefit obligations	314	63	(53)	(4)	3	323
Provisions for real estate risks	18	4	(2)	(1)		19
Provisions for counterparty risks	87	21	(8)	(14)	(7)	79
Other provisions	565	289	(169)	(14)	30	701
Total provisions	**984**	**377**	**(232)**	**(33)**	**26**	**1,122**

Note 30 - Subordinated debt

(in millions of euros)	31.12.2007	31.12.2006
Mutual guarantee deposits	4	4
Dated subordinated notes	681	622
Undated subordinated notes	92	83
Subordinated borrowings with no fixed maturity		
Other borrowings with fixed maturities		
Total subordinated debt	**777**	**709**

Breakdown of subordinated debt

(in millions of euros)	Issue date	Maturity date	Interest rate	31.12.2007
Mutual guarantee deposits				**4**
Caisse des Dépôts				4
Dated subordinated notes				**681**
CNP Assurances group				
	11-May-99	11-May-09	4.63%	162
	11-Apr-01	Between 11 April 2011 and 2021	5.75% until 2011 and Euribor +1.57% from 11 July 2011	60
	23-May-01			20
	17-Jul-01			20
	4-Dec-01			60
	25-Feb-02			40
	10-Apr-02			100
	25-Apr-03	Between 16 May 2013 and 2023	5.25% until 2013 and Euribor +2% from 11 July 2013	121
	25-June-03	Between 24 June 2013 and 2023	4.7825% until 2013 and Euribor +1.60% from 15 Nov. 2016	80
	November-03	2008	6-month Euribor +1.5%	18
Undated subordinated notes				**92**
CNP Assurances group				
	15-Nov-04	Perpetual	4.93% until 2016 and Euribor +1.60% from 15 Nov. 2016	37
	15-Nov-04	Perpetual	3-month Euribor +0.70% until 2016	37
	October-03	Perpetual	6-month Euribor + 1.5%	18
Total subordinated debt				**777**

Note 31 - Commitments given and received

31.1 - Commitments given and received

(in millions of euros)	31.12.2007	31.12.2006
Commitments given	**19,015**	**19,203**
Financing commitments		
To credit institutions	48	17
To customers	12,825	12,096
Guarantee commitments		
To credit institutions	1,677	1,644
To customers	1,677	2,237
Securities-related commitments		
Securities to be delivered	77	933
Other commitments given		
To credit institutions	1,114	1,062
To customers	1,597	1,214
Commitments received	**14,647**	**16,359**
Financing commitments		
From credit institutions	9,832	10,328
From customers		
Guarantee commitments		
From credit institutions	66	385
From customers	1,280	1,059
Securities-related commitments		
Securities to be received	582	1,970
Other commitments received		
From credit institutions	2,654	2,105
From customers	233	512

31.2 - Guarantee given by Caisse des Dépôts to Ixis Corporate & Investment Bank (ICIB)

Under an agreement approved on 1 December 2000, Caisse des Dépôts provided CDC Ixis - now Ixis Corporate & Investment Bank (ICIB) - with a joint and several guarantee. This guarantee applies to certain financial instruments used by ICIB for refinancing purposes (issuance transactions other than subordinated debt issues, interbank and treasury transactions) and to signature commitments. According to the terms of the agreement, ICIB may in turn grant its guarantee to some of its subsidiaries under specific conditions.

The European Commission reviewed the terms of this agreement and the related fee arrangements in May 2003. Pursuant to the favourable decision handed down by the Commission, from 23 January 2007 the guarantee was not extended to any new transactions.

Since 1 April 2003, new balance sheet transactions maturing after 23 January 2017 may no longer be guaranteed, and since 23 January 2004, this restriction has also applied to new off-balance sheet transactions maturing after 23 January 2017.

Under the terms of the Restructuring Agreement signed when CDC Ixis was sold to the Caisse d'Épargne group, since 30 June 2004 (the sale date) CNCE has counter-guaranteed Caisse des Dépôts' commitment towards CDC Ixis in exchange for 50% of Caisse des Dépôts' fee from CDC Ixis.

The initial guarantee provided by Caisse des Dépôts prompted an upgrade in CDC Ixis' credit rating, thereby laying the foundation for a transitional plan, approved by the European Commission's Competition Directorate. The purpose of the two commitments (given and received) was to support ICIB's withdrawal from the activities managed directly by Caisse des Dépôts.

Under generally accepted accounting principles, the two commitments would normally have been disclosed as off-balance sheet commitments. However, this accounting treatment was not applied as it would not reflect the substance of this exceptional, complex operation to support the divestment of a former subsidiary and the phased extinguishment of Caisse des Dépôts' obligations.

Effective from 1 April 2003, the annual fee for the guarantee is the higher of:
a) An amount based on the consolidated ratio of capital at risk to Tier 1 capital, as defined for capital adequacy purposes
b) A percentage of the proceeds from financial instruments issued by ICIB corresponding to the difference, on the issue date, between (i) the interest rate on financial instruments with the same maturity issued by financial institutions with the same inherent credit rating as CDC Ixis (before taking into account the guarantee) and (ii) the interest rate on financial instruments with the same maturity issued by financial institutions with the same enhanced credit rating as CDC Ixis (after taking into account the guarantee).
c) €8 million.

On this basis, the fee due by ICIB to Caisse des Dépôts for 2007 amounted to €14.15 million, of which CNCE's share was €7.08 million.

6. Employee benefits

Note 32 - Employee benefits expense

(in millions of euros)	31.12.2007	31.12.2006
Payroll costs	(1,878)	(1,553)
Post-employment benefit plan costs	(19)	(10)
Cost of other long-term benefits	(210)	(198)
Discretionary and non-discretionary profit-sharing	(51)	(55)
Total employee benefits expense	**(2,158)**	**(1,816)**

Note 33 - Average number of employees

	31.12.2007	31.12.2006
France	28,794	27,930
International	21,947	9,342
Average number of employees	**50,741**	**37,272**

The 13,469-person increase in the average number of employees was primarily attributable to the acquisition of the Connexxion group by Transdev in the fourth quarter of 2007.
The annual average headcount of Caisse des Dépôts Group, calculated prorata for 2007 was 41,951 employees.

Note 34 - Employee benefit obligations

34.1 - Change in actuarial liability

(in millions of euros)	31.12.2007	31.12.2006
Opening actuarial liability	**312**	**257**
Current service cost	37	33
Interest cost	9	7
Benefits paid	(11)	(42)
Plan amendments/curtailments	(19)	48
Actuarial gains and losses for the period	(42)	(1)
Translation adjustment	(3)	
Effect of changes in scope of consolidation	34	10
Closing actuarial liability	**317**	**312**

34.2 - Employee benefit plan expense recognised in the income statement

(in millions of euros)	31.12.2007	31.12.2006
Current service cost	(37)	(33)
Interest cost	(9)	(7)
Expected return on plan assets for the period		
Amortisation of past service cost	19	38
Amortisation of actuarial gains and losses		
Losses on curtailments and settlements	20	28
Total net expense recognised in the income statement	**(7)**	**26**

7. Related party transactions

Related parties include consolidated companies, savings funds and pension funds managed by Caisse des Dépôts and post-employment benefit plan managers.

1 - Relations between consolidated companies

Transactions and balances between fully consolidated companies are eliminated in consolidation. The following information therefore only concerns intra-Group transactions with jointly-controlled companies (proportionally consolidated), for the portion not eliminated in consolidation, and associates (accounted for by the equity method).

	31.12.2007		31.12.2006	
(in millions of euros)	Jointly-controlled companies	Associates	Jointly-controlled companies	Associates
Loans		33		32
Other financial assets		162		
Other assets	21	1	29	
Total related party assets	**21**	**196**	**29**	**32**
Borrowings		1		
Other financial liabilities				
Other liabilities	4		4	
Total related party liabilities	**4**	**1**	**4**	
Commitments given	200	28	204	28
Commitments received	12	1	14	
Total related party commitments	**212**	**29**	**218**	**28**
Interest income, net		12		1
Fee and commission income				
Income from financial transactions				
Net income from other activities		1		
General operating expenses, net of rebillings	42		46	
Gross operating profit from related party transactions	**42**	**13**	**46**	**1**

2 - Related parties not controlled by the Group

a) Savings funds

(in millions of euros)	31.12.2007	31.12.2006
Loans	2	150
Other financial assets	72	39
Other assets	2	5
Total assets	**76**	**194**
Borrowings	1,674	1,203
Other financial liabilities	54	1
Other liabilities	408	380
Total liabilities	**2,136**	**1,584**
Commitments given		
Commitments received		
Total commitments		
Interest income	(14)	(10)
Fee and commission income		
Net income from financial transactions	14	9
Net revenue from other activities	(64)	(317)
General operating expenses, net of rebillings	70	76
Gross operating profit	**6**	**(242)**

b) Pension funds

(in millions of euros)	31.12.2007	31.12.2006
Loans	1	4
Other financial assets		
Other assets	103	113
Total assets	**104**	**117**
Borrowings	2,677	3,322
Other financial liabilities		
Other liabilities	24	40
Total liabilities	**2,701**	**3,362**
Commitments given	83	69
Commitments received		
Total commitments	**83**	**69**
Interest income	(158)	(151)
Fee and commission income		
Net income from financial transactions		
Net revenue from other activities		
General operating expenses, net of rebillings	245	236
Gross operating profit	**87**	**85**

3 - Post-employment benefit plan managers

Assets and liabilities from transactions with post-employment benefit plan managers were not material at 31 December 2007 or 2006.

8. Information about financial instrument risks

FINANCIAL INSTRUMENT RISK MANAGEMENT SYSTEM

I - Risk control organisation

1 - Role of the Risk Management and Internal Control department (DRCI)

Controlling financial and operational risks is a key aspect of any system of internal control. Within the Caisse des Dépôts Group, the internal control process is driven, coordinated and monitored by the head of the Risk Management and Internal Control department, who is a member of the Group Management Committee.

The system comprises both periodic controls performed by the internal auditors, reporting to the Chief Executive Officer of the Group, and recurring controls that are the responsibility of DRCI.

DRCI is also responsible for ethical compliance and anti-money laundering measures across the entire Group.

2 - Positioning

The organisation of internal control is based on the principle of segregating responsibility for execution from responsibility for control, and on a multi-tier system. The first tier consists of controls performed directly by line personnel. Responsibility for second tier controls depends on the type of risk:
- Second-tier controls over financial risks are performed by dedicated teams reporting directly to DRCI;
- Second-tier controls over operational risks are also performed by dedicated teams that are independent from the line units. The teams report to the highest level of management within the business line concerned and have a dotted-line reporting relationship with DRCI.
In line with this organisation, each unit is required to set up risk measurement, monitoring and prevention systems geared to the nature of the business and the magnitude of the risks incurred.

3 - Scope

The system described above applies to Caisse des Dépôts and also to its subsidiaries, as regards operational risks and internal control. Financial risks are managed directly by the subsidiaries, with DRCI supervision assured through a reporting system.

DRCI monitors the Group's compliance with its legal and regulatory obligations. Although the Group is not governed by Comité de la Réglementation Bancaire et Financière standard CRBF 97-02 on internal control, it has nevertheless decided to follow the good practice reflected in this standard.

II - Risk control policies, objectives and procedures

The Group's strategy, formulated in the Elan 2020 strategic plan, leverages its core strengths of reliability and security.

> "Caisse des Dépôts' strategy, formulated in the Elan 2020 strategic plan, leverages the core strengths represented by its unique status as a public institution supervised by the French Parliament, its stable sources of funds, its financial strength, the confidence of savers and its inherent reliability."
>
> "Caisse des Dépôts maintains a constant commitment to controlling risks through asset allocation strategies aligned with the business model and the application of best management practices. Application of market standards (Basel II) and implementation of strict control and monitoring procedures guarantee a strong risk management culture that underpins the institution's robustness and credibility."
>
> ''Elan 2020'' Strategic Plan, Investor Principles.

Risk controls are described in the internal control charter named "Internal Control Organisation Principles". This charter, which applies to the entire Group, also deals with issues relating to compliance risk management and the organisation of ethical compliance and anti-money laundering procedures. It was last updated in July 2006.

DRCI performs ex-ante controls on the business lines' commitments, as well as monitoring credit and market risks on financial portfolios.

It also performs independent back-up reviews of financial risks on a basis geared to the nature of the investment and the amount involved.

Lastly, in the area of operational risk monitoring, DRCI works with the business lines to ensure that all appropriate control measures are implemented to obtain reasonable assurance that the risks inherent in each process are properly managed. Various tools are deployed at the level of the business lines within Caisse des Dépôts, and each business line's operational risk control and management system is reviewed by DRCI at half-yearly intervals.

III - Ex-ante reviews of commitments

The business lines are assigned annual operating targets that are determined jointly with the Finance & Strategy department and validated by the Chief Executive Officer.

DRCI intervenes in the pre-commitment phase, as a member of:
- the Commitments Committee chaired by the Chief Executive Officer;
- the department-level Commitments Committees – representing the ultimate decision-making body within the department concerned – and the Real Estate Investment Committee;
- the Asset/Liability committee, which meets monthly, and the Asset/Liability Monitoring and Portfolio Management Committee, which meets at quarterly intervals to present management strategies to the Chief Executive Officer.

IV - Credit and market risk monitoring

The Counterparty Risks Committee (CRC) meets every month to review the updated counterparty risk assessments prepared by DRCI for the bond and money market portfolios and related derivatives portfolios. These assessments cover:
- the breakdown by credit rating, geographical area and issuer category;
- the level of risk concentration;
- changes in counterparty ratings since the last report.

The management reporting schedules prepared by the lender business lines include information to monitor their credit risks.

Market and liquidity risks are monitored during monthly presentations to the Asset/Liability Committee on the management of these risks and of financial (market and ALM) risks.

The monthly management reports submitted to the Chief Executive Officer and the Management Committee include input from DRCI on financial risks.

DRCI also prepares half-yearly risk reports for the Supervisory Commission. These reports, which are reviewed at meetings of the Financial Statement and Risk Review Committee, include detailed information about credit risks, market risks and concentration risks.

IDENTIFYING RISKS

I - Definitions

1 - Credit risk

Credit risk is the risk of default by the counterparty in a transaction before all the transaction's cash flows have been settled (Government order dated 20 February 2007), resulting in a financial loss for the other party.

2 - Liquidity risk

Liquidity risk is the risk of experiencing difficulties in fulfilling commitments related to financial liabilities.

3 - Market risk

Market risk is the risk of losses resulting from an unfavourable change in the interest rate, equity, currency or derivatives markets.

II - Risk acceptance process

1 - Decision-making process

All investments in excess of a certain amount (other than capital markets transactions) are reviewed during a meeting of the Commitments Committee chaired by the Chief Executive Officer.

1.1 - Commitments other than as an institutional investor
The business lines are responsible for their commitments, which must comply with the annual objectives approved by the Chief Executive Officer.

Commitments (other than capital markets transactions) are decided by committees at different levels within the business lines. DRCI participates in all meetings of Commitments Committees representing the ultimate decision-making body within a department, expressing an opinion on the project before the final decision is made and requesting additional information about the related risk when appropriate. It checks that the project is in line with the Group's strategy, that risks have been properly identified and – if necessary – hedged, and that the expected return on investment is reasonable for the class of assets concerned. If DRCI opposes a project, it may be overruled only by the business line's executive management and, in this case, the Group Management Committee must be informed.

1.2 - Commitments as an institutional investor
Portfolios of financial assets are managed within the framework of authorised investment criteria and defined management processes. To efficiently manage this type of portfolio, it is important to be able to respond quickly to changing market conditions. For this reason, the commitment process for these portfolios is different to that for other activities.

For these portfolio transactions, DRCI's independent risk review is carried out at monthly meetings of the Asset/Liability Committee and quarterly meetings of the Portfolio Review Committee, chaired by the Chief Executive Officer, during which management strategies for the coming period are discussed.

The Portfolio Review Committee reviews management activities for the previous quarter. At the end of each year, it determines the management strategy for the coming year, based on an assessment of balance sheet financial risks and objectives over the medium term (typically five years). These exercises are based on detailed analyses of forecast asset/liability ratios performed by a dedicated team. The broad asset allocation strategies are then rolled down to each individual asset class.

Real estate and private equity investments are examined by specific Investment Committees.

2 - Surveillance procedure

Concerning credit risks on financial portfolios, the Counterparty Risk Committee referred to above meets every month to set exposure limits by counterparty, based on the DRCI's recommendations, and to review compliance with these limits during the previous month. The exposure limits recommended by DRCI are determined using methods that aim to diversify risks within each portfolio. DRCI also performs daily checks to ensure that the limits are complied with. Specific market risk exposure limits are set for each portfolio.

The monthly reporting schedules submitted to the Financial Management Committees include risk measurements for each of these limits.

3 - Risk attenuation procedure

For fixed income portfolios, issuer, issue or transaction guarantees are taken into account by the information systems for the calculation of credit risk exposures at the level of the guarantors.

The Group does not use securitisation techniques to attenuate its risk exposures.

4 - Impairment procedure

4.1 - Business line and central Impairment Committees
Decisions to record (or reverse) impairment losses are made by Impairment Committees set up at the level of the business lines or by a central Impairment Committee, depending on the amounts involved.

In addition to provisions for impairment of assets (such as non-performing loans, participating interests and intangible assets), these committees also review untaxed provisions and provisions for contingencies and charges. Impairment losses are recorded in particular for non-performing or irrecoverable loans and securities whose recoverable amount is less than their carrying amount.

The committees meet at quarterly intervals and decisions are made based on a file containing all necessary information to understand and validate the proposed write-downs. The business line committees are competent to decide impairment losses ranging from €50,000 to €300,000. They review commitments of between €1.5 million and €4 million related to a given third party or file. The central committee decides impairments in excess of €300,000 and reviews commitments in excess of €4 million. The Legal and Tax department and DRCI are permanent members of the central Impairment Committee.

4.2 - Equity Portfolio Impairment Committee
A specific committee has been set up to decide on any provisions for impairment of listed and unlisted equities. The committee meets at quarterly intervals and its members include representatives of DRCI and the Legal and Tax department. It assesses proposed impairment losses based on both French GAAP and IFRS:

- Under French GAAP, fair value is determined taking into account the issuer's general outlook and the intended holding period. For listed companies, fair value is generally considered to be equal to the average of the prices quoted over a sufficiently long period to attenuate the effects of sporadic sharp price changes, considering the intended holding period.

- Under IFRS, an impairment loss is recognised on equity instruments when there is objective evidence of a significant or prolonged decline in the fair value of the investment below its cost. Where a significant or prolonged decline in fair value has occurred, the impairment is qualified as other-than-temporary for accounting purposes only if it gives rise to a probable loss.

III - Risk measurement methods

Exposure to credit risk

(in millions of euros)	31.12.2007	31.12.2006
Cash and amounts due from central banks and post office banks	5	18
Financial assets at fair value through profit or loss (excl. variable-income securities)	14,575	13,934
Hedging instruments with a positive fair value	109	24
Available-for-sale financial assets (excl. variable-income securities)	80,463	83,555
Loans and receivables due from credit institutions	4,942	5,253
Loans and receivables due from customers	19,457	13,976
Held-to-maturity investments	17,399	15,325
On-balance sheet exposure, net of impairment	**136,950**	**132,085**
Financing commitments given	12,873	12,113
Commitments given in respect of securities	3,354	3,881
Other commitments given	2,302	2,105
Provisions for commitments given	(5)	(36)
Off-balance sheet exposure, net of impairment	**18,524**	**18,063**
Total net exposure	**155,474**	**150,148**

The Group's total net exposure corresponds mainly to the exposures of the Central Sector and of CNP Assurances:
- at 31 December 2006, the Central Sector represented 54% of the total and CNP Assurances 43%;
- at 31 December 2007, the percentages were 47% for the Central Sector and 48% for CNP Assurances.
The other subsidiaries are considered as not material.

1 - Credit risk

Credit risks on fixed income portfolios are measured on the basis of the sum of commitments by consistent credit rating category.

A team of DRCI analysts assigns internal ratings to issuers (other than structured finance) on a scale that is consistent with that used by the rating agencies. The commitment towards a given issuer is measured by reference to the fair value of the underlying securities and their nature. For derivative instruments, the commitment includes an add-on to reflect the potential future exposure.

The internal rating system for structured finance issues comprises detailed quality graduations. The Group invests only in structured products rated AAA by at least one agency.

The business lines engaged in lending activities have set up dedicated counterparty rating teams.

Caisse des Dépôts' response to the subprime crisis
- Since the subprime crisis began in the second half of 2007, the Group has stepped up its monitoring of financial risks, particularly with regard to all issuers of fixed income securities held by the Central Sector, with especially close surveillance of issuers considered to be the most exposed to the effects of the crisis.

- To date, there have been no defaults on securities held in the financial portfolios since the beginning of the crisis. Moreover, **the Group has no direct exposure to the US mortgage market and consequently to the subprime market.**

The securities portfolios – other than the held-to-maturity portfolio – have been measured at fair value, in accordance with IFRS. For most of these securities, fair value corresponds to market price at 31 December.

The Central Sector holds a €0.8 billion portfolio of asset-backed securities (ABSs). The portfolio primarily comprises triple A-rated European residential mortgage-backed securities (RMBSs) measured at fair value, corresponding to their probable realisable value.

The subprime crisis can be viewed as indirectly responsible for the downward trend in stock market indices observed since June 2007. This trend has led to a fall in unrealised gains on the Group's equity portfolios. In terms of sensitivity, a 10% fall in stock prices would have a €1,622 million negative impact on equity, including €141 million at the level of CNP Assurances.

Financial assets by type

	31.12.2007					
(in millions of euros)	**Gross financial assets***	*O/w financial assets neither past due nor impaired*	*O/w financial assets past due but not impaired*	*O/w impaired financial assets*	**Impairment losses on financial assets**	**On-balance sheet exposure net of impairment losses**
Cash and amounts due from central banks and post office banks	5	*5*				**5**
Financial assets at fair value through profit or loss (excl. variable-income securities)	14,575	*14,575*				**14,575**
Hedging instruments with a positive fair value	109	*109*				**109**
Available-for-sale financial assets (excl. variable-income securities)	80,463	*80,463*				**80,463**
Loans and receivables due from credit institutions	5,090	*4,942*		*148*	(148)	**4,942**
Loans and receivables due from customers	19,694	*19,224*	*15*	*455*	(237)	**19,457**
Held-to-maturity investments	17,399	*17,399*				**17,399**
Total financial assets	**137,335**	***136,717***	***15***	***603***	**(385)**	**136,950**

(*) No financial assets were renegotiated at the balance sheet date.

(in millions of euros)	31.12.2006					
	Gross financial assets*	*O/w financial assets neither past due nor impaired*	*O/w financial assets past due but not impaired*	*O/w impaired financial assets*	**Impairment losses on financial assets**	**On-balance sheet exposure net of impairment losses**
Cash and amounts due from central banks and post office banks	18	*18*				**18**
Financial assets at fair value through profit or loss (excl. variable-income securities)	13,933	*13,933*				**13,933**
Hedging instruments with a positive fair value	24	*24*				**24**
Available-for-sale financial assets (excl. variable-income securities)	83,555	*83,555*				**83,555**
Loans and receivables due from credit institutions	5,392	*5,254*		*138*	(138)	**5,254**
Loans and receivables due from customers	14,208	*13,897*	*8*	*303*	(232)	**13,976**
Held-to-maturity investments	15,325	*15,325*				**15,325**
Total financial assets	**132,455**	***132,006***	***8***	***441***	**(370)**	**132,085**

(*) No financial assets were renegotiated at the balance sheet date.

2 - Concentration risk

Concentration risk is measured as follows:

> for fixed income portfolios, based on the sum of commitments:
- by geographical area;
- by industry;
- for the 50 largest exposures.

> for equity portfolios:
- industry concentration: based on the portfolio's Value at Risk by industry;
- individual concentration: based on the Gini and Herfindahl indices.

> for aggregate commitments: based on the sum of the Group's largest exposures – according to the Basel II definition of credit risk – and the Herfindahl index calculated on these exposures.

■ Performing financial assets neither past due nor impaired by rating

(in millions of euros)	31.12.2007	31.12.2006
AAA	49,728	50,442
AA	42,321	37,358
A	15,854	21,655
BBB	2,229	1,520
BB	1,359	1,002
B	9	14
< B		
Not rated	1,070	428
Total performing financial assets	**112,570**	**112,419**

Performing financial assets neither past due nor impaired by industry and geographical area

(in millions of euros)	31.12.2007	31.12.2006
Public sector	143	140
Raw materials and basic industry	55	61
General industry	3	5
Cyclical consumer goods and services	22	6
Non-cyclical consumer goods and services	16	12
Community services	111	116
Financial institutions	19,408	14,774
Information technology		
Other	4,389	4,473
Loans and receivables by industry	**24,147**	**19,587**
France	62,010	67,883
Other European Union countries	56,760	46,421
Other European (non-EU) countries	162	2,888
North America	7,850	7,839
Central and South America	1,504	998
Africa and the Middle East	20	16
Asia-Pacific	1,362	408
Other	7,049	5,553
Performing financial assets by geographical area	**136,717**	**132,006**

3 - Liquidity risk

Financial liabilities by liquidity level

(in millions of euros)	31.12.2007 On demand	1-3 months	3-12 months	1-5 years	More than 5 years	No fixed maturity	Total financial liabilities
Financial liabilities at fair value through profit or loss	215		84	184	1,054		**1,537**
Hedging instruments with a negative fair value	12			38	22		**72**
Amounts due to credit institutions	11,204	5,420	1,461	2,431	3,282	26	**23,824**
Amounts due to customers	35,249	1,945	2,731	435	2	4,697	**45,059**
Debt securities	3,045	2,015	1,435	8	1,320		**7,823**
Subordinated debt	4			180	501	91	**776**
Total financial liabilities	**49,729**	**9,380**	**5,711**	**3,276**	**6,181**	**4,814**	**79,091**

(in millions of euros)	31.12.2006 On demand	1-3 months	3-12 months	1-5 years	More than 5 years	No fixed maturity	Total financial liabilities
Financial liabilities as at fair value through profit or loss	325		17	119	380		**841**
Hedging instruments with a negative fair value	12						**12**
Amounts due to credit institutions	12,432	1,776	7,922	2,160	1,554	47	**25,891**
Amounts due to customers	32,875	6,062	1,015	316	594	4,260	**45,122**
Debt securities	3,941	1,487	3,913	238	735		**10,314**
Subordinated debt	1			168	457	83	**709**
Total financial liabilities	**49,586**	**9,325**	**12,867**	**3,001**	**3,720**	**4,390**	**82,889**

The **Central Sector's** exposure to liquidity risk is tracked based on the asset/liability gap and changes in the gap over time. Deposits are taken into account based on the same maturity assumptions as for the calculation of interest rate mismatches.

The exposure of the insurance business (the **CNP group**) to liquidity risk is determined by analysing future cash flows from assets and projected benefit payments by maturity.

The following figures correspond to the CNP group on a 100% basis whereas, in the consolidated financial statements, the subgroup is proportionally consolidated based on 40.11%.

Future cash flows from assets, at 31 December 2007

(in millions of euros)	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Available-for-sale financial assets	20,999	65,387	65,372	41,017
Financial assets at fair value through profit or loss	3,060	13,927	9,421	3,103
Held-to-maturity investments	161	726	277	103

Projected benefit payments by maturity, at 31 December 2007

(in millions of euros)	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years
Insurance and financial liabilities (including linked liabilities)	14,349	72,657	56,077	51,159	166,695

Future cash flows from assets, at 31 December 2006

(in millions of euros)	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Available-for-sale financial assets	16,360	62,388	60,313	30,074
Financial assets at fair value through profit or loss	4,019	11,882	8,456	2,458
Held-to-maturity investments	91	553	333	96

Projected benefit payments by maturity, at 31 December 2006

(in millions of euros)	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years
Insurance and financial liabilities (including linked liabilities)	13,361	64,696	50,322	43,276	130,827

4 - Market risk

4.1 - Market risks
The **Central Sector** performs the following Value-at-Risk calculations:
> for equity portfolios: - VaR (1 year, 99%) is calculated by DRCI using the Monte Carlo method and Riskdata software. This is the indicator reported to Caisse des Dépôts senior management.
> for the interest rate arbitrage portfolio set up in 2007: - VaR (10 days, 99%) is calculated using Bloomberg software.

VaR at 31 December 2007

(in millions of euros)	VaR (1-year, 99%)	VaR (10-days, 99%)
Equities portfolio	7,315	
Interest rate arbitrage portfolio		0.34

VaR at 31 December 2006

(in millions of euros)	VaR (1-year, 99%)
Equities portfolio	6,443

The **CNP group** performs sensitivity tests to assess its exposure to changes in stock market prices. The tests cover CNP Assurances SA, its main subsidiaries in France, the Brazilian subsidiary and the Italian subsidiary. They measure the impact of a 10% increase or decrease in prices.

(in millions of euros)	10% increase in stock market prices	10% decrease in stock market prices
Impact on 2007 profit	97.8	–111.7
Impact on 2006 profit	115.8	–123.8

4.2 - Currency risks

The **Central Sector's** exposure to currency risks on the carrying amount of foreign currency items is fully hedged by financing asset positions with borrowings in the same currency. Unrealised gains and losses on these positions are not hedged, but are taken into account in Value at Risk calculations.

The **CNP group's** asset portfolios are invested primarily in euro zone securities, with less than 1% of the French companies' investments denominated in a currency other than the euro. The group's exposure to currency risk on these portfolios is therefore very limited.

4.3 - General interest rate risk

The **Central Sector** analyses assets and liabilities based on three types of interest rates: contractual, variable and fixed. The fixed rate position is monitored based on the fixed rate gap – corresponding to the excess of fixed rate liabilities over fixed rate assets – and changes in the gap over time. Deposits are taken into account at a discount that increases over time.

The sensitivity of annual interest margins to an unfavourable change in interest rates is calculated according to three scenarios:
- immediate 100-basis point increase in short-term rates;
- 100-basis point increase every year for three years;
- 100-basis point increase over six months followed by a return to the original level.

These three scenarios respectively measure the impact of an abrupt rise, a steady upward trend without volatility and volatile conditions with a flat underlying trend.

Indicators at 31 December 2007

(in millions of euros)	Sensitivity of general interest margin to short-term rates		
Year	Scenario 1	Scenario 2	Scenario 3
2008	–1.06	–5.39	1.75
2009	–28.11	–43.36	–13.98
2010	–29.11	–73.96	–14.58

Indicators at 31 December 2006

(in millions of euros)	Sensitivity of general interest margin to short-term rates		
Year	Scenario 1	Scenario 2	Scenario 3
2007	–68.41	–36.59	–34.08
2008	–71.79	–71.79	–23.63
2009	–44.92	–113.93	–22.57

The **CNP** group performs sensitivity tests to assess its exposure to changes in interest rates. The tests cover CNP Assurances SA, its main subsidiaries in France, the Brazilian subsidiary and the Italian subsidiary. They measure the post-hedging impact on profit of a 100-basis point increase or decrease in interest rates.

(in millions of euros)	100 bps increase in interest rates	100 bps decrease in interest rates
Impact on 2007 profit	–13.3	33.1
Impact on 2006 profit	4.7	31.4

5 - Insurance risk

5.1 - Policy terms and conditions

■ Type of risks covered by class of business and brief description of the business lines
The insurer's commitments differ according to the class of business. CNP Assurances writes three main types of business: savings, pensions and personal risk insurance.

Savings contracts: primarily a financial commitment
Savings contracts include:
- non-unit-linked contracts, for which the insurer commits to paying a capital sum and – in some cases – a guaranteed yield, plus a share of the investment return in the event of death or when the contract is surrendered or matures;
- unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional cover sold with the contract, such as a capital guarantee in the event of death.

Pensions contracts: a technical and financial commitment
Pension commitments depend on the period of benefit payments, which cannot be determined in advance, and the interest rate, which reflects the return on the capital managed by the insurer.

Personal risk insurance contracts: primarily a technical commitment
For personal risk contacts, the main risk assessment factors are the insured's age, gender and socio-professional category.

■ Description of the main policyholder guarantees
Non-unit-linked savings contracts are endowment contracts that generally offer a guaranteed yield on invested premiums plus a share of the investment return in excess of the guaranteed minimum.

Unit-linked savings contracts do not include any capital guarantee. However, policyholders may purchase additional cover, providing for the payment of a capital sum in the event of death or permanent total disability.

Pension contracts provide for the payment of a life annuity, representing an additional source of income in retirement. They include group contracts covering the payment of statutory length-of-service awards due to employees of French companies on retirement. Payment of these awards is financed by the plan assets accumulated for this purpose.

Personal risk contracts cover various types of death, disability, long-term care, health and unemployment risks.

In addition to these main types of contracts, CNP Assurances' subsidiaries in Portugal (Global Nao Vida) and Brazil (Caixa Seguros) write property and casualty insurance. The main property and casualty policies marketed by these subsidiaries consist of construction and auto insurance. Cover is defined in accordance with local regulations. Property and casualty commitments are marginal compared with those arising from CNP Assurances' personal insurance businesses.

■ General characteristics of participation clauses
Non-unit-linked savings contracts, certain group personal risk contracts and certain pensions contracts include participation clauses whereby the insurer and the insured share part of the income generated by investing the funds corresponding to the contract's technical reserves and – in the case of pension and personal risk contracts – by investing part of the underwriting profit.

■ Participation attribution and allocation policy
As a general rule, the participation policy is discretionary and the portion allocated to policyholders depends on the insurer's marketing strategy, as reflected in the contract terms (subject to compliance with the applicable regulations).

■ Basis for determining participation rates
Participation rates are determined based on the local accounts.

5.2 - Measurement of insurance contracts (assumptions and sensitivities)

Technical reserve estimation models

Technical reserves are estimated using an approach that gives full effect to the risks associated with a possible fall in interest rates. They are adjusted without delay following changes in mortality tables and experience-based tables are taken into account for benefits in payment when actual mortality rates appear to be significantly lower than expected rates.

Estimates are based on a clear knowledge of the periods covered, data files prepared at each period-end to check the consistency of the reserves with the movements recorded in the technical accounts, recurring audits of the calculations performed by the management systems and regular risk assessments. These assessments are performed by calculating projected future yield commitments, taking into account commitments that exceed the regulatory limits. For personal risk contracts, detailed analyses and statistical reviews are performed, including claims monitoring and analyses of the rate at which technical reserves are being utilised.

5.3 - Insurance risk concentration

Measurement of risk attenuation through reinsurance

CNP Assurances' reinsurance policy is designed to smooth the company's profits and increase its underwriting capacity. Defined by the Board of Directors, it meets the following objectives:
- compliance with group policy which consists of combining direct business with inward reinsurance written on behalf of external provident organisations and CNP Assurances' subsidiaries.
- protecting the income statement through non proportional treaties geared to the size of CNP Assurances' business. The treaties consist of excess of loss treaties by event (catastrophe cover) and by insured person. They also allow CNP Assurances to lay off part of the risk on major new policies.

Exposure to catastrophe risk and aggravated risk

All portfolios are protected against catastrophe risks by excess of loss treaties taken out with professional reinsurers.
> Individual policies: CNP Assurances reinsures all of its death and permanent and total disability risks on the market.
> Group policies: all group policies are covered for death and permanent disability risks through the Bureau Commun des Assurances Collectives reinsurance pool.

In addition, all portfolios are covered for very large individual death and permanent disability claims. Reinsured portfolios are analysed annually.

The property and casualty cover written in Portugal by CNP Assurances' local subsidiary Global Nao Vida is also reinsured on the market.

5.4 - Options, guarantees and embedded derivatives not separated from the host contract

Exposure to interest rate risk and market risk generated by embedded derivatives

Non-unit-linked savings contracts with a guaranteed yield have been classified based on declining levels of commitment, as follows:
- contracts with a guaranteed yield and a guaranteed participation when the contract matures;
- contracts with a higher fixed yield (generally 75% of the TME rate), for a period not exceeding 8 years;
- contracts with a guaranteed yield representing less than 60% of the TME on the payment date.

5.5 - Credit risk (specific exposure of insurance contracts)

Risks related to outward reinsurance/terms and conditions of guarantees received or given

Reinsurers are selected in part on the basis of their credit rating and their financial strength is checked regularly.

Excess of loss business is accepted only from professional reinsurers that are rated A- to AAA.

Risks associated with credit insurance policies and financial guarantees/risks associated with intermediate current accounts

Insurance policies give rise to specific risks, such as the risk of disputes with the insured or their beneficiaries.

The number of new lawsuits concerning CNP's interpretation of policy terms declined by 3% in 2007, while the number of outstanding lawsuits fell by 11% to 1,874 at the year-end. The decline reflects a 2.5% increase in the number of claims dismissed during the year.

The contested policies represent only a minute proportion of the total number of individual and group policies managed by the Group.

Two-thirds of lawsuits concern temporary disability clauses and a smaller number concern death benefits.

9. Scope of consolidation

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
Caisse des Dépôts Division						
Caisse des Dépôts						
CAISSE DES DÉPÔTS (Central Sector)	FULL	100.00	100.00	FULL	100.00	100.00
AEW EUROPE	EQUITY	40.00	40.00			
ALTEAU SA	FULL	100.00	51.00	FULL	100.00	51.00
C3D INVESTMENT (1)				FULL	100.00	100.00
CDC HOLDING FINANCE (2)				FULL	100.00	100.00
CDC PROJETS URBAINS (3)				FULL	100.00	100.00
FINANCIERE TRANSDEV SA	FULL	100.00	50.11	FULL	100.00	50.12
GROUPE BETURE/CAP ATRIUM SASU	FULL	100.00	99.96	FULL	100.00	99.96
INFORMATIQUE CDC	FULL	100.00	40.00	FULL	100.00	40.00
SCI SARIHV	FULL	100.00	100.00	FULL	100.00	100.00
TOUR DESCARTES (4)				PROP	66.67	53.77
SOCIÉTÉ FONCIÈRE ANATOLE FRANCE (5)				FULL	100.00	100.00
QUAI ANATOLE FRANCE SCI	FULL	100.00	100.00	FULL	100.00	100.00
SCI ATHOS	FULL	100.00	100.00	FULL	100.00	100.00
SCI AUSTERLITZ	FULL	100.00	100.00	FULL	100.00	100.00
SCI RIVE GAUCHE	FULL	100.00	100.00	FULL	100.00	100.00
URBA CLUB	FULL	100.00	100.00	FULL	100.00	100.00
Anatol Invest group						
ANATOL INVEST HOLDING FRANCE	FULL	100.00	100.00	FULL	100.00	100.00
ANATOL INVEST HOLDING BV	FULL	100.00	100.00	FULL	100.00	100.00
PBW REAL ESTATE FUND	FULL	100.00	90.00	EQUITY	50.00	50.00
ATRIUM TOWER	FULL	100.00	90.00	EQUITY	50.00	50.00
BRISTOL	FULL	100.00	90.00	EQUITY	50.00	50.00
IBC	FULL	100.00	90.00	EQUITY	50.00	50.00
MOMPARK MFC	FULL	100.00	90.00	EQUITY	50.00	50.00
MYSLBEK	FULL	100.00	90.00	EQUITY	50.00	50.00
PAIGE INVESTMENTS	FULL	100.00	90.00	EQUITY	50.00	50.00
WEBC	FULL	100.00	90.00	EQUITY	50.00	50.00

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
OSEO Financement group						
OSEO FINANCEMENT	EQUITY	43.23	43.23	EQUITY	43.15	43.15
AUXICONSEIL	EQUITY	43.23	43.23	EQUITY	43.15	43.15
AUXIFINANCES	EQUITY	43.23	43.23	EQUITY	43.15	43.15
AVENIR ENTREPRISES INVESTISSEMENT	EQUITY	43.23	34.70	EQUITY	43.15	34.64
AVENIR TOURISME	EQUITY	43.23	24.25	EQUITY	43.15	24.21
COMPAGNIE AUXILIAIRE OSEO	EQUITY	43.23	43.23	EQUITY	43.15	43.15
OSEO BRETAGNE	EQUITY	43.23	38.72	EQUITY	43.15	38.65
OSEO GARANTIE	EQUITY	43.23	25.88	EQUITY	43.15	25.82
OSEO GARANTIE RÉGIONS	EQUITY	43.23	13.59	EQUITY	43.15	13.55
Logistis group						
LOGISTIS	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI ARTOIPOLE ARRAS	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI CLESUD	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI EUROCENTRE TOULOUSE	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI FRETIN LESQUIN	EQUITY	33.33	33.33			
SCI PARIS SUD VI	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI PARISUD	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI PARISUD BAT D	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI PLAINE DE L'AIN	EQUITY	33.33	33,33	EQUITY	33.33	33.33
SCI PLAINE DE L'AIN BAT C	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI PORTE DE FRANCE	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI SAINT LAURENT DE MURE	EQUITY	33.33	33.33	EQUITY	33.33	33.33
SCI SAINT-OUEN L'AUMÔNE	EQUITY	33.33	33.33	EQUITY	33.33	33.33
Infrastructure Division						
CDC INFRASTRUCTURE	FULL	100.00	100.00			
EUTELSAT COMMUNICATIONS	EQUITY	25.80	25.80			
TYROL ACQUISITION 1 & CIE SCA	EQUITY	23.99	23.99			
SÉCHÉ ENVIRONNEMENT	EQUITY	20.00	20.00			
HIME [6]	EQUITY	47.00	47.00			
VERDUN PARTICIPATIONS 1	EQUITY	49.00	49.00			

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
Private Equity Division						
CDC CAPITAL INVESTISSEMENT	FULL	100.00	100.00	FULL	100.00	100.00
CDC ENTREPRISES I	FULL	100.00	89.90	FULL	100.00	89.89
CDC ENTREPRISES II	FULL	100.00	51.85	FULL	100.00	51.85
CDC ENTREPRISES CAPITAL INVESTISSEMENT	FULL	100.00	100.00	FULL	100.00	100.00
CDC ENTREPRISES HOLDING [7]				FULL	100.00	100.00
CDC INNOVATION	FULL	100.00	100.00	FULL	100.00	100.00
FCPR PART'COM	FULL	100.00	100.00	FULL	100.00	100.00
PART'COM	FULL	100.00	100.00	FULL	100.00	100.00
AVENIR ENTREPRISES GESTION	FULL	100.00	51.00	FULL	100.00	51.00
CDC ENTREPRISES	FULL	100.00	100.00	FULL	100.00	100.00
CDC ENTREPRISES PORTEFEUILLE	FULL	100.00	100.00			
FFI PARTS A	FULL	100.00	100.00			
FFI PARTS B	FULL	100.00	100.00			
FPMEI	FULL	100.00	100.00	FULL	100.00	100.00
CDC ENTREPRISES VALEURS MOYENNES	FULL	100.00	100.00	FULL	100.00	100.00
CDC PME CROISSANCE	FULL	100.00	55.47	FULL	100.00	55.46
Insurance Division						
CNP Assurances group						
CNP ASSURANCES [8]	PROP	40.12	40.12	PROP	36.58	36.58
AEP3 SCI	PROP	40.12	40.12	PROP	36.58	36.58
AEP4 SCI	PROP	40.12	40.12	PROP	36.58	36.58
AL DENTE 33DEC	PROP	40.12	21.67			
ASSUR ECUR CROISSANCE	PROP	40.12	40.02	PROP	36.58	36.57
ASSURBAIL	PROP	40.12	39.75	PROP	36.58	36.24
ASSURIMMEUBLE	PROP	40.12	40.12	PROP	36.58	36.58
ASSURPOSTE	PROP	20.06	20.06	PROP	18.29	18.29
BOULE DE NEIGE 3DEC	PROP	40.12	23.21	PROP	36.58	20.72
CAIXA SEGUROS (Brazil)	PROP	40.12	20.76	PROP	36.58	18.93
CAPPUCCINO7 3DEC	PROP	40.12	19.89	PROP	36.58	18.03

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
CDC IONIS FCP 4DEC	PROP	40.12	40.12	PROP	36.58	36.58
CIMO SCI	PROP	40.12	40.12	PROP	36.58	36.58
CNP ACP 10 FCP	PROP	40.12	20.04	PROP	36.58	18.33
CNP ACP OBLIG FCP	PROP	40.12	19.93	PROP	36.58	18.18
CNP ASSUR EURO SI	PROP	40.12	39.71	PROP	36.58	36.20
CNP ASSUR VAL SI	PROP	40.12	35.05	PROP	36.58	36.15
CNP CAPITALIA VITA (Italy)	PROP	40.12	23.07	PROP	36.58	21.03
CNP IAM	PROP	40.12	40.12	PROP	36.58	36.58
CNP IMMOBILIER	PROP	40.12	40.12	PROP	36.58	36.58
CNP INTERNATIONAL	PROP	40.12	40.12	PROP	36.58	36.58
CNP MONTP ACT	PROP	40.12	39.92	PROP	36.58	36.42
CNP SEGUROS DE VIDA (Argentina)	PROP	40.12	30.68	PROP	36.58	27.97
CNP VIDA (Spain)	PROP	40.12	37.71			
DOUBLO MONDE 4	PROP	40.12	21.24	PROP	36.58	19.09
ECU EQUIL D 3DEC	PROP	40.12	37.79	PROP	36.58	34.10
ECUR DYN 3DEC	PROP	40.12	21.97			
ÉCUREUIL VIE (9)				PROP	36.58	18.29
EPARCOURT SICAV SI				PROP	36.58	25.60
GLOBAL (Portugal)	PROP	40.12	33.51	PROP	36.58	30.55
GLOBAL VIDA (Portugal)	PROP	40.12	33.53	PROP	36.58	30.57
INVESTISSEMENT TRÉSOR VIE - ITV	PROP	40.12	40.12	PROP	36.58	36.58
KALEIS DYN D 5DEC	PROP	40.12	34.36	PROP	36.58	30.93
KALEIS EQUIL D 5DEC	PROP	40.12	28.31	PROP	36.58	25.30
NATIXIS GLOBAL ASSET MANAGEMENT	EQUITY	4.55	4.55	EQUITY	5.64	5.64
PB6 SAS	PROP	20.06	20.06	PROP	18.29	18.29
PLENITUDE SI 5DEC	PROP	40.12	28.96	PROP	36.58	24.65
PREVIPOSTE	PROP	40.12	40.12	PROP	36.58	36.58
PROGRESSIO 5DEC	PROP	40.12	36.61	PROP	36.58	33.18
SICAC	PROP	40.12	40.12	PROP	36.58	36.58
UNIVERS CNP 1 FCP	PROP	40.12	40.12	PROP	36.58	36.54
VIVACCIO ACT 5DEC	PROP	40.12	32.98			

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
Real Estate Division						
Icade group						
ICADE SA (10)	FULL	100.00	62.14	FULL	100.00	64.70
ICADE FONCIER DEVELOPPEMENT	FULL	100.00	62.14	FULL	100.00	64.70
SAS PARIS NORD-EST (11)	PROP	80.00	68.64	PROP	80.00	69.41
ICADE 2	FULL	100.00	62.14			
PROPERTY INVESTMENT COMPANIES						
ICADE PATRIMOINE						
ICADE PATRIMOINE (10)				FULL	100.00	64.43
ICADE COMMERCES SAS	FULL	100.00	62.14	FULL	100.00	64.43
SA POUR LA CONSTRUCTION DE LOGEMENTS ÉCONOMIQUES (SACLE)				FULL	100.00	64.70
SCI LOCATIVES (property rental companies - 9 entities)	FULL	100.00		FULL	100.00	
ICADE EMGP						
ICADE EMGP (10)				FULL	100.00	53.49
SCI PDM 1	FULL	100.00	62.14	FULL	100.00	53.49
SCI PDM 2	FULL	100.00	62.14	FULL	100,00	53.49
SCI PDM 3	FULL	100.00	62.14	FULL	100.00	53.49
CFI	FULL	100.00	62.14	FULL	100.00	53.49
SCI SEVERINE	FULL	100.00	37.29	FULL	100.00	32.09
SCI 68 VICTOR HUGO	FULL	100.00	62.14	FULL	100.00	53.49
SCI BASSIN NORD	FULL	50.00	31.07	PROP	50.00	26.74
SCI BATI GAUTIER	FULL	100.00	62.14	FULL	100.00	53.49
SCI LE PARC DU MILLÉNAIRE	FULL	100.00	62.14	FULL	100,00	53.49
SERAEL SA	FULL	100.00	61.80	FULL	100.00	53.19
SNC LE PARC DU MILLÉNAIRE	FULL	100.00	62.14	FULL	100.00	53.49
ICADE FONCIÈRE DES PIMONTS						
ICADE FONCIÈRE DES PIMONTS (10)				FULL	100.00	61.31
ICADE RUE DES MARTINETS	FULL	100.00	62.14			
ICADE TOUR DESCARTES	FULL	100.00	62.14			
SA MESSINE PARTICIPATIONS	FULL	100.00	62.14	FULL	100.00	61.31

GROUPS/COMPANIES	31 December 2007 Method	% control	% interest	31 December 2006 Method	% control	% interest
SAS ODYSSEUM	PROP	50.00	31.07			
SCI CAMILLE DESMOULINS	FULL	100.00	62.14	FULL	100.00	61.31
SCI DU 1 TERRASSE BELLINI	PROP	33.33	20.71	PROP	33.33	20.43
SCI DU 114 AV. DES CHAMPS-ÉLYSÉES	FULL	100.00	62.14	FULL	100.00	61.31
SCI DU 3/5 AV. DE FRIEDLAND	FULL	100.00	62.14	FULL	100.00	61.31
SCI DU 31 RUE DE MOGADOR	FULL	100.00	62.14	FULL	100.00	61.31
SCI DU 69 BLD HAUSSMANN	FULL	100.00	62.14	FULL	100.00	61.31
SCI MORIZET	FULL	100.00	62.14	FULL	100.00	61.31
TOUR DESCARTES (4)	PROP	33.00	20.71			
VILLEJUIF	FULL	100.00	62.14	FULL	100.00	61.31
SIIC INVEST						
SIIC INVEST	FULL	100.00	55.71			
HC INVESTISSEMENT	FULL	100.00	55.71			
SCI XM CLERMONT FERRAND	FULL	100.00	55.71			
SCI ZEUGMA	FULL	100.00	55.71			
PROPERTY INVESTMENT COMPANIES - Germany						
ICADE REIT	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM GERMANY GMBH	FULL	100,00	62.14	FULL	100.00	64.70
ICADE REIM AHRENSDORF GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM ARNULFSTRASSE MK8 GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM ARNULFSTRASSE MK9 GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM DACHAUER STRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM FRANKENALLEE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM FRIESENSTRASSE HAUS 3 GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM FRIESENSTRASSE HAUS 4 GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM GOLDSTEINSTRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM HOHENZOLLERNDAMM GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM INDUSTRIESTRASSE (PRO 1) GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM INDUSTRIESTRASSE (PRO 2) GMBH	FULL	100.00	62.14	FULL	100.00	64.70

GROUPS/COMPANIES	31 December 2007 Method	31 December 2007 % control	31 December 2007 % interest	31 December 2006 Method	31 December 2006 % control	31 December 2006 % interest
ICADE REIM INDUSTRIESTRASSE (PRO 3) GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM INDUSTRIESTRASSE (PRO 4) GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM KOCHSTRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM MERCEDESSTRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM RHINSTRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM SALZUFERSTRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
ICADE REIM TURLENSTRASSE GMBH	FULL	100.00	62.14	FULL	100.00	64.70
KABALO GRUNDSTÜCKS VERWALTUNGSGESELLSCHAFT MBH	FULL	100.00	62.14	FULL	100.00	61.40
KABALO GRUNDSTÜCKS VERWALTUNGSGESELLSCHAFT & CO KG	FULL	100.00	62.14	FULL	100.00	64.54
ICADE FONCIÈRE PUBLIQUE						
ICADE FONCIÈRE PUBLIQUE [10]				FULL	100.00	64.70
LES TOVETS	FULL	100.00	62.14	FULL	100.00	64.70
SCI 2 RUE ROLAND BUTHIER	FULL	100.00	62.14			
SCI BATIMENT SUD-CENTRE HOSPITALIER PONTOISE	FULL	100.00	62.14			
SCI BRAU-TAPIE	FULL	100.00	62.14			
SCI BSM DU CHU DE NANCY	FULL	100.00	62.14			
SCI COMMISSARIAT NICE LES MOULINS [12]	FULL	100.00	81.07			
SCI DE LA VISION [13]	PROP	65.00	56.67	PROP	65.00	57.24
SCI DU CENTRE DES ARCHIVES DIPLOMATIQUES [14]	PROP	66.00	57.67	PROP	66.00	58.24
SCI DU LARRY	FULL	100.00	62.14			
SCI POLICE DE MEAUX	FULL	100.00	62.14	FULL	100.00	64.58
PROPERTY DEVELOPMENT COMPANIES						
ICADE CAPRI GROUP						
ICADE CAPRI (87 fully consolidated companies)	FULL			FULL		
ICADE CAPRI (47 proportionally consolidated companies)	PROP			PROP		
ICADE CAPRI (11 companies accounted for by the equity method)	EQUITY			EQUITY		
OPÉRA CONSTRUCTION						
OPÉRA CONSTRUCTION (75 fully consolidated companies)	FULL					

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
OPÉRA CONSTRUCTION (31 proportionally consolidated companies)	PROP					
ICADE TERTIAL						
ICADE TERTIAL	FULL	100.00	62.14	FULL	100.00	64.70
AMÉNAGEMENT CROIX DE BERNY	FULL	100.00	38.96	FULL	100.00	40.57
ANTONY PARC II SCI	FULL	100.00	62.14	FULL	100.00	64.70
LES PORTES D'ARCUEIL A SNC	FULL	100.00	62.14	FULL	100.00	64.70
LES PORTES D'ARCUEIL B SNC	FULL	100.00	62.14	FULL	100.00	64.70
LES PORTES D'ARCUEIL C SNC	FULL	100.00	62.14	FULL	100.00	64.70
MONTROUGE CAP SUD	PROP	50.00	31.07	PROP	50.00	32.35
NERUDA FONTANOTS SCI	FULL	100.00	62.14	FULL	100.00	64.70
ODYSSEUM 2 SCI	FULL	100.00	47.85	FULL	100.00	49.82
PARIS BERTHELOT	PROP	50.00	31.07	PROP	25.00	16.18
PB31 PROMOTION SNC	PROP	50.00	31.07	PROP	50.00	32.35
PORTES DE CLICHY	PROP	50.00	31.07	PROP	50.00	32.35
SCCV SAINT DENIS LANDY 3	PROP	50.00	31.07			
SCI 22/24 RUE DE LAGNY	PROP	51.00	31.69	PROP	51.00	33.00
SCI ESPACE MARCEAU	PROP	51.00	31.69	PROP	51.00	33.00
SCI NICE 400 PROMENADE DES ANGLAIS				PROP	50.00	32.35
TOULOUSE CANCEROPOLE	PROP	50.00	31.07	PROP	50.00	32.35
VILLEJUIF GUIPONS	FULL	100.00	62.14	FULL	100.00	64.70
ICADE TERTIAL RÉGIONS	FULL	100.00	62.14			
ICADE G3A						
ICADE G3A	FULL	100.00	62.14	FULL	100.00	64.70
FRANCE OUEST PROMOTION	FULL	100.00	62.14	FULL	100.00	64.70
ICADE DOCKS DE PARIS	FULL	100.00	62.14	FULL	100.00	64.70
ICADE G3A PROMOTION	FULL	100.00	62.14	FULL	100.00	64.70
ICADLEO	FULL	100.00	41.43	FULL	100.00	43.14
LES BUREAUX DE L' ILE DE NANTES	FULL	100.00	62.14	FULL	100.00	64.70
NORD PROMOTION				FULL	100.00	64.70
SNC ILE SEGUIN 6	PROP	50.00	31.07			

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SNC SAMICADE	PROP	50.00	31.07			
SORIF ICADE LES PORTES D'ESPAGNE	PROP	50.00	31.07	PROP	50.00	32.35
PROPERTY SERVICES COMPANIES						
PROPERTY SERVICES COMPANIES - Spain						
FINCAS ANZIZU	FULL	100.00	55.93	FULL	100.00	58.23
IMMOBILIARIA DE LA CDC ESPANA	FULL	100.00	62.14	FULL	100.00	64.70
IMSI EUROGEM IBERICA	FULL	100.00	62.14	FULL	100.00	64.70
RESA	FULL	100.00	41.64	FULL	100.00	43.35
PROPERTY SERVICES COMPANIES - Italy						
ICADE ITALIA (formerly IMMOGEST)	FULL	100.00	62.14	FULL	100.00	64.70
ICADE ITALIA AGENCY	FULL	100.00	62.14	FULL	100.00	64.70
NEWREAL	FULL	100.00	62.14	FULL	100.00	64.70
PROPERTY SERVICES COMPANIES - Belgium						
ICADE BENELUX (formerly EURIS FM)	FULL	100.00	62.14	FULL	100.00	64.70
ICADE ARCOBA						
ICADE ARCOBA	FULL	100.00	62.14	FULL	100.00	64.70
GETCI	FULL	100.00	62.14	FULL	100.00	64.70
ICADE CONSEIL						
ICADE CONSEIL	FULL	100.00	62.14	FULL	100.00	64.70
ICADE EXPERTISE	FULL	100.00	62.14	FULL	100.00	64.70
ICADE PFM						
FACIMALP SA	FULL	100.00	52.82	FULL	100.00	55.00
ICADE EUROGEM	FULL	100.00	62.14	FULL	100.00	64.70
ICADE GESTEC RS (formerly GESTEC RS CONSULTANTS)	FULL	100.00	62.14	FULL	100.00	64.70
ICADE GESTION TERTIAIRE	FULL	100.00	62.14	FULL	100.00	64.70
ICADE SURETIS	FULL	100.00	62.14	FULL	100.00	64.70
ILABOR				FULL	100.00	64.70

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
IMOP	FULL	100.00	62.14	FULL	100.00	64.70
IPORTA SAS	FULL	100.00	62.14	FULL	100.00	64.54
ISIS FACILITIES	FULL	100.00	34.18	FULL	100.00	35.59
KLEBER FM	FULL	100.00	62.14	FULL	100.00	64.70
MANUTRA SAS				FULL	100.00	64.70
MANUTRA SÉCURITÉ SARL				FULL	100.00	64.70
MONTPARNASSE SERVICES	FULL	100.00	62.14	FULL	100.00	64.70
PROPERTIA FM	PROP	49.00	30.45	PROP	49.00	31.71
STHAL				PROP	50.00	32.35
ICADE ADMINISTRATION DE BIENS						
ICADE ADB (formerly GFF)	FULL	100.00	62.14	FULL	100.00	64.70
CABINET VILLA	FULL	100.00	62.14	FULL	100.00	64.70
EUROCAMPUS	FULL	100.00	37.29	FULL	100.00	38.82
GFF INSTITUTIONNELS				FULL	100.00	64.70
ICADE EUROSTUDIOMES	FULL	100.00	62.14	FULL	100.00	64.70
ICADE SETRHI						
ICADE SETRHI - SETAE	FULL	100.00	62.14	FULL	100.00	64.70
Société Nationale Immobilière group						
SOCIÉTÉ NATIONALE IMMOBILIÈRE	FULL	100.00	100.00	FULL	100.00	100.00
CD CITES [15]				FULL	100.00	100.00
CD HABITAT [15]				FULL	100.00	100.00
FONCIÈRE FERRUS	FULL	100.00	100.00	FULL	100.00	100.00
S2AI	FULL	100.00	100.00	FULL	100.00	100.00
SAGI	FULL	100.00	100.00	FULL	100.00	100.00
SAINTE BARBE	FULL	100.00	100.00	FULL	100.00	100.00
SCET	FULL	100.00	100.00	FULL	100.00	100.00
SCI DES RÉGIONS [16]	FULL	100.00	100.00	FULL	100.00	100.00

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
Services Division						
Transdev group						
TRANSDEV SA	FULL	100.00	69.62	FULL	100.00	68.01
FRANCE						
AEROPASS	FULL	100.00	69.62	FULL	100.00	68.01
AIRCAR	FULL	100.00	69.61	FULL	100.00	68.00
ALTIBUS.COM	FULL	100.00	45.92	FULL	100.00	44.86
A.T.C.R.B.	FULL	100.00	69.62	FULL	100.00	68.01
AMV	FULL	100.00	62.76	FULL	100.00	61.31
BIÈVRE BUS MOBILITÉS	FULL	100,00	69.62	FULL	100.00	68.01
CARS D'ORSAY	FULL	100.00	69.62	FULL	100.00	68.01
C.E.A.T.	FULL	100.00	69.62	FULL	100.00	68.01
CHAMPAGNE MOBILITÉS	FULL	100.00	69.62	FULL	100.00	68.01
CHARTRES MOBILITÉ	FULL	100.00	69.62	FULL	100.00	68.01
C.T.C.	FULL	100.00	55.69	FULL	100.00	54.41
CITEBUS 2 RIVES	FULL	100.00	69.62	FULL	100.00	68.01
COFITREC	FULL	100.00	69.62	FULL	100.00	68.01
CAP	FULL	100.00	69.62	FULL	100.00	68.00
COURRIERS DE L'AUBE	FULL	100.00	63.68	FULL	100.00	62.21
VOYAGES CROLARD	FULL	100.00	69.62	FULL	100.00	68.01
DRYADE	FULL	100.00	48.73			
VOYAGES DUNAND	FULL	100.00	69.62	FULL	100.00	68.01
EQUIVAL	PROP	50.00	34.81	PROP	50.00	34.00
EURAILCO	PROP	50.00	34.81	PROP	50.00	34.00
EUROPE AUTOCARS	FULL	100.00	69.60	FULL	100.00	67.99
ALPBUS FOURNIER	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV FORMATION	FULL	100.00	69.62	FULL	100.00	68.01
VOYAGES GUICHARD	FULL	100.00	69.62	FULL	100.00	68.01
HANDILIB	FULL	100.00	69.62	FULL	100.00	68.01
ILINVEST				FULL	100.00	68.01

GROUPS/COMPANIES	31 December 2007 Method	% control	% interest	31 December 2006 Method	% control	% interest
INTERVAL	FULL	100.00	69.56	FULL	100.00	67.96
LAON MOBILITÉ	FULL	100.00	69.62	FULL	100.00	68.01
MACON BUS	FULL	100.00	69.62	FULL	100.00	68.01
SCI MARAIS DE BELLÈNE	FULL	100.00	69.62	FULL	100.00	68.01
AUTOCARS MARTIN DE LA HAUTE TARENTAISE	FULL	100.00	69.62	FULL	100.00	68.01
MONTBLANC BUS	FULL	100.00	52.14	FULL	100.00	50.94
MOULINS MOBILITÉ	FULL	100.00	69.62	FULL	100.00	68.01
N°4 MOBILITÉS	FULL	100.00	62.65	FULL	100.00	61.21
OPTIMUM	FULL	100.00	69.62	FULL	100.00	68.01
PAYS D'OC MOBILITÉS	FULL	100.00	69.62	FULL	100.00	68.01
PÔLE ILE DE FRANCE IMMOBILIER AND FACILITIES	FULL	100.00	69.62	FULL	100.00	68.01
PROGETOURS	FULL	100.00	69.62	FULL	100.00	68.01
R' ORLY	FULL	100.00	69.62	FULL	100.00	68.01
RAPIDES DE BOURGOGNE	FULL	100.00	69.62	FULL	100.00	68.01
RAPIDES DE SAÔNE ET LOIRE	FULL	100.00	69.62	FULL	100.00	45.33
RAPIDES DU VAL DE LOIRE	FULL	100.00	69.62	FULL	100.00	68.01
RATP DEV				EQUITY	25.00	17.00
SAINT QUENTIN MOBILITÉ	FULL	100.00	69.62	FULL	100.00	68.01
SCI LA TRENTAINE	FULL	100.00	69.62			
SCI ORSONVILLE	FULL	100.00	69.62			
SETAO	FULL	100.00	69.61	FULL	100.00	68.00
S.T.B.	FULL	100.00	35.50	FULL	100.00	34.68
ST BRIEUC MOBILITÉS	FULL	100.00	69.62			
S.T.A.C.	FULL	100.00	55.69	FULL	100.00	54.41
S.T.A.B.	FULL	100.00	69.62	FULL	100.00	68.00
S.T.B.C.	FULL	100.00	59.19	FULL	100.00	57.82
S.N.A.A.	FULL	100.00	69.62	FULL	100.00	68.01
SUD EST MOBILITÉS	FULL	100.00	69.62	FULL	100.00	68.01
T.C.R.A.	FULL	100.00	69.62	FULL	100.00	68.01
T.C.V.O.	FULL	100.00	35.50	FULL	100.00	34.68

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
T.I.P.S.	FULL	100.00	63.36	FULL	100.00	61.83
TRANSAMO	FULL	100.00	62.51	FULL	100.00	61.07
TRANSAVOIE	FULL	100.00	69.27	FULL	100.00	67.67
TRANSDATA	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV AÉROPORT SERVICES	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV ALPES	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV ALSACE	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV DAUPHINÉ	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV EST	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV NORD EST	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV OCÉAN INDIEN	FULL	100.00	69.62			
TRANSDEV ORLÉANS	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV PARIS EST	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV PARIS SUD	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV PAYS D'OR	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV REIMS	FULL	100.00	69.62			
TRANSDEV SUD	FULL	100.00	69.62	FULL	100.00	68.01
TRANS'L	FULL	100.00	69.58	FULL	100.00	67.94
TRANSPART	FULL	100.00	69.62	FULL	100.00	68.01
TRANSPORT BERARD	FULL	100.00	69.62			
T.C.R.M.	EQUITY	39.84	27.73	EQUITY	39.80	27.07
V.E.A.	FULL	100.00	58.90	FULL	100.00	57.53
VIENNE MOBILITÉS	FULL	100.00	69.62			
VISUAL	FULL	100.00	69.62	FULL	100.00	68.01
INTERNATIONAL						
Germany						
AV	FULL	100.00	69.62	FULL	100.00	68.01
AWV	FULL	100.00	69.62	FULL	100.00	68.01
DILLS REISEN	FULL	100.00	69.62	FULL	100.00	68.01
EURAILCO GMBH	PROP	50.00	34.81	PROP	50.00	34.00

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
MVB	PROP	51.00	35.51	FULL	51.00	34.69
RMVB	PROP	50.00	34.81	PROP	50.00	34.00
SZ KFZ SERVICE	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV SZ	FULL	100.00	69.62	FULL	100.00	68.01
TRANSREGIO GMBH	PROP	50.00	26.11	PROP	50.00	25.50
VLD	FULL	100.00	69.62	FULL	100.00	68.01
VREA	FULL	100.00	69.62	FULL	100.00	68.01
VREM	FULL	100.00	69.62	FULL	100.00	68.01
VRL	FULL	100.00	69.62	FULL	100.00	68.01
VRW	FULL	100.00	69.62	FULL	100.00	68.01
Australia						
BRISBANE FERRIES	PROP	50.00	34.81	PROP	50.00	34.00
METROLINK PTY	PROP	50.00	34.81	PROP	50.00	34.00
TRANSDEV AUSTRALIA	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV NEW SOUTH WALES	PROP	50.00	34.81	PROP	50.00	34.00
TRANSDEV QUEENSLAND	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV TSL PTY	PROP	50.00	34.81			
TRANSDEV VICTORIA	FULL	100.00	69.62	FULL	100.00	68.01
Canada						
2755 4609 QUÉBEC INC.	FULL	100.00	69.62			
LIMOCAR ESTRIE INC.	FULL	100.00	69.62			
LIMOCAR INC.	FULL	100.00	69.62			
LIMOCAR ROUSSILLON INC.	FULL	100.00	69.62			
TRANSDEV CANADA INC.	FULL	100.00	69.62			
Spain						
TENEMETRO	FULL	100.00	41.77	FULL	100.00	40.80
TRANSDEV ESPANA SL	FULL	100.00	69.62			
United Kingdom						
BLACKBURN TRANSPORT LTD	FULL	100.00	69.62	FULL	100.00	68.01
BLACKBURN WITH DARWEN TRANSPORT LTD	FULL	100.00	69.62	FULL	100.00	68.01

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
BLAZEFIELD BUSES LTD	FULL	100.00	69.62	FULL	100.00	68.01
BLAZEFIELD HOLDINGS LIMITED	FULL	100.00	69.62	FULL	100.00	68.01
BLAZEFIELD INVESTMENTS LTD	FULL	100.00	69.62	FULL	100.00	68.01
BLAZEFIELD TRAVEL GROUP LTD	FULL	100.00	69.62	FULL	100.00	68.01
BTL	FULL	100.00	69.62	FULL	100.00	68.01
BURNLEY & PENDLE TRAVEL	FULL	100.00	69.62	FULL	100.00	68.01
BURNLEY & PENDLE TRANSPORT COMPANY LTD	FULL	100.00	69.62	FULL	100.00	68.01
EURAILCO UK PLC	PROP	50.00	34.81	PROP	50.00	34.00
HARROGATE & DISTRIC TRAVEL	FULL	100.00	69.62	FULL	100.00	68.01
HEATHROW COACH SERVICES LTD	FULL	100.00	69.62	FULL	100.00	68.01
KEIGHLEY & DISTRIC TRAVEL	FULL	100.00	69.62	FULL	100.00	68.01
LANCASHIRE COUNTY TRANSPORT LTD	FULL	100.00	69.62			
LANCASHIRE UNITED	FULL	100.00	69.62	FULL	100.00	68.01
LONDON UNITED 1994	FULL	100.00	69.62	FULL	100.00	68.01
LONDON UNITED BUSWAYS	FULL	100.00	69.62	FULL	100.00	68.01
NOTTINGHAM TRAM CONSORTIUM	PROP	50.00	34.81	PROP	50.00	34.00
SOVEREIGN	FULL	100.00	69.62	FULL	100.00	68.01
SOVEREIGN BUS & COACH COMPANY LTD	FULL	100.00	69.62	FULL	100.00	68.01
STANWELL	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV CLAIMS INVESTIGATIONS	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV EDINBURGH TRAM	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV PLC	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV TRAM UK	FULL	100.00	69.62	FULL	100.00	68.01
TRAVELSPEED LTD	FULL	100.00	69.62			
WELWYN & HATFIELD LINE BUS COMPANY LTD	FULL	100.00	69.62	FULL	100.00	68.01
YORKSHIRE COASTLINER	FULL	100.00	69.62	FULL	100.00	68.01
Italy						
ADDA TRANSPORTI S.C.A.R.L	PROP	40.00	24.78			
AGI (Auto Guidovie Italiane)	PROP	40.00	27.85	PROP	40.00	27.20

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
ALA MOBILITY	PROP	40.00	21.44	PROP	40.00	20.95
ALA VIAGGI	PROP	40.00	27.85	PROP	40.00	27.20
AMT	PROP	41.00	28.54	PROP	41.00	27.05
BETA VIAGGI	PROP	40.00	27.85	PROP	40.00	27.20
CREMA MOBILITA’	PROP	40.00	17.82	PROP	40.00	17.41
DOLOMITI BUS SPA	PROP	40.00	11.00	EQUITY	15.76	10.72
GIROBUS VIAGGI	PROP	40.00	27.85	PROP	40.00	27.20
TAG S.R.L. (formerly TRANSDEVIT)	FULL	100.00	67.53	FULL	100.00	65.97
TRANSDEV ITALIA	FULL	100.00	69.62	FULL	100.00	68.01
Netherlands						
TBC HOLDING BV	FULL	100.00	52.21			
CONNEXXION HOLDING	FULL	100.00	34.81			
AMBULANCEDIENST KENNEMERLAND	FULL	100.00	34.81			
BESLOTEN VERVOER UTRECHT	FULL	100.00	34.81			
CARMAR SCHADEHERSTEL	FULL	100.00	34.81			
CITAX	FULL	100.00	34.81			
CONNEXXION AMBULANCEDIENSTEN	FULL	100.00	34.81			
CONNEXXION FACILITAIR BEDRIJF	FULL	100.00	34.81			
CONNEXXION FINANCE	FULL	100.00	34.81			
CONNEXXION INTERNATIONAL	FULL	100.00	34.81			
CONNEXXION NEDERLAND	FULL	100.00	34.81			
CONNEXXION OPENBAARVERVOER (PT)	FULL	100.00	34.81			
CONNEXXION PARTICIPATIES	FULL	100.00	34.81			
CONNEXXION PERSONENVERVOER	FULL	100.00	34.81			
CONNEXXION TAXI SERVICES	FULL	100.00	34.81			
CONNEXXION TOURS	FULL	100.00	34.81			
CONNEXXION VASTGOED	FULL	100.00	34.81			
CONNEXXION VLOOT	FULL	100.00	34.81			
CV ACTIVA WEERT	FULL	100.00	34.46			
DELFTLAND BEDRIJFSDIENSTEN	FULL	100.00	34.81			
FUTURE TECHNOLOGY NEDERLAND	FULL	100.00	34.81			

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
GVU	FULL	100.00	34.81			
HERMES GROEP	FULL	100.00	34.81			
HERMES OPENBAAR VERVOER	FULL	100.00	34.81			
HERMES ROL- EN VASTGOED	FULL	100.00	34.81			
LIMLINK	FULL	100.00	34.81			
MOBINET UTRECHT	FULL	100.00	34.81			
NEDERLANDSE BUURTBUSVERVOER MAATSCHAPPIJ	FULL	100.00	34.81			
NEDERLANDSE SAMENWERKENDE TAXIBEDRIJVEN	FULL	100.00	34.81			
NOVIO	FULL	100.00	34.81			
NOVIO EXPRESS	FULL	100.00	34.81			
NOVIO NET	FULL	100.00	34.81			
NOVIO STEBO	FULL	100.00	34.81			
NOVIO TECHNIEK	FULL	100.00	34.81			
P.G.W. JANSSEN HOLDING	FULL	100.00	34.81			
REDERIJ NACO	FULL	100.00	34.81			
REISINFORMATIEGROEP	EQUITY	32.80	11.42			
ROLINE	FULL	100.00	34.81			
SCHIPHOL TRAVEL TAXI BV	EQUITY	50.00	17.40			
SPEEDWELL REISBUREAUX	FULL	100.00	34.81			
TAXI HARDERWIJK	FULL	100.00	34.81			
TECHNO SERVICE NEDERLAND	FULL	100.00	34.81			
TRANS LINK SYSTEMS	EQUITY	20.00	6.96			
TSN DEUTSCHLAND	FULL	100.00	34.81			
WATERBUS	FULL	100.00	22.80			
WIO OPLEIDINGEN EN TRAININGEN	FULL	100.00	34.81			
Portugal						
CAIMA	FULL	100.00	69.62	FULL	100.00	68.01
CALCADA	FULL	100.00	69.62	FULL	100.00	68.01
CHARLINE	FULL	100.00	69.62	FULL	100.00	68.01

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
DOMINGOS DA CUNHA	FULL	100.00	69.62	FULL	100.00	68.01
RODOVIARIA DA BEIRA LITORAL (RBL)	FULL	100.00	65.77	FULL	100.00	66.49
RODOVIARIA D' ENTRE DOURO E MINHO (REDM)	FULL	100.00	67.29	FULL	100.00	67.82
S2M	FULL	100.00	41.77	FULL	100.00	40.76
SOCIEDADE DE TRANSPORTES DO CARAMULO	FULL	100.00	65.77	FULL	100.00	66.30
TRANSDEV MOBILIDADE (formerly TMP)	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV PARTICIPACOES SGPS (formerly TPT-SGPS)	FULL	100.00	69.62	FULL	100.00	68.01
TRANSDEV PORTUGAL TRANSPORTES	FULL	100.00	69.62	FULL	100.00	68.01
Compagnie des Alpes group						
COMPAGNIE DES ALPES SA	FULL	100.00	39.81	FULL	100.00	41.66
COMPAGNIE DES ALPES FINANCEMENT SNC	FULL	100.00	39.81	FULL	100.00	41.24
SKI RESORTS						
ALETSCH RIEDERALP BERGBAHNEN AG (Switzerland)	EQUITY	20.82	8.29	EQUITY	20.00	8.33
CDA DS SAS	FULL	100.00	39.81	FULL	100.00	41.66
CIEL SAS	FULL	100.00	39.81	FULL	100.00	41.66
CMBF (COURMAYEUR MT BLANC) SPA (Italy)	EQUITY	29.81	11.87	EQUITY	29.81	12.42
DOMAINE SKIABLE DE FLAINE (DSF) SA	FULL	100.00	32.23	FULL	100.00	33.72
DOMAINE SKIABLE DE LA ROSIÈRE SAS (DSR)	EQUITY	20.00	7.96			
DOMAINE SKIABLE DE VALMOREL SAS (DSV)	EQUITY	20.00	7.96			
DOMAINE SKIABLE DU GIFFRE (DSG) SA	FULL	100.00	32.22	FULL	100.00	33.71
GROUPE COMPAGNIE DU MONT-BLANC SA	EQUITY	33.47	13.32	EQUITY	31.36	13.06
MERIBEL ALPINA SNC	FULL	100.00	39.81	FULL	100.00	41.66
MONTAVAL SAS	FULL	100.00	39.81			
SAAS - FEE BERGBAHNEN AG (Switzerland)	FULL	100.00	16.57	EQUITY	40.92	17.05
SELALP SAS	FULL	100.00	37.87	FULL	100.00	39.63
SERRE-CHEVALIER 1350 SAS	FULL	100.00	39.81	FULL	100.00	41.66
SERRE-CHEVALIER SKI DÉVELOPPEMENT SA	FULL	100.00	39.81	FULL	100.00	41.65
SOCIÉTÉ DES MONTAGNES DE L'ARC SA (SMA)	FULL	100.00	36.63	FULL	100.00	38.33

GROUPS/COMPANIES	31 December 2007			31 December 2006		
	Method	% control	% interest	Method	% control	% interest
STÉ AMÉNAGEMENT ARVES GIFFRE SA (SAG)	FULL	100.00	32.22	FULL	100.00	33.71
STÉ AMÉNAGEMENT LA PLAGNE SA (SAP)	FULL	100.00	37.04	FULL	100.00	38.76
STÉ CONSTRUCTION IMMOBILIÈRE VALLÉE DE BELLEVILLE SCI (SCIVABEL)	FULL	100.00	32.50	FULL	100.00	34.01
STÉ EXPLOIT RM MORZINE AVORIAZ SAS (SERMA)	EQUITY	20.00	7.96			
STÉ EXPLOITATION VALLÉE DE BELLEVILLE SAS (SEVABEL)	FULL	100.00	32.49	FULL	100.00	34.00
STÉ TÉLÉPHÉRIQUES DE LA GRANDE-MOTTE SA (STGM)	FULL	100.00	30.96	FULL	100.00	32.41
STÉ TÉLÉPHÉRIQUES DE L'AIGUILLE GRIVE SAS (STAG)	FULL	100.00	36.63	FULL	100.00	38.33
STÉ TÉLÉPHÉRIQUES DE VAL D'ISÈRE SAS (STVI) (17)	FULL	100.00	39.81			
SWISSALP SA (Switzerland)	FULL	100.00	39.81	FULL	100.00	41.66
SWISSALP SERVICES SA (Switzerland)	FULL	100.00	39.81			
TELEVERBIER SA (Switzerland)	EQUITY	20.30	8.08	EQUITY	20.30	8.46
VALBUS SAS	FULL	100.00	39.81			
AMUSEMENT PARKS						
BOIS DE BAGATELLE SCI	FULL	100.00	39.81	FULL	100.00	41.66
LES PRODUCTIONS DU PARC SAS	FULL	100.00	39.81	FULL	100.00	41.66
MUSÉE GRÉVIN SA	FULL	100.00	38.17	FULL	100.00	39.94
SOCIÉTÉ DE MISE EN VALEUR DU PATRIMOINE SAS (18)	FULL	100.00	69.30	FULL	100.00	70.25
AQUARIUM GÉANT DE SAINT-MALO SNC	FULL	100.00	39.81	FULL	100.00	41.66
AVENIR LAND SAS	FULL	100.00	39.81	FULL	100.00	41.66
BAGATELLE SNC	FULL	100.00	39.81	FULL	100.00	41.66
BELPARK BV (Belgium)	FULL	100.00	39.81	FULL	100.00	41.66
BICI ENTERTAINMENT SA (Switzerland)	FULL	100.00	39.81	FULL	100.00	41.66
CENTRES ATTRACTIFS JEAN RICHARD SAS-LA MER DE SABLE	FULL	100.00	39.81	FULL	100.00	41.66
COFILO SAS	FULL	100.00	39.81	FULL	100.00	41.66
DOLFINARIUM HARDEWIJK BV (Netherlands)	FULL	100.00	39.81	FULL	100.00	41.66
ECOBIOGESTION SAS (19)	FULL	100.00	41.61	FULL	100.00	43.41
ECOPARCS SA	EQUITY	34.88	34.88			

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
FRANCE MINIATURE SNC	FULL	100.00	39.81	FULL	100.00	41.66
GRÉVIN & CIE SA	FULL	100.00	39.81	FULL	100.00	41.66
GRÉVIN & CIE TOURAINE SNC	FULL	100.00	39.81	FULL	100.00	41.66
GRÉVIN AVONTURENPARK BV (Netherlands)	FULL	100.00	39.81	FULL	100.00	41.66
GRÉVIN DEUTSCHLAND GMBH (Germany)	FULL	100.00	39.81	FULL	100.00	41.66
HARDERWIJK HELLENDOORN HOLDING BV (Netherlands)	FULL	100.00	39.81	FULL	100.00	41.66
IMMOFLOR NV (Belgium)	FULL	100.00	39.81	FULL	100.00	41.66
PARC AGEN SAS	FULL	100.00	39.81	FULL	100.00	41.66
PARC DE LOISIRS DE BAGATELLE SCI	FULL	100.00	39.81	FULL	100.00	41.66
PLEASUREWOOD HILLS LTD (United Kingdom)	FULL	100.00	39.81	FULL	100.00	41.66
PREMIER FINANCIAL SERVICES BV (Belgium)	FULL	100.00	39.81	FULL	100.00	41.66
SAFARI AFRICAIN DE PORT SAINT-PERE SA	FULL	100.00	20.06	FULL	100.00	21.00
WALIBI WORLD BV (Netherlands)	FULL	100.00	39.81	FULL	100.00	41.66
Egis group						
EGIS SA	FULL	100.00	100.00	FULL	100.00	100.00
FRANCE						
A.C.I.	FULL	100.00	99.96	FULL	100.00	99.96
ACOUSTB	FULL	100.00	59.41			
AIRPORT AERONAUTICAL EQUIPMENT	FULL	45.00	45.00	PROP	45.00	45.00
BETEREM INFRASTRUCTURE	FULL	100.00	99.99	FULL	100.00	99.99
BETURE INFRASTRUCTURE	FULL	100.00	100.00	FULL	100.00	100.00
EGIS AMÉNAGEMENT	FULL	100.00	99.98			
EGIS AVIA	FULL	100.00	100.00	FULL	100.00	100.00
EGIS BCEOM INTERNATIONAL SA	FULL	100.00	99.99	FULL	100.00	99.99
EGIS BDPA	FULL	100.00	100.00	FULL	100.00	100.00
EGIS CONSEIL	FULL	100.00	99.98	FULL	100.00	99.94
EGIS EAU	FULL	100.00	99.99			
EGIS INGÉNIERIE	FULL	100.00	100.00	FULL	100.00	100.00
EGIS MOBILITÉ	FULL	100.00	100.00	FULL	100.00	100.00
EGIS PROJECTS	FULL	100.00	100.00	FULL	100.00	100.00

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
EGIS RAIL	FULL	100.00	85.88	FULL	100.00	82.57
EGIS ROAD OPERATION SA	FULL	100.00	100.00	FULL	100.00	100.00
EGIS ROUTE	FULL	100.00	100.00	FULL	100.00	100.00
EGIS STRUCTURE ET ENVIRONNEMENT	FULL	100.00	100.00			
EST INFRA INGÉNIERIE	FULL	100.00	99.98	FULL	100.00	99.98
JEAN MULLER INTERNATIONAL	FULL	100.00	99.99	FULL	100.00	99.99
MFI SAS	FULL	33.34	33.34			
MUTATIONS	FULL	100.00	69.99			
OUEST INFRA	FULL	100.00	99.98	FULL	100.00	99.99
PARK +	FULL	40.00	40.00	PROP	40.00	40.00
ROUTALIS	FULL	100.00	70.00	FULL	100.00	70.00
SATEC	FULL	100.00	100.00	FULL	100.00	100.00
SEGAP SA	EQUITY	50.00	50.00			
SEP A28 FOE	PROP	65.00	65.00	PROP	65.00	65.00
SERALP INFRASTRUCTURE	FULL	100.00	99.99	FULL	100.00	99.99
SLI	FULL	100.00	99.99			
SOCIÉTÉ DU MÉTRO DE MARSEILLE SA (SMM)	FULL	100.00	85.88	FULL	100.00	82.57
SOCIÉTÉ NOUVELLE INGEROUTE	FULL	100.00	99.99			
SOFREAVIA SERVICES SA	FULL	100.00	99.97	FULL	100.00	99.97
SUD-OUEST INFRA	FULL	100.00	99.98	FULL	100.00	64.98
URBANISME ET ACOUSTIQUE	FULL	100.00	99.98	FULL	100.00	64.98
INTERNATIONAL						
ATTIKES DIADROMES LTD (Greece)	EQUITY	20.00	20.00	EQUITY	20.00	20.00
AUTOBAHN + A8 GMBH (Germany)	EQUITY	19.00	19.00			
AUTOBAHN + SERVICES (Germany)	PROP	56.00	56.00			
AESA (Poland)	PROP	45.00	45.00	PROP	45.00	45.00
BHEGIS (Australia)	PROP	50.00	50.00	PROP	50.00	50.00
BONAVENTURA STRASSENERHALTUNG GMBH (Austria)	PROP	50.00	50.00			

	31 December 2007			31 December 2006		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
CAOG (Cyprus)	PROP	36.00	36.00	PROP	36.00	36.00
CEL TRAK (Ireland)	EQUITY	22.22	22.22			
EASYTRIP SERVICES CORPORATION (Philippines)	FULL	100.00	100.00	FULL	100.00	100.00
EASYTRIP SERVICES IRELAND LTD (Ireland)	PROP	50.00	50.00	PROP	50.00	50.00
EGIS PROJECTS ASIA PACIFIC (Australia)	FULL	100.00	100.00	FULL	100.00	100.00
EGIS CAMEROUN (Cameroon)	FULL	100.00	99.92	FULL	100.00	99.92
EGIS EYSER (Spain)	FULL	100.00	100.00	FULL	100.00	100.00
EGIS INDIA (India)	FULL	100.00	99.99	FULL	100.00	99.99
EGIS INVESTMENT PARTNERS (Luxembourg)	FULL	100.00	100.00	FULL	100.00	100.00
EGIS INVESTMENT SARL (Luxembourg)	FULL	100.00	100.00	FULL	100.00	100.00
EGIS POLAND (Poland)	FULL	100.00	99.99	FULL	100.00	99.99
EGIS PROJECTS GMBH (Austria)	FULL	100.00	100.00	FULL	100.00	100.00
EGIS ROMANIA (Romania)	FULL	100.00	99.99	FULL	100.00	99.99
EP POLSKA (Poland)	FULL	100.00	100.00	FULL	100.00	100.00
EPSYS (Philippines)	FULL	100.00	100.00	FULL	100.00	100.00
HERMES AIRPORT LTD (Cyprus)	EQUITY	20.00	20.00	EQUITY	20.00	20.00
ISIS BELGIQUE (Belgium)	FULL	100.00	99.46	FULL	100.00	99.46
ITS ROAD SERVICES LTD (Ireland)	PROP	49.50	49.50			
OPERSCUT (Portugal)	FULL	100.00	70.00	FULL	100.00	70.00
SEMALY IRLANDE (Ireland)	FULL	100.00	85.88	FULL	100.00	82.57
SEMALY PORTUGAL (Portugal)	FULL	100.00	85.88	FULL	100.00	82.57
SEMALY SINGAPOUR (Singapore)	FULL	100.00	85.88	FULL	100.00	82.57
SEMALY UK (United Kingdom)	FULL	100.00	85.88	FULL	100.00	82.57
STALEXPORT TRANSROUTE AUTOSTRADA (Poland)	PROP	45.00	45.00	PROP	45.00	45.00
TMC (Philippines)	PROP	34.00	34.00	PROP	34.00	34.00
TRANS-CESTE D.O.O. (Croatia)	FULL	100.00	100.00	FULL	100.00	100.00
TRANSLINK INVESTMENT (Australia)	PROP	50.00	50.00	PROP	50.00	50.00

GROUPS/COMPANIES	31 December 2007			31 December 2006		
	Method	% control	% interest	Method	% control	% interest
TRANSROUTE AUSTRALIA (Australia)	FULL	100.00	100.00	FULL	100.00	100.00
TRANSROUTE PHILIPPINES (Philippines)	FULL	100.00	100.00	FULL	100.00	100.00
TRANSROUTE TUNNEL OPERATIONS LTD (Ireland)	FULL	100.00	100.00	FULL	100.00	100.00
TRANSROUTE U.K. (United Kingdom)	FULL	100.00	100.00	FULL	100.00	100.00
UK HIGHWAYS SERVICES (United Kingdom)	PROP	50.00	50.00	PROP	50.00	50.00
Santoline group						
SANTOLINE GROUP	EQUITY	40.00	40.00	EQUITY	40.00	40.00

(1) C3D Investment: complete transfer of assets and liabilities to Caisse des Dépôts on 31 October 2007.
(2) CDC Holding Finance: complete transfer of assets and liabilities to Caisse des Dépôts on 18 June 2007.
(3) CDC Projets Urbains: complete transfer of assets and liabilities to Caisse des Dépôts on 28 June 2007.
(4) SAS Tour Descartes: removed from the Caisse des Dépôts scope of consolidation in the second half of 2007; 33%-owned by Icade Foncière des Pimonts.
(5) Société Foncière Anatole France: complete transfer of assets and liabilities to Caisse des Dépôts on 30 November 2007.
(6) HIME: also 33%-owned by the Séché Environnement group.
(7) CDC Entreprises Holding: complete transfer of assets and liabilities to Caisse des Dépôts on 29 June 2007.
(8) CNP Assurances: 40% interest before adjustment for CNP treasury stock.
(9) Merger of Écureuil Vie into CNP Assurances approved by CNP shareholders on 18 December 2007.
(10) Icade Foncière des Pimonts SA, Icade Patrimoine SA, and Icade Foncière Publique SAS merged into Icade EMGP SA.
Icade SA merged into Icade EMGP SA, which was then renamed Icade SA. (Transactions back-dated to 1 January 2007).
Icade SA: 61.58% interest before restatement of Icade treasury stock.
(11) SAS Paris Nord Est is 50%-owned by Caisse des Dépôts and 30% by Icade Foncier Développement.
(12) SCI Commissariat Nice les Moulins is 50%-owned by Caisse des Dépôts and 50% by Icade.
(13) SCI de la Vision is 43%-owned by Caisse des Dépôts and 22% by Icade.
(14) SCI du Centre des Archives Diplomatiques is 44%-owned by Caisse des Dépôts and 22% by Icade.
(15) CD Cités and CD Habitat merged into SCET in the first half of 2007.
(16) SCI des Régions: percent interest calculated by taking into account 50/50 co-ownership with Caisse des Dépôts.
(17) STVI consolidated on a 100% basis, due to reciprocal put and call options on the remaining shares exercisable on 1 October 2013.
(18) SMVP: percent interest calculated by taking into account co-ownership between the Compagnie des Alpes group (51%) and Caisse des Dépôts (49%).
(19) Ecobiogestion: percent interest calculated by taking into account co-ownership between the Compagnie des Alpes group (97%) and Caisse des Dépôts (3%).

Consolidation methods - FULL: full consolidation - PROP: proportional consolidation - EQUITY: equity method.

Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2007

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ladies and Gentlemen,

In compliance with the assignment entrusted to us, we have audited the accompanying consolidated financial statements of Caisse des Dépôts Group for the year ended 31 December 2007.

These consolidated financial statements have been approved by the Chief Executive Officer. Our role is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements were prepared for the first time in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. They include comparative data for 2006 restated in accordance with the same standards.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the consolidated group and its assets and liabilities at 31 December 2007, and of the results of its operations for the year then ended, in accordance with IFRS as adopted for use in the European Union.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

■ Accounting policies

> Transactions with minority interests

Caisse des Dépôts Group describes the treatment adopted in respect of partial sales and acquisitions of minority interests in controlled companies in section IV.7 of the notes to the consolidated financial statements ("Summary of significant accounting policies").

As part of our assessment of the accounting policies applied by Caisse des Dépôts Group, we verified that the accounting methods mentioned above and the related disclosures provided in the notes to the consolidated financial statements were appropriate, and ensured that they were correctly applied.

■ Accounting estimates

> Impairment of non-amortisable intangible assets and goodwill

Caisse des Dépôts Group tests goodwill and indefinite-lived intangible assets for impairment. These tests are performed as described in section V.7 of the notes to the consolidated financial statements ("Summary of significant accounting policies"). We examined the methods used to implement these impairment tests and the corresponding assumptions that were applied.

> Insurance business

Certain technical items specific to the insurance business carried on both the asset and liability sides of the consolidated balance sheet, notably technical reserves, are estimated based on statistical and actuarial considerations, as set out in section V.12 ("Summary of significant accounting policies") and note 28 to the consolidated balance sheet. We ensured that the assumptions used in the calculation models were reasonable and that they were consistent taken as a whole.

We assessed whether these estimates were reasonable.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

We have also examined the financial information relating to the Group provided in the annual report. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 25 April 2008

The Statutory Auditors

PricewaterhouseCoopers Audit

Catherine Pariset

Mazars & Guérard

Guillaume Potel

Denis Grison

Caisse des Dépôts' business review and corporate social responsibility report, as well as the financial statements and the savings funds report, are all available on the corporate website at **www.caissedesdepots.fr**

The annual report may be obtained on request from Caisse des Dépôts' Corporate Communications Department at the following address.

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Note to the reader

The French version of the 2007 financial report includes the audited consolidated financial statements of Caisse des Dépôts Group, the audited financial statements of Caisse des Dépôts Central Sector, and the audited financial statements of the savings funds centralised by Caisse des Dépôts. The English version of the report includes solely the audited consolidated financial statements of Caisse des Dépôts Group.

The detailed financial statements for the subsidiaries and for other organisations and establishments managed by Caisse des Dépôts are not presented in this report, but in specific reports prepared by those entities.

Paper

The paper used in this report is FSC-certified (Forest Stewardship Council). The FSC Logo indicates that the wood used to make the paper for the report comes from a forest which is well managed according to strict environmental, social and economic standards.

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