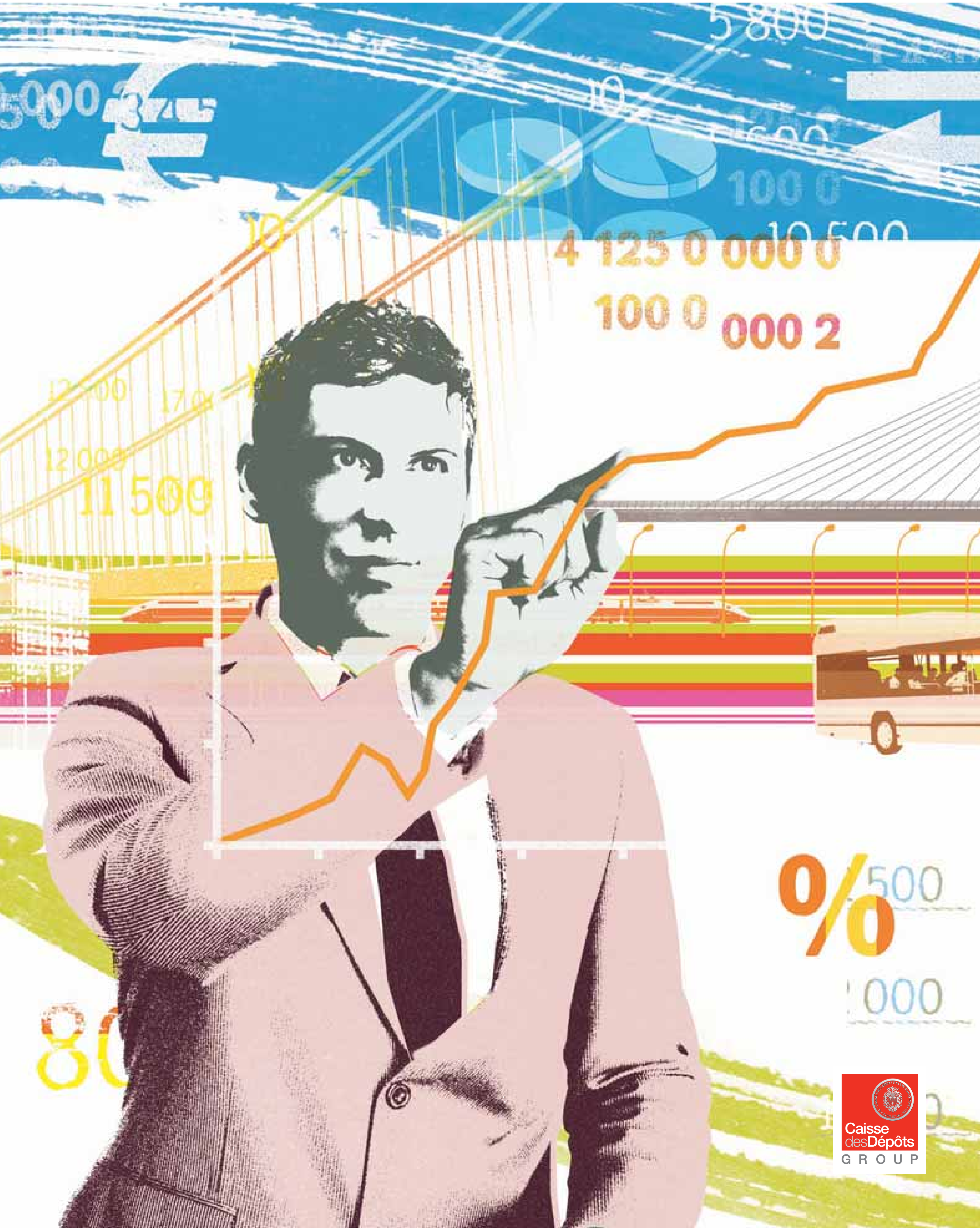
●● I Financial Report I 2011



FINANCIAL REPORT 2011

Contents

CAISSE DES DÉPÔTS GROUP

NOTION OF GROUP

The French Monetary and Financial Code *(Code monétaire et financier)* defines Caisse des Dépôts as "a state-owned group at the service of the public interest and the country's economic development. The said group fulfils public interest functions in support of the policies pursued by the State and local authorities, and may engage in competitive activities. […]

Caisse des dépôts et consignations is a long-term investor promoting business development in line with its own patrimonial interests.

Caisse des dépôts et consignations is closely supervised by the French Parliament and the legislative process".

The Group is therefore unique as a public institution with subsidiaries and affiliates that operate in the competitive sector.

From an accounting perspective, Caisse des Dépôts comprises two reporting entities:

- the Central Sector, which consolidates the entities over which Caisse des Dépôts exercises exclusive or joint control or significant influence, and whose consolidation has a material impact on the Group financial statements;

- the Savings Funds sector which prepares separate financial statements.

AUDIT OF THE FINANCIAL STATEMENTS

In compliance with Article L.518-15-1 of the French Monetary and Financial Code:
"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."

CONSOLIDATED FINANCIAL STATEMENTS 2011

ADOPTED BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF CAISSE DES DÉPÔTS ON 5 MARCH 2012

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement, year ended 31 December 2011

(in millions of euros)	Notes	31.12.2011	31.12.2010
Interest income	3.1	4,920	5,017
Interest expense	3.1	(1,044)	(927)
Fee and commission income	3.2	81	75
Fee and commission expense	3.2	(64)	(56)
Gains and losses on financial instruments at fair value through profit or loss, net	3.3	729	860
Gains and losses on available-for-sale financial assets, net	3.4	912	1,350
Income from other activities	3.5	21,428	20,821
Expenses from other activities	3.5	(18,800)	(19,127)
Net banking income		**8,162**	**8,013**
General operating expenses	3.6	(5,343)	(4,053)
Depreciation, amortisation and impairment of property and equipment and intangible assets		(531)	(407)
Gross operating profit		**2,288**	**3,553**
Cost of risk	3.7	(69)	(15)
Operating profit (loss)		**2,219**	**3,538**
Share of profit (loss) of associates	4.10	(828)	140
Gains and losses on other assets, net	3.8	173	57
Change in value of goodwill	4.12	(225)	(5)
Profit (loss) before tax		**1,339**	**3,730**
Income tax expense	3.9	(580)	(494)
Net profit (loss) from discontinued operations		(1)	2
Net profit (loss)		**758**	**3,238**
Non-controlling interests		(552)	(1,087)
Net profit (loss) attributable to owners		**206**	**2,151**

Statement of comprehensive income

(in millions of euros)	31.12.2011	31.12.2010
Net profit (loss)	**758**	**3,238**
Exchange differences on translation of foreign operations	(27)	70
Fair value adjustments on remeasurement of available-for-sale financial assets	(3,275)	334
Fair value adjustments on remeasurement of hedging instruments	(121)	(22)
Actuarial gains and losses on defined post-employment benefit obligations	(9)	(11)
Share of gains and losses on investments in associates recognised directly in equity	(410)	(472)
Total changes in assets and liabilities recognised directly in equity	**(3,842)**	**(101)**
Net profit and total income and expense recognised directly in equity	**(3,084)**	**3,137**
Attributable to owners	(2,517)	1,986
Attributable to non-controlling interests	(567)	1,151

Consolidated statement of financial position, at 31 December 2011

(in millions of euros)	Notes	31.12.2011	31.12.2010
Assets			
Cash and amounts due from central banks and post office banks		5	6
Financial assets at fair value through profit or loss	4.1	31,794	33,001
Hedging instruments with a positive fair value	4.2	502	309
Available-for-sale financial assets	4.3	150,255	150,843
Loans and receivables due from credit institutions	4.4	11,880	4,670
Loans and receivables due from customers	4.5	12,807	31,060
Cumulative fair value adjustments to portfolios hedged against interest rate risk			
Held-to-maturity investments	4.6	20,970	20,171
Current and deferred tax assets	4.7	952	381
Prepayments, accrued income and other assets	4.8	11,121	8,244
Non-current assets held for sale	4.9	124	2,262
Deferred participation assets	4.17	249	
Investments in associates	4.10	5,734	5,123
Investment property	4.11	11,025	10,115
Owner-occupied property and equipment	4.11	2,584	1,611
Intangible assets	4.11	850	830
Goodwill	4.12	1,411	894
Total assets		**262,263**	**269,520**
Liabilities and equity			
Due to central banks and post office banks			
Financial liabilities at fair value through profit or loss	4.1	6,123	6,161
Hedging instruments with a negative fair value	4.2	1,444	1,046
Due to credit institutions	4.13	13,938	17,598
Due to customers	4.14	50,736	50,908
Debt securities	4.15	25,879	26,569
Cumulative fair value adjustments to portfolios hedged against interest rate risk			
Current and deferred tax liabilities	4.7	1,154	1,637
Accruals, deferred income and other liabilities	4.16	10,249	7,594
Liabilities related to non-current assets held for sale	4.9	109	1,686
Insurance company technical reserves	4.17	116,185	115,748
Provisions	4.18	867	788
Subordinated debt	4.19	1,025	901
Equity attributable to owners			
Reserves and retained earnings		20,125	18,924
Gains and losses recognised directly in equity		837	3,434
Profit (loss) for the year		206	2,151
Total equity attributable to owners		**21,168**	**24,509**
Non-controlling interests		13,386	14,375
Total equity		**34,554**	**38,884**
Total liabilities and equity		**262,263**	**269,520**

Consolidated statement of changes in equity, 1 January 2010 to 31 December 2011

(in millions of euros)

	Reserves and retained earnings	Gains and losses recognised directly in equity			Net profit (loss) attributable to owners	Equity attributable to owners	Non-controlling interests in reserves	Non-controlling interests in gains and losses recognised directly in equity	Non-controlling interests in profit (loss)	Non-controlling interests	Total equity
		Translation reserve	Cumulative fair value adjustments to available-for-sale financial assets	Cumulative fair value adjustments to cash flow hedges							
Equity at 1 January 2010	**17,911**	**4**	**3,900**	**(314)**	**1,980**	**23,481**	**12,700**	**286**	**498**	**13,484**	**36,965**
Effect of changes in accounting methods											
Appropriation of 2009 profit	1,980				(1,980)		498		(498)		
2009 dividend	(990)					(990)	(319)			(319)	(1,309)
Transactions with non-controlling interests	20					20	(48)			(48)	(28)
Other movements	3	(3)					106			106	106
Profit for the period					2,151	2,151			1,087	1,087	3,238
Gains and losses recognised directly in equity											
Exchange differences on translation of foreign operations		10				10		23		23	33
Fair value adjustments to financial instruments recognised directly in equity			199	(20)		179		75		75	254
Fair value adjustments to financial instruments reclassified to the income statement			(342)			(342)		(33)		(33)	(375)
Equity at 31 December 2010	**18,924**	**11**	**3,757**	**(334)**	**2,151**	**24,509**	**12,937**	**351**	**1,087**	**14,375**	**38,884**
Effect of changes in accounting methods											
Appropriation of 2010 profit	2,151				(2,151)		1,087		(1,087)		
2010 dividend	(839)					(839)	(378)			(378)	(1,217)
Transactions with non-controlling interests	2					2	189			189	191
Other movements	(113)	(7)	81	28		(11)	(233)	(2)		(235)	(246)
Profit for the period					206	206			552	552	758
Gains and losses recognised directly in equity											
Exchange differences on translation of foreign operations		(48)				(48)		5		5	(43)
Fair value adjustments to financial instruments recognised directly in equity			(2,148)	(195)		(2,343)		(1,053)		(1,053)	(3,396)
Fair value adjustments to financial instruments reclassified to the income statement			(307)	(1)		(308)		(69)		(69)	(377)
Equity at 31 December 2011	**20,125**	**(44)**	**1,383**	**(502)**	**206**	**21,168**	**13,602**	**(768)**	**552**	**13,386**	**34,554**

Consolidated statement of cash flows, year ended 31 December 2011

The statement of cash flows 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)	31.12.2011	31.12.2010
Profit (loss) before tax (excluding discontinued operations)	**1,339**	**3,730**
Net depreciation, amortisation and impairment of property and equipment and intangible fixed assets	719	572
Impairment losses on goodwill and other non-current assets	340	6
Provision expense, net[1]	4,303	7,309
Share of profit/loss of associates[2]	828	(140)
Net revenues from investing activities	(471)	(584)
(Profits) losses from financing activities, net		
Other movements[3]	(543)	(2,596)
Total non-monetary items included in profit (loss) before tax and other adjustments	**5,176**	**4,567**
Net increase (decrease) in cash from transactions with credit institutions[4]	(9,272)	(1,737)
Net increase (decrease) in cash from customer transactions[5]	17,518	1,627
Net increase (decrease) in cash from other transactions affecting financial assets and liabilities[6]	(3,952)	(10,680)
Net increase (decrease) in cash from investment property	(721)	894
Net increase (decrease) in cash from other transactions affecting non-financial assets and liabilities	(1,386)	(318)
Income taxes paid	(928)	(928)
Net increase (decrease) in cash related to assets and liabilities from operating activities	**1,259**	**(11,142)**
Net cash from (used in) operating activities	**7,774**	**(2,845)**
Net increase (decrease) in cash from financial assets	(1,907)	(528)
Net increase (decrease) in cash from property and equipment and intangible assets	(411)	(283)
Net cash used in investing activities	**(2,318)**	**(811)**
Net increase (decrease) in cash from transactions with owners[7]	(1,511)	(787)
Net increase (decrease) in cash from other financing activities	(52)	431
Net cash from (used in) financing activities	**(1,563)**	**(356)**
Effect of discontinued operations on cash and cash equivalents	**(59)**	**11**
Effect of changes in exchange rates on cash and cash equivalents	**3**	**(6)**
Effect of changes in accounting methods[8]	**(75)**	**(163)**
Net increase (decrease) in cash and cash equivalents	**3,762**	**(4,171)**
Cash and cash equivalents at the beginning of the period	**4,797**	**8,968**
Cash, central banks and post office banks, net	7	17
Net loans to (borrowings from) credit institutions repayable on demand	4,790	8,951
Cash and cash equivalents at the period-end	**8,559**	**4,797**
Cash, central banks and post office banks, net	5	7
Net loans to (borrowings from) credit institutions repayable on demand	8,554	4,790
Net increase (decrease) in cash and cash equivalents	**3,762**	**(4,171)**

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.

	31.12.2011		31.12.2010	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Cash	3		5	
Central banks and post office banks	2		2	
Sub-total	**5**		**7**	
Loans to (borrowings from) credit institutions repayable on demand	5,600	1,213	3,653	1,342
Money market mutual funds	4,167		2,479	
Sub-total	**9,767**	**1,213**	**6,132**	**1,342**
Cash and cash equivalents	**8,559**		**4,797**	

1. This item corresponds mainly to other-than-temporary impairment of variable-income securities and net transfers to insurance company technical reserves.
2. Including share in loss made by Dexia in 2011 (€1 billion).
3. This item mainly corresponds to (i) fair value adjustments recognised by CNP Assurances and the Central Sector on financial assets at fair value through profit or loss in 2011, and (ii) capital gains on the sale of investment property by Icade in 2010 for a positive amount of €1.2 billion.
4. The change is attributable to the Central Sector and mainly concerns the €4.3 billion increase in interbank loans and a €4.6 billion decrease in collateralised repurchase agreement.
5. The net increase primarily reflects the €20 billion reimbursement of the loan granted to ACOSS and a €1.4 billion drop in deposits from notaries.
6. This item corresponds to the net effect on cash and cash equivalents of purchases and sales of long-term equity interests.
7. Including dividends of €1.2 billion and €0.7 billion paid to the French State in 2011 and 2010, respectively.
8. This item corresponds to an adjustment to the opening cash balance of CNP Vida (reclassification of cash and cash equivalents to loans and receivables).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant events

I – IMPACT OF FINANCIAL MARKETS IN 2011

European stock markets bore the brunt of investor worries over growth forecasts and debt reduction in the eurozone as well as the inability of eurozone governments to agree on concerted solutions to deal with the crisis. The CAC 40 and EuroStoxx shed 18% of their value in 2011.

Caisse des Dépôts (Central Sector) recognised €1.3 billion in impairment losses on equity instruments classified as available-for-sale and €0.4 billion net of tax in negative fair value adjustments in equity.

CNP Assurances booked impairment loss provisions of €77 million on equities and other financial instruments, net of shadow accounting adjustments and deferred taxation.

The SIF group recognised negative fair value adjustments for a net-of-tax amount of €2.1 billion in equity and Caisse des Dépôts' share in this amount was a negative amount of €1.1 billion.

II – GREEK SOVEREIGN DEBT

Caisse des Dépôts Group signalled its willingness to participate in private investor efforts to support Greece as part of the rescue plan signed on 21 July 2011 by the different EU governments.

Because the plan initially agreed was quickly deemed to be insufficient, new measures to support the Greek economy were approved at the Brussels Summit held on 26 October, providing for increased private sector participation on a voluntary basis. As part of these new measures, the Institute of International Finance (IFF) began a fresh round of negotiations with the Greek and EU governments and the IMF on the basis of a 50% write-down of the nominal value of all securities held, although the exact details were not finalised.

The negotiations wound up on 21 February 2012 with the announcement by the eurozone governments of a second Greek rescue package involving €130 billion in public aid and an agreement by private investors to take a 53.5% "cut" on the nominal value of all Greek bonds and securities currently held. In view of the lengthening of debt maturities and lower coupons, actuarial losses will exceed the 53.5% write-down on the nominal value and different Caisse des Dépôts entities have estimated the real "haircut" at between 72% and 75%.

The net impairment expense on Greek debt in attributable net profit, adjusted for tax and non-controlling interests, amounts to €534 million (including €438 million recognised in respect of the Dexia group).

III – DEXIA

On 27 May 2011, Dexia SA announced an acceleration of the pace of the deleveraging programme approved by the European Commission in February 2010.

The aggravation of the sovereign debt crisis, coupled with the turmoil in the financial markets since the summer of 2011 and successive ratings downgrades suffered by the group's operating entities, culminated in a severe deterioration in its liquidity situation and increased refinancing requirements.

In October 2011, the Dexia group adopted a series of structural measures radically altering the group's structure as well as a new guarantee scheme on the group funding.

Its results at 31 December 2011 were badly hit by non-recurring items culminating in an €11.6 billion net loss. These one-off items included:

- a loss related to the disposal of Dexia Bank Belgium: (€4 billion),
- 75% discount on Greek sovereign and assimilated exposure: (€3.4 billion),
- cost of deleverage, including financial products: (€2.6 billion),
- loss related to the disposal of Dexia Municipal Agency: (€0.9 billion).

Dexia's consolidated financial statements at 31 December 2011 were prepared on a "going concern" basis and rely on a certain number of assumptions, including:

- the approval by the European Commission of a new restructuring plan including a guarantee from the Belgian, French and Luxembourg States;
- the granting by the Belgian, French and Luxembourg States of a guarantee for an amount of €90 billion. The principle of this guarantee was announced in October 2011 and reflected in the authorising legislation of the Belgian, French and Luxembourg States. Moreover, according to the conditions of article 15 (f) of the guarantee agreement concluded on 16 December 2011 between the Belgian, French and Luxembourg States, Dexia SA, Dexia Crédit Local and the States undertook to negotiate in good faith the renewal of the guarantee agreement, which could include an increase in the total guaranteed amount of €90 billion;
- financial remuneration of the guarantee provided by the States that will either be sufficiently low to enable Dexia SA to generate a profit or else allocated to strengthen the group's equity; the remuneration under the guarantee will be one of the significant elements likely to influence the group's profitability; and
- the support from the States, with regard to the group's liquidity situation under the guarantees granted, for the proper implementation of the in-depth restructuring measures announced in October 2011.

These assumptions rely on certain external factors beyond the control of Dexia SA. Their realisation remains therefore uncertain and will depend, inter alia, on the decision of the European Commission.

In the absence of additional corrective measures, the non-realisation of one or several of the above mentioned assumptions could impair the “going concern” status of Dexia SA and challenge the group’s liquidity and solvency situation.

The auditors have delivered an unqualified opinion on the consolidated financial statements, with an explanatory paragraph referring to the uncertainties regarding the going concern status.

Caisse des Dépôts (Central Sector) owns 13% of the share capital of Dexia SA. The shares were acquired at a cost of €2.9 billion and goodwill initially recognised on the business combination in the consolidated financial statements amounted to €1.75 billion.

Impairment losses totalling €1.62 billion were recognised against goodwill in 2008 and 2010 and, in view of the group’s current situation, additional impairment losses of €0.13 billion were recognised in 2011. Consequently, the equity-accounted value of the Group’s investment in Dexia SA at 31 December 2011 is zero as cumulative unrealised losses since the first-time consolidation of Dexia in October 2008 exceed the Group’s share in Dexia’s equity.

Once unrealised gains and losses were restated in reserves and additional impairment losses were recognised on goodwill, Dexia contributed a negative amount of €1 billion to Caisse des Dépôts’ consolidated results at 31 December 2011.

IV– CAISSE DES DÉPÔTS STEPS UP ITS COMMITMENT TO REGIONAL DEVELOPMENT

On 10 February 2012, Caisse des Dépôts reiterated its commitment to create a local government development bank in partnership with La Banque Postale.

The joint venture will bring together Caisse des Dépôts, the French State, Dexia Crédit Local and La Banque Postale as well as the mortgage company, Dexia Municipal Agency.

At the same time, Caisse des Dépôts and La Banque Postale will set up a new bank to offer a new range of loans to French local and regional authorities and Dexia Municipal Agency will provide refinancing for the loans granted by this new bank.

Caisse des Dépôts has agreed to provide up to €12.5 billion at arm’s length conditions to cover the operating liquidity requirements of the new entity.

Caisse des Dépôts aims to have the new bank up and running and granting loans to local authorities by June 2012.

This venture will reinforce Caisse des Dépôts’ position as a key partner for local authorities alongside its role in administering additional loans out of the Savings Funds to finance regional and local development.

V – VEOLIA TRANSDEV

On 3 March 2011, Veolia Environnement and Caisse des Dépôts announced the creation of Veolia Transdev, the world’s private-sector leader in sustainable mobility, the result of the combination of their respective subsidiaries, Veolia Transport and Transdev.

Veolia Transdev will be owned in equal proportions by Veolia Environnement and Caisse des Dépôts. The 25.6% stake held by RATP in Transdev was repurchased in exchange for assets held by Transdev and by Veolia Transport both inside and outside France. Prior to completion of this transaction, Caisse des Dépôts subscribed to a €200 million increase in Transdev’s share capital.

The adaptation of the shareholders’ agreement, announced on 7 February 2011, will provide Veolia Transdev with a unified management structure in which each shareholder will exercise joint control. Veolia Transdev has been proportionally consolidated by Caisse des Dépôts since the beginning of March 2011.

Financière Transdev and Transdev were fully consolidated by Caisse des Dépôts until 3 March 2011 when the Group lost control of Transdev and acquired joint control over Veolia Transdev.

The Group recognised a gain on disposal of €138 million.

The assets and liabilities of Veolia Transdev were measured at fair value at the acquisition date, i.e., 3 March 2011, leading to recognition of goodwill for a total amount of €1,460 million. Caisse des Dépôts’ share of this amount was €730 million.

2011 presented a very contrasting picture depending on the geographic area, with sharp exchange rate differences, fresh hikes in oil prices and renewed financial and economic turmoil in the summer, particularly in Southern Europe. Consequently, at the end of the year, VTD group was forced to revise the long-term business plans of its cash generating units and it recognised goodwill impairment losses totalling €386 million and provisions for impairment of property and equipment of €158 million, mainly on maritime assets carried in the books of SNCM.

As a result of these developments, Veolia Transdev generated a negative contribution of €286 million to Caisse des Dépôts’ consolidated results in 2011.

On 6 December 2011, Caisse des Dépôts noted the intention of Veolia Environnement to dispose of its stake in Veolia Transdev. At the present time, the Group is not ruling out any options given that it has unequivocally committed to being an active investor in the long-term development and capital base of Veolia Transdev and it remains 100% committed to this role.

VI – LA POSTE

On 11 February 2011, Caisse des Dépôts and the French State signed a memorandum of understanding to subscribe to an increase in the share capital of La Poste. The share capital increase of €2.7 billion will be taken up by Caisse des Dépôts (€1.5 billion) and the French State (€1.2 billion) in several stages. Once the transaction is complete, Caisse des Dépôts and the French State will own 26.32% and 73.68%, respectively, of the share capital and voting rights of La Poste. Shares issued between 2011 and 2013 will be paid up in three stages, with a first payment of €1.05 billion in 2011, a second instalment of €1.05 billion in 2012, and the remaining €600 million in 2013.

The valuation of La Poste for the purpose of this investment includes a fixed portion and a variable portion of contingent consideration. The fixed portion used as the basis for the share capital increase is €3 billion and the variable portion of contingent consideration will give rise to a cash-based payment by Caisse des Dépôts to the French State based on the 2010-2015 business plan. At 31 December 2011, the Group recognised a provision for contingent consideration for an amount of €0.3 billion.

In early February 2011, the Board of Directors of La Poste approved the planned €2.7 billion share capital increase and on 6 April 2011 it was ratified by an Extraordinary General Meeting of shareholders. La Poste has received the first instalment of €1.05 billion: €467 million from the French State and €583 million from Caisse des Dépôts.

Caisse des Dépôts has obtained three seats on the Board of La Poste and the French State remains the majority shareholder with eight seats.

Under the terms of the shareholders' agreement between the French State and Caisse des Dépôts entered into in February 2011, Caisse des Dépôts will exercise significant influence over La Poste and has consolidated it by the equity method since 6 April 2011.

VII – MERGER BETWEEN ICADE AND SILIC

On 22 December 2011, following the memorandum of understanding signed between the three parties on 13 December 2011, Caisse des Dépôts and Icade submitted a binding offer to Groupama with a view to merging Icade and Silic by means of a share exchange offer.

On 30 December 2011, this offer was accepted by the Board of Directors of Groupama, the largest shareholder of Silic (with a 44% stake), a real estate company that trades under the SIIC regime for listed real-estate companies.

The merger between Icade and Silic will create France's biggest developer of business parks and offices with assets worth an estimated €9 billion.

On 30 December 2011, Caisse des Dépôts ceded its entire 55.58% stake in Icade to Holdco SIIC, a holding company specifically set up for this purpose and controlled by Caisse des Dépôts. Groupama then ceded 6.5% of Silic's share capital in exchange for shares in Holdco SIIC. Upon completion of these transactions, Caisse des Dépôts controlled over 95% of the share capital of Holdco SIIC at 31 December 2011.

Once the green light was obtained from the French competition authority (*Autorité de la concurrence*) on 13 February 2012, Groupama ceded the remaining portion of its 37.45% stake in Silic to Holdco SIIC on 16 February 2012. Following this contribution, Holdco SIIC, Icade and Caisse des Dépôts hold 43.95% of Silic's capital and voting rights in concert. Caisse des Dépôts and Groupama own 75.07% and 24.93%, respectively, of the capital and voting rights of Holdco SIIC.

In accordance with applicable legislation, in March 2012, Icade will file a tender offer comprising a public exchange offer for the remaining Silic shares and a tender offer for Silic's cash- or equity-settled bonds convertible into new and/or existing shares ("ORNANES"). Holdco SIIC has undertaken to cede its entire stake in Silic within the scope of the public exchange offer.

The public exchange offer stipulates that:

- the share exchange ratio will be identical to the exchange ratio applied to the contribution by Groupama to Holdco SIIC of its stake in Silic, i.e., 5 Icade shares for 4 Silic shares. Both entities' shares will be treated cum-coupon in respect of 2011;
- as a result of the contribution by Groupama of its remaining stake in Silic and in accordance with prospectus No. 10-386, duly approved by the AMF on 3 November 2010, holders of Silic ORNANE may request early redemption in cash of all or part of the bonds at par value (i.e., €124.59) plus interest accrued (at 2.50% per annum) between the last coupon date preceding the early redemption date and the actual redemption date;
- the proposed price per ORNANE will be calculated on the same basis as the early redemption price as explained previously; and
- the public exchange offer will also cover any shares issued by Silic in the event that holders of ORNANE exercise their entitlement to redeem their bonds in equity, as provided for under the terms of the aforementioned prospectus.

Icade will remain under the control of Caisse des Dépôts during and after the operation, and once the operation has been completed, Icade will control Silic and consolidate it using the full consolidation method.

VIII – MERGER BETWEEN EGIS AND IOSIS

On 1 January 2011, Egis and Iosis, French leaders in construction engineering and civil nuclear engineering, respectively, joined forces to create a single construction engineering group with an atypical capital structure.

The new entity, which will be called Egis, will offer a global range of services covering design, consulting, project engineering, project management and operation to clients that are increasingly active in all international markets.

As part of the transaction, in early 2011 a placement of shares in the new engineering group was reserved for the top executives of the two companies, the "Partners", and a block of shares was offered to all employees via a company investment fund (FCPE).

This holding (partner executives and FCPE) is carried by a dedicated company, Iosis Partenaires, which holds 25% of the capital of Egis group. Caisse des Dépôts remains the majority shareholder with 75% of the capital of the new group.

IX – PARTNERSHIP BETWEEN CAISSE DES DÉPÔTS, CNP ASSURANCES AND GDF SUEZ

A public consortium comprising Caisse des Dépôts, CDC Infrastructure and CNP Assurances has entered into an agreement with GDF Suez to forge a long-term partnership in the natural gas transportation industry in France and the rest of Europe. To this end, on 12 July 2011, the consortium acquired a 25% minority interest in GRTgaz for €1.1 billion.

This interest has been acquired via a holding company jointly controlled by the members of the consortium. The holding company will fund its investment through a capital increase (of which €358 million – or 54.4% of the total – will be subscribed to by CNP Assurances, and €200 million – 30.3% of the total – by CDC Infrastructure), and the issue of €500 million worth of debt which will also be wholly financed by the consortium (comprising amounts of €270 million and €230 million, respectively, to be taken up by CNP Assurances and Caisse des Dépôts).

The agreement was signed on 27 June and the transaction completed on 12 July 2011.

The Group has recognised both its investment in the holding company and its share in its debt instruments in available-for-sale financial assets.

X – CAISSE DES DÉPÔTS' CAPITAL ADEQUACY RATIOS

On 14 December 2011, the Group's capital adequacy ratios were adopted by the Supervisory Board, based on the recommendation of the Chairman and Chief Executive Officer and following approval by the French banking and insurance watchdog (*Autorité de Contrôle Prudentielle* – ACP). The Supervisory Board also fixed the amount of Caisse des Dépôts' equity on 11 January 2012.

In accordance with legal and regulatory provisions, these new ratios reflect the specific nature of Caisse des Dépôts, and in particular its role as long-term investor.

It covers all the main risks: equity risk, liquidity risk, interest rate risk, credit risk on portfolio securities and on loans granted, real estate risk, foreign exchange risk, operational risk and, with respect to the Central Sector, risks related to subsidiaries and equity interests.

The resulting modelling of risk and of working capital requirements is designed primarily to ensure a very high level of financial security, consistent with the missions entrusted to Caisse des Dépôts. The model is intended to cover all Caisse des Dépôts Group entities in line with their various businesses.

Caisse des Dépôts is a long-term investor and, as such, must avoid pro-cyclical investment behaviour and be in a position to weather business and financial cycles without sudden shifts in its investment policy. The capital adequacy ratios adopted by the Supervisory Board measure the solvency and financial strength of Caisse des Dépôts over a horizon of several years.

Depending on the business cycle and market fluctuations, the ratios applicable to the Central Sector allow for variations in available equity within a solvency "corridor". The minimum solvency threshold, calculated as per the prudential model, is invariably significantly higher than the regulatory baseline.

2 - Summary of significant accounting policies

I – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Caisse des Dépôts Group applies IFRS, which include International Financial Reporting Standards (IFRSs) 1 to 8 and International Accounting Standards (IASs) 1 to 41, along with the related interpretations as adopted by the European Union at 31 December 2011. The Group applies the IAS 39 carve-out provisions adopted by the European Union, which allow certain exceptions from the standard regarding macro-hedge accounting.

The consolidated financial statements for the year ended 31 December 2011 have been prepared in accordance with the recognition and measurement principles set out in the relevant IASs/IFRSs and IFRIC interpretations that were applicable at the end of the reporting period.

The following new standards, amendments and interpretations were effective for the first time in the 2011 financial year:

- Amendments to IAS 32 – *Classification of Rights Issues*
(EC Regulation No. 1293/2009 of 23 December 2009)
This amendment provides clearer guidance on accounting for rights issues offered for a fixed amount of foreign currency. It states that if such rights are issued pro rata to an entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

- IAS 24 (revised) – *Related Party Disclosures*
(EC Regulation No. 632/2010 of 19 July 2010)
This revision to IAS 24 simplifies disclosure requirements for entities controlled, jointly controlled or significantly influenced by the government, and clarifies the notion of a related party for these entities.

- Amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement* (EC Regulation No. 633/2010 of 19 July 2010)
This amendment corrects an unintended consequence of IFRIC 14 and introduces changes so that an asset can be recognised in respect of certain voluntary prepaid contributions when there is a minimum funding requirement.

- IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments*
(EC Regulation No. 662/2010 of 23 July 2010)
IFRIC 19 provides guidance regarding the accounting treatment in the accounts of the issuer of equity instruments issued by an entity in order to settle a financial liability. Any such instruments are to be measured at fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement of the equity instruments issued is to be recognised in profit or loss.

- Annual Improvements to IFRSs – May 2010
(EC Regulation No. 149/2011 of 18 February 2011)
As part of its annual improvements to IFRSs, the IASB published minor amendments to six existing standards and one existing interpretation.

The application of these standards, amendments and interpretations did not have a material impact on the consolidated financial statements of Caisse des Dépôts Group.

The Group did not adopt the standards, amendments and interpretations not yet adopted by the European Union at 31 December 2011.

The Group decided not to early adopt the standards, amendments and interpretations that will only be effective for reporting periods beginning on or after 1 January 2012. This concerns in particular the amendment to IFRS 7 – *Transfers of Financial Assets* (EC Regulation No. 1205/2011 of 22 November 2011), which clarifies the disclosures to be provided in connection with transfers of financial assets, particularly when these involve securitisation or securities repurchase agreements.

This amendment is not expected to have a material impact on the consolidated financial statements.

Use of the CNC financial statement format for banks

In the absence of any requisite IFRS financial statement format, the layout of these financial statements complies with Recommendation No. 2009-R-04 dated 2 July 2009 issued by the French National Accounting Board (*Conseil National de la Comptabilité*).

In accordance with the revised IAS 1, Caisse des Dépôts presents a separate consolidated income statement providing a breakdown of profit. It also presents a statement of comprehensive income which starts with profit and details gains and losses recognised directly in equity, net of tax.

Use of estimates

The preparation of the Group's financial statements involves making certain estimates and assumptions which affect the reported amounts of income and expenses, assets and liabilities, as well as the disclosures in the accompanying notes. To make any such estimates and assumptions, management is required to exercise judgement and consider information available when the financial statements are drawn up. The actual outcome of transactions for which estimates and assumptions are made could differ significantly from the anticipated outcome, and this may have a material impact on the financial statements.

Current market conditions and the economic crisis make it far more difficult to establish projections regarding the Group's business and financing arrangements or to make the accounting estimates needed to prepare the financial statements.

Estimates and assumptions are used to calculate:

- The fair value of unlisted financial instruments carried in the statement of financial position under financial assets or liabilities at fair value through profit or loss, hedging instruments or available-for-sale financial assets;
- Any impairment taken on financial assets (loans and receivables, available-for-sale financial assets, held-to-maturity investments);
- The amount of investments in equity-accounted companies (associates);
- The fair value of investment property disclosed in the notes;
- Any impairment taken on property, plant and equipment, intangible assets and goodwill;
- Deferred tax;
- The amount to be reported in captions related to the insurance business (technical reserves and deferred participation asset or liability);
- Provisions reported in liabilities (including for employee benefits) in respect of contingencies and expenses;
- The initial amount of goodwill recognised on business combinations.

II – BASIS OF CONSOLIDATION

1 - SCOPE OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Central Sector of Caisse des Dépôts, 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's 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, 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 proportionately 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 year 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

Almost 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 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 as at fair value through profit or loss under the fair value option.

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.

In application of IFRS, the agreements signed with the French State concerning the national loan, and the assets and liabilities covered by the investment programmes, must be derecognised in the consolidated financial statements. In the French GAAP accounts of the Central Sector of Caisse des Dépôts, these assets and liabilities are transferred to adjustment accounts.

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 other-than-temporarily 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 at the end of the reporting period, while income and expenses are translated at the average exchange rate for the year. 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

In accordance with the option available under IFRS 1, the Group has chosen not to restate business combinations which occurred prior to 1 January 2006. Any goodwill existing at that date is no longer amortised but tested for impairment. Intangible assets acquired prior to 1 January 2006 that did not fulfil IFRS recognition criteria, such as market shares, were reclassified as goodwill.

Accounting principles applicable to transactions carried out between 1 January 2006 and 31 December 2009 (IFRS 3)

Business combinations carried out since the IFRS transition date 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 acquisition, of assets given, liabilities or contingent 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 as well as any contingent liabilities, that fulfil the recognition criteria under IFRS 3 are measured at fair value at the date of acquisition.

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 12 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 at the end of the reporting period.

Goodwill is tested for impairment, as explained in section III.8.

Accounting principles applicable to transactions carried out on or after 1 January 2010 (IFRS 3R)

The main changes to accounting for business combinations and goodwill as from 1 January 2010 are set out below:

➨ Costs directly attributable to the business combination (acquisition-related costs) are now recognised as an expense in the income statement.

➨ The acquirer may choose to measure non-controlling interests in the acquiree at the date control is obtained on a transaction-by-transaction basis:

- either at fair value, whereby the full amount of goodwill is calculated and recognised (allocation of a portion of goodwill to non-controlling interests);
- or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, which requires determining "partial" goodwill in accordance with the original requirement applicable to business combinations carried out prior to 1 January 2010.

➨ Any adjustment to the purchase price is recognised at fair value as from the date control is acquired.

➨ In a business combination achieved in stages (step acquisitions), any previously held equity interest in the acquiree is remeasured to fair value through profit or loss. Goodwill is therefore calculated at the date control is obtained and no longer at each transaction date.

From a regulatory standpoint, loss of control of a consolidated subsidiary qualifies as an "economic event" which is material for the Group, and requires the remaining holding to be remeasured to fair value through profit or loss.

7 – TRANSACTIONS WITH NON-CONTROLLING INTERESTS

As from the end of the 2007 reporting period, Caisse des Dépôts Group chose to recognise in equity any difference between the cost of the shares and its share in the acquiree's adjusted net assets in transactions involving the acquisition of non-controlling interests in an entity already controlled by the Group. Costs directly attributable to the acquisition are also recognised as a deduction from equity.

Partial sales of non-controlling interests which do not result in a loss of control are also recognised by adjusting equity.

8 – SEGMENT INFORMATION

In accordance with IFRS 8, the segment information presented is based on internal reports that are used by Group management and reflect the Group's internal business organisation. Operating activities are organised and managed based on the type of service provided.

The Group's five business segments at 31 December 2011 and 31 December 2010 are:

➨ Caisse des Dépôts Division;
➨ Banking, Insurance & La Poste Division;
➨ Corporate Finance Division;
➨ Real Estate & Tourism Division;
➨ Infrastructure, Transport & Environment Division.

III – 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 by the amendment relating to the use of the fair value option published in 2005.

Financial assets and liabilities at fair value through profit or loss, hedging derivatives and available-for-sale financial assets are measured and recognised at market value on initial recognition and at subsequent reporting dates.

1.1 - Fair value of financial instruments

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 when the financial instrument is quoted in an active market is the quoted price. If the market for a financial instrument is not active, fair value is established by using valuation techniques.

• Instruments traded on an active market

A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is an active market for the instrument, the prices quoted in this market are used as the basis for calculating fair value.

If no quoted price is available at the measurement date, fair value is based on prices used in recent transactions.

These financial instruments are measured according to level 1 of the fair value hierarchy set out in the amendment to IFRS 7.

• Instruments traded on a market that is not active

If the market for a financial instrument is not active, fair value is established by using a valuation technique based on "observable" or "unobservable" market inputs.

These techniques and valuation models incorporate all factors that market participants would consider in setting a price. The calculation of fair value notably takes into account liquidity and counterparty risks.

Instruments measured using models based on observable inputs

Most instruments traded over-the-counter are measured using standard models drawing on observable market inputs, i.e., inputs that can be obtained on a regular basis from several independent sources outside the Group.

For example, the fair value of interest rate swaps is generally established using yield curves based on the market interest rates observed at the end of the reporting period.

These financial instruments are measured according to level 2 of the fair value hierarchy set out in the amendment to IFRS 7.

Instruments measured using models based largely on unobservable market inputs

The fair value of certain complex market instruments that are not traded on an active market is established using valuation techniques based on unobservable inputs, i.e., inputs that are not directly comparable to market data or valuation models not recognised by the markets.

These financial instruments are measured according to level 3 of the fair value hierarchy set out in the amendment to IFRS 7.

Unlisted equity instruments

The fair value of unlisted equity instruments is generally computed using a number of different techniques (discounted cash flows, adjusted net asset value or multiples for comparable companies):

➨ If fair value is based on data relating to comparable listed companies or, for property investments, on a revaluation of property using observable market inputs, equity instruments are classified in level 2 of the fair value hierarchy as defined by the amendment to IFRS 7;

➨ However, if fair value is calculated based on discounted cash flows or adjusted net asset value using internal company data, the equity instruments are classified in level 3 of the fair value hierarchy. This also applies to instruments measured using the multiples approach when the inputs require significant adjustments to reflect factors specific to the entity concerned.

When the fair value of unlisted equity instruments is equal to their carrying amount (no revaluation), the instruments are classified in level 2 of the fair value hierarchy.

In accordance with IAS 39, in the event that valuation techniques are unsatisfactory or the resulting range of reasonable fair value estimates is significant, the instrument continues to be recorded at cost within "Available-for-sale financial assets", as its fair value cannot be determined reliably. It is then classified in level 2 of the fair value hierarchy.

1.2 - 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 as at fair value through profit or loss upon initial recognition or under the fair value option);

➨ Available-for-sale financial assets;

➨ Held-to-maturity investments;

➨ Loans and receivables.

Securities purchases and sales are recognised in the statement of financial position on the settlement/delivery date, except in certain specific cases.

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

In accordance with IAS 39, this category includes financial assets and liabilities held for trading and financial assets and liabilities designated as at fair value through profit or loss under the fair value option.

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 (i) to avoid separately recognising and measuring derivatives embedded in hybrid contracts, or (ii) in the event that 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 provided that 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 the 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

In accordance with IAS 39, this category is used by default for all financial assets not classified in any of the other three categories.

It comprises fixed and variable income securities that are initially recognised at acquisition 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 suffered from other-than-temporary impairment, 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.

The criteria for assessing other-than-temporary impairment separate the notion of "significant" and "prolonged". Therefore, either a significant or a prolonged decline is sufficient to require the recognition of an impairment loss. The criteria used by Caisse des Dépôts (Central Sector) are based on two levels.

➨ Level 1: factors triggering a documented analysis

• Criteria associated with a "significant" decline in value: the closing price for the instrument at the end of the reporting period is more than 30% lower than its acquisition cost; or

• Criteria associated with a "prolonged" decline: the average price for the instrument over the previous 12 months is more than 30% lower than its acquisition cost.

These two criteria represent substantial evidence of impairment allowing the Group to identify the securities which will be subject to a documented multi-criteria analysis. Once the analysis is complete, the Group uses its "expert judgement" to determine whether impairment should be recognised against profit or loss.

➨ Level 2: factors automatically triggering an impairment loss
Except in duly authorised exceptional circumstances, an impairment loss will be recognised when either of the criteria automatically triggering impairment is met:

- the closing price for the instrument at the end of the reporting period is more than 50% lower than its acquisition cost; or
- the instrument has been trading at a price below its acquisition cost for more than three years.

When either of these conditions is met, the unrealised capital loss on the investment is automatically taken to the income statement.

The criteria applied by Caisse des Dépôts (Central Sector) are also applied by Group entities, unless alternative criteria for determining other-than-temporary impairment are deemed more relevant in light of the entity's business.

Impairment taken against equity instruments is recognised in "Gains and losses on available-for-sale financial assets, net" in the income statement and can only be reversed when the instrument is sold. Any subsequent decrease in market value results in an impairment loss recognised in the income statement.

An impairment loss is recognised in the income statement on debt instruments when there is a proven counterparty risk. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss may be reversed.

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, (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.

1.3 - 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 of 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 impairment loss is booked immediately for the probable loss. The impairment loss corresponds 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 recognition of significant general provisions.

1.4 - Financial liabilities

IAS 39 identifies two categories of financial liabilities:
- Financial liabilities at fair value through profit or loss (including financial liabilities designated as at fair value through profit or loss upon initial recognition or under the fair value option);
- 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.

1.5 - Debt securities

Financial instruments are classified 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.

1.6 - Derivative financial instruments

Derivative instruments are financial assets and liabilities initially recognised in the statement of financial position 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 statement of financial position under "Financial assets/liabilities at fair value through profit or loss". They are recognised as assets when their market 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

The accounting principles applicable to hedging instruments and hedged items depend on the hedging strategy and on whether or not they meet the criteria set out below:
- 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 the end of each reporting period.

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. In a fair value hedging relationship, the hedging instruments are remeasured at market value on the statement of financial position, with an offsetting entry to "Gains and losses on financial instruments at fair value through profit or loss, net" in the income statement, symmetrically with the gains and losses that arise on the item hedged. In the statement of financial position, the gain or loss from remeasuring the hedged component is recognised based on the classification of the hedged item in a relationship hedging identifiable assets or liabilities.
If the hedging relationship is discontinued or no longer meets the effectiveness criteria, the hedging instruments are reclassified to the trading book and accounted for in accordance with the rules applicable to this category.

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial instruments or a highly probable forecast transaction. In a cash flow hedging relationship, hedging instruments are remeasured at market value on the statement of financial positions, with an offsetting entry to a specific line of equity, "Unrealised or deferred gains and losses". The amounts accumulated in equity over the life of the hedge are taken to profit or loss under "Interest income" or "Interest expense" as and when the hedged item itself affects profit or loss. Hedged items continue to be accounted for under the rules applicable to their category.
If the hedging relationship is discontinued or no longer meets the effectiveness criteria, the cumulative gain or loss on the hedging instruments that has been recognised in equity will remain in equity until the forecast transaction affects profit or loss or until the transaction is no longer expected to occur, in which case it is reclassified to profit or loss. If the hedged item no longer exists, the amounts accumulated in equity are recognised immediately in profit or loss.

A net investment hedge is a hedge of the exposure to unfavourable changes in fair value attributable to the currency risk on an investment other than in euros. The recognition principles applicable to net investment hedges are identical to those for cash flow hedges.

Irrespective of the hedging strategy, hedge ineffectiveness is recognised in the income statement under "Gains and losses on financial instruments at fair value through profit or loss, net".

The Group has chosen to recognise certain hedged items and the related hedging instruments 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".

1.7 - 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 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.

1.8 - 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.

1.9 - Repurchase agreements and securities lending/borrowing

Securities lent or sold under a repurchase agreement continue to be shown on the statement of financial position of the lender/seller. However, if the borrower/acquiree is free to sell, lend or enter into a repurchase agreement concerning the securities, they are reclassified in a sub-account of securities or receivables.

Securities borrowed or acquired under a repurchase agreement are not shown on the statement of financial position of the borrower/acquiree. However, if the borrower/acquiree sells, lends or enters into a repurchase agreement concerning the securities, a liability is recorded at fair value in the borrower/acquiree's statement of financial position, representing the obligation to buyback these securities.

2 - INVESTMENTS IN ASSOCIATES

The Group's investments in associates are accounted for by the equity method.

Under this method, the investment is initially recognised at cost and subsequently adjusted to reflect any changes in the Group's equity in net assets after the acquisition date. Goodwill relating to investments in associates is included in the carrying amount of the investment and is not amortised.

The income statement reflects the Group's share of the associate's earnings.

After the investment has been accounted for by the equity method, the Group applies the provisions of IAS 39 to determine whether an impairment loss should be recognised.

If there is evidence that the investment may be impaired within the meaning of IAS 39, the full amount of the investment is tested for impairment in accordance with IAS 36. In practice, impairment is usually determined by comparing the carrying amount of the equity-accounted investment with its value in use, calculated using the discounted cash flow method.

When an impairment loss is recognised, it is charged against the value of the equity-accounted investment in the statement of financial position, and may subsequently be reversed if the value in use or market value of the investment increases.

3 - 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 statement of financial position 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.

4 - FOREIGN CURRENCY TRANSACTIONS

At the end of each reporting period, 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 gain or loss 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 at the end of the reporting period.

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.

5 - EMPLOYEE BENEFITS

Benefits granted to the Group's employees 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 12 months of the end of the reporting period;

➨ 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 jubilee and other long-service benefits, that are payable 12 months or more after the end of the reporting period;

➨ Termination benefits.

5.1 - Short-term benefits

Short-term employee benefits are employee benefits which fall wholly due within 12 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.

5.2 - Post-employment benefits

Post-employment benefits 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 or by the State for public service employees. 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 end of the reporting period, calculated by the projected unit credit method, less the fair value of the plan assets, if any.

The provision is adjusted at the end of each reporting period to reflect changes in the projected benefit obligation.

Differences resulting from changes in actuarial assumptions or experience adjustments give rise to actuarial gains and losses.

The Group uses the option available under IAS 19 as amended in 2005, whereby all actuarial gains and losses relating to post-employment defined benefit plans are recognised 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.

5.3 - Other long-term benefits

Other long-term benefits are benefits other than post-employment benefits and termination benefits that do not fall wholly due within 12 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.

6 - 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 equity instruments granted 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 the end of each reporting period, 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.

7 - FIXED ASSETS

Fixed assets in the consolidated statement of financial position include owner-occupied property and equipment, intangible assets and investment property.

Owner-occupied property is held for use in the production or supply of goods or 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 shell: 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 three years.

At the end of each reporting period, 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.

8 - 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 reporting period for the difference between these two amounts.
Impairment losses recognised on goodwill related to subsidiaries and intangible assets with indefinite useful lives cannot be reversed.

9 - 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 at the inception of the lease;
- The leased assets are of such a specialised nature that only the lessee can use them without major modifications.

In the lessee's 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.

10 - PROVISIONS RECORDED UNDER LIABILITIES

Provisions recorded under liabilities, other than those relating to financial investments, employee benefits and insurance contracts are mainly 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 of discounting 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 using the liability method for temporary differences between the carrying amount of assets and liabilities and their tax base. 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 enacted or substantively enacted.

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 directly or indirectly held Group entities 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 2011 were as follows:

<u>future differences to reverse in 2012:</u>

- 36.10% (including the additional social contribution) for transactions falling within the scope of the statutory tax regime (34.43% at 31 December 2010);
- 16.25% (including the additional social contribution) for transactions eligible for the long-term reduced rate, applicable to sales of shares in tax-efficient venture capital funds (FCPR *fiscaux*) held for more than five years, provisions for shares in tax-efficient venture capital funds and certain asset distributions made by these funds (15.5% at 31 December 2010);
- 20.58% (including the additional social contribution) for transactions (sales and provisions) relating to shares in listed property companies (*Titres de sociétés à prépondérance immobilière* – TSPI) held for more than two years (19.63% at 31 December 2010);
- 3.61% for transactions (sales and provisions) relating to participating interests (*titres de participation*) as defined in French accounting and tax rules (investments representing more than 5% of capital) held for over two years, other than unlisted TSPIs falling under the statutory tax regime of 36.1% (1.72% at 31 December 2010).

<u>future differences to reverse after 2012:</u>

- 34.43% (including the additional social contribution) for transactions falling within the scope of the statutory tax regime, unchanged from 31 December 2010;
- 15.5% (including the additional social contribution) for transactions eligible for the long-term reduced rate, applicable to sales of shares in tax-efficient venture capital funds held for more than five years, provisions for shares in tax-efficient venture capital funds and certain asset distributions made by these funds, unchanged from 31 December 2010;
- 19.63% (including the additional social contribution) for transactions (sales and provisions) relating to shares in listed property companies held for more than two years, unchanged from 31 December 2010;
- 3.44% for transactions (sales and provisions) relating to participating interests as defined in French accounting and tax rules (investments representing more than 5% of capital) held for over two years, other than unlisted TSPIs falling under the statutory tax regime of 34.43% (1.72% at 31 December 2010).

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 statement of financial position under the captions corresponding to their characteristics, and in the income statement under "Income / Expenses 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 mostly 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 contracts 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. Technical reserves recognised in respect of these contracts continue to be measured in accordance with French GAAP. Shadow accounting is applied to contracts with DPF.

Shadow accounting is an accounting technique used to eliminate any artificial asset / liability mismatches that result from the different methods used to value assets and liabilities. In shadow accounting, valuation gains or losses on financial assets which may be applicable to policyholders are recognised in a deferred participation account. This reflects policyholders' potential interests in unrealised gains on financial instruments carried at fair value, or their share of losses if unrealised losses are reported.
The net deferred participation resulting from shadow accounting is recognised in liabilities under "Insurance company technical reserves" or in assets under "Deferred participation assets", as applicable.
The recoverability of the deferred participation asset is tested to determine whether, assuming that the Group continues as a going concern, it can be deducted from policyholders' share in future or unrealised profits and does not result in the Group booking inadequate liabilities compared with its liabilities for economic purposes.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset plus insurance-related intangible assets) are adequate based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation, less related deferred acquisition costs and intangible assets, is less than the fair value of the recognised insurance liability, the shortfall is recognised in the income statement.

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

13 - CAPITAL

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

3. Notes to the consolidated income statements

3.1 Interest income and expense

(in millions of euros)	31.12.2011			31.12.2010		
	Income	Expense	Net	Income	Expense	Net
Ordinary accounts in debit/credit	31		31	22		22
Accounts and loans/borrowings with fixed maturities	27	(255)	(228)	6	(234)	(228)
Repurchase and resale agreements	1		1			
Other, including hedging instruments	22	(4)	18	8	(6)	2
Interbank transactions	**81**	**(259)**	**(178)**	**36**	**(240)**	**(204)**
Ordinary accounts in debit/credit	10		10	10		10
Accounts and loans/borrowings with fixed maturities	264	(488)	(224)	395	(442)	(47)
Other, including hedging instruments	48		48	29		29
Customer transactions	**322**	**(488)**	**(166)**	**434**	**(442)**	**(8)**
Available-for-sale financial assets	3,841		3,841	3,931		3,931
Held-to-maturity investments	860		860	801		801
Other, including hedging instruments	(184)		(184)	(185)		(185)
Financial instruments	**4,517**		**4,517**	**4,547**		**4,547**
Debt securities		(239)	(239)		(209)	(209)
Subordinated debt		(58)	(58)		(36)	(36)
Borrowings		**(297)**	**(297)**		**(245)**	**(245)**
Total interest income and expense	**4,920**	**(1,044)**	**3,876**	**5,017**	**(927)**	**4,090**

3.2 Fee and commission income and expense

(in millions of euros)	31.12.2011		31.12.2010	
	Income	Expense	Income	Expense
Interbank and similar transactions				
Customer transactions	7		5	
Securities and derivatives transactions		(24)		(23)
Financial services transactions	74	(40)	70	(33)
Other fees and commissions				
Fee and commission income and expense	**81**	**(64)**	**75**	**(56)**

3.3 Gains and losses on financial instruments at fair value through profit or loss, net

(in millions of euros)	31.12.2011		31.12.2010	
	Total	o/w fair value option	Total	o/w fair value option
Disposal gains and losses, net	(10)	18	24	9
Fair value adjustments, interest income or expense	(555)	21	1,022	77
Dividend income	92		127	4
Other income and expense, net	1,392		(186)	
Securities	**919**	**39**	**987**	**90**
Disposal gains and losses, net	(2)		(2)	
Fair value adjustments, interest income or expense	(167)		(22)	
Other income and expense, net				
Futures and options (excluding hedging instruments)	**(169)**		**(24)**	
Disposal gains and losses, net				
Fair value adjustments, interest income or expense				
Other income and expense, net				
Loans				
Disposal gains and losses, net				
Fair value adjustments, interest income or expense	76	76	(17)	(16)
Other income and expense, net	(136)	(136)	(141)	(141)
Borrowings	**(60)**	**(60)**	**(158)**	**(157)**
Disposal gains and losses, net				
Fair value adjustments, interest income or expense				
Other income and expense, net				
Commitments				
Fair value hedges	13		1	
Ineffective portion of cash flow hedges	(11)		(16)	
Hedging instruments	**2**		**(15)**	
Portfolios hedged against interest rate risk				
Portfolios hedged against interest rate risk				
Currency instruments	37		70	
Currency instruments	**37**		**70**	
Total gains and losses on financial instruments at fair value through profit or loss, net	**729**	**(21)**	**860**	**(67)**

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

(in millions of euros)	31.12.2011	31.12.2010
Disposal gains and losses, net	118	82
Fixed-income securities	**118**	**82**
Disposal gains and losses, net	1,430	434
Other-than-temporary impairment	(2,110)	(486)
Dividend income	1,472	1,319
Variable-income securities	**792**	**1,267**
Loans		
Other	**2**	**1**
Total gains and losses on available-for-sale financial assets, net	**912**	**1,350**

3.5 Income and expense from other activities

(in millions of euros)	31.12.2011		31.12.2010	
	Income	Expense	Income	Expense
Income and expenses from investment property (*)	1,480	(585)	2,613	(506)
Income and expenses from other activities	7,222	(2,525)	5,588	(2,303)
Income and expenses from insurance activities	12,726	(15,690)	12,620	(16,318)
Total income and expenses from other activities, net	**21,428**	**(18,800)**	**20,821**	**(19,127)**

(*) Including net gains on disposals of housing units by Icade totalling €32 million in 2011 and €1,158 million in 2010.

3.6 General operating expenses

(in millions of euros)	31.12.2011	31.12.2010
Employee benefits expense	**(3,766)**	**(2,980)**
Other expenses and external services	(1,572)	(1,068)
Provision (charges)/reversals	(5)	(5)
Other general operating expenses	**(1,577)**	**(1,073)**
Total general operating expenses	**(5,343)**	**(4,053)**

The increase is chiefly attributable to the consolidation of Veolia Transdev as from March 2011.

3.7 Cost of risk

(in millions of euros)	31.12.2011		31.12.2010	
	Income	Expense	Income	Expense
Impairment of loans and receivables due from credit institutions			1	
Impairment of loans and receivables due from customers	23	(30)	24	(19)
Other-than-temporary impairment in value of available-for-sale financial assets	15	(15)	49	(37)
Impairment of held-to-maturity investments		(60)		
Impairment of signature commitments and other commitments				
Impairment losses	**38**	**(105)**	**74**	**(56)**
Other provisions for counterparty risk	21	(5)	12	(21)
Other provisions for counterparty risk	**21**	**(5)**	**12**	**(21)**
Loan losses and bad debts		(18)		(24)
Recoveries on loans and receivables written off in prior years				
Losses and recoveries		**(18)**		**(24)**
Cost of risk	**59**	**(128)**	**86**	**(101)**

3.8 Gains and losses on other assets, net

(in millions of euros)	31.12.2011	31.12.2010
Gains and losses on disposals of property and equipment and intangible assets	(6)	(1)
Gains and losses on disposals of property and equipment and intangible assets	**(6)**	**(1)**
Gains and losses on disposals of securities[1]	181	75
Dilution gains and losses		
Other gains and losses on long-term equity interests	(2)	(18)
Gains and losses on long-term equity interests	**179**	**57**
Other gains and losses		1
Other gains and losses		**1**
Total gains and losses on other assets, net	**173**	**57**

(1) Including €138 million relating to gains on the disposal of Transdev.

3.9 Income tax expense

3.9.1 Analysis of income tax expense

(in millions of euros)	31.12.2011	31.12.2010
Current taxes	(696)	(816)
Deferred taxes	116	322
Income tax expense	**(580)**	**(494)**

3.9.2 Reconciliation of theoretical and effective tax rates

(in millions of euros)	31.12.2011	31.12.2010
Net profit (loss) attributable to owners	206	2,151
Non-controlling interests	552	1,087
Share of profit (loss) of associates	828	(140)
Change in value of goodwill	225	5
Net profit (loss) from discontinued operations	1	(2)
Income tax expense	580	494
Profit before tax, change in value of goodwill and share of profit (loss) of associates	**2,392**	**3,595**
Standard French tax rate[1]	36.10%	34.43%
Theoretical tax expense	**(864)**	**(1,238)**
Effect of tax-exempt transactions and transactions taxed at reduced rate	103	164
Effect of permanent differences	142	606
Utilisation of tax loss carryforwards	(27)	(50)
Tax credits	15	15
Other	51	9
Income tax expense	**(580)**	**(494)**
Effective tax rate	**24.23%**	**13.73%**

(1) The theoretical tax rate is the statutory tax rate (including the additional social contribution and the exceptional income tax contribution due in 2011) payable on corporate profits taxable in France.

3.10 Segment information

(in millions of euros)	Caisse des Dépôts Division		Banking, Insurance & La Poste Division	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Interest income	1,683	1,520	3,145	3, 415
Interest expense	(723)	(643)	(60)	(38)
Fee and commission income	21	20		
Fee and commission expense	(44)	(38)	(19)	(17)
Gains and losses on financial instruments at fair value through profit or loss, net	53	(12)	656	807
Gains and losses on available-for-sale financial assets, net	56	400	105	348
Income from other activities	451	426	13,190	12,957
Expenses from other activities	(586)	(539)	(15,944)	(16,555)
Net banking income	**911**	**1,134**	**1,073**	**917**
General operating expenses	(360)	(311)	(367)	(375)
Depreciation, amortisation and impairment of property and equipment and intangible assets	(105)	(107)	(31)	(13)
Gross operating profit (loss)	**446**	**716**	**675**	**529**
Cost of risk	(52)	(8)		(15)
Operating profit (loss)	**394**	**708**	**675**	**514**
Share of profit (loss) of associates	8	45	(956)	(60)
Gains and losses on other assets, net	200	(4)		14
Change in value of goodwill			(30)	
Profit (loss) before tax	**602**	**749**	**(311)**	**468**
Income tax expense	(154)	(280)	(187)	(9)
Net profit (loss) from discontinued operations				
Net profit (loss)	**448**	**469**	**(498)**	**459**
Non-controlling interests		(9)	(131)	(130)
Net profit (loss) attributable to owners	**448**	**460**	**(629)**	**329**

Corporate Finance Division		Real Estate & Tourism Division		Infrastructure, Transport & Environment Division		Total	
31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
59	50	9	7	24	25	4,920	5,017
7	5	(224)	(219)	(44)	(32)	(1,044)	(927)
60	55					81	75
(1)	(1)					(64)	(56)
37	72	(14)	(10)	(3)	3	729	860
741	647	28	(47)	(18)	2	912	1,350
12	28	3,070	4,167	4,705	3,243	21,428	20,821
(2)	(5)	(1,475)	(1,394)	(793)	(634)	(18,800)	(19,127)
913	**851**	**1,394**	**2,504**	**3,871**	**2,607**	**8,162**	**8,013**
(95)	(83)	(921)	(946)	(3,600)	(2,338)	(5,343)	(4,053)
(1)	(1)	(116)	(120)	(278)	(166)	(531)	(407)
817	**767**	**357**	**1,438**	**(7)**	**103**	**2,288**	**3,553**
		(2)	(11)	(15)	19	(69)	(15)
817	**767**	**355**	**1,427**	**(22)**	**122**	**2,219**	**3,538**
57	57	17	12	46	86	(828)	140
(2)		(7)	33	(18)	14	173	57
			(3)	(195)	(2)	(225)	(5)
872	**824**	**365**	**1,469**	**(189)**	**220**	**1,339**	**3,730**
(153)	(81)	(88)	(91)	2	(33)	(580)	(494)
			2	(1)		(1)	2
719	**743**	**277**	**1,380**	**(188)**	**187**	**758**	**3,238**
(324)	(367)	(71)	(562)	(26)	(19)	(552)	(1,087)
395	**376**	**206**	**818**	**(214)**	**168**	**206**	**2,151**

4. Notes to the consolidated statement of financial position

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

(in millions of euros)	31.12.2011		31.12.2010	
	Held for trading	Fair value option	Held for trading	Fair value option(*)
Government bonds and treasury bills	10,914	956	11,272	909
Negotiable debt securities	411	227	532	214
Mutual funds	11,498		12,227	
Other securities			4	
Fixed-income securities	**22,823**	**1,183**	**24,035**	**1,123**
Equities	1,986		2,641	
Venture capital funds	1		3	
Other securities	811	2,673	888	2,462
Equities and other variable-income securities	**2,798**	**2,673**	**3,532**	**2,462**
Derivative instruments held for trading	2,317		1,849	
Derivative instruments held for trading	**2,317**		**1,849**	
Total financial assets at fair value through profit or loss	**27,938**	**3,856**	**29,416**	**3,585**

(*) Amounts taken from the 2010 financial statements have been restated.

(in millions of euros)	31.12.2011		31.12.2010	
	Held for trading	Fair value option	Held for trading	Fair value option
Credit institutions				
Customers				
Accounts and borrowings with fixed maturities				
Bonds				
Negotiable debt securities		4,473		4,669
Other				
Debt securities		**4,473**		**4,669**
Borrowed securities and short sales				
Borrowed securities and short sales				
Derivative instruments held for trading	1,650		1,492	
Derivative instruments held for trading	**1,650**		**1,492**	
Total financial liabilities at fair value through profit or loss	**1,650**	**4,473**	**1,492**	**4,669**

4.2 Hedging instruments

(in millions of euros)	31.12.2011	31.12.2010
Interest rate derivatives	115	97
Currency derivatives		
Equity derivatives		
Other derivatives	50	
Fair value hedges	**165**	**97**
Interest rate derivatives	325	212
Currency derivatives	12	
Equity derivatives		
Other derivatives		
Cash flow hedges	**337**	**212**
Interest rate derivatives		
Currency derivatives		
Equity derivatives		
Other derivatives		
Hedges of net investments in foreign operations		
Total hedging instruments with a positive fair value	**502**	**309**

(in millions of euros)	31.12.2011	31.12.2010
Interest rate derivatives	756	619
Currency derivatives		
Equity derivatives		
Other derivatives	4	
Fair value hedges	**760**	**619**
Interest rate derivatives	681	426
Currency derivatives		
Equity derivatives		
Other derivatives	3	1
Cash flow hedges	**684**	**427**
Interest rate derivatives		
Currency derivatives		
Equity derivatives		
Other derivatives		
Hedges of net investments in foreign operations		
Total hedging instruments with a negative fair value	**1,444**	**1,046**

4.3 Available-for-sale financial assets

(in millions of euros)	31.12.2011			31.12.2010		
	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses	Fair value	o/w hedged portion (fair value hedge)	o/w unrealised gains and losses
Government bonds and treasury bills	74,436	72	83	82,080	43	896
Negotiable debt securities	32,544	408	(52)	22,654	262	69
Mutual funds	5,812		91	4,184		268
Other securities	1,039		(27)	866		(15)
Accrued interest	1,772			1,829		
Fixed-income securities	**115,603**	**480**	**95**	**111,613**	**305**	**1,218**
Equities	29,028		3,611	32,654		7,010
Venture capital funds	888		120	669		59
Other securities	4,736		596	5,907		1,088
Equities and other variable-income securities	**34,652**		**4,327**	**39,230**		**8,157**
Total available-for-sale financial assets	**150,255**	**480**	**4,422**	**150,843**	**305**	**9,375**

■ Available-for-sale financial assets: impairment losses

(in millions of euros)	31.12.2011	31.12.2010
Fixed-income securities	(738)	(256)
Equities and other variable-income securities	(8,195)	(6,568)
Total impairment losses	**(8,933)**	**(6,824)**

4.4 Loans and receivables due from credit institutions

(in millions of euros)	31.12.2011	31.12.2010
Ordinary accounts in debit and overnight loans	5,597	3,653
Savings fund current accounts		
Securities and other assets purchased under collateralised fixed resale agreements		
Accrued interest	7	5
Non-performing items		
Impairment losses		
Loans to credit institutions repayable on demand	**5,604**	**3,658**
Accounts and loans with fixed maturities	6,271	1,012
Term loans in respect of the Savings Funds		
Securities and other assets purchased under collateralised fixed resale agreements		
Participating loans		
Subordinated loans		
Advances on securities transactions		
Other receivables		
Accrued interest	5	
Non-performing items	31	203
Impairment losses	(31)	(203)
Loans and receivables due from credit institutions with fixed maturities	**6,276**	**1,012**
Total loans and receivables due from credit institutions	**11,880**	**4,670**

4.5 Loans and receivables due from customers

(in millions of euros)	31.12.2011	31.12.2010
Ordinary accounts in debit	983	1,249
Accrued interest		
Non-performing items	5	5
Impairment losses	(5)	(4)
Ordinary accounts in debit	**983**	**1,250**
Loans to financial sector customers	4	5
Cash facilities	1,427	20,617
Equipment financing	487	492
Housing loans	506	486
Advances on securities transactions	791	566
Participating loans		
Subordinated loans	19	24
Finance lease receivables	24	26
Securities and other assets purchased under uncollateralised resale agreements		
Other loans	3,577	2,594
Accrued interest	131	334
Non-performing items	658	453
Impairment losses	(347)	(146)
Other loans and receivables due from customers	**7,277**	**25,451**
Reinsurers' share of insurance and financial liabilities	3,316	2,991
Other insurance assets	1,231	1,368
Insurance and reinsurance receivables	**4,547**	**4,359**
Total loans and receivables due from customers	**12,807**	**31,060**

4.6 Held-to-maturity investments

(in millions of euros)	31.12.2011	31.12.2010
Government bonds and treasury bills	17,123	13,939
Negotiable debt securities	3,463	5,840
Other securities		1
Accrued interest	461	410
Impairment losses	(77)	(19)
Fixed-income securities	**20,970**	**20,171**
Other held-to-maturity investments		
Held-to-maturity investments	**20,970**	**20,171**

4.7 Income taxes

(in millions of euros)	31.12.2011	31.12.2010
Deferred tax assets (liabilities), net(1)	(137)	(951)
Current tax assets (liabilities), net	(65)	(305)
Total	**(202)**	**(1,256)**

(1) Deferred tax assets are positive amounts, deferred tax liabilities are negative amounts.

■ Analysis of deferred taxes

(in millions of euros)	31.12.2011	31.12.2010
Fair value adjustments to financial instruments and securities	(1,240)	(1,864)
Rollover relief	(282)	(336)
Fair value adjustments to financial assets at fair value through profit or loss	233	215
Temporary differences – securities	1,151	934
Temporary differences – other	1	100
Total recognised deferred tax assets and liabilities, net	**(137)**	**(951)**
of which *deferred tax assets*	*752*	*136*
deferred tax liabilities	*(889)*	*(1,087)*

4.8 Prepayments, accrued income and other assets

(in millions of euros)	31.12.2011	31.12.2010
Prepaid expenses	120	71
Accrued income	183	219
Other accruals	1,728	1,227
Prepayments and accrued income	**2,031**	**1,517**
Miscellaneous receivables	4,297	2,701
Inventories	924	709
Guarantee deposits	190	157
Accounts receivable	1,573	1,111
Other(1)	2,295	2,188
Impairment losses	(189)	(139)
Other assets	**9,090**	**6,727**
Total prepayments, accrued income and other assets	**11,121**	**8,244**

(1) Including the French State's share in the SIF's uncalled subscribed share capital for an amount of €1,780 million.

4.9 Non-current assets and liabilities classified as held for sale

(in millions of euros)	31.12.2011	31.12.2010
Assets		
Loan portfolios		
Securities and derivatives portfolios		
Investment property[(1)]	89	134
Owner-occupied property	35	972
Other assets held for sale[(2)]		1,151
Assets held for sale	**124**	**2,257**
Loan portfolios		
Securities and derivatives portfolios		
Investment property		
Owner-occupied property		
Other assets of discontinued operations		5
Assets of discontinued operations		**5**
Total non-current assets held for sale	**124**	**2,262**
Liabilities		
Liabilities related to non-current assets held for sale[(2)]	84	1,665
Liabilities related to non-current assets held for sale	**84**	1,665
Due to credit institutions and customers		14
Derivative instruments		
Debt securities		
Subordinated debt		
Other liabilities	25	7
Liabilities related to assets of discontinued operations	**25**	**21**
Total non-current liabilities related to assets classified as held for sale	**109**	**1,686**

(1) The estimated market value of investment property held for sale and recognised at amortised cost was €120 million at 31 December 2011 and €145 million at 31 December 2010.
(2) Assets held for sale and related liabilities in 2010 mainly concern the merger of Transdev into the Veolia Transdev group.

4.10 Investments in associates

4.10.1 Statement of financial position

(in millions of euros)	31.12.2011		31.12.2010	
	Carrying amount	o/w goodwill	Carrying amount	o/w goodwill
Caisse des Dépôts Division	**92**	**63**	**121**	**63**
LOGISTIS			36	
AEW EUROPE	92	63	85	63
Banking, Insurance & La Poste Division	**1,450**	**191**	**1,526**	**128**
DEXIA[1]	0	0	1,526	128
LA POSTE	1,450	191		
Corporate Finance Division	**3,463**	**770**	**2,768**	**800**
SA OSÉO	564		544	
EIFFAGE	649	97	675	101
SOPROL	253		280	26
EUTELSAT COMMUNICATIONS	1,023	592	984	592
SÉCHÉ ENVIRONNEMENT	112	39	113	39
HIME	4		46	
TYROL ACQUISITION 1 & CIE SCA	23		57	
DAHER SA	68	42	69	42
ST MICROELECTRONICS	767			
Real Estate & Tourism Division	**157**	**20**	**118**	**20**
ICADE GROUP	1		4	
COMPAGNIE DES ALPES GROUP	61	20	58	20
SANTOLINE	51		56	
SNI GROUP	44			
Infrastructure, Transport & Environment Division	**572**		**590**	
VERDUN PARTICIPATIONS 1	86		93	
VEOLIA TRANSDEV GROUP	4			
COMPAGNIE NATIONALE DU RHÔNE	475		490	
EGIS GROUP	7		7	
Investments in associates	**5,734**	**1,044**	**5,123**	**1,011**

(1) See Note 4.10.3.

4.10.2 Income statement

(in millions of euros)	31.12.2011		31.12.2010	
	Share of profit (loss) of associates	o/w adjustments to the value of goodwill	Share of profit (loss) of associates	o/w adjustments to the value of goodwill
Caisse des Dépôts Division	**8**		**46**	**39**
LOGISTIS	1		2	
AEW EUROPE	7		5	
SÉCHÉ ENVIRONNEMENT(2)			39	39
Banking, Insurance & La Poste Division	**(955)**	**(128)**	**(60)**	**(349)**
DEXIA	(1,003)	(128)	(60)	(349)
LA POSTE	48			
Corporate Finance Division	**57**	**(31)**	**57**	**(27)**
SA OSEO	28		21	
EIFFAGE	50	(5)	67	
SOPROL	(26)	(26)	(50)	(27)
EUTELSAT COMMUNICATIONS	87		82	
SÉCHÉ ENVIRONNEMENT	4		6	
HIME	(23)		(21)	
TYROL ACQUISITION 1 & CIE SCA	(67)		(48)	
ST MICROELECTRONICS	4			
Real Estate & Tourism Division	**17**		**12**	
ICADE GROUP	1		3	
COMPAGNIE DES ALPES GROUP	4		3	
SANTOLINE	2		6	
SNI GROUP	10			
Infrastructure, Transport & Environment Division	**45**		**85**	
VERDUN PARTICIPATIONS 1	(4)		(2)	
COMPAGNIE NATIONALE DU RHÔNE	50		80	
EGIS Group	(1)		7	
Share of profit (loss) of associates	**(828)**	**(159)**	**140**	**(337)**

(2) Adjustment recognised prior to its contribution to the SIF in 2009.

4.10.3 Equity-accounted interest in Dexia

On 30 September 2008, Dexia carried out a €6 billion capital increase subscribed by the Belgian and French States and major shareholders including Caisse des Dépôts. Given the increase in the Group's stake in Dexia and the presence of directors representing Caisse des Dépots on Dexia's board of directors, the Group's investment was equity-accounted as from 1 October 2008 in its consolidated financial statements. Following the capital increase, the total cost of acquiring Dexia shares was €2.9 billion and the goodwill initially recognised on the business combination in the consolidated financial statements amounted to €1.75 billion.

The share of Dexia's equity attributable to the Group and used as a basis to calculate goodwill at 1 October 2008 (€8.5 billion) comprised core equity amounting to €20 billion and unrealised gains and losses recognised directly in equity, representing a negative amount of €11.5 billion.

For the purpose of preparing the consolidated financial statements of Caisse des Dépôts, the amount of unrealised gains and losses recognised directly in equity was fixed within Dexia's core equity at 30 September 2008. Since 1 October 2008, Caisse des Dépôts has only accounted for movements arising after that date in its share of unrealised gains and losses recognised directly in equity (13%).

Dexia's 2011 financial statements were drawn up in accordance with the accounting rules applicable in a going concern situation and rely on a certain number of assumptions set out in section III of "Significant events" in Caisse des Dépôts' consolidated financial statements.

At 31 December 2011, Dexia's equity comprised:

(in millions of euros)

Core equity	7,589
Unrealised gains and losses recognised directly in equity	(9,607)
Total equity attributable to the Group	**(2,018)**

The share of Dexia's equity attributable to the Group and used to prepare the consolidated financial statements of Caisse des Dépôts is therefore shown taking into account the remaining unrealised gains and losses fixed within its core equity at 1 October 2008, representing an amount of €4,112 million:

(in millions of euros)		Attributable to CDC (13%)	Per share held (in euros)
Core equity	3,477	453	1.78
Unrealised gains and losses recognised directly in equity	(5,495)	(716)	(2.82)
Total equity attributable to the Group	**(2,018)**	**(263)**	**(1.04)**

Caisse des Dépôts has no further commitment to Dexia beyond its current investment. Consequently, its share in Dexia's equity was written down to zero in accordance with IAS 28. The unrealised gains and losses relating to the investment in Dexia and recognised directly in equity at 31 December 2011 therefore represented a negative amount of €453 million (the portion exceeding core equity, i.e., a negative €263 million, was not taken into account).

The Group has maintained the unrealised gains and losses relating to Dexia at 31 December 2011 in its 2011 financial statements. This decision was taken amid an acceleration in Dexia's financial restructuring plan and is based on the assumption that Caisse des Dépôts will be able to recover these amounts given the nature and quality of the underlying assets and Dexia's ability to finance these assets at a cost (including the cost of the States' guarantee) which enables it to preserve its level of capital. As indicated in section III of "Significant events" in the notes to the consolidated financial statements, these assumptions rely on certain external factors concerning decisions to be taken by the Belgian, French and Luxembourg States and on the approvals to be obtained from the European Commission. Whether or not these assumptions will prove accurate remains uncertain. The consolidated financial statements of the Dexia group for the year ended 31 December 2011 were prepared in accordance with the accounting rules applicable in a going concern situation, taking into account the above factors.

This going concern assumption was supported by a business plan validated by the Group's board of directors relying on a certain number of key assumptions and uncertainties which are summarised below:

➨ The business plans drawn up by each Group entity were subjected to various stress scenarios which impacted both the balance sheet and the profitability of the entities. The sensitivity of Group entities was tested with regard to interest rate, exchange rate and credit spread risks in particular.

➨ The full impacts of planned entity disposals were also taken into account.

➨ As announced by Dexia in October 2011, the plan consists of the disposal of viable commercial franchises and then the long-term management of Dexia's assets in run-off in line with the group's new scope, by taking portfolios to maturity.

➨ The macroeconomic scenario used assumes a minor recession over the next two years followed by a gradual recovery as from 2014. No major adverse event was assumed for this period.

➨ One of the central assumptions of the business plan is that the plan to be submitted by the States will be validated by the European Commission. This plan includes a definitive funding guarantee of €90 billion, granted by the States without a collateral contribution. The cost of the funding is one of the key elements likely to influence the Group's profitability. The assumption used assumes that the favourable conditions for access to central bank refinancing currently available to European banks will continue, although they are likely to be revised at some point, particularly if market conditions improve. The remuneration payable by Dexia on the States' guarantee is considered to be sufficiently low to enable Dexia's restructuring to be completed. However, any improvement in the financial situation of Dexia SA could result in the remuneration payable on the guarantee being renegotiated under new terms and conditions.

➨ The scenario assumes that Group entities will keep their banking licences, despite any failure to comply with certain regulatory liquidity ratios. The scenario is also based on the assumption that Dexia SA's credit rating will remain unchanged.

➨ Based on the assumptions and scenarios used, the business plan concludes that the Dexia Group is a viable business.

Although Dexia management considers this as the most plausible scenario, significant risks remain should the assumptions used not prove accurate:

- A more severe recession than forecast could generate big credit losses (by impacting the sovereign debt held by the Group) and keep Dexia's negative AFS reserves at a high level.
- Similarly, should market expectations as regards interest rates or their maintenance at low levels in the future not materialise, this would lead to more collateral than expected in the plan being paid in respect of hedging derivatives and would considerably increase Dexia's funding requirements and hence recourse to the States' guarantee.
- A downgrade in Dexia SA's credit rating or in the credit rating of its guarantor States beyond a certain threshold could also adversely affect the Group's liquidity situation and impact its funding costs.
- Implementation of the definitive guarantee is subject to a certain number of conditions precedent, including obtaining the European Commission's approval. A delay in putting in place the guarantee could have very significant consequences on the Group's results, as significant loans are up for renewal as from the beginning of 2013.

The recoverable amount of the Dexia share was therefore calculated using an approach based on the present value of the Group's net equity. This is based on the business plan approved by Dexia's board of directors for 2012-2020. The plan consists of a series of targets for each year between 2012 and 2016 and forecasts for the following years through to 2020.

The present value of Dexia's equity per share is €1.85 based on a 10% discount rate, €2.37 based on a 7% discount rate, and €3.06 based on a discount rate of 4%.

However, the recoverable amount of a Dexia share is dependent on and sensitive to the realisation of all of the key assumptions discussed above.

The market price for Dexia shares was not used as a basis to establish the recoverable amount of the Group's investment in Dexia in Caisse des Dépôt's consolidated financial statements. The Dexia share price was extremely volatile in 2011, reflecting a predominance of transactions by dealers and speculative funds – particularly in fourth-quarter 2011. As a result, hardly any institutional or retail investors continue to trade in Dexia shares, particularly after an announcement by the States that the Group had begun to be unwound in an orderly fashion. Moreover, analysts considerably reduced coverage of the Dexia share. Changes in the Dexia share price are now prompted mainly by technical market factors such as liquidity and specific trading strategies, which include taking long and short positions on the Dexia's share with regard to sector indices and trackers or ETFs. Accordingly, the market price does not reflect Dexia's fundamentals or financial prospects. This phenomenon worsened in recent months after the decision of the Euronext Indices Committee on 27 February 2012 to withdraw Dexia from its BEL20 index, the main stock market index on the Brussels stock exchange.

In its 2011 financial statements, Caisse des Dépôts therefore maintained the carrying value of its investment in Dexia at an amount equal to its share in Dexia's core equity as determined for the purpose of preparing the consolidated financial statements, i.e. €1.78 per share.

4.11. Investment property, owner-occupied property and equipment and intangible assets

4.11.1 Gross value

(in millions of euros)	31.12.2010	Additions	Disposals	Other movements	31.12.2011
Land	3,108	50	(60)	181	3,279
Buildings	7,823	357	(237)	879	8,822
Technical installations and fixtures	218		(19)	10	209
Woodland and land banks	200	1	(1)	151	351
Prepayments	10		(10)		
Government grants	(279)	(11)		(4)	(294)
Assets under construction	1,175	875	(5)	(1,039)	1,006
Intangible assets related to investment property	10				10
Other	1		5	(5)	1
Investment property	**12,266**	**1,272**	**(327)**	**173**	**13,384**
Land	208	1	(3)	66	272
Buildings	837	13	(7)	219	1,062
Technical installations and fixtures	1,574	37	(92)	287	1,806
Prepayments	1	3	(1)		3
Government grants					
Assets under construction	105	150	(1)	(132)	122
Other	479	131	(158)	2,018	2,470
Owner-occupied property and equipment(1)	**3,204**	**335**	**(262)**	**2,458**	**5,735**
Software	735	20	(56)	136	835
Concessions, licences and patents	223	27	(20)	(48)	182
Intangible assets in progress	80	93	(3)	(76)	94
Other intangible assets	574	14	(4)	24	608
In-force life insurance business	190			(1)	189
Intangible assets	**1,802**	**154**	**(83)**	**35**	**1,908**

(1) The increase in this item stems mainly from the first-time consolidation of Veolia Transdev.

4.11.2 Depreciation, amortisation and impairment

(in millions of euros)	31.12.2010	Increases	Decreases	Other movements	31.12.2011
Land	(93)	(30)	8	4	(111)
Buildings	(1,800)	(294)	93	(3)	(2,004)
Technical installations and fixtures	(166)	(7)	14		(159)
Woodland and land banks	(43)	(5)	1		(47)
Government grants	88		4	1	93
Intangible assets related to investment property	(9)				(9)
Other	(128)	(9)	7	8	(122)
Investment property	**(2,151)**	**(345)**	**127**	**10**	**(2,359)**
Land				(5)	(5)
Buildings	(339)	(37)	4	(98)	(470)
Technical installations and fixtures	(910)	(101)	82	(114)	(1,043)
Other	(344)	(236)	121	(1,174)	(1,633)
Owner-occupied property and equipment[1]	**(1,593)**	**(374)**	**207**	**(1,391)**	**(3,151)**
Software	(645)	(85)	53	(24)	(701)
Concessions, licences and patents	(53)	(13)		(9)	(75)
Other intangible assets	(135)	(34)		29	(140)
In-force life insurance business	(139)	(7)		4	(142)
Intangible assets	**(972)**	**(139)**	**53**		**(1,058)**

(1) The increase in this item stems mainly from the first-time consolidation of Veolia Transdev.

(in millions of euros)	Carrying amount 31.12.2010	Carrying amount 31.12.2011
Investment property[*]	**10,115**	**11,025**
Owner-occupied property and equipment	**1,611**	**2,584**
Intangible assets	**830**	**850**
Total	**12,556**	**14,459**

(*) The estimated market value of investment property excluding held for sale and measured at amortised cost was €16,683 million at 31 December 2011 (versus €15,016 million at 31 December 2010).

4.12 Goodwill

4.12.1 Change in value of goodwill

(in millions of euros)	31.12.2010	Increases (acquisitions)	Decreases (disposals)	Impairment losses for the period	Other movements	31.12.2011
Banking, Insurance & La Poste Division						
CNP ASSURANCES GROUP	468			(30)	(29)	409
Real Estate & Tourism Division						
ICADE GROUP	75		(3)			72
COMPAGNIE DES ALPES GROUP	291	14				305
Infrastructure, Transport & Environment Division						
EGIS GROUP	60	24				84
VEOLIA TRANSDEV GROUP		750	(33)	(193)	4	528
AQUALTER		15		(2)		13
Total goodwill	**894**	**803**	**(36)**	**(225)**	**(25)**	**1,411**

4.12.2 Goodwill by company

(in millions of euros)	31.12.2011	31.12.2010
Banking, Insurance & La Poste Division		
CNP ASSURANCES GROUP		
CNP ASSURANCES	208	208
CNP UNICREDIT VITA	69	99
CAIXA SEGUROS	90	98
BARCLAYS VIDA Y PENSIONES	5	24
OTHER	37	39
Real Estate & Tourism Division		
ICADE GROUP		
Property investment companies	6	6
Property development companies	39	39
Property services companies	27	30
COMPAGNIE DES ALPES GROUP		
STVI	96	96
BELPARK BV	60	60
WALIBI WORLD BV	33	33
DOLFINARIUM	18	18
GRÉVIN & CIE SA	14	14
FUTUROSCOPE	13	
MERIBEL ALPINA	12	12
AVENIR LAND SAS	12	12
STGM	11	11
OTHER	36	35
Infrastructure, Transport & Environment Division		
EGIS GROUP		
EGIS SA	3	3
IOSIS	45	43
VEGA ENGENHARIA LTDA	17	
GUIGUES PROJEKT		4
ATELIER DU PAYSAGE	4	4
EGIS AVIA	2	2
BIPROGEO-PROJEKT		2
OTHER	13	2
VEOLIA TRANSDEV GROUP	528	
AQUALTER	13	
Total goodwill	**1,411**	**894**

4.12.3 Creation of Veolia Transdev

On 3 March 2011, Veolia Environnement and Caisse des Dépôts announced that they had created Veolia Transdev out of the merger of their respective subsidiaries, Veolia Transport and Transdev.

4.12.3.1 Analysis by cash-generating unit (CGU)

On marking-to-market the assets and liabilities of the newly created Veolia Transdev, the Group recognised goodwill totalling €1,460 million, of which €730 million related to Caisse des Dépôts.

The table below provides an analysis of goodwill by Veolia Transdev CGU:

(in millions of euros)	03.03.2011	31.12.2011		
	Contribution	Gross	Impairment loss(1)	Net
France CGU(2)	568	568	(95)	473
Netherlands CGU	314	318	(38)	280
Germany CGU	163	163	(121)	42
United States CGU	88	107	(23)	84
Australia and New Zealand CGU	75	82	(47)	35
International operations CGU	55	55	(6)	49
Norway CGU	42			
United Kingdom CGU	41	42	(5)	37
Canada CGU	41	42	(17)	25
Sweden CGU	37	36	(36)	
Belgium CGU	25	25		25
Iberia CGU	10	10	(3)	7
Morocco CGU	1			
Total	**1,460**	**1,448**	**(391)**	**1,057**

(1) Impairment totals €386 million excluding the currency impact.
(2) The France CGU does not include SNCM.

4.12.3.2 Impairment tests

Key assumptions used to calculate recoverable amount

Changes in the economic and financial climate as well as in the competitive and regulatory environment, can affect estimates of recoverable amounts, in the same way as unexpected developments in the political, economic and legal systems of different countries.

Cash flow projections in the long-term business plan reflect trends in volumes, prices, direct costs and investments over the period, which are determined based on contracts or on business activities, using historical data, on the one hand, and forecasts spanning the period covered in the long-term plan, on the other.

Other assumptions which influence the calculation of recoverable amounts are discount rates and perpetuity growth rates: these vary depending on the country or region in which the CGU is based. Discount rates and average perpetuity growth rates for the Group's main regions in 2011 are as follows:

	Discount rate	**Average perpetuity growth rate**
France	8.0%	1.8%
Netherlands	7.7%	1.8%
Belgium	8.5%	1.8%
Germany	7.8%	1.8%
Central Europe	9.7%	2.0%
Sweden	8.2%	2.0%
Portugal	10.5%	1.8%
United States	8.3%	1.5%
Australia	10.4%	2.7%
Asia	11.2%	2.8%

4.12.3.3 Sensitivity of impairment tests

The recoverable amounts determined for the purpose of impairment testing have been tested for sensitivity to a 1% rise in the discount rate, a 1% fall in the perpetuity growth rate and a 5% decrease in operating cash flows.

Changes in operating cash flows taken into account to calculate sensitivity include cash flows from operations less cash flows from (used in) investing activities, and also include changes in working capital.

For some CGUs, these changes result in a recoverable amount lower than the CGU's carrying amount, adjusted where appropriate for impairment in the period:

(in millions of euros)	Difference between recoverable amount and carrying amount	Additional difference between recoverable amount and net carrying amount resulting from a 1% rise in the discount rate	Additional difference between recoverable amount and net carrying amount resulting from a 1% decrease in the perpetuity growth rate	Additional difference between recoverable amount and net carrying amount resulting from a 5% decrease in operating cash flows
France CGU[1]	(95)	(108)	(78)	(46)
Netherlands CGU	(39)	(70)	(53)	(22)
Germany CGU	(121)	(19)	(16)	(4)
United States CGU	(21)	(26)	(20)	(9)
Australia and New Zealand CGU	(44)	(8)	(6)	(3)
Canada CGU	(16)	(12)	(9)	(4)
Sweden CGU	(36)			
United Kingdom CGU	(5)	(6)	(5)	(2)
Belgium CGU		(4)	(1)	
Iberia CGU	(3)	(7)	(5)	(4)
International operations CGU	(6)	(7)	(5)	(3)
Total	**(386)**	**(267)**	**(198)**	**(97)**

(1) The France CGU does not include SNCM.

4.13 Amounts due to credit institutions

(in millions of euros)	31.12.2011	31.12.2010
Ordinary accounts in credit and overnight borrowings	894	829
Demand deposits from savings funds	319	513
Securities and other assets sold under collateralised fixed repurchase agreements		
Accrued interest	1	2
Amounts due to credit institutions repayable on demand	**1,214**	**1,344**
Accounts and borrowings with fixed maturities	8,362	7,253
Securities and other assets sold under collateralised fixed repurchase agreements	4,305	8,936
Accrued interest	57	65
Amounts due to credit institutions with fixed maturities	**12,724**	**16,254**
Total amounts due to credit institutions	**13,938**	**17,598**

4.14 Amounts due to customers

(in millions of euros)	31.12.2011	31.12.2010
Ordinary accounts in credit	42,806	43,029
Securities and other assets sold under collateralised fixed repurchase agreements		
Accrued interest	1	
Ordinary accounts in credit	**42,807**	**43,029**
Borrowings from customer financial institutions	40	31
Escrow accounts	3,842	3,685
Time deposits	2,607	2,841
Securities and other assets sold under collateralised fixed repurchase agreements	167	
Other amounts due to customers with fixed maturities	6	4
Accrued interest	551	537
Other amounts due to customers	**7,213**	**7,098**
Insurance payables	435	514
Other payables arising from insurance operations	281	267
Insurance and reinsurance payables	**716**	**781**
Total amounts due to customers	**50,736**	**50,908**

4.15 Debt securities

(in millions of euros)	31.12.2011	31.12.2010
Medium-term notes and other negotiable debt securities	24,353	24,928
Accrued interest	72	59
Interbank and negotiable debt securities	**24,425**	**24,987**
Bonds and similar debt securities	1,454	1,582
Accrued interest		
Bonds and similar debt securities	**1,454**	**1,582**
Total debt securities	**25,879**	**26,569**

4.16 Accruals, deferred income and other liabilities

(in millions of euros)	31.12.2011	31.12.2010
Deferred income	431	337
Accrued expenses	28	29
Other accruals	2,534	1,813
Accruals and deferred income	**2,993**	**2,179**
Miscellaneous payables	1,290	927
Guarantee deposits	91	91
Accounts payable	1,113	775
Other	4,762	3,622
Other liabilities	**7,256**	**5,415**
Total accruals, deferred income and other liabilities	**10,249**	**7,594**

4.17 Insurance company technical reserves

(in millions of euros)	31.12.2011	31.12.2010
Insurance liabilities:		
Unit-linked liabilities	11,049	11,627
Other insurance liabilities (excluding unit-linked)	42,103	37,852
Total insurance liabilities	**53,152**	**49,479**
Financial liabilities – financial instruments with discretionary participation feature (excluding unit-linked)	59,500	60,398
Financial liabilities – financial instruments without discretionary participation feature (excluding unit-linked)	383	396
Financial liabilities – unit-linked financial instruments	2,935	3,400
Total financial liabilities	**62,818**	**64,194**
Deferred participation reserve	215	2,075
Derivative financial instruments separated from the host contract		
Total other technical reserves	**215**	**2,075**
Total insurance company technical reserves	**116,185**	**115,748**
Net deferred participation asset[1]	**(249)**	

(1) Based on the write-downs and unrealised capital losses recognised in 2011, the application of shadow accounting gives rise to a net deferred participation asset. The recoverability test for 2011 shows the ability of CNP Assurances group to recover the value of this asset over time from future actual or unrealised participations.

4.18 Provisions

(in millions of euros)	31.12.2010	Increases	Reversals (utilisations)	Reversals (surplus provisions)	Other movements	31.12.2011
Provisions for employee benefit obligations	308	74	(45)	(20)	97	414
Provisions for real estate risks	18	5	(4)	(1)		18
Provisions for counterparty risks	54	15	(33)	(2)	18	52
Other provisions	408	148	(175)	(86)	88	383
Total provisions	**788**	**242**	**(257)**	**(109)**	**203**	**867**

Icade's accounting records for 2010 were audited by the tax authorities.
As a result, on 8 December 2010 the tax authorities challenged the market values at 31 December 2006 resulting from the real estate valuations used as a basis for calculating the exit tax (income tax at a rate of 16.50%) when Icade Patrimoine was merged into Icade on 1 January 2007. This increased the tax base used to calculate the exit tax and generated an additional tax expense of €204 million (principal amount). After having considered the Company's comments (11 February 2011), on 26 September 2011 the authorities reduced the principal amount of additional tax payable to €180 million. Icade is continuing to challenge the entire tax reassessment, assisted by its two tax advisory firms.

The disagreement between the tax authorities and Icade concerning the value of these assets at 31 December 2006 is currently being analysed by the French Commission for direct taxes and sales taxes. Consequently, no provision was booked at either 31 December 2011 or end-2010.

4.19 Subordinated debt

(in millions of euros)	31.12.2011	31.12.2010
Mutual guarantee deposits		
Dated subordinated notes	933	809
Undated subordinated notes	92	92
Total subordinated debt	**1,025**	**901**

Breakdown of subordinated debt

(in millions of euros)	Issue date	Maturity	Interest rate	31.12.2011	Fair value
Dated subordinated notes				**933**	**647**
CNP Assurances group					
	Apr-03	Between 16 May 2013 and 2023	5.25% until 2013 and Euribor +2% from 11 July 2013	121	91
	Jun-03	Between 24 June 2013 and 2023	4.7825% until 2013 and Euribor +2% from 24 June 2013	80	73
	Jun-09	Between 23 June 2010 and 2014	6-month Euribor +3.25%	6	5
	Sep-10	From 14 September 2020(1)	6% (real/real) until 2020, then 3-month Euribor (real/360) + 447.2 bps	301	190
	Apr-11	From 7 April 2011	7.375% until September 2021 then 12-month Libor + 448.2 bps	144	107
	Apr-11	From 11 April 2011	6.875% until September 2021 then 12-month Euribor + 440 bps	281	181
Undated subordinated notes				**92**	**49**
CNP Assurances group	Oct-03	Perpetual	6-month Euribor +1.5%	18	14
	Nov-04	Perpetual	4.93% until 2016 and Euribor +1.60% from 15 November 2016	36	17
	Nov-04	Perpetual	3-month Euribor +0.70% until 2016	38	18
Total subordinated debt				**1,025**	**696**

(1) The subordinated notes issued in September 2010 are due 14 September 2040, with an initial early redemption option at par on 14 September 2020.

4.20 Commitments given and received

4.20.1 Commitments given and received

(in millions of euros)	31.12.2011	31.12.2010
Commitments given	**37,187**	**39,307**
Financing commitments		
To credit institutions	20	34
To customers	6,089	6,451
Guarantee commitments		
To credit institutions(1)	13,117	242
To customers	1,917	1,835
Securities-related commitments		
Securities to be delivered		241
Other commitments given		
To credit institutions	10,484	23,403
To customers	5,560	7,101
Commitments received	**26,944**	**28,048**
Financing commitments		
From credit institutions	7,563	18,120
From customers		
Guarantee commitments		
From credit institutions(1)	9,084	39
From customers	4,553	2,994
Securities-related commitments		
Securities to be received	2,107	3,677
Other commitments received		
From credit institutions	3,029	2,646
From customers	608	572
Other commitments received		

(1) Including the €8.4 billion guarantee granted to Natixis.

4.20.2 Other commitments

GUARANTEE GIVEN BY CAISSE DES DÉPÔTS TO NATIXIS

Under an agreement approved on 1 December 2000, Caisse des Dépôts provided CDC Ixis – which was merged into Natixis in 2007 – with a joint and several guarantee. This guarantee applies to certain financial instruments used by Natixis 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, Natixis 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'Epargne group, since 30 June 2004 (the sale date) CNCE has counter-guaranteed Caisse des Dépôts' commitment to CDC Ixis in exchange for 50% of Caisse des Dépôts' fee from CDC Ixis. At 31 December 2011, this commitment is carried in the books of BPCE. Caisse des Dépôts pays over 50% of its fee from CDC Ixis to BPCE.

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 the withdrawal of CDC Ixis (now Natixis) from the activities managed directly by Caisse des Dépôts.

At 31 December 2011, a guarantee totalling €8,418 million was granted to Natixis and a counter-guarantee granted by BPCE to Caisse des Dépôts for the same amount, as reflected in the financial statements.

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 Natixis, 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 Natixis (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 Natixis (after taking into account the guarantee);
(c) a minimum amount (€8 million) weighted on the basis of the nominal amount of off-balance sheet commitments of Natixis (and subsidiaries, where applicable) guaranteed by Caisse des Dépôts, and the total nominal amount of off-balance sheet commitments consolidated by Natixis.

On the basis, the fee due by Natixis to Caisse des Dépôts for 2011 amounted to €5 million, of which BPCE's share was €2.5 million.

5. *Employee benefits*

5.1 Employee benefits expense

(in millions of euros)	31.12.2011	31.12.2010
Payroll costs	(3,572)	(2,886)
Post-employment benefit plan costs	(83)	(8)
Cost of other long-term benefits	(6)	11
Discretionary and non-discretionary profit-sharing	(105)	(97)
Total employee benefits expense	**(3,766)**	**(2,980)**

5.2 Average number of employees

	31.12.2011	31.12.2010
France	39,256	29,203
International	38,169	25,058
Average number of employees	**77,425**	**54,261**

Including Veolia Transdev's pro rata headcount in 2011: 50,940 (France: 17,896; International: 33,044).

5.3 Employee benefit obligations

5.3.1 Change in actuarial liability

(in millions of euros)	31.12.2011	31.12.2010
Opening actuarial liability	**304**	**380**
Current service cost	29	20
Interest cost	7	8
Benefits paid	(12)	(18)
Plan amendments/curtailments	(19)	(21)
Actuarial gains and losses for the period	7	17
Effect of changes in scope of consolidation	86	(82)
Closing actuarial liability	**402**	**304**

5.3.2 Employee benefit plan expense recognised in the income statement

(in millions of euros)	31.12.2011	31.12.2010
Current service cost	(29)	(20)
Interest cost	(7)	(8)
Expected return on plan assets for the period		
Amortisation of past service cost	12	22
Amortisation of actuarial gains and losses		
Losses on curtailments and settlements	19	21
Total net expense recognised in the income statement	**(5)**	**15**

6. Related-party transactions

Related parties include consolidated companies, savings funds and pension funds managed by Caisse des Dépôts in connection with the national loan, and post-employment benefit plan managers.

6.1 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 (proportionately consolidated), for the portion not eliminated in consolidation, and associates (accounted for by the equity method).

(in millions of euros)	31.12.2011		31.12.2010	
	Jointly-controlled companies	**Associates**	**Jointly-controlled companies**	**Associates**
Loans		841		1,075
Other financial assets		694		815
Other assets	34		36	
Total related-party assets	**34**	**1,535**	**36**	**1,890**
Borrowings		423		420
Other financial liabilities				
Other liabilities	3	585	2	
Total related-party liabilities	**3**	**1,008**	**2**	**420**
Commitments given	546	341	550	32
Commitments received	7	959	7	
Total related-party commitments	**553**	**1,300**	**557**	**32**
Interest income (expense), net	1	51	1	39
Fee and commission income, net				
Income from financial transactions				
Net income (loss) from other activities		(3)		
General operating expenses, net of rebillings	42	(8)	44	
Gross operating profit from related-party transactions	**43**	**40**	**45**	**39**

6.2 Related parties not controlled by the Group

a) Savings funds

(in millions of euros)	31.12.2011	31.12.2010
Loans		
Other financial assets	25	25
Other assets	11	35
Total assets	**36**	**60**
Borrowings	319	513
Other financial liabilities	1	3
Other liabilities	77	221
Total liabilities	**397**	**737**
Commitments given		
Commitments received		
Total commitments		
Interest income (expense), net	(3)	(1)
Fee and commission income, net		
Net income from financial transactions	7	7
Net income (loss) from other activities	19	(34)
General operating expenses, net of rebillings	114	104
Gross operating profit	**137**	**76**

b) Pension funds

(in millions of euros)	31.12.2011	31.12.2010
Loans		
Other financial assets		
Other assets	24	48
Total assets	**24**	**48**
Borrowings	3,627	3,319
Other financial liabilities		
Other liabilities	31	27
Total liabilities	**3,658**	**3,346**
Commitments given	6	31
Commitments received		
Total commitments	**6**	**31**
Interest income (expense), net	(19)	(10)
Fee and commission income, net		
Net income from financial transactions		
Net income from other activities	1	1
General operating expenses, net of rebillings	283	271
Gross operating profit	**265**	**262**

c) Funds managed in connection with the national loan

In 2009, the President of the French Republic announced the launch of a €35 billion national loan. Caisse des Dépôts was among the institutions entrusted by the French government with managing these investments. It would not however benefit from any advantages or incur any risks associated with the measures taken in managing these funds.
The Group was entrusted with managing a total of €7.4 billion, of which €6.5 billion was paid into a specific Caisse des Dépôts account with the French Treasury.
The fees for managing this account were rebilled by Caisse des Dépôts to the French State in an amount of €12 million in 2011.
The agreements signed with the French State concerning the national loan provide for the application of IFRS and the assets and liabilities relating to these agreements must therefore be derecognised in the consolidated financial statements of Caisse des Dépôts Group. These assets and liabilities are recognised in accrual accounts in the financial statements prepared by the Central Sector under French GAAP.

The amount of €6.5 billion paid by the French State can be analysed as follows after deducting management fees:

(in millions of euros)	31.12.2011	31.12.2010
Accruals - assets		
Amounts receivable in respect of current or future cash investments	**6,392**	**6,499**
Fonds pour la société numérique (Digital society fund) – Services	2,213	2,250
Fonds pour la société numérique (Digital society fund) – Infrastructure	1,956	2,000
Tomorrow's cities	998	1,000
National seed capital fund	388	400
Work-study programme – Housing	250	250
Work-study programme – Modernisation	247	250
Innovation platforms and competitive clusters	199	200
Social economy and solidarity	92	94
France Brevets	49	50
Participating interests		5

Accruals - liabilities		
Amounts payable to the French State in respect of current or future cash investments	**6,392**	**6,499**
Fonds pour la société numérique (Digital society fund) – Services	2,213	2,250
Fonds pour la société numérique (Digital society fund) – Infrastructure	1,956	2,000
Tomorrow's cities	998	1,000
National seed capital fund	388	400
Work-study programme – Housing	250	250
Work-study programme – Modernisation	247	250
Innovation platforms and competitive clusters	199	200
Social economy and solidarity	92	94
France Brevets	49	50
Participating interests		5

6.3 Post-employment benefit plan managers

Caisse de Dépôts has entered into several agreements with group pension fund managers.

Assets and liabilities from transactions with post-employment benefit plan managers were not material at either 31 December 2011 or 31 December 2010.

7. *Fair value of financial instruments*

7.1 Fair value of financial assets and liabilities measured at amortised cost

(in millions of euros)	Carrying amount 31.12.2011	Estimated market value 31.12.2011
Assets		
Loans and receivables due from credit institutions	11,880	11,880
Loans and receivables due from customers	12,807	12,807
Held-to-maturity investments	20,970	21,619
Total financial assets measured at amortised cost	**45,657**	**46,306**
Liabilities		
Due to credit institutions	13,938	13,938
Due to customers	50,736	50,736
Debt securities	25,879	25,879
Subordinated debt	1,025	696
Total financial liabilities measured at amortised cost	**91,578**	**91,249**

(in millions of euros)	Carrying amount 31.12.2010	Estimated market value 31.12.2010
Assets		
Loans and receivables due from credit institutions	4,670	4,670
Loans and receivables due from customers	31,060	31,060
Held-to-maturity investments	20,171	20,629
Total financial assets measured at amortised cost	**55,901**	**56,359**
Liabilities		
Due to credit institutions	17,598	17,598
Due to customers	50,908	50,912
Debt securities	26,569	26,569
Subordinated debt	901	869
Total financial liabilities measured at amortised cost	**95,976**	**95,948**

7.2 Financial instruments measured at fair value

7.2.1 Financial instruments measured at fair value using a valuation model

(in millions of euros)	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3	Total 31.12.2011
Financial assets at fair value				
Financial assets at fair value through profit or loss – trading	20,191	7,731	16	27,938
Financial assets at fair value through profit or loss – FV option	1,437	801	1,618	3,856
Hedging instruments with a positive fair value		502		502
Available-for-sale financial assets[1]	115,372	34,275	608	150,255
Total financial assets at fair value	**137,000**	**43,309**	**2,242**	**182,551**
Financial liabilities at fair value				
Financial liabilities at fair value through profit or loss – trading		1,650		1,650
Financial liabilities at fair value through profit or loss – FV option	3,363	1,110		4,473
Hedging instruments with a negative fair value	7	1,437		1,444
Total financial liabilities at fair value	**3,370**	**4,197**		**7,567**

(1) Level 2: including Greek debt owned by CNP Assurances

(in millions of euros)	Quoted on an active market: Level 1	Measured using observable inputs: Level 2	Measured using unobservable inputs: Level 3	Total 31.12.2010
Financial assets at fair value				
Financial assets at fair value through profit or loss – trading	21,822	7,580	14	29,416
Financial assets at fair value through profit or loss – FV option	1,332	809	1,444	3,585
Hedging instruments with a positive fair value		309		309
Available-for-sale financial assets[1]	124,380	25,765	630	150,775
Total financial assets at fair value	**147,534**	**34,463**	**2,088**	**184,085**
Financial liabilities at fair value				
Financial liabilities at fair value through profit or loss – trading		1,492		1,492
Financial liabilities at fair value through profit or loss – FV option	3,597	1,071		4,668
Hedging instruments with a negative fair value	3	1,044		1,047
Total financial liabilities at fair value	**3,600**	**3,607**		**7,207**

The vast majority of the Group's financial instruments are measured using prices "quoted on an active market" (Level 1 of the hierarchy). These include:

- equities, measured on the basis of quoted prices on their reference market;
- bonds, EMTN, BMTNs: for each instrument, the value is determined based on the most recent of the quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms;
- units in mutual funds and other funds, measured at net asset value;
- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
- derivative instruments traded on an organised market.

Financial instruments "Measured using observable inputs" (Level 2 of the hierarchy) concern: (i) instruments that are measured using the prices of similar-type instruments quoted on an active market; (ii) identical or similar-type instruments quoted on a non-active market on which regular, observable transactions take place; or (iii) financial instruments measured using inputs other than quoted prices that are observable.

These include:

- structured products valued by the Group, arrangers or external valuers;
- investments in unlisted securities;
- OTC derivatives contracts;
- money market securities other than BTANs measured based on the zero coupon price curve plus a spread.

Financial instruments "Measured using unobservable inputs" (Level 3 of the hierarchy) concern financial instruments measured using inputs not based on observable market data. These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.
Very few financial instruments used by the Group fall into this category, which mainly includes asset-backed securities.

7.2.2 Change in value of financial instruments measured at fair value using a technique based on unobservable inputs (Level 3)

(in millions of euros)	Financial assets held for trading	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Total
At 31 December 2010	**14**	**1,444**	**630**	**2,088**
Additions		303	14	317
Disposals		(122)	(33)	(155)
Transfers to Level 3 (incoming)			2	2
Transfers from Level 3 (outgoing)		(7)	(21)	(28)
Gains and losses in the period recognised in equity	2		34	34
Gains and losses in the period recognised in profit or loss			(19)	(17)
Translation adjustment				
Effect of changes in scope of consolidation and other			1	1
At 31 December 2011	**16**	**1,618**	**608**	**2,242**

8. Information about financial instrument risks

1 - FINANCIAL INSTRUMENT RISK MANAGEMENT SYSTEM

1 - RISK CONTROL ORGANISATION

a) 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 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 Chairman and 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.

b) 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 have been performed by DRCI since late 2010;
- 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 keeping 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.

c) 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, which report to DRCI.

DRCI monitors the Group's compliance with its legal and regulatory obligations.

Pursuant to decree 2009-268 of 9 March 2009, implementing the August 2008 Law on Modernisation of the Economy (LME), CRBF 97-02 applies to Caisse des Dépôts as of 1 January 2010, subject to certain adaptations. Beginning from 1 January 2011, Caisse des Dépôts has to comply with a number of capital adequacy requirements in accordance with decree 2009-268 of 9 March 2009 and decree 2010-411 of 27 April 2010 (versions applicable to financial institutions at 1 January 2010).

The Supervisory Committee will entrust the French banking and insurance watchdog (*Autorité de Contrôle Prudentiel* – ACP) with compliance oversight for the application of this standard to its banking and financial activities and the resulting capital adequacy ratios will reflect the specific nature of the Group's activities.

d) Caisse des Dépôts' capital adequacy ratios

On 14 December 2011, the Group's capital adequacy ratios were adopted by the Supervisory Board, based on the recommendation of the Chairman and Chief Executive Officer and following approval by the ACP. The Supervisory Board also fixed the amount of Caisse des Dépôts' equity on 11 January 2012.

In accordance with legal and regulatory provisions, these new ratios reflect the specific nature of Caisse des Dépôts, and in particular its role as long-term investor.

The prudential model adopted by Caisse des Dépôts has been specifically tailored to the Central Sector to take account of its business model and management objectives.

It covers all the main risks: liquidity risk, interest rate risk, credit risk on portfolio securities and on loans granted, real estate risk, foreign exchange risk, operational risk, equity risk and risks related to subsidiaries and equity interests.

The resulting modelling of risk and of working capital requirements is designed primarily to ensure a very high level of financial security, consistent with the missions entrusted to Caisse des Dépôts. The model is intended to cover all Caisse des Dépôts Group entities in line with their various different businesses.

Caisse des Dépôts is a long-term investor and, as such, the capital adequacy ratios adopted by the Supervisory Board measure the financial strength of Caisse des Dépôts over a time horizon of several years.

Depending on the business cycle and market fluctuations, the ratios applicable to the Central Sector allow for variations in available equity within a solvency "corridor" bracketed between a target amount at the top of the cycle, a surveillance threshold and a minimum amount. The minimum solvency threshold, calculated as per the prudential model, is invariably significantly higher than the regulatory baseline (the Basel II framework).

2 - 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 December 2009.

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, including:

- the event database, detailing risk events and the corresponding action plans;
- operational risk maps;
- warning flags;
- the compliance enforcement plan, which takes the form of a contract between DRCI and the business lines and subsidiaries specifying various levels of controls, the methods to be used to perform those controls, and monitoring arrangements;
- the business continuity plan.

In 2010, the Group acquired integrated software to manage all of these different applications.

DRCI reviews the internal control and operational risk management procedures of all business lines within Caisse des Dépôts at half-yearly intervals.

3 - EX-ANTE REVIEWS OF COMMITMENTS

The business lines are assigned annual operating targets that are determined jointly with the Strategic Management, Sustainable Development and Surveys department and validated by the Chairman and Chief Executive Officer.

DRCI intervenes in the pre-commitment phase, as a member of:

- the Group Commitments Committee chaired by the Chairman and Chief Executive Officer, which examines all commitments above a certain amount;
- 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 Chairman and Chief Executive Officer.

4 - CREDIT AND MARKET RISK MONITORING

The Counterparty Risk 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 Chairman and Chief Executive Officer and the Management Committee include input from DRCI on financial risks.

DRCI also prepares half-yearly risk reports for the Supervisory Committee. 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.

II - IDENTIFYING RISKS

1. Definitions

a) Credit and counterparty risk

Credit risk is the current or prospective risk of a loss on a receivable, due to a deterioration in the borrower's credit standing that may result in an inability to meet payments when they fall due.

b) Concentration risk

Concentration risk is the risk that results from a large exposure to a given counterparty, or from a high probability that certain groups of counterparties will default.

c) Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet the commitments associated with its financial liabilities when they fall due, or to access the funds needed on the market.

d) Market risk

Market risk is the risk of losses on balance sheet or off-balance sheet items resulting from an unfavourable change in market factors such as interest rates, equities, credit spreads, exchange rates or volatility, or from price fluctuations in general.

e) Currency risk

Currency risk is the risk that changes in exchange rates will affect the entity's profitability.

f) Interest rate risk

Interest rate risk is the impact on an entity's annual earnings and net assets of an adverse change in interest rates.

g) Insurance risk

Insurance risk is the risk arising on the application of a variety of insurance policies written by the CNP Assurances group. A detailed description of these risks is provided in section II.3.e "Risk measurement methods – Insurance risk".

h) Operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal processes or from external events which may be caused naturally, intentionally or accidentally.
Internal processes mainly involve people and systems. External events include floods, fire, earthquakes and terrorist attacks.

i) Compliance risk

Compliance risk arises from a failure to respect laws and regulations applicable to banking and financial activities, professional and ethical standards, or management instructions given in line with decisions taken by the governing body. Compliance risk exposes the entity to legal, administrative or disciplinary sanctions, as well as to significant losses.

2. RISK ACCEPTANCE PROCESS

a) Decision-making process

Investments (other than capital markets transactions) are reviewed during meetings of the Commitments Committee. The committee is chaired by the Group's Chairman and Chief Executive Officer when investments involve over €50 million, and by the Deputy Chief Executive Officer when they concern amounts between €10 million and €50 million.

a.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 Chairman and 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.

a.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 organised around its participation in monthly meetings of the Asset/Liability Committee and quarterly meetings of the Portfolio Review Committee, chaired by the Chairman and 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.

b) Oversight 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 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.

c) Risk mitigation procedure

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

Caisse des Dépôts is exposed to counterparty risk on its capital markets transactions which it manages through standard contractual arrangements requiring counterparties to put up collateral or to offset trades. Offsetting is used to mitigate counterparty risk on derivative instruments. Caisse des Dépôts mainly uses the technique of close-out netting which works as follows: in the event of counterparty default, all positions are unwound at their current market value and aggregated to a net amount payable or receivable with the counterparty.

This close-out netting balance may be secured by collateral in the form of pledges on liquidities, securities or cash deposits. All such transactions are executed in accordance with bilateral master agreements that comply with the general provisions of French or international master agreements.

The main bilateral agreement models used are those of the Fédération Bancaire Française (FBF) and the Master agreement of the International Swaps and Derivatives Association (ISDA) for international agreements.

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

d) Impairment procedure

d.1) Business line and central Impairment Committees

A procedure exists within Caisse des Dépôts for recording or reversing impairment losses.

According to this procedure, impairment decisions 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 each transaction.

In addition to provisions for impairment of assets (such as non-performing loans and fixed 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 receivables. Previously handled by the Impairment Committees, the Proprietary Investment Valuation Committee is now responsible for deciding on any impairment to be recognised against equity investments, with the exception of public-interest investments which are managed by the Regional Development department (see section II. d.2).

Investments subject to legal proceedings (e.g. disputes, litigation, liquidations) continue to be dealt with by the business line and central Impairment Committees.

The committees meet at quarterly intervals and decisions are made based on a file containing all information needed 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 vets impairment losses 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.

d.2) The Proprietary Investment Valuation Committee

This committee is tasked with using available information to determine the value of proprietary investments in the financial statements of the Central Sector and the consolidated financial statements of the Group, along with any necessary impairment losses.

Chaired by the Group Finance Director, the committee meets at half-yearly intervals in the month following the end of the reporting period as fixed in the bylaws. Its permanent members are the head of the Risk Management and Internal Control department, the head of the Legal and Tax department, the managers of the Accounts & Management Control, Investments & Subsidiaries Development and Finance departments, and the investment portfolio manager of the Central Sector.

The committee assesses proposed impairment losses based on IFRS and in line with the procedure set out in the accounting policies section. The basis for determining impairment relating to goodwill and investments in associates is also described in the section on significant accounting policies.

3. RISK MEASUREMENT METHODS

Given the ongoing economic turmoil affecting the financial markets and the business environment generally, Caisse des Dépôts has stepped up its oversight of financial risks (especially market and credit risks). The Group currently has exposure on four categories of fixed income assets and counterparties:

- sovereign issuers in the European Union and a number of other countries (Brazil, South Africa, Israel, Chile, South Korea and Mexico);
- financial institutions in OECD countries rated at least investment grade;
- corporate issuers in OECD countries rated investment grade;
- senior asset-backed securities, mainly exposed to risk in the European residential housing sector.

a) Credit risk

• Maximum exposure to credit risk

Maximum exposure to credit risk corresponds to the carrying amount of loans and receivables, debt instruments and derivative financial instruments, net of any offsets and impairment losses.

(in millions of euros)	31.12.2011	31.12.2010
Financial assets at fair value through profit or loss (excl. variable-income securities)	26,323	27,007
Hedging instruments with a positive fair value	502	309
Available-for-sale financial assets (excl. variable-income securities)	115,603	111,613
Loans and receivables due from credit institutions	11,880	4,670
Loans and receivables due from customers	12,807	31,060
Held-to-maturity investments	20,970	20,171
On-balance sheet exposure, net of impairment losses	**188,085**	**194,830**
Financing commitments given	6,109	6,485
Commitments given in respect of securities	15,034	2,077
Other commitments given (1)	6,407	9,231
Provisions for commitments given		
Off-balance sheet exposure, net of provisions	**27,550**	**17,793**
Total net exposure	**215,635**	**212,623**

(1) Amounts restated in relation to the 2010 financial statements

The Group's total net exposure corresponds mainly to the exposures of the Central Sector and CNP Assurances:

- at 31 December 2011, the Central Sector represented 41% of the total and CNP Assurances 55%.
- at 31 December 2010, the Central Sector represented 46% of the total and CNP Assurances 50%.

The net exposure of other subsidiaries is not material to the Group as a whole.

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.

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 their market price at 31 December.

• Financial assets by type

(in millions of euros)	31.12.2011					
	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**
Debt instruments not measured at fair value through profit or loss	**138,579**	138,352		227	(227)	**138,352**
Loans and prepayments	**23,290**	22,586	4	700	(382)	**22,908**
Derivative financial instruments						**2,819**
Total financial assets by type	**161,869**	**160,938**	**4**	**927**	**(609)**	**164,079**
Debt instruments at fair value through profit or loss						**24,006**
Total financial assets						**188,085**

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

(in millions of euros)	31.12.2010					
	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**
Debt instruments not measured at fair value through profit or loss	**133,649**	133,374		275	**(275)**	**133,374**
Loans and prepayments	**34,492**	33,776	35	681	**(352)**	**34,140**
Derivative financial instruments						**2,158**
Total financial assets by type	**168,141**	**167,150**	**35**	**956**	**(627)**	**169,672**
Debt instruments at fair value through profit or loss						**25,158**
Total financial assets						**194,830**

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

• Caisse des Dépôts sovereign debt risk exposure

Sovereign debt comprises all debt securities for which the counterparty is a given country, i.e., a national government or one of its agencies.

Gross sovereign debt exposure comprises all such amounts carried on the balance sheet (marked to market and less any impairment losses). Net exposure corresponds to gross exposure less any guarantees received.

The Group's sovereign debt exposure corresponds mainly to the exposures of the Central Sector and CNP Assurances.

• Central Sector sovereign debt exposure

(in millions of euros)	31.12.2011 Gross exposure	31.12.2011 Net exposure	31.12.2010(*) Gross exposure	31.12.2010(*) Net exposure
France	7,830	7,830	6,049	6,049
Germany	4,984	4,984	5,680	5,680
Spain	2,314	2,314	5,661	5,661
Austria	949	949	1,006	1,006
Ireland	710	710	710	710
Belgium	527	527	326	326
Italy	270	270	2,067	2,067
Finland	223	223	265	265
Netherlands	119	119	119	119
Brazil	78	78		
Canada	72	72	174	174
Greece	23	23	206	206
South Africa	42	42		
Israel	24	24		
Chile	21	21		
South Korea	17	17		
Mexico	11	11		
Iceland	10	10	10	10
Total Central Sector sovereign debt exposure	**18,222**	**18,222**	**22,273**	**22,273**

(*) Amounts restated in relation to the 2010 financial statements

The Central Sector's sovereign debt exposure at 31 December 2011 mainly arises on held-to-maturity investments.

• CNP Assurances sovereign debt exposure

(in millions of euros)	31.12.2011 Gross exposure	31.12.2011 Net exposure	31.12.2010(*) Gross exposure	31.12.2010(*) Net exposure
France	23,727	1,214	17,809	879
Italy	4,293	438	6,000	266
Belgium	3,705	128	3,978	124
Spain	2,321	171	3,876	323
Austria	2,729	81	3,378	101
Brazil	394	236	350	210
Portugal	731	40	1,409	168
Netherlands	319	11	1,321	30
Ireland	690	19	1,097	34
Germany	1,953	118	2,603	123
Greece	232	9	504	20
Finland	173	4	727	19
Poland	104	6	110	7
Luxembourg	84	8	104	10
Sweden	43	1	91	2
Denmark	82	2	92	2
Slovenia	106	2	62	2
United Kingdom	63	0	0	0
Canada	323	26	349	27
Cyprus	6	6	10	10
Others	2,496	193	1,934	132
Total sovereign debt exposure of CNP Assurances group	**44,574**	**2,713**	**45,804**	**2,489**

(*) Amounts restated in relation to the 2010 financial statements

The data in the previous table correspond to the Group's 40.16% interest in CNP Assurances. The calculation of net exposure includes the impact of deferred taxation and of deferred participation in application of shadow accounting principles. In the absence of any default incident, with the notable exception of Greek sovereign debt, no impairment losses have been recognised on these sovereign debt securities, most of which are classified in Available-for-sale financial assets.

b) Concentration risk

Concentration risk is measured as described below:

➨ For fixed income portfolios, based on the sum of commitments:
- by geographic area;
- by industry;
- by credit rating category;
- 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 debt instruments (not measured at fair value through profit or loss) and derivative financial instruments by rating

(in millions of euros)	31.12.2011	31.12.2010
AAA	57,966	49,393
AA	25,386	35,304
A	39,588	35,788
BBB	6,047	5,574
BB	1,597	1,488
< B	376	111
Not rated	10,211	7,874
Total	**141,171**	**135,532**

• Performing debt instruments (not measured at fair value through profit or loss), loans and advances by counterparty category and geographic area

(in millions of euros)	31.12.2011	31.12.2010
Central government agencies	56,307	60,793
Credit institutions	34,513	22,169
Institutions other than credit institutions	55,530	70,856
Large corporations	13,032	11,931
Retail banking customers	1,418	1,377
Other	138	24
Retail banking customers	**160,938**	**167,150**
France	86,255	80,669
Other European countries	60,806	72,107
North America	4,837	5,336
Central and South America	1,000	801
Africa and the Middle East	72	19
Asia-Pacific	229	222
Other	7,739	7,996
Total by geographic area	**160,938**	**167,150**

c) Liquidity risk

• Financial assets by maturity

(in millions of euros)	31.12.2011 < 1 month	1-3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total financial assets
Cash and amounts due from central banks	5						**5**
Financial assets at fair value through profit or loss	72	776	617	1,492	3,708	25,129	**31,794**
Hedging instruments with a positive fair value		4		35	144	319	**502**
Available-for-sale financial assets	11,936	7,471	14,082	33,541	53,883	29,342	**150,255**
Loans and receivables	12,108	42	1,632	7,526	3,053	326	**24,687**
Cumulative fair value adjustments to portfolios hedged against interest rate risk							
Held-to-maturity investments	59	605	1,962	7,897	10,447		**20,970**
Total financial assets	**24,180**	**8,898**	**18,293**	**50,491**	**71,235**	**55,116**	**228,213**

(in millions of euros)	31.12.2010 < 1 month	1-3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total financial assets
Cash and amounts due from central banks	6						**6**
Financial assets at fair value through profit or loss	199	868	499	1,646	3,430	26,359	**33,001**
Hedging instruments with a positive fair value			1	26	71	211	**309**
Available-for-sale financial assets	15,274	2,519	14,463	34,487	63,153	20,947	**150,843**
Loans and receivables	6,152	5,233	21,348	865	2,069	63	**35,730**
Cumulative fair value adjustments to portfolios hedged against interest rate risk							
Held-to-maturity investments	755	157	1,279	9,004	8,974	2	**20,171**
Total financial assets	**22,386**	**8,777**	**37,590**	**46,028**	**77,697**	**47,582**	**240,060**

• Financial liabilities by maturity

(in millions of euros)	31.12.2011 < 1 month	1-3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total financial assets
Due to central banks and post office banks							
Financial liabilities at fair value through profit or loss		8	1,074	2,006	3,035		**6,123**
Hedging instruments with a negative fair value	4	11	25	494	397	513	**1,444**
Due to credit institutions	1,691	3,575	2,634	3,381	2,631	26	**13,938**
Due to customers	43,585	844	2,143	1,364	2,782	18	**50,736**
Debt securities		13,234	6,008	3,504	3,133		**25,879**
Subordinated debt			6		783	236	**1,025**
Total financial liabilities	**45,280**	**17,672**	**11,890**	**10,749**	**12,761**	**793**	**99,145**

(in millions of euros)	31.12.2010 < 1 month	1-3 months	3-12 months	1-5 years	> 5 years	No fixed maturity	Total financial assets
Due to central banks and post office banks							
Financial liabilities at fair value through profit or loss	94	554	228	2,461	2,824		**6,161**
Hedging instruments with a negative fair value	3	2	21	358	249	413	**1,046**
Due to credit institutions	2,197	304	9,100	3,168	2,669	160	**17,598**
Due to customers	43,346	477	2,166	665	16	4,238	**50,908**
Debt securities	6,130	10,577	4,719	2,171	2,972		**26,569**
Subordinated debt				6	803	92	**901**
Total financial liabilities	**51,770**	**11,914**	**16,234**	**8,829**	**9,533**	**4,903**	**103,183**

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

The exposure of the **CNP Assurances 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 Assurances group on a 100% basis. In the consolidated financial statements, the CNP Assurances group is proportionally consolidated by Caisse des Dépôts based on 40%.

• Future cash flows from assets (CNP Assurances group)

(in millions of euros)	31.12.2011 < 1 year	1-5 years	5-10 years	10-15 years
Available-for-sale financial assets	28,281	91,747	90,195	35,856
Financial assets at fair value through profit or loss	4,453	14,901	55,719	1,124
Held-to-maturity investments	148	649	224	156
Loans and receivables	351			

(in millions of euros)	31.12.2010 < 1 year	1-5 years	5-10 years	10-15 years
Available-for-sale financial assets	28,349	95,308	88,438	36,469
Financial assets at fair value through profit or loss	5,334	13,068	55,128	1,445
Held-to-maturity investments	244	789	225	118
Loans and receivables	17			

• Projected benefit payments by maturity (CNP Assurances group)

(in millions of euros)	31.12.2011 < 1 year	1-5 years	5-10 years	10-15 years	> 15 years
Insurance and financial liabilities (including linked liabilities)	17,494	81,914	60,297	39,998	133,744

(in millions of euros)	31.12.2010 < 1 year	1-5 years	5-10 years	10-15 years	> 15 years
Insurance and financial liabilities (including linked liabilities)	16,920	75,251	64,481	47,053	173,963

d) Market risk

d.1) Market risk

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 based on an annualised one-month horizon and multiplication by root (12) using Riskdata software. This indicator is reported to Caisse des Dépôts senior management.
- for the interest rate arbitrage portfolio: VaR (10 days, 99%) is calculated using Bloomberg software.

The VaR calculation uses normal (Gaussian) distribution assumptions for the underlyings. This provides an estimate of the maximum risk for the chosen holding period and confidence interval under normal market conditions, assuming the Group will continue as a going concern.

Riskdata processes approximately 20,000 "primary" risk factors – based around equities, interest rates, foreign currencies and implicit volatility – to calculate VaR.

In order to measure risk (including VaR), Riskdata uses a high-dimension Monte Carlo model that analyses 1,000 different scenarios by choosing from among 20,000 risk factors in the light of historical volatilities and correlations.

If the price of an instrument does not vary in line with the primary risk factor – as is the case with options – Riskdata remeasures it under each of the 1,000 scenarios using integrated pricing formula.

Riskdata's historical database goes back to 1 January 2000. It uses exponential weighting for events (one half-life weighting is approximately eight months) that assigns a higher weighting to more recent events.

Caisse des Dépôts's equity portfolio risk is broken down by industry using the ICB Industry Classification Benchmark (ICB) which makes it possible to break out marginal VaR and to analyse the contribution of each industry to overall VaR.

Since models based on a Gaussian distribution cannot properly capture extreme movements in markets, DRCI has devised other methods to calculate risk. These methods take the form of stress tests, and are based on extreme distribution patterns which give a more accurate estimate of extreme events and how often they occur.

The current model used to calculate VaR does not factor in the impact of drift (risk-free yield under a risk-neutral probability) which tends to drive down VaR. Consequently, current VaR calculations overestimate risk by approximately 0.88% on an annualised basis (i.e., the annual average risk-free yield at end-2011).

• VaR at 31 December 2011

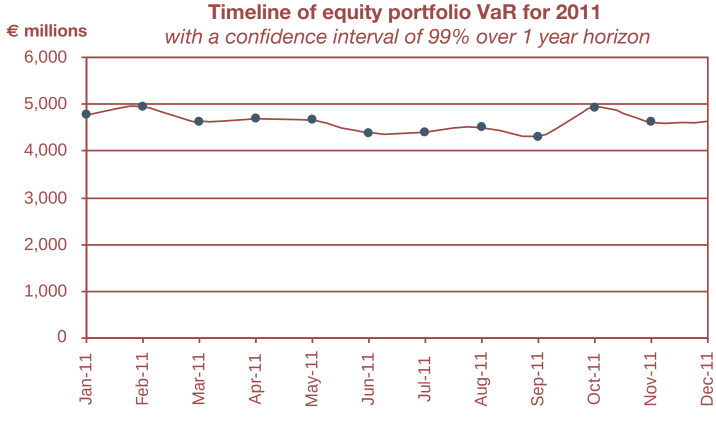
(in millions of euros)	VaR (1 year, 99%)	VaR (10 days, 99%)
Equities portfolio	4,645	
Interest rate arbitrage portfolio		0.23

• VaR at 31 December 2010

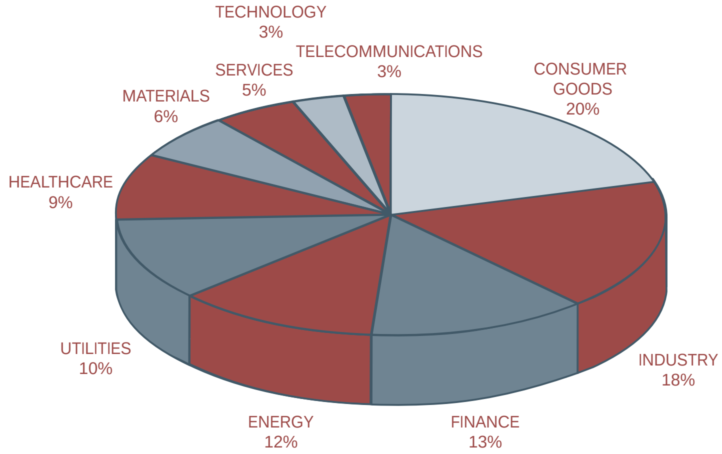
(in millions of euros)	VaR (1 year, 99%)	VaR (10 days, 99%)
Equities portfolio	4,989	
Interest rate arbitrage portfolio		0.97

• Timeline of equity portfolio VaR for 2011

Backtesting of VaR revealed that VaR values did not exceed the monthly amounts recorded in 2011 (based on a one-month horizon for risk and performance).



• Breakdown of equity portfolio VaR by industry at end-2011



The **CNP Assurances group** performs sensitivity tests to efficiently identify and manage earnings and equity volatility. CNP Assurances management uses Market Consistent European Embedded Value tests (MCEV©) to measure sensitivity to market and insurance risks.

The **CNP Assurances group's** Embedded Value reporting is based on CFO Forum MCEV© Principles (developed by a group of finance directors from Europe's top insurance companies set up in 2002). The Brazilian subsidiary Caixa has continued to apply the group's traditional reporting procedure and deterministic models are used by smaller group entities whose policies do not generally include options or financial guarantees.

The **CNP Assurances group** uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2011.
The calculation of Embedded Value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the company's control. Actual future experience may vary from that assumed in the calculation of the Embedded Value results.
The market risk sensitivity of MCEV© is tested to measure the impact of interest rate and equity volatilities. The tests cover CNP Assurances SA, its main subsidiaries in France, the Brazilian subsidiary Caixa, the Italian subsidiary CNP UniCredit Vita, the Spanish subsidiaries CNP Vida and Barclays Vida y Pensiones, and Cyprus-based Marfin Insurance Holding Ltd.

The results of all sensitivity analyses are net of tax and minority interests and, if applicable, net of policyholder participation.

They measure the impact of a 10% fall in equity and property markets, enabling the impact of an immediate 10% drop in equity and property prices to be measured. As well as a 10% fall in equity and property markets, this also leads to a drop in mathematical reserves for the proportion of unit-linked portfolios invested in equities.

• MCEV© sensitivity to equity risk

	31.12.2011	**31.12.2010**
(in millions of euros)	**10% decrease in stock market prices**	**10% decrease in stock market prices**
MCEV© impact	(684)	(493)

VaR of the **SIF's** listed equity portfolio valued at €10,603.4 million in the consolidated financial statements at 31 December 2011 (€12,539.9 million at 31 December 2010) is calculated by DRCI using the Monte Carlo method and Riskdata software, i.e., VaR (1 year, 99%).

• VaR of the SIF's listed equity portfolio

	31.12.2011	**31.12.2010**
(in millions of euros)	**VaR (1 year, 99%)**	**VaR (1 year, 99%)**
Portfolio of listed equities	4,458	4,586

The VaR calculation uses normal (Gaussian) distribution assumptions for the underlyings. This provides an estimate of the maximum risk for the chosen holding period and confidence interval under normal market conditions, assuming the entity will continue as a going concern. Since models based on a Gaussian distribution cannot properly capture extreme movements in markets, DRCI has devised other methods to calculate risk. These methods take the form of stress tests, and are based on extreme distribution patterns which give a more accurate estimate of extreme events and how often they occur.

d.2) Currency risk

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. Currency VaR (1 year, 99%) at 31 December 2011 was valued at €60 million.

The **CNP Assurances group's** asset portfolios are invested primarily in eurozone securities. Currency risk on investment portfolios is therefore very low, with less than 1% of the French companies' investments denominated in a currency other than the euro. The CNP Assurances group performs currency stress testing to assess the impact on profit and equity of fluctuations of +10% in the euro/dollar and euro/sterling exchange rates as most of its currency exposure is on monetary assets and liabilities denominated in dollars or sterling

The **Strategic Investment Fund** has little material currency risk exposure at 31 December 2011.

d.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 as assets and liabilities fall due. 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 four scenarios: (i) an immediate increase in short-term rates followed by stabilisation (scenario 1); (ii) a steady, prolonged increase in short-term rates (scenario 2); (iii) a general volatility in short-term rates with no distinct trend (scenario 3); and a forward movement in short-term rates (scenario 4):

- Scenario 1: impact on refinancing costs of a 100 basis points increase in short-term rates.
- Scenario 2: impact on refinancing costs if short-term rates increase by 100 basis points a year for three years running.
- Scenario 3: impact on refinancing costs if short-term rates increase by 100 basis points over six months, then decrease by 100 basis points over six months (i.e., return to the initial situation) for three years running.
- Scenario 4: impact on refinancing costs of a forward movement in short-term rates.

These sensitivity analyses are rounded out by a VaR calculation of the fixed rate position that factors in the risk of decrease in VaR of the fixed rate position.

Deposits from notaries and the float are adjusted for seasonal variations in calculating sensitivities.

• Sensitivity of general interest margin to changes in short-term rates

(in millions of euros)	31.12.2011			
Year	**Scenario 1**	**Scenario 2**	**Scenario 3**	**Scenario 4**
2012	(8.86)	(12.83)	(4.88)	7.7
2013	(52.44)	(71.75)	(25.62)	6.98
2014	(31.87)	(72.12)	(15.65)	3.68

(in millions of euros)	31.12.2010			
Year	**Scenario 1**	**Scenario 2**	**Scenario 3**	**Scenario 4**
2011	(7.67)	(10.91)	(3.72)	(4.61)
2012	(41.27)	(55.61)	(20.29)	(33.81)
2013	(13.78)	(30.24)	(6.28)	(21.15)

The **CNP Assurances group** uses the sensitivity of MCEV© to market risks (see section d.1) to measure the impact of an immediate 100-basis point increase or decrease in the yield curve. This would result in (i) a revaluation of bond prices; (ii) a 100-basis point adjustment to the reinvestment rate for all categories of assets; and (iii) a change in discount rate.
The impact on mathematical reserves for unit-linked portfolios is not measured.

• MCEV© sensitivity to interest rate risk

	31.12.2011	
(in millions of euros)	**100 bps increase in interest rates**	**100 bps fall in interest rates**
MCEV© impact	(63)	(122)

	31.12.2010	
(in millions of euros)	**100 bps increase in interest rates**	**100 bps fall in interest rates**
MCEV© impact	0	(115)

e) Insurance risk

e.1) Risks related to insurance and financial liabilities

CNP Assurances has established management information systems designed to ensure that it fulfils its commitments to shareholders for the purpose of analysing the components of profit and value creation and supporting underwriting and pricing decisions, based on specific analyses performed for each individual insurance application.

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce budgets and business plans.

The CNP Assurances group's policies for managing risks related to insurance and financial liabilities are presented in section 2 of its 2011 Registration Document (Note 2.5.3 Tools and procedures to forecast changes in outstanding commitments and their coverage).

e.2) Contract terms and conditions

• Type of insured risk by class of business

Three classes of business have been identified – savings, pensions and personal risk – in accordance with the differing nature of the CNP Assurances' commitments.

Savings contracts: mainly financial commitments

Savings contracts fall into two broad categories:

➨ traditional savings contracts, where the insurer is committed to paying a capital sum plus any guaranteed yield and a share of the investment yield over and above the guaranteed minimum in the event of death or when the contract is surrendered or matures;

➨ unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:

➨ the benefit payment period, which is not known in advance;

➨ the interest rate, corresponding to the return on the capital managed by the insurer.

Personal risk contracts, giving rise to a technical commitment

The risk associated with these contracts is determined primarily by the insured's age, gender and socio-professional category.

• Description of the main policyholder guarantees

Traditional savings contracts give rise to a commitment to pay a capital sum. These contracts generally pay a minimum yield plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:

➨ voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum;

➨ compulsory individual pension accounts ("Article 83" accounts) giving rise to the payment of a life annuity. The total annuities paid to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary;

➨ defined benefit plans ("Article 39" plans) funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities;

➨ points-based pay-as-you-go group pension plans ("Article L.441-1" plans) giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of one point. Annuities are adjusted based on changes in the value of a point;

➨ immediate and deferred annuity contracts, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment risks. The main types of contracts are as follows:

➨ term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled;

➨ contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured;

➨ death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a *per diem* allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period;

➨ term creditor contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided;

➨ long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured;

➨ supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition to these main types of contracts, CNP Assurances' subsidiaries in Brazil (Caixa Seguros) and Cyprus and Greece (Marfin Insurance Holdings Ltd) write property and casualty insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under property and casualty insurance are marginal in relation to those arising from the personal insurance written by CNP Assurances.

• Participation clauses

Traditional savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under

the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.
Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured does not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.
Participation rates are determined based on the local accounts.

• Participation policy
Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured does not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

e.3) Valuation of insurance liabilities (assumptions and sensitivities)

• Technical reserve models
Technical reserves are defined as follows:
➨ mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured;
➨ policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated;
➨ administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered;
➨ escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts;
➨ unearned premium reserves cover the portion of written and accrued premiums for the period between the reporting date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts;
➨ premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the reporting date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve;
➨ outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

• Modelling objectives
The approach used to ensure that technical reserves are adequate focuses on:
➨ managing the risks associated with a fall in interest rates;
➨ taking swift action to adjust technical reserves following a change in mortality tables;
➨ using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

• Procedure for determining the main assumptions
The assessment of technical reserves is supported by:
➨ detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years;
➨ the creation of files at each period-end to check the consistency of reserves with technical flows;
➨ recurring audits of management system calculations, based on random tests and detailed repeat calculations;
➨ detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract / underwriting year / loss year) and tracking of the utilisation of reserves.

• Assumptions based on market or company-specific variables
Discount rates for savings and life insurance contracts are capped at a level corresponding to a conservative estimate of the expected return on the corresponding assets. Non-life technical reserves are discounted at market interest rates. All other assumptions are determined by reference to internal experience-based data.

• Use of assumptions that do not reflect historical experience
Assumptions are generally based on past experience and do not differ from those that would be expected to be used based on observed historical data. However, for liability adequacy testing purposes, CNP Assurances uses dynamic surrender rates which factor in possible increases in surrender rates that are not supported by past experience. In addition, the allocation keys used to allocate unrealised capital gains or losses are based on the present value of future profits as determined for the Embedded Value calculations. As such, they do not reflect observed historical data.

• Assumption correlations
Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

• Sensitivity of MCEV© to changes in surrender rates and loss ratios
Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits. At 31 December 2011, a 10% fall in surrender rates would have a positive impact of €193 million on MCEV©; a 5% fall in observed losses would have a positive impact of €154 million on MCEV© in respect of mortality and disability risks, and a negative impact of €75 million in respect of longevity.

e.4) Risk of guaranteed yields on insurance and financial liabilities

The main derivatives included in technical reserves are guaranteed yields. Traditional savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):
➨ contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures;
➨ contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years;
➨ contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on traditional savings contracts are analysed by guaranteed yield in the following tables:

(in millions of euros)

Guaranteed yield	31.12.2011 Technical reserves	%
0% [(1)]	143,802.0	49.8
]0%-2%]	17,599.9	6.1
]2%-3%]	43,824.7	15.2
]3%-4%]	1,692.6	0.6
]4%-4.5%]	5,142.2	1.8
> 4.5%[(2)]	1,833.4	0.6
Linked liabilities	34,713.0	12.0
Other [(3)]	40,161.5	13.9
TOTAL	**288,769.3**	**100.0**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern CAIXA Seguros in Brazil, where bond rates are above 10% (see Note 22.2 of CNP Assurances 2011 Registration Document).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

(in millions of euros)

Guaranteed yield	31.12.2010 Technical reserves	%
0% [(1)]	131,955.8	46.6
]0%-2%]	14,514.3	5.1
]2%-3%]	51,050.0	18.0
]3%-4%]	1,761.8	0.6
]4%-4.5%]	4,984.9	1.8
> 4.5%[(2)]	1,762.4	0.6
Linked liabilities	36,694.7	13.0
Other[(3)]	40,264.0	14.2
TOTAL	**282,987.9**	**100.0**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern CAIXA Seguros in Brazil, where bond rates are above 10% (see Note 22.2 of CNP Assurances 2011 Registration Document).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

e.5) Concentration of insurance risk

• Use of reinsurance to reduce concentrations of insurance risk

CNP Assurances' reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries;
- to protect underwriting results by entering into non-proportional treaties which are geared to the size of the group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk);
- to share risks on large-scale new business.

• Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

- Individual policies: death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its LBPP, CNP Vita and CNP Vida subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least five victims – the group retains ten times the annual social security ceiling (€35,352 in 2011) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.
- Group policies:
  - death and disability risks on all group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool. The system provides successively for the retention of the two largest claims per insurer, €30 million in co-insurance cover (of which CNP Assurances' share is 26%) and reinsurance cover purchased by the pool from external reinsurers. There are four levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 100 XS €50 million; level 3: 250 XS €150 million; and level 4: 100 XS €400 million with 200% paid reconstitution except for nuclear and NBC terrorism risks. A loss event is defined as involving three or more victims;
  - Catastrophic risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The group and provident institutions (acting as a matter of priority on behalf of the two or three largest claimants) retain €1.25 million per loss event and the reinsurers cover €37 million per loss event and €74 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €37 million per loss year.

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- the age pyramid, risk dispersion and concentration of insured populations;
- the number, size and cause of paid claims, including a detailed analysis of the largest claims;
- underwriting and reinsurance results.

Reinsurance balances are net-settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

• Counterparty risk on reinsurance balances

CNP Assurances regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA (a detailed schedule of reinsurer ratings is presented in Note 10.5 of the CNP Assurances 2011 Registration Document).

• Insurance-related legal risks

The Group's insurance-related risks and its risk management policy are presented in section 2 "Corporate governance and internal control" (section 2.5.7 Insurance-related legal risks) of the CNP Assurances 2011 Registration Document.

9. Subsequent events

Caisse des Dépôts steps up its commitment to regional development

On 10 February 2012, Caisse des Dépôts reiterated its commitment to create a local government development bank in partnership with La Banque Postale.

The joint venture will bring together Caisse des Dépôts, the French State, Dexia Crédit Local and La Banque Postale as well as the mortgage company, Dexia Municipal Agency.

At the same time, Caisse des Dépôts and La Banque Postale will set up a new bank to offer a new range of loans to French local and regional authorities and Dexia Municipal Agency will provide refinancing for the loans granted by this new bank.

Caisse des Dépôts has agreed to provide up to €12.5 billion at arm's length conditions to cover the operating liquidity requirements of the new entity.

Caisse des Dépôts aims to have the new bank up and running and granting loans to local authorities by June 2012.

This venture will reinforce Caisse des Dépôts' position as a key partner for local authorities alongside its role in administering additional loans out of the Savings Funds to finance regional and local development.

There have been no other subsequent events of a material nature since 31 December 2011.

10. Scope of Consolidation

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
Caisse des Dépôts Division						
Caisse des Dépôts						
CDC (CENTRAL SECTOR)	FULL	100.00	100.00	FULL	100.00	100.00
FINANCIÈRE TRANSDEV S.A.				FULL	100.00	50.11
GROUPE BETURE/CAP ATRIUM SASU	FULL	100.00	99.96	FULL	100.00	99.96
CDC ENTREPRISES VALEURS MOYENNES	FULL	100.00	100.00	FULL	100.00	100.00
CDC PME CROISSANCE	FULL	100.00	58.84	FULL	100.00	58.84
INFORMATIQUE CDC	FULL	100.00	57.14	FULL	100.00	40.00
AEW EUROPE	EQUITY	40.00	40.00	EQUITY	40.00	40.00
SCI SARIHV	FULL	100.00	100.00	FULL	100.00	100.00
SCI RIVE GAUCHE	FULL	100.00	99.93	FULL	100.00	100.00
LOGISTIS				EQUITY	33.33	33.33
FONCIÈRE FRANKLIN	FULL	100.00	100.00	FULL	100.00	100.00
SCI BOULOGNE ILOT V	FULL	100.00	99.00	FULL	100.00	100.00
SCI SILOGI	FULL	100.00	99.00	FULL	100.00	100.00
SCI 43-45 RUE DE COURCELLES	FULL	100.00	99.00	FULL	100.00	100.00
SCI 182 RUE DE RIVOLI	FULL	100.00	99.00	FULL	100.00	100.00
SCI ALPHA PARK	PROP	50.00	50.00	PROP	50.00	50.00
SCI PRINTEMPS LA VALETTE	PROP	50.00	50.00	PROP	50.00	50.00
SCI CUVIER MONTREUIL	PROP	50.00	50.00	PROP	50.00	50.00
SAS LA NEF LUMIÈRE	FULL	100.00	75.00			
SAS RICHELIEU VIVIENNE	PROP	50.00	50.00	PROP	50.00	50.00
SCI DES RÉGIONS(1)	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 B.V. (Netherlands)	FULL	100.00	100.00	FULL	100.00	100.00
PBW REAL ESTATE FUND (Netherlands)	FULL	100.00	100.00	FULL	100.00	100.00
ATRIUM TOWER (Poland)	FULL	100.00	100.00	FULL	100.00	100.00
BRISTOL (Hungary)	FULL	100.00	100.00	FULL	100.00	100.00
IBC (Czech Republic)	FULL	100.00	100.00	FULL	100.00	100.00
MOMPARK MFC (Hungary)	FULL	100.00	100.00	FULL	100.00	100.00
MYSLBEK (Czech Republic)	FULL	100.00	100.00	FULL	100.00	100.00
PAIGE INVESTMENTS (Poland)	FULL	100.00	100.00	FULL	100.00	100.00
WEBC (Hungary)	FULL	100.00	100.00	FULL	100.00	100.00
Banking, Insurance & La Poste Division						
DEXIA	EQUITY	13.03	13.03	EQUITY	13.03	13.03
LA POSTE	EQUITY	22.88	22.88			
CNP Assurances group						
CNP ASSURANCES(2)	PROP	40.16	40.16	PROP	40.17	40.17
AEP3 SCI	PROP	40.16	40.16	PROP	40.17	40.17
AEP4 SCI	PROP	40.16	40.16	PROP	40.17	40.17
AL DENTE 3 3DEC	PROP	40.16	21.86	PROP	40.17	22.69
ASSURBAIL	PROP	40.16	40.16	PROP	40.17	40.17

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
ASSURIMMEUBLE	PROP	40.16	40.16	PROP	40.17	40.17
BARCLAYS VIDA Y PENSIONES (Spain)	PROP	40.16	20.08	PROP	40.17	20.08
BOULE DE NEIGE 3 3DEC				PROP	40.17	24.59
CAIXA SEGUROS (Brazil)	PROP	40.16	20.78	PROP	40.17	20.79
CDC IONIS FCP 4DEC	PROP	40.16	40.16	PROP	40.17	40.17
CIMO	PROP	40.16	40.16	PROP	40.17	40.17
CNP ACP 10 FCP	PROP	40.16	19.98	PROP	40.17	19.98
CNP ACP OBLIG FCP	PROP	40.16	19.94	PROP	40.17	19.94
CNP ASSUR ALT. 3DEC	PROP	40.16	40.04	PROP	40.17	40.08
CNP ASSUR EURO SI	PROP	40.16	39.00	PROP	40.17	39.00
CNP HOLDING BRASIL (Brazil)	PROP	40.16	40.16	PROP	40.17	40.17
CNP EUROPE LIFE LTD (Ireland)	PROP	40.16	40.16	PROP	40.17	40.17
CNP IAM	PROP	40.16	40.16	PROP	40.17	40.17
CNP IMMOBILIER	PROP	40.16	40.16	PROP	40.17	40.17
CNP INTERNATIONAL	PROP	40.16	40.16	PROP	40.17	40.17
CNP SEGUROS DE VIDA (Argentina)	PROP	40.16	30.71	PROP	40.17	30.72
CNP UNICREDIT VITA (Italy)	PROP	40.16	23.09	PROP	40.17	23.10
CNP VIDA (Spain)	PROP	40.16	37.75	PROP	40.17	37.76
ÉCUREUIL PROFIL 30	PROP	40.16	38.34	PROP	40.17	38.28
ÉCUREUIL PROFIL 90	PROP	40.16	21.51	PROP	40.17	21.80
ÉCUREUIL VIE DÉVÉLOPPEMENT	PROP	40.16	20.48	PROP	40.17	20.49
ITV	PROP	40.16	40.16	PROP	40.17	40.17
LA BANQUE POSTALE PRÉVOYANCE	PROP	20.08	20.08	PROP	20.08	20.08
LBPAM ACT. DIVERSIF 5DEC	PROP	40.16	21.63	PROP	40.17	30.40
LBPAM PROFIL 50 D 5DEC	PROP	40.16	30.31	PROP	40.17	30.00
LB.ACT.DA SI 5DEC	PROP	40.16	40.16			
MARFIN INSURANCE HOLDINGS LTD (Cyprus)	PROP	40.16	20.12	PROP	40.17	20.12
MF Prévoyance	PROP	40.16	25.99			
OPCI AEP 247	PROP	34.30	34.30			
OPCI AEW IMCOM 1	PROP	40.16	40.16			
OPCI AEW IMCOM 6	PROP	20.08	20.08			
OPCI MTP INVEST	PROP	40.16	40.16			
PB6	PROP	20.08	20.08	PROP	20.08	20.08
PREVIPOSTE	PROP	40.16	40.16	PROP	40.17	40.17
PROGRESSIO 5 DEC				PROP	40.17	37.15
SICAC	PROP	40.16	40.16	PROP	40.17	40.17
UNIVERS CNP 1 FCP	PROP	40.16	40.08	PROP	40.17	40.08
VIVACCIO ACT 5DEC	PROP	40.16	32.48	PROP	40.17	32.46
Corporate Finance Division						
Strategic Investment Fund group						
STRATEGIC INVESTMENT FUND (SIF)	FULL	100.00	51.00	FULL	100.00	51.00
EIFFAGE	EQUITY	21.00	10.71	EQUITY	20.67	10.54

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
SOPROL	EQUITY	18.75	9.56	EQUITY	18.75	9.56
HIME	EQUITY	38.00	19.38	EQUITY	38.00	19.38
SÉCHÉ ENVIRONNEMENT	EQUITY	20.13	10.27	EQUITY	20.13	10.27
TYROL ACQUISITION 1 & CIE SCA	EQUITY	23.99	12.23	EQUITY	23.99	12.23
EUTELSAT COMMUNICATIONS	EQUITY	25.69	13.10	EQUITY	25.62	13.07
DAHER	EQUITY	17.06	8.70	EQUITY	17.06	8.70
CDC ENTREPRISES CAPITAL INVESTISSEMENT	FULL	100.00	51.00	FULL	100.00	51.00
FCPR PART'COM	FULL	100.00	51.00	FULL	100.00	51.00
PART'COM	FULL	100.00	51.00	FULL	100.00	51.00
FSI PME PORTEFEUILLE	FULL	100.00	51.00	FULL	100.00	51.00
FFI PARTS A	FULL	100.00	51.00	FULL	100.00	51.00
FFI PARTS B	FULL	100.00	51.00	FULL	100.00	51.00
FPMEI	FULL	100.00	51.00	FULL	100.00	51.00
FFI 2	FULL	100.00	51.00	FULL	100.00	51.00
FT1CI	FULL	100.00	40.41			
STConso (consolidation subgroup with a 28.33% stake in STMicroélectronics)	EQUITY	39.62	20.20			
Corporate Finance Division - Other entities						
S.A. OSEO	EQUITY	27.18	27.18	EQUITY	27.32	27.32
QUALIUM INVESTISSEMENT	FULL	100.00	100.00	FULL	100.00	100.00
CDC ENTREPRISES II	FULL	100.00	37.30	FULL	100.00	37.30
CDC INNOVATION	FULL	100.00	100.00	FULL	100.00	100.00
UNIVERS 12	FULL	100.00	100.00	FULL	100.00	100.00
CDC ELAN PME	FULL	100.00	100.00	FULL	100.00	100.00
AVENIR ENTREPRISES GESTION	FULL	100.00	60.48	FULL	100.00	60.48
CDC ENTREPRISES	FULL	100.00	100.00	FULL	100.00	100.00
Real Estate and Tourism Division						
Real Estate						
HOLDCO SIIC	FULL	100.00	95.32			
Icade group						
ICADE S.A.(3)	FULL	100.00	53.44	FULL	100.00	56.28
ICADE FINANCES	FULL	100.00	53.44	FULL	100.00	56.28
PROPERTY INVESTMENT COMPANIES						
HOUSING						
ICADE COMMERCES SAS	FULL	100.00	53.44	FULL	100.00	56.28
SCI LOCATIVES (property rental companies – 4 entities)	FULL	100.00	53.44	FULL	100.00	56.28
BUSINESS PARKS						
CFI	FULL	100.00	53.44	FULL	100.00	56.28
SCI 68 VICTOR HUGO	FULL	100.00	53.44	FULL	100.00	56.28
SCI BASSIN NORD	PROP	50.00	26.72	PROP	50.00	28.14
SCI BATI GAUTIER	FULL	100.00	53.44	FULL	100.00	56.28
SCI LE PARC DU MILLÉNAIRE	FULL	100.00	53.44	FULL	100.00	56.28
SCI PDM 1	FULL	100.00	53.44	FULL	100.00	56.28
SCI PDM 2	FULL	100.00	53.44	FULL	100.00	56.28
SCI PDM 3	FULL	100.00	53.44	FULL	100.00	56.28
SCI SÉVÉRINE	FULL	100.00	32.07	FULL	100.00	33.77
SNC ICADE CBI	FULL	100.00	53.44	FULL	100.00	56.28

OFFICES - France

GROUPS/COMPANIES	31 December 2011 Method	31 December 2011 % control	31 December 2011 % interest	31 December 2010 Method	31 December 2010 % control	31 December 2010 % interest
HC INVESTISSEMENT[4]				FULL	100.00	56.28
ICADE BRICOLAGE	FULL	100.00	53.44	FULL	100.00	56.28
ICADE BRICOLAGE CBI	FULL	100.00	53.44	FULL	100.00	56.28
ICADE TOUR DESCARTES	FULL	100.00	53.44	FULL	100.00	56.28
SAS ODYSSEUM	PROP	50.00	26.72	PROP	50.00	28.14
SCI CAMILLE DESMOULINS	FULL	100.00	53.44	FULL	100.00	56.28
SCI DU 1 TERRASSE BELLINI	PROP	33.33	17.81	PROP	33.33	18.76
SCI DU 31-33 RUE DE MOGADOR				FULL	100.00	56.28
SCI DU 69 BLD HAUSSMANN	FULL	100.00	53.44	FULL	100.00	56.28
SCI ICADE LEO LAGRANGE (formerly VILLEJUIF)	FULL	100.00	53.44	FULL	100.00	56.28
SCI ICADE RUE DES MARTINETS	FULL	100.00	53.44	FULL	100.00	56.28
SCI LE TOLBIAC	FULL	100.00	53.44	FULL	100.00	56.28
SCI MARIGNANE LA PALUN	FULL	100.00	53.44	FULL	100.00	56.28
SCI MESSINE PARTICIPATIONS	FULL	100.00	53.44	FULL	100.00	56.28
SCI MORIZET	FULL	100.00	53.44	FULL	100.00	56.28
SCI ZEUGMA	FULL	100.00	53.44	FULL	100.00	56.28
Subsidiaries of Compagnie La Lucette						
SCI CHAMBOLLE	FULL	100.00	53.44	FULL	100.00	56.28
SARL IRANCY[4]				FULL	100.00	56.28
SCI MOREY	FULL	100.00	53.44	FULL	100.00	56.28
SARL GARONNE[4]				FULL	100.00	56.28
SCI MONDOTTE	FULL	100.00	53.44	FULL	100.00	56.28
SARL DIDEROT[4]				FULL	100.00	56.28
SNC MISTRAL	FULL	100.00	53.44	FULL	100.00	56.28
SARL BRETON				FULL	100.00	56.28
SCI LOIRE	FULL	100.00	53.44	FULL	100.00	56.28
LA LUCETTE MANAGEMENT SAS[4]				FULL	100.00	56.28
MILU INVESTISSEMENTS SAS	FULL	100.00	53.44	FULL	100.00	56.28
SARL LIBOURNE[4]				FULL	100.00	56.28
SARL LANDES[4]				FULL	100.00	56.28
SCI 21 (TRANSALLIANCE)	FULL	100.00	53.44	FULL	100.00	56.28
SCI ST OUEN ÉVRY[4]				FULL	100.00	56.28
SCI 3 FONTANOT[4]				FULL	100.00	56.28
SCI NANTERRE ÉTOILE PARK	FULL	100.00	53.44	FULL	100.00	56.28
SCI GASCOGNE – BUREAUX	FULL	100.00	53.44	FULL	100.00	56.28
SCI ÉVRY MOZART	FULL	100.00	53.44	FULL	100.00	56.28
SCI ÉVRY EUROPÉEN	FULL	100.00	53.44	FULL	100.00	56.28
OFFICES – Germany						
ICADE REIT	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM GERMANY GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM AHRENSDORF GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM ARNULFSTRASSE MK8 GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM ARNULFSTRASSE MK9 GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM DACHAUER STRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM FRIESENSTRASSE HAUS 3 GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM FRIESENSTRASSE HAUS 4 GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM GOLDSTEINSTRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM HOHENZOLLERNDAMM GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM INDUSTRIESTRASSE (PRO 1) GMBH	FULL	100.00	53.44	FULL	100.00	56.28

GROUPS/COMPANIES	31 December 2011 Method	31 December 2011 % control	31 December 2011 % interest	31 December 2010 Method	31 December 2010 % control	31 December 2010 % interest
ICADE REIM INDUSTRIESTRASSE (PRO 3) GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM KOCHSTRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM MERCEDESSTRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM RHINSTRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM SALZUFERSTRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
ICADE REIM TURLENSTRASSE GMBH	FULL	100.00	53.44	FULL	100.00	56.28
KABALO GRUNDSTÜCKS VERWALTUNGSGESELLSCHAFT GMBH	FULL	100.00	53.44	FULL	100.00	56.28
KABALO GRUNDSTÜCKS VERWALTUNGSGESELLSCHAFT & Co KG	FULL	100.00	53.44	FULL	100.00	56.28
PUBLIC AND HEALTH SECTOR REAL ESTATE						
SAS ICADE SANTÉ	FULL	100.00	53.44	FULL	100.00	56.28
SCI BÂTIMENT SUD CENTRE HOSPITALIER PONTOISE	FULL	100.00	53.44	FULL	100.00	56.28
SCI BSM DU CHU DE NANCY	FULL	100.00	53.44	FULL	100.00	56.28
SCI LES TOVETS	FULL	100.00	53.44	FULL	100.00	56.28
SCI POLICE DE MEAUX	FULL	100.00	53.44	FULL	100.00	56.28
SCI SOCRATE(4)				FULL	100.00	56.28
PROPERTY DEVELOPMENT COMPANIES						
ICADE PROPERTY DEVELOPMENT AND HOUSING COMPANIES						
133 fully-consolidated companies	FULL			FULL		
79 proportionally-consolidated companies	PROP			PROP		
19 companies accounted for by the equity method	EQUITY			EQUITY		
ICADE PROMOTION						
ICADE PROMOTION	FULL	100.00	53.44	FULL	100.00	56.28
AMÉNAGEMENT CROIX DE BERNY	FULL	100.00	33.51	FULL	100.00	35.29
ARKADEA SAS	PROP	50.00	26.72	PROP	50.00	28.14
CITÉ SANITAIRE NAZAIRIENNE	FULL	100.00	32.07	FULL	100.00	33.77
CLAUDE BERNARD LOT T	PROP	50.00	26.72	PROP	50.00	28.14
ICADE DOCKS DE PARIS	FULL	100.00	53.44	FULL	100.00	56.28
ICADE G3A PROMOTION	FULL	100.00	53.44	FULL	100.00	56.28
ICADLEO	FULL	100.00	35.63	FULL	100.00	37.52
LES BUREAUX DE L'ÎLE DE NANTES	FULL	100.00	53.44	FULL	100.00	56.28
NERUDA FONTANOTS SCI	FULL	100.00	53.44	FULL	100.00	56.28
ODYSSEUM 2 SCI	FULL	100.00	41.15	FULL	100.00	43.34
PB31 PROMOTION SNC	PROP	50.00	26.72	PROP	50.00	28.14
SAS PARIS NORD EST(5)	PROP	80.00	66.03	PROP	80.00	66.88
SCCV LE PERREUX CANAL	FULL	100.00	38.75	FULL	100.00	40.80
SCCV SAINT DENIS LANDY[3]	PROP	50.00	26.72	PROP	50.00	28.14
SCI CAP EST LOISIRS	PROP	50.00	26.72	PROP	50.00	28.14
SCI HELENA PARC				FULL	100.00	28.70
SCI MONTROUGE CAP SUD	PROP	50.00	26.72	PROP	50.00	28.14
SCI PARIS BERTHELOT	PROP	50.00	26.72	PROP	50.00	28.14
SCI PORTES DE CLICHY	PROP	50.00	26.72	PROP	50.00	28.14
SCI VILLEJUIF GUIPONS	FULL	100.00	53.44	FULL	100.00	56.28
SNC DU CANAL ST LOUIS	FULL	100.00	53.44	FULL	100.00	56.28
SNC DU PLESSIS BOTANIQUE	FULL	100.00	53.44	FULL	100.00	56.28
SNC GERLAND 1	PROP	50.00	26.72	PROP	50.00	28.14
SNC GERLAND 2	PROP	50.00	26.72	PROP	50.00	28.14

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SNC ICAPROM (formerly SNC TECHNICAMPUS)	PROP	45.00	24.05	PROP	45.00	25.33
SNC ROBINI	PROP	50.00	26.72	PROP	50.00	28.14
SNC SAMICADE	PROP	50.00	26.72	PROP	50.00	28.14
SORIF ICADE LES PORTES D'ESPAGNE	PROP	50.00	26.72	PROP	50.00	28.14
TOULOUSE CANCEROPOLE	PROP	50.00	26.72	PROP	50.00	28.14
RETAIL PARK DES VIGNOBLES				FULL	100.00	56.28
SAMICADE GUADELOUPE	PROP	40.00	21.38	PROP	50.00	28.14
SAS CHRYSALIS DÉVELOPPEMENT	PROP	35.00	18.71	PROP	35.00	19.70
SCCV MACDONALD BUREAUX	PROP	50.00	26.72	PROP	50.00	28.14
SNC PARIS MACDONALD PROMOTION	FULL	100.00	53.44	FULL	100.00	56.28
SCI MACDONALD COMMERCES	FULL	100.00	53.44	FULL	100.00	56.28
SCI 15 AVENUE DU CENTRE	PROP	50.00	26.72			
SAS CORNE OUEST PROMOTION	EQUITY	25.00	13.36			
SAS CORNE OUEST VALORISATION	EQUITY	25.00	13.36			
ICADE ARCOBA						
ICADE ARCOBA	FULL	100.00	53.44	FULL	100.00	56.28
ICADE GESTEC RS	FULL	100.00	53.44	FULL	100.00	56.28
ICADE SETRHI SETAE						
ICADE SETRHI SETAE	FULL	100.00	53.44	FULL	100.00	56.28
PROPERTY SERVICES COMPANIES						
ICADE SERVICES	FULL	100.00	53.44	FULL	100.00	56.28
ICADE PFM						
IPORTA SAS	FULL	100.00	53.44	FULL	100.00	56.28
ICADE PROPERTY MANAGEMENT (formerly IGT)	FULL	100.00	53.44	FULL	100.00	56.28
ICADE SURETIS	FULL	100.00	53.44	FULL	100.00	56.28
ICADE PROPERTY MANAGEMENT COMPANIES						
ICADE RÉSIDENCES SERVICES (ex ICADE EUROSTUDIOMES)	FULL	100.00	53.44	FULL	100.00	56.28
EURO CAMPUS	FULL	60.00	32.07	FULL	60.00	33.77
ICADE TRANSACTIONS	FULL	100.00	53.44	FULL	100.00	56.28
ICADE CONSEIL						
ICADE CONSEIL	FULL	100.00	53.44	FULL	100.00	56.28
ICADE EXPERTISE	FULL	100.00	53.44	FULL	100.00	56.28
ICADE ASSET MANAGEMENT	FULL	100.00	53.44			
PROPERTY SERVICES COMPANIES – SPAIN						
IMMOBILIARIA DE LA CDC ESPANA	FULL	100.00	53.44	FULL	100.00	56.28
FINCAS ANZIZU				FULL	100.00	53.47
RESA				FULL	100.00	37.71
Société Nationale Immobilière group						
SOCIÉTÉ NATIONALE IMMOBILIÈRE	FULL	100.00	100.00	FULL	100.00	100.00
S2AI	FULL	100.00	100.00	FULL	100.00	100.00
SAINTE BARBE	FULL	100.00	100.00	FULL	100.00	100.00
SAS DES CASERTS	FULL	100.00	97.00	FULL	100.00	97.00
SCET	FULL	100.00	100.00	FULL	100.00	100.00
SCI DES REGIONS[1]				FULL	100.00	100.00
ADOMA	EQUITY	32.82	32.82			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
Tourism						
COMPAGNIE DES ALPES GROUP						
COMPAGNIE DES ALPES S.A.	FULL	100.00	39.89	FULL	100.00	39.94
COMPAGNIE DES ALPES FINANCEMENT SNC	FULL	100.00	39.89	FULL	100.00	39.94
SKI RESORTS						
CDA DS SAS	FULL	100.00	39.89	FULL	100.00	39.94
CDA SKI DIFFUSION SAS	FULL	100.00	39.89	FULL	100.00	39.94
CIEL SAS(4)				FULL	100.00	39.94
DEUX ALPES INVEST S.A. (DAI)(6)	FULL	100.00	42.88	FULL	100.00	42.90
DEUX ALPES LOISIRS S.A. (DAL)(6)	FULL	100.00	42.20	FULL	100.00	41.69
DEUX ALPES VOYAGES S.A. (DAV)(6)	FULL	100.00	42.20	FULL	100.00	41.69
DOMAINE SKIABLE DE FLAINE S.A. (DSF)	FULL	100.00	32.29	FULL	100.00	32.33
DOMAINE SKIABLE DE LA ROSIERE SAS (DSR)	EQUITY	20.00	7.98	EQUITY	20.00	7.99
DOMAINE SKIABLE DE VALMOREL SAS (DSV)	EQUITY	20.00	7.98	EQUITY	20.00	7.99
DOMAINE SKIABLE DU GIFFRE S.A. (DSG)	FULL	100.00	32.29	FULL	100.00	32.32
GROUPE COMPAGNIE DU MONTBLANC S.A.	EQUITY	33.47	13.35	EQUITY	33.47	13.37
MERIBEL ALPINA SAS	FULL	100.00	39.89	FULL	100.00	39.94
MONTAVAL SAS	FULL	100.00	39.89	FULL	100.00	39.94
PIERRE ET NEIGE S.A.(6)	FULL	100.00	42.20	FULL	100.00	41.69
SERRE CHEVALIER VALLEY S.A.	FULL	100.00	39.89	FULL	100.00	39.94
ADS (formerly SOCIÉTÉ DES MONTAGNES DE L'ARC S.A. (SMA))	FULL	100.00	38.76	FULL	100.00	38.80
STÉ AMÉNAGEMENT ARVES GIFFRE S.A. (SAG)	FULL	100.00	32.28	FULL	100.00	32.32
STÉ AMÉNAGEMENT LA PLAGNE S.A. (SAP)	FULL	100.00	39.11	FULL	100.00	39.16
STÉ CONSTRUCTION IMMOBILIÈRE VALLÉE DE BELLEVILLE SCI (SCIVABEL)	FULL	100.00	32.57	FULL	100.00	32.60
STÉ EXPLOIT RM MORZINE AVORIAZ SAS (SERMA)	EQUITY	20.00	7.98	EQUITY	20.00	7.99
STÉ EXPLOITATION VALLEE DE BELLEVILLE SAS (SEVABEL)	FULL	100.00	32.56	FULL	100.00	32.60
STÉ TÉLÉPHÉRIQUE DE LA GRANDE MOTTE S.A. (STGM)	FULL	100.00	31.03	FULL	100.00	31.07
STÉ TÉLÉPHÉRIQUE DE L'AIGUILLE GRIVE SAS (STAG)(1)				FULL	100.00	38.80
STÉ TÉLÉPHÉRIQUE DE VAL D'ISÈRE SAS (STVI)	FULL	100.00	39.89	FULL	100.00	39.94
SWISSALP SA (Switzerland)	FULL	100.00	39.89	FULL	100.00	39.94
SWISSALP SERVICES S.A. (Switzerland)	FULL	100.00	39.89	FULL	100.00	39.94
VALBUS SAS	FULL	100.00	39.89	FULL	100.00	39.94
AMUSEMENT PARKS						
AQUARIUM GÉANT DE SAINT-MALO SAS				FULL	100.00	39.94
AVENIR LAND SAS	FULL	100.00	39.89	FULL	100.00	39.94
BAGATELLE SAS				FULL	100.00	39.94
BELPARK B.V. (Belgium)	FULL	100.00	39.89	FULL	100.00	39.94
BICI ENTERTAINMENT S.A. (Switzerland)				FULL	100.00	39.94
BOIS DE BAGATELLE SCI				FULL	100.00	39.94
CADEVI SAS	FULL	100.00	39.89	FULL	100.00	39.94
CENTRES ATTRACTIFS JEAN RICHARD LA MER DE SABLE SAS	FULL	100.00	39.89	FULL	100.00	39.94

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
CDA BRANDS (formerly COFILO SAS)	FULL	100.00	39.89	FULL	100.00	39.94
DOLFINARIUM HARDERWIJK B.V. (Netherlands)	FULL	100.00	39.89	FULL	100.00	39.94
ÉCOBIOGESTION SAS	FULL	100.00	39.89	FULL	100.00	39.94
ÉCOPARCS S.A.[7]	EQUITY	51.02	35.34	EQUITY	51.02	35.36
FRANCE MINIATURE SAS	FULL	100.00	39.89	FULL	100.00	39.94
PARC FUTUROSCOPE[8]	FULL	100.00	32.44			
GREVIN & CIE S.A.	FULL	100.00	39.89	FULL	100.00	39.94
GREVIN & CIE TOURAINE SAS				FULL	100.00	39.94
GREVIN AVONTURENPARK B.V. (Netherlands)				FULL	100.00	39.94
GREVIN DEUTSCHLAND GMBH (Germany)	FULL	100.00	39.89	FULL	100.00	39.94
HARDERWIJK HELLENDOOM HOLDING B.V. (Netherlands)	FULL	100.00	39.89	FULL	100.00	39.94
IMMOFLOR N.V. (Belgium)	FULL	100.00	39.89	FULL	100.00	39.94
CDA PRODUCTION SAS	FULL	100.00	39.89	FULL	100.00	39.94
LOOPING HOLDING SAS	EQUITY	30.00	11.97			
MUSÉE GRÉVIN S.A.	FULL	100.00	38.25	FULL	100.00	38.29
PARC AGEN SAS	FULL	100.00	39.89	FULL	100.00	39.94
PARC DE LOISIRS DE BAGATELLE SCI				FULL	100.00	39.94
PLEASUREWOOD HILLS LTD (United Kingdom)				FULL	100.00	39.94
PREMIER FINANCIAL SERVICES B.V. (Belgium)	FULL	100.00	39.89	FULL	100.00	39.94
SAFARI AFRICAIN DE PORT SAINT-PÈRE SA	FULL	100.00	39.89	FULL	100.00	39.94
WALIBI WORLD B.V. (Netherlands)	FULL	100.00	39.89	FULL	100.00	39.94
CDA MANAGEMENT SAS (formerly P2P WEB SAS)	FULL	100.00	39.89	FULL	100.00	39.94
LOISIRS RE S.A. (Luxembourg)	FULL	100.00	39.89			
Santoline group						
SANTOLINE GROUP	EQUITY	33.87	33.87	EQUITY	33.87	33.87
Infrastructure, Transport and Environment Division						
Infrastructure						
AQUALTER	PROP	52.00	52.00			
CDC INFRASTRUCTURE	FULL	100.00	100.00	FULL	100.00	100.00
VERDUN PARTICIPATIONS 1	EQUITY	49.00	49.00	EQUITY	49.00	49.00
COMPAGNIE NATIONALE DU RHÔNE	EQUITY	33.20	33.20	EQUITY	33.20	33.20
EGIS group						
EGIS S.A.	FULL	100.00	74.88	FULL	100.00	100.00
FRANCE						
ACOUSTB	FULL	100.00	44.49	FULL	100.00	59.41
AIRPORT AERONAUTICAL EQUIPMENT	PROP	45.00	33.70	PROP	45.00	45.00
AOP	PROP	46.00	34.44			
ATELIER DESIGN CONSTRUCTION (ADC)	FULL	100.00	74.88			
ATELIER VILLES ET PAYSAGES	FULL	100.00	74.88	FULL	100.00	100.00
BETEREM INFRASTRUCTURE	FULL	100.00	74.87	FULL	100.00	100.00
BETURE INFRASTRUCTURE	FULL	100.00	74.88	FULL	100.00	100.00
BUREAU TECHNIQUE MÉDITERRANÉE (BTM)	FULL	100.00	74.87			
EGIS AIRPORT OPÉRATION	FULL	100.00	74.88			
EGIS AVIA	FULL	100.00	74.88	FULL	100.00	100.00
EGIS BÂTIMENTS INTERNATIONAL	FULL	100.00	74.88			
EGIS BÂTIMENTS	FULL	100.00	74.88			
EGIS BÂTIMENTS ANTILLES GUYANE	FULL	100.00	74.88			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
EGIS BÂTIMENTS CENTRE OUEST	FULL	100.00	74.88			
EGIS BÂTIMENTS GRAND EST	FULL	100.00	74.88			
EGIS BÂTIMENTS MANAGEMENT	FULL	100.00	74.88			
EGIS BÂTIMENTS MÉDITERRANÉE	FULL	100.00	74.88			
EGIS BÂTIMENTS NORD	FULL	100.00	74.88			
EGIS BÂTIMENTS OCÉAN INDIEN	FULL	100.00	74.88			
EGIS BÂTIMENTS RHÔNE-ALPES	FULL	100.00	74.88			
EGIS BÂTIMENTS SUD-OUEST	FULL	100.00	74.88			
EGIS BDPA	FULL	100.00	74.88	FULL	100.00	100.00
EGIS CONCEPT	FULL	100.00	74.88			
EGIS CONSEIL	FULL	100.00	74.86	FULL	100.00	100.00
EGIS CONSEIL BÂTIMENTS	FULL	100.00	74.88			
EGIS EAU	FULL	100.00	74.88	FULL	100.00	100.00
EGIS ÉNERGIE SYSTÈMES	FULL	100.00	74.88			
EGIS ENGINEERING	FULL	100.00	74.88	FULL	100.00	100.00
EGIS EXPLOITATION AQUITAINE	FULL	100.00	74.88			
EGIS FRANCE (formerly EGIS AMENAGEMENT)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS HOLDING BÂTIMENT INDUSTRIE (formerly Iosis Holding)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS INDUSTRIES	FULL	100.00	49.42			
EGIS INFORMATIQUE	FULL	100.00	74.88			
EGIS INGÉNIERIE	FULL	100.00	74.88	FULL	100.00	100.00
EGIS INTERNATIONAL (formerly EGIS BCEOM INTERNATIONAL)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS MOBILITÉ	FULL	100.00	74.88	FULL	100.00	100.00
EGIS PROJECTS S.A.	FULL	100.00	74.88	FULL	100.00	100.00
EGIS RAIL	FULL	100.00	74.88	FULL	100.00	99.12
EGIS ROAD OPERATION S.A.	FULL	100.00	74.88	FULL	100.00	100.00
EGIS ROUTE	FULL	100.00	74.88	FULL	100.00	100.00
EGIS STRUCTURE ET ENVIRONNEMENT	FULL	100.00	74.88	FULL	100.00	100.00
ENGAGE	EQUITY	25.00	12.36			
ENIA ARCHITECTES	EQUITY	25.00	18.72			
ETUDES BÂTIMENTS INGÉNIERIE (EBI)	FULL	100.00	49.42			
GUIGUES ENVIRONNEMENT	FULL	100.00	74.88	FULL	100.00	100.00
INGESUD	FULL	100.00	74.88			
IOSIS INFRASTRUCTURE	FULL	100.00	74.88			
JEAN MULLER INTERNATIONAL	FULL	100.00	74.87	FULL	100.00	99.99
MFI SAS	EQUITY	33.34	24.96	EQUITY	33.34	33.34
MUTATIONS	FULL	100.00	74.87	FULL	100.00	99.98
OTH INTERNATIONAL	FULL	100.00	74.85			
OTHEM SUD	FULL	100.00	74.88			
PARK + PARKINGS SÉCURISÉS POIDS LOURDS	PROP	40.00	29.95	PROP	40.00	40.00
ROUTALIS SAS	FULL	100.00	52.42	FULL	100.00	70.00
SEGAP S.A.	EQUITY	50.00	37.44	EQUITY	50.00	50.00
SEP A63	PROP	80.00	59.90			
SEP A88	PROP	70.00	52.42	PROP	70.00	70.00
SINTRA	FULL	100.00	74.88	FULL	100.00	99.12
SOCIÉTÉ D'ASSISTANCE ET DE CONSEIL INDUSTRIEL	FULL	100.00	74.88			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
SOCIÉTÉ DU MÉTRO DE MARSEILLE (SMM)	FULL	100.00	74.88	FULL	100.00	99.12
SOCIÉTÉ NOUVELLE INGEROUTE	FULL	100.00	74.87	FULL	100.00	99.99
SOFREAVIA SERVICE S.A.	FULL	100.00	74.86	FULL	100.00	99.97
INTERNATIONAL						
AERIA (Ivory coast)	EQUITY	35.00	26.21			
ARGE PPP FOE (Austria)	PROP	40.00	29.95	PROP	40.00	40.00
ATTIKES DIADROMES LTD (Greece)	EQUITY	20.00	14.98	EQUITY	20.00	20.00
AUTOBAHN + A8 GMBH (Germany)	EQUITY	19.00	14.23	EQUITY	19.00	19.00
AUTOBAHN + SERVICES GMBH (Germany)	PROP	56.00	41.93	PROP	56.00	56.00
AUTOSTRADA EXPLO EKSPLOATACJA (AESA) (Poland)	PROP	34.71	25.99	PROP	34.71	34.71
BHEGIS (Austria)	PROP	50.00	37.44	PROP	50.00	50.00
BIPROGEOPROJEKT (Poland)				FULL	100.00	100.00
BONAVENTURA STRASSENERHALTUNG GMBH (Austria)	PROP	50.00	37.44	PROP	50.00	50.00
CAOG AIRPORT OPERATIONS LTD (Cyprus)	PROP	36.00	26.96	PROP	36.00	36.00
CEL TRAK LTD (Ireland)	EQUITY	22.22	16.64	EQUITY	22.22	22.22
EASYTRIP SERVICES CORPORATION (Philippines)	FULL	100.00	74.88	FULL	100.00	100.00
EASYTRIP SERVICES IRELAND LTD (Ireland)	PROP	50.00	37.44	PROP	50.00	50.00
EAZY PASS LTD (Ireland)	PROP	50.00	37.44	PROP	50.00	50.00
EGIS ALGÉRIE SPA (Algeria)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS BULGARIE EAD (Bulgaria)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS CAMEROUN (Cameroon)	FULL	100.00	74.83	FULL	100.00	99.92
EGIS EYSER (Spain)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS INDIA Consulting Engineers Private Limited (India)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS INFRASTRUCTURE MANAGEMENT INDIA (India)	PROP	44.00	32.95			
EGIS INVESTMENT PARTNERS - INFRASTRUCTURE (Luxembourg)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS INVESTMENT PARTNERS - M25 (Luxembourg)	FULL	100.00	14.98			
EGIS INVESTMENT SARL (Luxembourg)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS MOBILITÉ (UK) Limited (United Kingdom)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS MONACO	FULL	100.00	74.88			
EGIS POLAND SP Zoo (Poland)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS PROJECTS ASIA PACIFIC PTY LTD (Australia)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS PROJECTS PHILIPPINES (Philippines)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS PROJECTS POLSKA (Poland)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS PROJECTS IRELAND LTD (Ireland)	FULL	100.00	74.88			
EGIS RAIL ISRAËL (Israel)	FULL	100.00	74.88	FULL	100.00	99.12
EGIS RAIL SL (Spain)	FULL	100.00	74.88	FULL	100.00	99.12
EGIS ROAD OPERATION CROATIA (Croatia)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS ROAD OPERATION PHILIPPINES (Philippines)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS ROAD OPERATION UK (United Kingdom)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS ROMANIA (Romania)	FULL	100.00	74.88	FULL	100.00	100.00

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
EP INFRASTRUKTURPROJEKTENTWICKLUNG (Austria)	FULL	100.00	74.88	FULL	100.00	100.00
FIRSTROUTE (ex EGIS PROJECTS IRELAND) (Ireland)	FULL	100.00	74.88	FULL	100.00	100.00
GSI (India)	FULL	100.00	74.88			
HEBRA HOLDING GMBH (Germany)	FULL	100.00	74.88			
HERMES AIRPORTS LTD (Cyprus)	EQUITY	20.00	14.98	EQUITY	20.00	20.00
IJSBREKER ICT B.V. (Netherlands)	EQUITY	50.00	37.44			
IOSIS MAROC (Morocco)	FULL	100.00	74.88			
IOSIS POLSKA (Poland)	FULL	100.00	74.88			
ISIS BELGIQUE (Belgium)	FULL	100.00	74.88	FULL	100.00	100.00
ITS ROAD SERVICES LTD (Ireland)	PROP	50.00	37.44	PROP	50.00	50.00
JMI PACIFIC (Thailand)	FULL	100.00	74.88	FULL	100.00	100.00
M6 TOLNA EXPLOITATION HONGRIE (Hungary)	PROP	52.00	38.94	PROP	52.00	52.00
MIDLINK M7/M8 LTD (Ireland)	FULL	100.00	50.17			
NORTHLINK M1 LTD (Ireland)	FULL	100.00	50.17			
OPERSCUT (Portugal)	FULL	100.00	52.42	FULL	100.00	70.00
ROAD SAFETY OPERATION IRELAND LTD (Ireland)	PROP	42.00	31.45	PROP	42.00	42.00
SEMALY IRELAND (Ireland)	FULL	100.00	74.88	FULL	100.00	99.12
SEMALY PORTUGAL (Portugal)	FULL	100.00	74.88	FULL	100.00	99.12
SEMALY SINGAPORE (Singapore)	FULL	100.00	74.88	FULL	100.00	99.12
SEMALY UK (United Kingdom)	FULL	100.00	74.88	FULL	100.00	99.12
SOUTHLINK N25 LTD (Ireland)	FULL	100.00	50.17			
STALEXPORT TRANSROUTE AUTOSTRADA (Poland)	PROP	45.00	33.70	PROP	45.00	45.00
TMC (Philippines)	PROP	34.00	25.46	PROP	34.00	34.00
TRANS FINANCE B.V. (Netherlands)	FULL	100.00	74.88			
TRANSLINK INVESTMENT (Australia)	PROP	50.00	37.44	PROP	50.00	50.00
TRANSPASS B.V. (Netherlands)	FULL	100.00	74.88			
TRANSPASS HOLDING B.V. (Netherlands)	FULL	100.00	74.88			
TRANSPASS INTERNATIONAL B.V. (Netherlands)	FULL	100.00	74.88			
TRANSPASS SERVICES B.V. (Netherlands)	FULL	100.00	74.88			
EGIS ROAD OPERATION AUSTRALIA PTY LTD (formerly TRANSROUTE AUSTRALIA) (Australia)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS PROJECTS CANADA INC. (formerly TRANSROUTE INTERNATIONAL CANADA SERVICES INC.) (Canada)	FULL	100.00	74.88	FULL	100.00	100.00
EGIS ROAD & TUNNEL OPERATIONS (formerly TRANSROUTE TUNNEL OPERATIONS LTD) (Ireland)	FULL	100.00	74.88	FULL	100.00	100.00
TRANSROUTE UK LTD (United Kingdom)	FULL	100.00	74.88	FULL	100.00	100.00
VEGA ENGENHARIA LTDA (Brazil)	FULL	100.00	74.88			
VERSLUIS INTERNATIONAL TAXES B.V. (Netherlands)	FULL	100.00	74.88			
Transport and Environment						
CDC CLIMAT	FULL	100.00	100.00	FULL	100.00	100.00
Transdev group (265 companies)				FULL	100.00	74.41
Veolia Transdev group						
VEOLIA TRANSDEV	PROP	50.00	50.00			

GROUPS/COMPANIES	31 December 2011 Method	% control	% interest	31 December 2010 Method	% control	% interest
ALGERIA						
VEOLIA TRANSPORT PILOTE	PROP	50.00	50.00			
GERMANY						
ALPINA IMMOBILIEN GMBH	PROP	50.00	50.00			
AWV	PROP	50.00	50.00			
BAYERISCHE OBERLANDBAHN GMBH IG	PROP	50.00	50.00			
BAYERISCHE REGIOBAHN GMBH	PROP	50.00	50.00			
BUSTOURISTIK TONNE GMBH	PROP	50.00	50.00			
DEUTSCHE TOURING GMBH	PROP	25.00	10.39			
DILLS REISEN	PROP	50.00	50.00			
EISENBAHNWERKSTATT GESELLSCHAFT MBH	PROP	50.00	50.00			
EURAILCO GMBH NEW	PROP	50.00	50.00			
EUROLINES FRANKFURT	EQUITY	50.00	10.39			
GRIENSTEIDL GMBH	PROP	50.00	50.00			
HABUS GMBH VERKEHRSBETRIEBE	PROP	25.50	25.50			
HEIDENHEIMER VERKEHRSGESELLSCHAFT MBH	PROP	50.00	37.42			
KSA VERWALTUNG GMBH AUGSBURG	PROP	24.50	24.50			
KSI GMBH & CO.KG AUGSBURG	PROP	24.50	24.50			
MOVE ON TELEMATIC SERVICE GMBH	PROP	50.00	50.00			
MVB	PROP	50.00	50.00			
NASSAUISCHE VERKEHRS-GESELLSCHAFT MBH	PROP	50.00	50.00			
NBRB TEILE- UND LOGISTIK GMBH	PROP	50.00	33.35			
NIEDERSCHLESISCHE VERKEHRSGESELLSHAFT	PROP	50.00	42.50			
NORDDEUTSCHE VERKEHRSBETRIEBE GMBH	PROP	50.00	32.50			
NORD-OSTSEEBAHN GMBH	PROP	50.00	50.00			
NORDWESTBAHN GMBH	PROP	50.00	32.00			
NZM	PROP	50.00	50.00			
OBERLANDBAHN FAHRZEUGBEREITSTELLUNGSGMBH	PROP	50.00	50.00			
OMNIBUS-VERKEHR RUOFF GMBH	PROP	50.00	50.00			
OSTSEELAND VERKEHR GMBH	PROP	50.00	35.00			
PALATINABUS GMBH	PROP	50.00	50.00			
PERSONENVERKEHR GMBH MÜRITZ (PVM)	PROP	50.00	35.00			
REGIOBUS GÜTERSLOH GMBH	PROP	50.00	50.00			
RHEIN-BUS VERKEHRSBETRIEB GMBH	PROP	25.50	25.50			
RMVB	PROP	25.00	25.00			
ROHDE VERKEHRSBETRIEBE GMBH	PROP	50.00	50.00			
SAX-BUS EILENBURGER BUSVERKEHR GMBH	PROP	50.00	28.00			
SCHAUMBURGER VERKEHRS-GESELLSCHAFT MBH	PROP	50.00	25.50			
STADTBUS SCHWÄBISCH HALL GMBH	PROP	50.00	50.00			
SUERLANNER	PROP	50.00	50.00			
SVP STADTVERKEHR PFORZHEIM GMBH & CO. KG	PROP	50.00	25.50			
TAETER-TOURS GMBH	PROP	50.00	25.50			
TRANSDEV-SZ	PROP	50.00	50.00			

GROUPS/COMPANIES	31 December 2011 Method	% control	% interest	31 December 2010 Method	% control	% interest
TRANSREGIO NEW	PROP	50.00	37.50			
VEOLIA TRANSPORT CENTRAL EUROPE GMBH	PROP	50.00	32.50			
VEOLIA VERKEHR GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR KUNDENSERVICE GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR NIEDERSACHSEN/ WESTFALENG	PROP	50.00	50.00			
VEOLIA VERKEHR OSTWESTFALEN GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR PERSONALSERVICE GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR REGIO GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR REGIO OST GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR RHEINLAND GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR RHEIN-MAIN GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR SACHSEN-ANHALT GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR SERVICE OST GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR STADT GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR SÜD-WEST GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR UND SERVICE WEST GMBH	PROP	50.00	50.00			
VEOLIA VERKEHR WEST GMBH	PROP	50.00	50.00			
VERKEHRSGESELLSHAFT GORLITZ GMBH	PROP	50.00	24.50			
VLD	PROP	50.00	50.00			
VREM	PROP	50.00	50.00			
VRL	PROP	50.00	50.00			
VRW	PROP	50.00	50.00			
VWS	PROP	50.00	50.00			
WEST-BUS GMBH	PROP	24.50	24.50			
WÜRTTEMBERGISCHE EISENBAHN-GESELLSCHAFT	PROP	50.00	50.00			
AUSTRALIA						
ACN 087 528 774 PTY LTD	PROP	50.00	50.00			
BRISBANE FERRIES	PROP	25.00	25.00			
CONNEX MANAGEMENT AUSTRALIA PTY LTD	PROP	50.00	50.00			
CONNEX MELBOURNE PTY LTD	PROP	50.00	50.00			
MAINCO MELBOURNE PTY LTD	PROP	15.00	15.00			
METROLINK	PROP	25.00	25.00			
QUEENSLAND	PROP	50.00	50.00			
TDV TSL (BRISBANE) - IG	PROP	50.00	50.00			
TNSW-IG	PROP	50.00	50.00			
TRANSDEV AUSTRALIA	PROP	50.00	50.00			
TRANSDEV VICTORIA	PROP	50.00	50.00			
TSL - IG	PROP	50.00	50.00			
VEOLIA TRANSPORT AUSTRALASIA P/L	PROP	50.00	50.00			
VEOLIA TRANSPORT NSW P/L	PROP	50.00	50.00			
VEOLIA TRANSPORT PERTH P/L	PROP	50.00	50.00			
VEOLIA TRANSPORT SYDNEY P/L	PROP	50.00	50.00			
VEOLIA TRANSPORT WA	PROP	50.00	50.00			
VT QUEENSLAND PTY LTD	PROP	50.00	50.00			
AUSTRIA						
VEOLIA VERKEHR ÖSTERREICH GMBH	PROP	50.00	50.00			

GROUPS/COMPANIES	31 December 2011 Method	31 December 2011 % control	31 December 2011 % interest	31 December 2010 Method	31 December 2010 % control	31 December 2010 % interest
BELGIUM						
A. DE VOEGHT & CO. BVBA	PROP	50.00	50.00			
AUTOBUS & AUTOCARS GEORGES SPRL	PROP	50.00	50.00			
AUTOBUS EN AUTOCARBEDRIJF REIZEN DE VALK N.V.	PROP	50.00	50.00			
AUTOBUS VERLEYEN N.V.	PROP	50.00	50.00			
AUTOBUSBEDRIJF G. MEBIS & CO. N.V.	PROP	50.00	50.00			
AUTOBUSSEN EN AUTOCARS ACHIEL WEYN EN ZONEN N.V.	PROP	50.00	50.00			
AUTOCARS DE POLDER N.V.	PROP	50.00	50.00			
B&C	PROP	50.00	50.00			
BUS DE POLDER N.V.	PROP	50.00	50.00			
DE DUINEN N.V.	PROP	50.00	50.00			
EUROLINES BELGIQUE	PROP	50.00	50.00			
GEENENS BUS & CAR N.V.	PROP	50.00	50.00			
GEENENS N.V.	PROP	50.00	50.00			
GRUSON AUTOBUS N.V.	PROP	50.00	50.00			
HADEP N.V.	PROP	50.00	50.00			
HEIDEBLOEM N.V.	PROP	50.00	50.00			
KATRIVA N.V.	PROP	50.00	50.00			
R. MELOTTE & CO. N.V.	PROP	50.00	50.00			
V.B.M.N.V.	PROP	50.00	50.00			
VAN COILLIE N.V.	PROP	50.00	50.00			
VAN PEE INVEST N.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT BELGIUM N.V.	PROP	50.00	50.00			
VERVOERBEDRIJF GEBROEDERS DE VOS BVBA	PROP	50.00	50.00			
CANADA						
2755 4609 QUEBEC	PROP	50.00	50.00			
4345240 CANADA (AUTOCAR METROPOLITAIN)	PROP	50.00	50.00			
4369645 CANADA (AUTOCAR METROPOLITAIN)	PROP	50.00	50.00			
9078-9975 QUEBEC (MEDICAR)	PROP	50.00	50.00			
AUGER INC.	PROP	50.00	50.00			
AUTOBUS BOULAIS Ltee	PROP	50.00	50.00			
LIMOCAR	PROP	50.00	50.00			
LIMOCAR ESTRIE	PROP	50.00	50.00			
LIMOCAR ROUSSILLON	PROP	50.00	50.00			
TRANSDEV CANADA INC.	PROP	50.00	50.00			
VEOLIA TRANSPORTATION SERVICES CANADA IN	PROP	50.00	50.00			
VT CANADA INC.	PROP	50.00	50.00			
VT QUEBEC INC.	PROP	50.00	50.00			
YORK BRT	PROP	50.00	37.50			
CHILE						
CARBUS URBANO S.A.	PROP	50.00	50.00			
REDBUS URBANO S.A.	PROP	50.00	50.00			
VEOLIA TRANSPORT CHILE	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
CHINA						
ANQING ZHONGBEI BUS CO., LTD	PROP	24.50	9.94			
HONG KONG TRAMWAYS LIMITED	PROP	50.00	27.50			
HUAIBEI ZHONGBEI BUS CO., LTD	PROP	24.50	7.01			
HUAINAN ZHONGBEI BUS CO., LTD	PROP	24.50	11.20			
MAANSHAN ZHONGBEI BUS CO., LTD	PROP	24.50	8.09			
MACAU BUS	PROP	25.00	16.25			
NANJING ZHONGBEI	PROP	24.50	13.48			
VEOLIA TRANSPORT CHINA LTD HK	PROP	50.00	27.50			
VT RATP CHINA	PROP	25.00	25.00			
COLOMBIA						
CITY MOVIL	PROP	19.25	12.05			
CONEXION MOVIL	PROP	19.25	15.54			
STÉ INTERNATIONALE DE TRANSPORT MASSIVO	PROP	19.25	19.25			
SOUTH KOREA						
SEOUL LINE 9	PROP	50.00	22.00			
VEOLIA TRANSPORT KOREA	PROP	50.00	27.50			
VT RATP KOREA	PROP	25.00	25.00			
CROATIA						
PANTURIST d.d.	PROP	50.00	29.39			
TOURING CROATIA	PROP	25.00	10.39			
VEOLIA TRANSPORT HRVATSKA D.O.O.	PROP	50.00	32.50			
DENMARK						
TOURING SCANDINAVIA	PROP	25.00	10.39			
SPAIN						
CORPORACION JEREZANA TRANSPORTES URBANOS	PROP	25.00	25.00			
DETREN	PROP	25.00	25.00			
EUROLINES PENINSULAR	PROP	25.00	25.00			
FCC-CONNEX CORPORACION SL	PROP	25.00	25.00			
MONTAÑESA	PROP	50.00	50.00			
MOVEBUS	PROP	25.00	25.00			
TENEMETRO	PROP	50.00	30.00			
TRANSDEV ESPANA SL	PROP	50.00	50.00			
UTE TRAMBAIX	PROP	16.50	16.50			
UTE TRAMBESOS	PROP	16.50	16.50			
VIAJES EUROLINES	PROP	25.00	18.75			
VT BILBAO	PROP	50.00	50.00			
UNITED STATES						
AIRLINES ACQUISITION CO., INC.	PROP	50.00	50.00			
AIRPORT LIMOUSINE SERVICE, INC.	PROP	50.00	50.00			
ATC PARTNERS LLC	PROP	50.00	50.00			
ATC/VANCOM OF ARIZONA, LIMITED PARTNERSHIP	PROP	50.00	50.00			
BELLE ISLE CAB COMPANY, INC.	PROP	50.00	50.00			
BLUE BOOTH INCORPORATED	PROP	50.00	42.00			
BLUE VAN LEASING CORPORATION	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
CENTRAL CAB COMPANY, INC.	PROP	50.00	50.00			
CENTURY CAB COMPANY, INC.	PROP	50.00	50.00			
CHAMPION CAB COMPANY, INC.	PROP	50.00	50.00			
CHECKER AIRPORT TAXI, INC.	PROP	50.00	50.00			
CHECKER CAB ASSOCIATION, INC.	PROP	50.00	50.00			
CHECKER YELLOW CAB OF JACKSONVILLE, LLC	PROP	50.00	50.00			
CHOICE CAB COMPANY, INC.	PROP	50.00	50.00			
CIRCLE CAB COMPANY, INC.	PROP	50.00	50.00			
CLASSIC CAB COMPANY, INC.	PROP	50.00	50.00			
CLOUD 9 SHUTTLE, INC.	PROP	50.00	50.00			
COAST CAB COMPANY, INC.	PROP	50.00	50.00			
COLONIAL CAB COMPANY, INC.	PROP	50.00	50.00			
COLORADO CAB COMPANY, LLC	PROP	50.00	50.00			
COMPUTER CAB COMPANY, INC.	PROP	50.00	50.00			
CONNEX RAILROAD LLC	PROP	50.00	50.00			
CORDIAL CAB COMPANY, INC.	PROP	50.00	50.00			
DULLES TRANSPORTATION PARTNERSHIP	PROP	50.00	30.00			
GOLDEN TOUCH TRANSPORTATION OF NEW YORK, INC.	PROP	50.00	50.00			
HOUSTON O & M LLC	PROP	50.00	35.00			
HUNTLEIGH TRANSPORTATION SERVICES LLC	PROP	50.00	50.00			
JIMMY'S CAB, INC.	PROP	50.00	50.00			
KANSAS CITY LIMOUSINE LLC	PROP	50.00	50.00			
KANSAS CITY SHUTTLE LLC	PROP	50.00	50.00			
KANSAS CITY TAXI LLC	PROP	50.00	50.00			
MBCRC	PROP	50.00	30.00			
MINI BUS SYSTEMS, INC.	PROP	50.00	50.00			
NATIONAL HARBOR TRANSPORTATION SERVICES LLC	PROP	50.00	50.00			
OAK STREET SALES, INC.	PROP	50.00	50.00			
OLD DOMINION TRANSIT MANAGEMENT COMPANY	PROP	50.00	50.00			
PHOENIX TRANSIT JOINT VENTURE	PROP	50.00	41.00			
PITTSBURGH CAB COMPANY, INC.	PROP	50.00	50.00			
PITTSBURGH TRANSPORTATION COMPANY	PROP	50.00	50.00			
PITTSBURGH TRANSPORTATION GROUP CHARTER SERVICES, INC.	PROP	50.00	50.00			
PROFESSIONAL FLEET MANAGEMENT LLC	PROP	50.00	50.00			
PROFESSIONAL TRANSIT CONTRACTING LLC	PROP	50.00	50.00			
PROFESSIONAL TRANSIT MANAGEMENT, LTD	PROP	50.00	50.00			
PROFESSIONAL TRANSIT SOLUTIONS LLC	PROP	50.00	50.00			
PTM BROKERAGE SERVICES, INC.	PROP	50.00	50.00			
PTM OF ASHEVILLE, INC.	PROP	50.00	50.00			
PTM OF ATTLEBORO, INC.	PROP	50.00	50.00			
PTM OF BOISE, LLC	PROP	50.00	50.00			
PTM OF CAPE COD, INC.	PROP	50.00	50.00			
PTM OF DUTCHESS COUNTY, INC.	PROP	50.00	50.00			
PTM OF GEORGIA, INC.	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
PTM OF JACKSON, INC.	PROP	50.00	50.00			
PTM OF RACINE, INC.	PROP	50.00	50.00			
PTM OF TUCSON, INC.	PROP	50.00	50.00			
PTM OF WAUKESHA, INC.	PROP	50.00	50.00			
PTM OF WILMINGTON, INC.	PROP	50.00	50.00			
PTM PARATRANSIT OF TUCSON, INC.	PROP	50.00	50.00			
RAYRAY CAB COMPANY, LLC	PROP	50.00	50.00			
REGIONAL TRANSIT AUTHORITY TRANSIT SERVICES, INC.	PROP	50.00	50.00			
SACRAMENTO TRANSPORTATION, INC.	PROP	50.00	50.00			
SAFETY CAB COMPANY, INC.	PROP	50.00	50.00			
SCOUT CAB COMPANY, INC.	PROP	50.00	50.00			
SECURE CAB COMPANY, INC.	PROP	50.00	50.00			
SELECT CAB COMPANY, INC.	PROP	50.00	50.00			
SENTINEL CAB COMPANY, INC.	PROP	50.00	50.00			
SERENE CAB COMPANY, INC.	PROP	50.00	50.00			
SERVICE CAB COMPANY, INC.	PROP	50.00	50.00			
SFO AIRPORTER, INC.	PROP	50.00	50.00			
SHAMROCK CHARTERS, INC.	PROP	50.00	50.00			
SHAMROCK LEASING LLC	PROP	50.00	50.00			
SHAMROCK LUXURY LIMOUSINE LLC	PROP	50.00	50.00			
SHAMROCK TAXI OF FORT COLLINS, INC.	PROP	50.00	50.00			
SHAMROCK TRANS LLC	PROP	50.00	50.00			
SHUTTLE ASSOCIATES LLC	PROP	50.00	50.00			
SHUTTLE EXPRESS, INC.	PROP	50.00	50.00			
SHUTTLEPORT ARIZONA JOINT VENTURE	PROP	50.00	32.50			
SHUTTLEPORT CALIFORNIA LLC	PROP	50.00	50.00			
SHUTTLEPORT CONNECTICUT LLC	PROP	50.00	50.00			
SHUTTLEPORT DC LLC	PROP	50.00	50.00			
SHUTTLEPORT FLORIDA LLC	PROP	50.00	50.00			
SHUTTLEPORT SERVICES ARIZONA LLC	PROP	50.00	50.00			
SKYLINE CAB COMPANY, INC.	PROP	50.00	50.00			
SPENCER LEASING LLC	PROP	50.00	50.00			
SUN TAXICAB ASSOCIATION, INC.	PROP	50.00	50.00			
SUNRISE CAB COMPANY, INC.	PROP	50.00	50.00			
SUPER SHUTTLE INTERNATIONAL INC.	PROP	50.00	50.00			
SUPERIOR CAB COMPANY, INC.	PROP	50.00	50.00			
SUPERSHUTTLE ARIZONA, INC.	PROP	50.00	50.00			
SUPERSHUTTLE DALLAS FORT WORTH, INC.	PROP	50.00	50.00			
SUPERSHUTTLE FRANCHISE CORPORATION	PROP	50.00	50.00			
SUPERSHUTTLE INTERNATIONAL DENVER, INC.	PROP	50.00	50.00			
SUPERSHUTTLE LEASING, INC.	PROP	50.00	50.00			
SUPERSHUTTLE LOS ANGELES, INC.	PROP	50.00	50.00			
SUPERSHUTTLE OF HOUSTON, LLC	PROP	50.00	50.00			
SUPERSHUTTLE OF MINNESOTA, INC.	PROP	50.00	50.00			
SUPERSHUTTLE ORANGE COUNTY, INC.	PROP	50.00	50.00			
SUPERSHUTTLE RALEIGH-DURHAM, INC.	PROP	50.00	50.00			
SUPERSHUTTLE SAN FRANCISCO, INC.	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
SUPERSHUTTLE TENNESSEE, INC.	PROP	50.00	50.00			
SUPERTAXI, INC.	PROP	50.00	50.00			
SUPREME CAB COMPANY, INC.	PROP	50.00	50.00			
TEMPE ARIZONA VF JOINT VENTURE	PROP	50.00	42.50			
THE LIMO, INC.	PROP	50.00	50.00			
THE YELLOW CAB COMPANY	PROP	50.00	50.00			
UNIFIED DISPATCH, LLC	PROP	50.00	50.00			
VEOLIA TRANSPORTATION, INC.	PROP	50.00	50.00			
VEOLIA TRANSPORTATION MAINTENANCE AND INFRASTRUCTURE, INC.	PROP	50.00	50.00			
VEOLIA TRANSPORTATION ON DEMAND INC.	PROP	50.00	50.00			
VEOLIA TRANSPORTATION SERVICES (TRANSIT)	PROP	50.00	50.00			
VEOLIA TRANSPORTATION SERVICES, INC.	PROP	50.00	50.00			
WASHINGTON SHUTTLE, INC.	PROP	50.00	45.00			
YC HOLDINGS, INC.	PROP	50.00	50.00			
YELLOW CAB ASSOCIATION, INC.	PROP	50.00	50.00			
YELLOW CAB COMPANY OF PITTSBURGH	PROP	50.00	50.00			
YELLOW TAXI ASSOCIATION, INC.	PROP	50.00	50.00			
FINLAND						
VEOLIA TRANSPORT ESPOO OY	PROP	50.00	50.00			
VEOLIA TRANSPORT FINLAND OY	PROP	50.00	50.00			
VEOLIA TRANSPORT TAMPERE OY	PROP	50.00	50.00			
VEOLIA TRANSPORT VANTAA OY	PROP	50.00	50.00			
VEOLIA TRANSPORT WEST OY	PROP	50.00	50.00			
WESTERLINES AB OY	PROP	50.00	50.00			
FRANCE						
AERO PISTE	PROP	50.00	50.00			
AEROPASS	PROP	50.00	50.00			
AIRCAR	PROP	50.00	50.00			
ALBATRANS	EQUITY	28.78	28.78			
ALISO VOYAGES	PROP	50.00	32.98			
ALTIBUS	PROP	50.00	32.98			
ANTRAS	PROP	50.00	49.97			
ARY	PROP	50.00	49.97			
ATRIOM DE BEAUVAISIS	PROP	50.00	49.97			
ATRIOM DU COMPIEGNOIS	PROP	50.00	47.94			
AUTOBUS AIXOIS	PROP	50.00	49.92			
AUTOBUS ARTÉSIENS	PROP	50.00	49.90			
AUTOBUS AUBAGNAIS	PROP	50.00	50.00			
AUTOBUS AURÉLIENS	PROP	50.00	34.83			
AUTOBUS DU FORT	PROP	50.00	50.00			
AUTOBUS MARNE-LA-VALLÉE	PROP	50.00	50.00			
AUTOCARS ALIZÉS	PROP	50.00	49.97			
AUTOCARS CHAMBON-GROS	PROP	50.00	50.00			
AUTOCARS DARCHE-GROS	PROP	50.00	50.00			
AUTOCARS SABARDU	PROP	50.00	50.00			
AUTOCARS TOURNEUX	PROP	50.00	50.00			
AUXERROIS MOBILITÉS	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
BESANÇON MOBILITÉ	PROP	50.00	50.00			
BIÈVRE BUS MOBILITÉS	PROP	50.00	50.00			
BRAVO PISTE	PROP	50.00	50.00			
BREMOND	PROP	50.00	50.00			
BUS DE L'ÉTANG DE BERRE	PROP	50.00	49.85			
BUS EST	PROP	50.00	50.00			
BUS MANOSQUE VAL DE DURANCE	PROP	50.00	26.00			
C.A.P.	PROP	50.00	50.00			
CABARO	PROP	50.00	49.97			
CAISSE COMMUNE	PROP	50.00	50.00			
CAP PAYS CATHARE	PROP	50.00	49.97			
CARBU WASH	PROP	50.00	50.00			
CARS DE CHÂTEAU-THIERRY	PROP	50.00	50.00			
CARS D'ORSAY	PROP	50.00	50.00			
CARS DU PAYS D'AIX	PROP	50.00	50.00			
CARS DU PAYS DE VALOIS	PROP	50.00	50.00			
CEA TRANSPORTS	PROP	50.00	50.00			
CFTA CENTRE OUEST	PROP	50.00	49.97			
CFTA RHÔNE	PROP	50.00	50.00			
CFTA S.A.	PROP	50.00	50.00			
CFTI	PROP	50.00	49.97			
CHARLIPISTE	PROP	50.00	50.00			
CHARTRES MOBILITÉ	PROP	50.00	50.00			
CHEMIN DE FER DE LA MURE	PROP	50.00	50.00			
CIE ARMORICAINE DE TRANSPORTS	PROP	50.00	49.95			
CIE DE TRANSPORTS DE SAUMUR	PROP	50.00	49.90			
CIE DES AUTOCARS DE TOURAINE	PROP	50.00	49.97			
CIE DES TR COLLECTIF DE L'OUEST PARISIEN	PROP	25.00	25.00			
CIE DES TRANSPORTS DU PAYS DE VANNES	PROP	50.00	50.00			
CIE GÉNÉRALE DE TOURISME ET HÔTELLERIE	PROP	50.00	33.00			
CIE OCÉANE	PROP	50.00	50.00			
CIE SAINT QUENTINOISE DE TRANSPORTS	PROP	50.00	49.97			
CIOTABUS	PROP	50.00	50.00			
CIRCUL AIR	PROP	50.00	50.00			
CITEBUS DES 2 RIVES	PROP	50.00	50.00			
CITRAM AQUITAINE	PROP	50.00	49.97			
CITRAM PYRÉNÉES	PROP	50.00	49.97			
CITYWAY	PROP	50.00	50.00			
CLOS PIERVIL	PROP	50.00	49.92			
COMPAGNIE DES BACS DE LOIRE	PROP	50.00	50.00			
COMPAGNIE DES TRANSPORTS DE LA RIVIEIRA	PROP	50.00	49.97			
COMPAGNIE DU GOLFE	PROP	50.00	50.00			
COMPAGNIE FERROVIAIRE SUD FRANCE	PROP	50.00	50.00			
COMPTOIRS DU SUD	PROP	50.00	33.00			
CONNEX CHAMBÉRY	PROP	50.00	50.00			
CONNEX ÉPINAL	PROP	50.00	50.00			
CONNEX LCB	PROP	50.00	50.00			
CONNEX NANCY	PROP	50.00	50.00			

GROUPS/COMPANIES	31 December 2011 Method	% control	% interest	31 December 2010 Method	% control	% interest
CONNEX TOULOUSE	PROP	50.00	50.00			
CONNEX VILLEFRANCHE	PROP	50.00	50.00			
COURRIERS AUTOMOBILES PICARDS	PROP	50.00	48.92			
COURRIERS DE L'AUBE	PROP	50.00	45.73			
COURRIERS DE SEINE-ET-OISE	PROP	50.00	50.00			
CREUSOT MONTCEAU TRANSPORTS	PROP	50.00	50.00			
CROLARD S.A.	PROP	50.00	50.00			
CTPO	PROP	50.00	50.00			
DRYADE	PROP	50.00	35.78			
DUNAND	PROP	50.00	50.00			
ECAUX MOBILITÉ	PROP	50.00	49.97			
ÉNERGIE BUS	PROP	50.00	50.00			
ENEZ EDIG	PROP	50.00	50.00			
ENEZ HOUAD	PROP	50.00	50.00			
EQUIVAL SAS NEW	PROP	50.00	50.00			
ESPACES S.A.	PROP	50.00	50.00			
ESTEREL CARS	PROP	50.00	50.00			
EURAILCO S.A.S NEW	PROP	50.00	50.00			
EUROLINES FRANCE	PROP	50.00	49.99			
EUROLUM S.A.	PROP	50.00	50.00			
EUROPE AUTOCARS	PROP	50.00	50.00			
FERRYTOUR	PROP	50.00	33.00			
FNM2	PROP	50.00	49.97			
FRIOUL IF EXPRESS	PROP	50.00	50.00			
GECIR	PROP	22.50	22.50			
GIE TRANSDEV FORMATION	PROP	50.00	49.53			
GUICHARD	PROP	50.00	50.00			
HANDILIB	PROP	50.00	50.00			
IBERFRAN	PROP	12.50	6.36			
IBEROLINES	PROP	25.00	12.71			
ÎLE-DE-FRANCE TOURISME	PROP	50.00	50.00			
INTERPISTE	PROP	50.00	50.00			
INTERVAL	PROP	50.00	50.00			
JV VT RATP	PROP	25.00	25.00			
KERDONIS	PROP	50.00	50.00			
KUNEGEL S.A.	PROP	50.00	49.97			
LA MARE AU MOULIN (SCI)	PROP	50.00	50.00			
LAON MOBILITÉ	PROP	50.00	50.00			
LES AUTOCARS BLANCS	PROP	50.00	50.00			
LES CARS MARIETTE	PROP	50.00	50.00			
LES CARS ROSE	PROP	50.00	50.00			
LES LIGNES DU VAR	PROP	50.00	49.19			
LES MÉLÈZES	PROP	50.00	49.91			
LES RUBANS BLEUS	PROP	25.00	25.00			
L'IMMOBILIÈRE DES FONTAINES	PROP	50.00	50.00			
MANU-PISTE	PROP	50.00	50.00			
MARTIN FRÈRES	PROP	50.00	50.00			
MECA PISTE	PROP	50.00	50.00			
MÉDIA CITÉ	PROP	50.00	49.99			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
MÉDITERRANÉENNE CONSIGNATION MANUTENTION	PROP	50.00	33.00			
MELVAN	PROP	50.00	50.00			
MERCUR	PROP	50.00	50.00			
MOBILITÉ ET SERVICES	PROP	50.00	49.97			
MONEGER	PROP	50.00	49.97			
MONTBLANC BUS	PROP	50.00	37.45			
MOUV'IDÉES	PROP	25.00	25.00			
MUSSO	PROP	50.00	49.97			
N'4 MOBILITÉS	PROP	50.00	48.27			
OCECARS	PROP	50.00	49.97			
ODULYS	PROP	50.00	27.50			
PASSAGERS PÔLE SERVICES	PROP	50.00	50.00			
PAYS D'OC MOBILITÉS	PROP	50.00	50.00			
PÔLE ÎLE-DE-FRANCE IMMOBILIER AND FACILITIES	PROP	50.00	50.00			
PREVOST	PROP	50.00	49.97			
PROGETOURS	PROP	50.00	50.00			
PROXIWAY	PROP	50.00	50.00			
RAPIDES DE BOURGOGNE	PROP	50.00	50.00			
RAPIDES DE CÔTE D'AZUR	PROP	50.00	49.97			
RAPIDES DE LA MEUSE	PROP	50.00	49.97			
RAPIDES DE SAÔNE-ET-LOIRE	PROP	50.00	50.00			
RAPIDES DU LITTORAL	PROP	50.00	49.88			
RAPIDES DU VAL DE LOIRE	PROP	50.00	50.00			
RHÔNEXPRESS MEE	EQUITY	14.10	14.10			
RMTT	PROP	50.00	35.70			
R'ORLY	PROP	50.00	50.00			
SAGEB	PROP	24.50	24.50			
SAINT-QUENTIN MOBILITÉ	PROP	50.00	50.00			
SCI 19 RUE DES SOURCES	PROP	50.00	50.00			
SCI DE LA LAVANDE	PROP	50.00	50.00			
SCI LA MARE MOUREUSE	PROP	50.00	50.00			
SCI LA TRENTAINE	PROP	50.00	50.00			
SCI LE LUREAU	PROP	50.00	50.00			
SCI LE PRÉ BOUDROT	PROP	24.50	24.50			
SCI MARAIS BELLENE	PROP	50.00	50.00			
SEGAR	PROP	50.00	50.00			
SEM AAAS	PROP	24.98	24.98			
SERI 49	PROP	50.00	49.97			
SETAO	PROP	50.00	50.00			
SETRA	PROP	50.00	50.00			
SITE.OISE	PROP	50.00	33.00			
SMEA	PROP	50.00	50.00			
SNA AJACCIENS	PROP	50.00	50.00			
SNC CHEVALIER ARLEQUIN	PROP	50.00	50.00			
SNC MASSILIA	PROP	50.00	50.00			
SNCM	PROP	50.00	33.00			
SNEG	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	Method	% control	% interest	Method	% control	% interest
SOCIÉTÉ DES TRANSPORTS PHOCÉENS	PROP	50.00	50.00			
SOCIÉTÉ HÔTELIÈRE MELDOISE	PROP	50.00	50.00			
SOCIÉTÉ NORMANDIE VOYAGE	PROP	50.00	49.97			
SOCIÉTÉ NOUVELLE CPL	PROP	50.00	50.00			
SOGAREL MISE EN ÉQUIVALENCE	EQUITY	17.00	17.00			
SOLEA	PROP	50.00	43.92			
SOMETRAR	PROP	50.00	50.00			
ST-BRIEUC MOBILITÉ	PROP	50.00	50.00			
ST2N	PROP	50.00	47.51			
STA CHÂLONS	PROP	50.00	40.00			
STAO - PL	PROP	50.00	49.97			
STBC - TUC	PROP	50.00	50.00			
STCE	PROP	50.00	50.00			
STDE	PROP	50.00	50.00			
STÉ AUBAGNAISE RESTAURATION ET APPRO	PROP	50.00	33.00			
STÉ DES TRANSPORTS D'ANNONAY DAVEZIEUX	PROP	50.00	49.97			
STÉ DES TRANSPORTS DEP DU GARD	PROP	50.00	49.97			
STÉ DES TRANSPORTS DEP DU LOIR-ET-CHER	PROP	50.00	49.97			
STÉ DES TRANSPORTS DU BRIANÇONNAIS	PROP	50.00	25.50			
STÉ FOURAS AIX IG	PROP	50.00	50.00			
STÉ INFORMATIQUE ET TÉLÉMATIQUE CORSE	EQUITY	17.50	11.55			
STÉ TRANSPORT AGGLOMÉRATION THONONAISE	PROP	25.00	25.00			
STERNE	PROP	50.00	50.00			
STRAV	PROP	50.00	50.00			
STUD	PROP	50.00	50.00			
SUD CARS	PROP	50.00	50.00			
SUD-EST MOBILITÉS	PROP	50.00	50.00			
T.C.R.M TRANSP. COMMUNS RÉGION METZ	EQUITY	19.98	19.98			
TCAR	PROP	50.00	50.00			
TCR AVIGNON	PROP	50.00	50.00			
TCVO	PROP	50.00	25.50			
TÉLÉPHÉRIQUE DU SALÈVE	PROP	50.00	49.96			
TIPS	PROP	50.00	46.50			
TPB	PROP	50.00	24.50			
TPMR BORDEAUX	PROP	50.00	49.97			
TPMR STRASBOURG (MOBISTRAS)	PROP	50.00	49.97			
TPMR TOULOUSE	PROP	50.00	49.95			
TPMR TOURS	PROP	50.00	49.97			
TRA S.A.	PROP	50.00	50.00			
TRAC-PISTE	PROP	50.00	50.00			
TRAFFIC AIR SERVICES	PROP	50.00	50.00			
TRANS PROVENCE	PROP	50.00	49.76			
TRANS VAL DE FRANCE	PROP	50.00	50.00			
TRANS VAL-D'OISE	PROP	50.00	50.00			
TRANSAMO	PROP	50.00	44.88			
TRANSAVOIE	PROP	50.00	49.75			
TRANSDATA	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
TRANSDEV	PROP	50.00	50.00			
TRANSDEV AÉROPORT SERVICES	PROP	50.00	50.00			
TRANSDEV AÉROPORT TRANSIT	PROP	50.00	50.00			
TRANSDEV ALLIER	PROP	50.00	50.00			
TRANSDEV ALPES	PROP	50.00	50.00			
TRANSDEV ALSACE	PROP	50.00	50.00			
TRANSDEV DAUPHINE	PROP	50.00	50.00			
TRANSDEV ÉQUIPAGES	PROP	50.00	50.00			
TRANSDEV EST	PROP	50.00	50.00			
TRANSDEV FINANCE	PROP	50.00	50.00			
TRANSDEV MONTPELLIER	PROP	50.00	50.00			
TRANSDEV MULTI-MODES	PROP	50.00	50.00			
TRANSDEV NORD-EST	PROP	50.00	50.00			
TRANSDEV ORLÉANS	PROP	50.00	50.00			
TRANSDEV OUTRE-MER	PROP	50.00	50.00			
TRANSDEV PARIS EST	PROP	50.00	50.00			
TRANSDEV PARIS SUD	PROP	50.00	50.00			
TRANSDEV PAYS D’OR	PROP	50.00	50.00			
TRANSDEV REIMS	PROP	50.00	50.00			
TRANSDEV SUD	PROP	50.00	50.00			
TRANSDEV SUD-OUEST	PROP	50.00	50.00			
TRANSÉVRY	EQUITY	22.18	22.18			
TRANS’L	PROP	50.00	50.00			
TRANSPART	PROP	50.00	50.00			
TRANSPORT BÉRARD	PROP	50.00	50.00			
TRANSPORT SCHON ET BRULLARD	PROP	50.00	49.97			
TRANSPORTS D’EURE-ET-LOIR	PROP	50.00	49.97			
TRANSPORTS DU VAL-DE-SEINE	PROP	50.00	49.97			
TRANSPORTS DU VAL-D’OISE	PROP	50.00	50.00			
TRANSPORTS EN COMMUN DE COMBS-LA-VILLE	PROP	50.00	50.00			
TRANSPORTS JOFFET	PROP	50.00	49.97			
TRANSPORTS LIBOURNAIS	PROP	50.00	50.00			
TRANSPORTS MARNE ET MORIN	PROP	50.00	50.00			
TRANSPORTS PUBLICS DE L’AGGLOMÉRATION ST	PROP	50.00	50.00			
TRANS-SERVICES	PROP	50.00	49.97			
TRENITALIA VEOLIA TRANSDEV SAS	PROP	25.00	25.00			
VAD	PROP	50.00	49.97			
VAL D’EUROPE AIRPORT	PROP	50.00	50.00			
VAROISE DE TRANSPORTS	PROP	50.00	50.00			
VE AIRPORT	PROP	50.00	50.00			
VELOWAY	PROP	50.00	50.00			
VEOLIA EDF NICE AUTO PARTAGE	PROP	34.93	34.93			
VEOLIA TRANSPORT AÉROPORT DE NÎMES	PROP	50.00	50.00			
VEOLIA TRANSPORT ALGÉRIE	PROP	50.00	50.00			
VEOLIA TRANSPORT ARLES	PROP	50.00	50.00			
VEOLIA TRANSPORT BRIVE	PROP	50.00	50.00			
VEOLIA TRANSPORT CARCASSONNE	PROP	50.00	50.00			

GROUPS/COMPANIES	31 December 2011 Method	% control	% interest	31 December 2010 Method	% control	% interest
VEOLIA TRANSPORT EST	PROP	50.00	49.97			
VEOLIA TRANSPORT MARITIME	PROP	50.00	50.00			
VEOLIA TRANSPORT MÉDITERRANÉE	PROP	50.00	50.00			
VEOLIA TRANSPORT NORMANDIE INTERURBAIN	PROP	50.00	49.97			
VEOLIA TRANSPORT PAYS ROCHEFORTAIS	PROP	50.00	50.00			
VEOLIA TRANSPORT PERPIGNAN	PROP	50.00	50.00			
VEOLIA TRANSPORT POITOU-CHARENTES	PROP	50.00	49.97			
VEOLIA TRANSPORT RHÔNE-ALPES	PROP	50.00	49.97			
VEOLIA TRANSPORT ROANNE	PROP	50.00	50.00			
VEOLIA TRANSPORT ROYAN ATLANTIQUE	PROP	50.00	50.00			
VEOLIA TRANSPORT SIÈGE	PROP	50.00	50.00			
VEOLIA TRANSPORT ST-MICHEL	PROP	50.00	49.97			
VEOLIA TRANSPORT URBAIN	PROP	50.00	50.00			
VEOLIA TRANSPORT VALENCE	PROP	50.00	50.00			
VILLENEUVE MOBILITÉ	PROP	50.00	50.00			
VISUAL	PROP	50.00	50.00			
VT AGGLOMÉRATION DE BAYONNE	PROP	50.00	50.00			
VT ALPES-MARITIMES	PROP	50.00	49.90			
VT AVESNOIS	PROP	50.00	49.95			
VT BORDEAUX	PROP	50.00	50.00			
VT EUROLINES	PROP	50.00	50.00			
VT FOUGÈRES	PROP	50.00	50.00			
VT IDF CSP CONTRÔLE	PROP	50.00	50.00			
VT MIDI-PYRÉNÉES	PROP	50.00	49.97			
VT NORD-PAS-DE-CALAIS	PROP	50.00	49.97			
VT PICARDIE	PROP	50.00	49.97			
VT RAIL	PROP	50.00	50.00			
VT SHUTTLE FRANCE	PROP	50.00	50.00			
VT VALENCIENNES	PROP	50.00	50.00			
VT VOSGES	PROP	50.00	49.97			
VTLV	PROP	50.00	50.00			
INDIA						
METRO ONE OPERATION	PROP	50.00	19.25			
VTR INDIA	PROP	25.00	25.00			
IRELAND						
VEOLIA TRANSPORT DUBLIN LIGHT RAIL LTD	PROP	50.00	50.00			
VEOLIA TRANSPORT IRELAND LIMITED	PROP	50.00	50.00			
VT IRELAND BUS LTD	PROP	50.00	50.00			
ISRAEL						
CONNEX JERUSALEM (LIGHT TRAIN) LTD	PROP	50.00	50.00			
CONNEX TRANSPORTATION ISRAËL	PROP	50.00	50.00			
VEOLIA TRANSPORTATION ISRAEL LTD	PROP	50.00	50.00			
ITALY						
VEOLIA TRANSPORTI SRL	PROP	50.00	50.00			
LEBANON						
GOLCONDE SAL	PROP	50.00	30.56			
MOROCCO						
TRAMWAY DE RABAT	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
VT MAROC	PROP	50.00	49.92			
NEW CALEDONIA						
CARSUD S.A. (MEE)	EQUITY	13.97	13.97			
NEW ZEALAND						
VEOLIA TRANSPORT AUCKLAND P/L	PROP	50.00	50.00			
NETHERLANDS						
ACM OPLEIDINGEN	PROP	50.00	50.00			
GARAGE ASSENDELFT B.V.	PROP	50.00	50.00			
ACM ZORGOPLEIDINGEN B.V.	PROP	50.00	50.00			
ADVANCED NETHERLANDS TRANSPORT B.V.	EQUITY	10.00	10.00			
AUTOMOBIELBEDRIJF GEBROEDERS ZOET	PROP	50.00	50.00			
BESLOTEN VERVOER UTRECHT	PROP	50.00	50.00			
CONNEXXION AMBULANCE SERVICES	PROP	50.00	50.00			
CONNEXXION AMBULANCEDIENSTEN	PROP	50.00	50.00			
CONNEXXION AMBULANCEZORG	PROP	50.00	50.00			
CONNEXXION FACILITAIR BEDRIJF	PROP	50.00	50.00			
CONNEXXION FINANCE	PROP	50.00	50.00			
CONNEXXION INTERNATIONAL	PROP	50.00	50.00			
CONNEXXION NEDERLAND	PROP	50.00	50.00			
CONNEXXION OPENBAAR VERVOER	PROP	50.00	50.00			
CONNEXXION PARTICIPATIES	PROP	50.00	50.00			
CONNEXXION PERSONENVERVOER	PROP	50.00	50.00			
CONNEXXION TAXI SERVICES	PROP	50.00	50.00			
CONNEXXION TOURS	PROP	50.00	50.00			
CONNEXXION VASTGOED	PROP	50.00	50.00			
CONNEXXION VLOOT	PROP	50.00	50.00			
CONNEXXION WATER	PROP	50.00	50.00			
CONTINENTAL BREDA B.V.	PROP	50.00	50.00			
CTS NOORD B.V.	EQUITY	25.50	25.50			
CV ACTIVA WEERT	PROP	50.00	49.50			
CXX AMBULANCE	PROP	50.00	25.00			
CXX HQ	PROP	50.00	25.00			
CXX PUBLIC TRANSPORT	PROP	50.00	25.00			
CXX TAXI	PROP	50.00	25.00			
CXX TOURS	PROP	50.00	25.00			
DELFTLAND BEDRIJFSDIENSTEN	PROP	50.00	50.00			
EESV de LIJN	EQUITY	25.00	25.00			
EUROLINES NETHERLANDS N.V.	PROP	50.00	50.00			
FOUNDATION AMBULANCEZORG NOORD OOST GELDERLAND	PROP	50.00	50.00			
FUTURE TECHNOLOGY NEDERLAND	PROP	50.00	50.00			
GEBROEDERS ZOET PERSONENVERVOER	PROP	50.00	50.00			
GELUBEWI VASTGOED	PROP	50.00	50.00			
GVU	PROP	50.00	50.00			
HERMES GROEP	PROP	50.00	50.00			
HERMES OPENBAAR VERVOER	PROP	50.00	50.00			
LIMLINK	PROP	50.00	50.00			
MOBINET UTRECHT	PROP	50.00	50.00			
NEDERLANDSE BUURTBUSVERVOER MAATSCHAPPIJ	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
NEDERLANDSE SAMENWERKENDE TAXIBEDRIJVEN	PROP	50.00	50.00			
NOVIO	PROP	50.00	50.00			
NOVIO EXPRESS	PROP	50.00	50.00			
NOVIO NET	PROP	50.00	50.00			
NOVIO STEBO	PROP	50.00	50.00			
OMNITAX B.V.	PROP	50.00	50.00			
P.G.W. JANSEN HOLDING	PROP	50.00	50.00			
PERSONENVERVOER WEST-NEDERLAND B.V.	PROP	50.00	50.00			
PERSONENVERVOER ZUID-NEDERLAND B.V.	PROP	50.00	50.00			
REGIONALE AMBULANCE VOORZIENING ZEELAND	PROP	50.00	50.00			
REGIONALE AMBULANCEDIENST NOORD-WEST VELUWE	PROP	50.00	50.00			
REISINFORMATIEGROEP B.V.	EQUITY	16.50	16.50			
ROLGOED B.V.	PROP	50.00	50.00			
ROLINE	PROP	50.00	50.00			
SCHIPHOL TRAVEL TAXI B.V.	EQUITY	25.00	25.00			
SIESWERDA TAXI'S B.V.	PROP	50.00	50.00			
SPEEDWELL REISBUREAUX	PROP	50.00	50.00			
STADSBUS GROEP MAASTRICHT N.V.	PROP	50.00	50.00			
STADSBUS MAASTRICHT PARTICIPATIES B.V.	PROP	50.00	50.00			
STICHTING REGIONALE AMBULANCEVOORZIENING ZEELAND	PROP	50.00	50.00			
TAXI CENTRALE MIDDEN-BRABANT B.V.	PROP	50.00	50.00			
TAXI HARDERWIJK	PROP	50.00	50.00			
TBC HOLDING B.V.	PROP	50.00	37.50			
TECHNO SERVICE NEDERLAND	PROP	50.00	50.00			
VEOLIA TRANSPORT BRABANT N.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT FAST FERRIES B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT LIMBURG B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT LIMBURG BUS B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT LIMBURG TOUR B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT NEDERLAND BEHEER B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT NEDERLAND HOLDING B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT NEDERLAND O.V. B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT NEDERLAND PV B.V.	PROP	50.00	50.00			
VEOLIA TRANSPORT RAIL B.V.	PROP	50.00	50.00			
VT LIMBURG PERSONEELSVOORZIENING B.V.	PROP	50.00	50.00			
WITTE KRUIS AMBULANCEZORG	PROP	50.00	50.00			
WITTE KRUIS BELGIE BVBA	PROP	50.00	50.00			
WITTE KRUIS HOLDING B.V.	PROP	50.00	49.50			
WITTE KRUIS INTERNATIONAL	PROP	50.00	50.00			
POLAND						
TOURING POLSKA	PROP	25.00	10.39			
VEOLIA EUROLINES POLSKA SP. Z	PROP	50.00	49.99			
VEOLIA TRANSPORT POLSKA SP. Z	PROP	50.00	32.50			
VEOLIA TRANSPORT SP. Z O.O.	PROP	50.00	32.33			
VT EUROLINES POLSKA	PROP	50.00	50.00			
PORTUGAL						
ALPTUR	PROP	50.00	50.00			

	31 December 2011			31 December 2010		
GROUPS/COMPANIES	**Method**	**% control**	**% interest**	**Method**	**% control**	**% interest**
ASAD TPT	PROP	50.00	50.00			
AUTO-PENAFIEL, LDA (ROCALDAS)	PROP	25.00	12.69			
AVA	PROP	50.00	50.00			
AVAF	PROP	50.00	50.00			
BEIRA DOURO	PROP	50.00	50.00			
CAIMA	PROP	50.00	50.00			
CALCADA	PROP	50.00	50.00			
CARAMULO	PROP	50.00	50.00			
CHARLINE	PROP	50.00	50.00			
EAVT	PROP	50.00	50.00			
ETAC	PROP	50.00	50.00			
GUEDES	PROP	50.00	50.00			
IBERO EUROSUR S.L.	PROP	25.00	12.55			
INTERCENTRO	PROP	50.00	24.61			
INTERGALIZA	PROP	25.00	12.71			
INTERNORTE	PROP	50.00	25.42			
INTERSUL	PROP	50.00	22.28			
JOALTO RB	PROP	50.00	50.00			
JRF	PROP	50.00	50.00			
JVP	PROP	50.00	50.00			
MINHO BUS	PROP	50.00	50.00			
MONDINENSE	PROP	50.00	50.00			
RBI	PROP	50.00	50.00			
RBL	PROP	50.00	50.00			
REDM	PROP	50.00	50.00			
RT	PROP	25.00	12.69			
S2M	PROP	50.00	29.97			
SOARES	PROP	50.00	50.00			
TPT-SGPS	PROP	50.00	50.00			
TRANSCOVILHA	PROP	25.00	25.00			
TRANSCOVIZELA	PROP	50.00	50.00			
TRANSDEV MOBILIDADE	PROP	50.00	50.00			
TRANSDEV PORTUGAL	PROP	50.00	50.00			
TRISAN	PROP	50.00	50.00			
TRPN	PROP	50.00	50.00			
UMJ	PROP	50.00	50.00			
VIUVA CARNEIRO	PROP	50.00	50.00			
SERBIA						
TOURING SERBIA	EQUITY	50.00	10.39			
VEOLIA TRANSPORT LITAS A.D.	PROP	50.00	32.14			
VEOLIA TRANSPORT LUV D.O.O.	PROP	50.00	32.50			
CZECH REPUBLIC						
CONNEX CR S.R.O.	PROP	50.00	32.50			
ORLOBUS	PROP	50.00	32.50			
TOURING BOHEMIA	PROP	25.00	10.39			
VEOLIA EUROLINES CZ A.S.	PROP	50.00	50.00			
VEOLIA TRANSPORT CESKÁ REPUBLIKA A.S	PROP	50.00	32.50			
VEOLIA TRANSPORT MORAVA A.S.	PROP	50.00	32.50			
VEOLIA TRANSPORT PRAHA S.R.O.	PROP	50.00	32.50			
VEOLIA TRANSPORT TEPLICE S.R.O.	PROP	50.00	32.50			
VEOLIA TRANSPORT VYCHODNI CECHY A.S.	PROP	50.00	32.50			

GROUPS/COMPANIES	31 December 2011			31 December 2010		
	Method	% control	% interest	Method	% control	% interest
RÉUNION						
CMTS (MAYOTTE)	PROP	50.00	50.00			
VT SERVICE RÉUNION	PROP	50.00	50.00			
UNITED KINGDOM						
BLAZEFIELD BUSES	PROP	50.00	50.00			
BLAZEFIELD TRAVEL GROUP	PROP	50.00	50.00			
BURNLEY & PENDLE TRAVEL	PROP	50.00	50.00			
CONNEX JERSEY	PROP	50.00	50.00			
CONNEX SOUTH EASTERN	PROP	50.00	50.00			
EURAILCO UK LIMITED NEW	PROP	50.00	50.00			
GREEN TOMATO CARS	PROP	50.00	50.00			
HARROGATE & DISTRICT TRAVEL	PROP	50.00	50.00			
KEIGHLEY & DISTRICT TRAVEL	PROP	50.00	50.00			
LANCASHIRE UNITED	PROP	50.00	50.00			
LONDON UNITED LTD	PROP	50.00	50.00			
NOTTINGHAM TRAM CONSORTIUM	PROP	25.00	25.00			
OY BIKE	PROP	50.00	50.00			
RATP PROJECT UK	PROP	50.00	50.00			
SOVEREIGN	PROP	50.00	50.00			
TRANSDEV BLAZEFIELD LIMITED	PROP	50.00	50.00			
TRANSDEV CLAIMS INVESTIGATIONS	PROP	50.00	50.00			
TRANSDEV NORTHEN BLUE	PROP	50.00	50.00			
TRANSDEV PLC	PROP	50.00	50.00			
TRANSDEV TRAM UK	PROP	50.00	50.00			
TRANSDEV YORK	PROP	50.00	50.00			
VEOLIA TRANSPORT UK HOLDINGS LIMITED	PROP	50.00	50.00			
VEOLIA TRANSPORT UK RAIL LIMITED	PROP	50.00	50.00			
YORKSHIRE COASTLINER	PROP	50.00	50.00			
SLOVAKIA						
VEOLIA TRANSPORT NITRA A.S	PROP	50.00	19.66			
VEOLIA TRANSPORT SERVICES S.R.O.	PROP	50.00	32.50			
SLOVENIA						
VEOLIA TRANSPORT DOLENJSKA IN PRIMORSKA	PROP	50.00	32.48			
VEOLIA TRANSPORT STAJERSKA D.D.	PROP	50.00	24.66			
SWEDEN						
AB GÖTEBORGS-STYRSÖ SKÄRGÅRDSTRAFIK	PROP	50.00	50.00			
ÄLVSBY RESEBYRÅ AB	PROP	50.00	50.00			
BUSSDEPÅN I KRISTIANSTAD AB	EQUITY	24.50	24.50			
FAC FLYGBUSSARNA AIRPORT COACH	PROP	50.00	50.00			
GRANBERGS BUSS	PROP	50.00	50.00			
KB BUSSNINGEN	PROP	50.00	50.00			
MERRESOR I SVERIGE AB	PROP	25.00	25.00			
PEOPLE TRAVEL GROUP INTERNATIONAL	PROP	50.00	50.00			
PTG CHARTER AB	PROP	50.00	50.00			
TAXI STOR & LITEN I GÄVLE AB	PROP	50.00	45.49			
UMEÅ BUSSTATION AB	EQUITY	10.25	10.25			
VEOLIA TRANSPORT SVERIGE AB	PROP	50.00	50.00			
VEOLIA TRANSPORT SWEDEN HOLDING AB	PROP	50.00	50.00			
VETIMO AB	PROP	50.00	30.00			

(1) SCI des Régions: sale of SNI's entire stake to Caisse des Dépôts, with retroactive effect from 1 January 2011.
(2) CNP Assurances: 40% interest before adjustment for CNP treasury stock.
(3) Icade SA: 52.97% interest before adjustment for Icade treasury stock.
(4) Merged entities.
(5) SAS Paris Nord Est is 50%-owned by Caisse des Dépôts and 30%-owned by Icade Foncier Développement.
(6) Percent interest calculated by taking into account co-ownership of an 18.9% stake with Caisse des Dépôts.
(7) Ecoparcs SA is also 24.94%-owned by Caisse des Dépôts.
(8) Percent interest calculated by taking into account co-ownership of an 14.26% stake with Caisse des Dépôts.

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

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and 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.

To the Shareholders,

In compliance with the assignment entrusted to us, we hereby report to you, for the year ended 31 December 2011, on:

- the audit of the accompanying consolidated financial statements of Caisse des dépôts et consignations;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Chairman and Chief Executive Officer. Our role is to express an opinion on these consolidated financial statements based on our audit.

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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in section III "Dexia" of Note 1 "Significant events" and in Note 4.10.3 to the consolidated financial statements which, in accordance with IAS 28, set out methods used to recognise and valuate the equity-accounted investment in Dexia in Caisse des Dépôt's consolidated financial statements, which resulted in the recognition in equity of a €453 million unrealised net loss.

Within the context of the accelerated financial restructuring of the Dexia group, the recognition of this net loss in the consolidated financial statements of Caisse des Dépôts is based on the assumption that Caisse des Dépôts will be able to recover these amounts given the nature and quality of the underlying assets and Dexia's ability to finance these assets at a cost (including the cost of the States' guarantee) which enables it to preserve its level of capital. These assumptions rely on certain external factors concerning decisions to be taken by the Belgian, French and Luxembourg States and on the approvals to be obtained from the European Commission. Whether or not these assumptions will prove accurate remains uncertain. The consolidated financial statements of the Dexia group for the year ended 31 December 2011 were prepared in accordance with the accounting rules applicable in a going concern situation, taking into account the above factors.

II - JUSTIFICATION OF OUR ASSESSMENTS

The accounting estimates used in the preparation of the financial statements for the year ended 31 December 2011 were made in an uncertain environment resulting from a public finance crisis in certain eurozone countries, accompanied by a liquidity and economic crisis, which makes it difficult to assess the economic outlook, as described in section I "Basis of preparation of the financial statements" of Note 2 "Summary of significant accounting policies" to the consolidated financial statements. It is in this context that, 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:

Impairment of investments in associates, goodwill and indefinite-lived intangible assets

Caisse des Dépôts Group tests investments in associates, goodwill and indefinite-lived intangible assets for impairment. These tests are performed as described in sections 2 and 8 of Note 2 "Summary of significant accounting policies" to the consolidated financial statements. These impairment tests resulted in the recognition of

impairment losses (sections III "Dexia" and V "Veolia Transdev" of Note 1 "Significant events" and Notes 4.10 and 4.12 to the consolidated financial statements).
We have assessed the Group's impairment testing procedures as well as the related assumptions, and we have verified the appropriateness of their presentation in the notes to the consolidated financial statements mentioned above.

Insurance business

Certain technical items specific to the insurance business carried on both the asset and liability sides of the statement of financial position, notably technical reserves and the deferred participation reserve, are estimated based on statistical and actuarial considerations, as set out in section III.12 of Note 2 "Summary of significant accounting policies" and in Note 4.17 to the consolidated financial statements.

We have assessed the methods applied and the consistency of the assumptions used.

Impairment of available-for-sale financial assets

As set out in sections I and II of Note 1 "Significant events", section III.1.2 of Note 2 "Summary of significant accounting policies" and Notes 3.4 and 4.3 to the consolidated financial statements, the Group recognises impairment losses on available-for-sale financial assets:

- for equity instruments when there is objective evidence of a significant or prolonged decline in the fair value of the investment;
- for debt securities when there is a proven counterparty risk.

We have assessed the processes used for identifying indications of impairment and estimating impairment losses recognised to bring carrying amounts back in line with fair value.

Sovereign debt

We verified the methods used to identify the Group's exposure and to measure and calculate impairment of financial instruments. In particular, we have verified the analyses made by Caisse des Dépôts on potential risks regarding sovereign debt, its valuation, and its accounting treatment. We also verified the appropriateness of the information presented in section II "Greek sovereign debt"of Note 1 "Significant events" and in Note 8 "Disclosures regarding risks arising on financial instruments" to the consolidated financial statements.

These assessments were made as part 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

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.
We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 3 April 2012

The Statutory Auditors

PricewaterhouseCoopers Audit

Catherine Pariset | Bruno Tesnière

Mazars

Charles de Boisriou | 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.groupecaissedesdepots.fr/en***

The annual report may be obtained on request from Caisse des Dépôts Corporate Communications
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Note to the reader

The French version of the 2011 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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