



Société Anonyme
de Gestion de Stocks de Sécurité

EUR500m 2.750% due January 2017
EUR600m 4.000% due January 2024

Transaction Post Mortem

January 2012



Agenda

- I- Transaction Highlights
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Transaction Highlights

- The largest transaction ever launched by SAGESSE
- First SAGESSE' Euro dual tranche transaction
- Lowest coupon paid by SAGESSE on the mid-curve
- Priced well inside initial price thoughts
- Strong quality orderbook of €3bn within only an hour

Transaction Details

18 Jan 2012

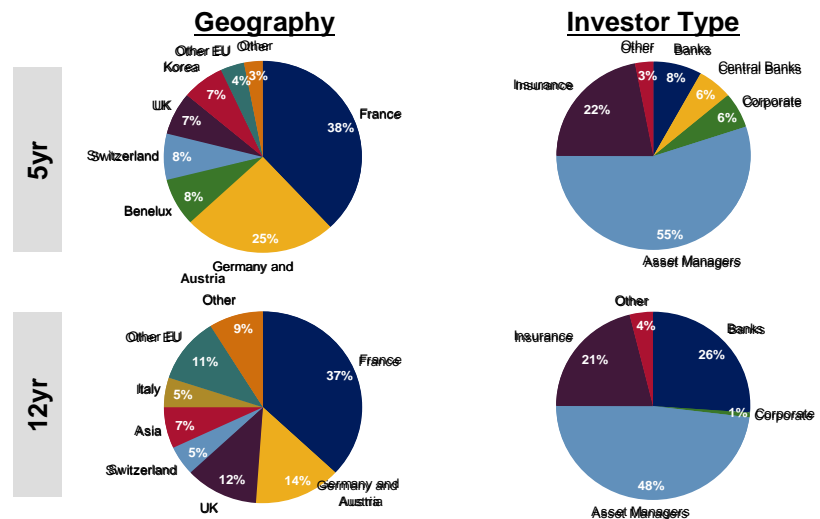
€1,100,000,000

SAGESSE

€500m 2.750% 5yr
&
€600m 4.000% 12yr

Issuer:	SAGESSE	
Ratings:	S&P: AA+ Neg Outlook	
Settlement date:	24 th January 2012	
Total Size:	€1.1 billion	
Tranche Size:	€500 million	€600 million
Maturity Date:	24 Jan 2017	24 Jan 2024
New Issue Spread:	m/s+115 bps	m/s+156.7 bps
Re-offer Yield:	2.773%	4.000%
Coupon (s.a.):	2.750%	4.000%
Re-offer Price:	99.894%	100%
Format:	Lux / 100k / Stand-alone Doc	

Final Allocations



Execution Process

Announcement of the mandate

- Early December, the company conducted a European roadshow (UK, Germany, Netherland) to raise the interest of nondomestic investors namely on the midterm tranche, a first for SAGESS. It completed the Investor Marketing with a lunch in Paris early January in order to seize any opportunity on the bond market in the beginning of the year.
- Following the downgrade of France on Friday 13th January from AAA to AA+, SAGESS decided to wait for S&P to align SAGESS' rating to the French sovereign rating to announce its transaction

Bookbuilding

- On the back of its pan European roadshow, SAGESS benefited from a strong investors interest allowing the company to access the market with an Initial Price Thought of MS+125bps area and MS+170bps area on the 5yr and 12yr tranche respectively. Capitalizing on an orderbook quickly approaching €2bn, the guidance was refined to m/s+120-125 and m/s+165-170. Ultimately and only an hour after announcing the transaction, the final terms were communicated to the market: €500m at m/s+115 bps and €600m at 4.000% yield on the 5yr and 12yr respectively (10bps inside initial thoughts on the 5yr and c. 15bps inside on the 12yr)

Pricing

- The book rapidly closed at around €1bn and €2bn equivalent to x2 and x3.3 oversubscription ratios to a final price of MS+115bps i.e. OAT+44bps and MS+157bps i.e. OAT+60bps (4.00%) respectively. Of note, the previous day, Cades (Aaa/AAA watch neg.) issued a 3yr at OAT+68bps.

Term Sheets

Final Terms and Conditions for the 5yr Notes

Issuer:	SAGESS
Rating:	AA+ negative (S&P)
Status:	Senior, unsecured
Trade Date:	18 January 2012
Settlement Date:	24 January 2012 (T+4)
Maturity:	24 January 2017
Specified Currency:	EUR
Nominal Amount:	EUR 500,000,000
Redemption at maturity:	100.0 %
Coupon:	2.750 % (a.)
Interest Payment Dates:	Payable annually on 24 January of each year until 24 January 2017
Issue Price:	99.894 %
Fees:	0.125 %
Net Proceeds:	EUR 498,845,000
Benchmark:	DBR 3.75% 2017
Benchmark Price:	114.32 %
Re-offer Spread vs. Benchmark:	+198.5 bps
Midswap Rate:	1.623 % (a.)
Re-offer Spread vs. Midswap:	+ 115 bps
Re-offer Yield:	2.773 % (a.)
Denominations:	EUR 100,000 + EUR 100,000
Listing:	Luxembourg
Day Count Fraction:	Actual / Actual
Documentation:	To be documented on a standalone basis
Lead Managers:	Bank of America Merrill Lynch, Crédit Agricole CIB, HSBC, Natixis
Governing law:	French
Settlement:	Euroclear Bank, Clearstream, and Euroclear France
ISIN:	FR0011185628

Final Terms and Conditions for the 12yr Notes

Issuer:	SAGESS
Rating:	AA+ negative (S&P)
Status:	Senior, unsecured
Trade Date:	18 January 2012
Settlement Date:	24 January 2012 (T+4)
Maturity:	24 January 2024
Specified Currency:	EUR
Nominal Amount:	EUR 600,000,000
Redemption at maturity:	100.0 %
Coupon:	4.000 % (a.)
Interest Payment Dates:	Payable annually on 24 January of each year until 24 January 2024
Issue Price:	100 %
Fees:	0.200%
Net Proceeds:	EUR 598,800,000
Benchmark:	DBR 2.00% 2022
Benchmark Price:	101.84 %
Re-offer Spread vs. Benchmark:	+220.4 bps
Midswap Rate:	2.433 % (a.)
Re-offer Spread vs. Midswap:	+ 156.7 bps
Re-offer Yield:	4.000 % (a.)
Denominations:	EUR 100,000 + EUR 100,000
Listing:	Luxembourg
Day Count Fraction:	Actual / Actual
Documentation:	To be documented on a standalone basis
Lead Managers:	Bank of America Merrill Lynch, Crédit Agricole CIB, HSBC, Natixis
Governing law:	French
Settlement:	Euroclear Bank, Clearstream, and Euroclear France
ISIN:	FR0011185636

Order Book Analysis

5yr Tranche

Investor Name	Firm	Allocated	Investor Name	Firm	Allocated
COVEA FINANCE	78	48	Deka Investment GmbH	5	3
AEGON	35	35	DEXIA BANQUE INTERNA	5	3
Bank for International Settlement	40	30	Credit Suisse Asset	4	2
DWS Investment GmbH	58	30	KBL European Private	10	2
Caisse Des Depots Et	50	30	Kreissparkasse Ludwigsburg	5	2
Bluebay Asset Management	50	25	Lbbw Asset Managemen	6	2
EGAMO	50	25	Nyenburgh Vermogensbeheer	4	2
Amundi	28	20	SOCIETE EUROPEENNE D	5	2
AMB GENERALI FINANZA	30	17	W&W Asset Management	4	2
Banque De France Gestion	25	15	Account X	3	2
MN SERVICES ...	40	15	CAJA DE SEGUROS REUN	3	2
Deka Investment GmbH	25	14	Erste Bank Der Oeste	3	2
DEUTSCHE ASSET MANAG	21	13	Mirabaud Finanzas	3	2
AXA Investment Management	17	12	ALLIANZ GLOBAL INVESTORS	1	1
HSBC INVESTMENTS DEU	20	10	RAIFFEISEN KAPITALAN	2	1
Allianz Gbl Insurance	15	10	AISM	8	1
SPF BEHEER BV ...	25	8	Banca Akros Spa (Mil	2	1
LA BANQUE POSTALE AS	13	8	BANCA D'INTERMEDIAZI	2	1
MUTUELLE ASSURANCE I	15	8	BANQUE PRIVEE EDMOND	1	1
Nordcon Investment M	16	7	BERENBERG CAPITAL MA	2	1
Hauck & Aufhauser Pr	25	5	CREDIT SUISSE ...	2	1
BNP Paribas Asset Ma	9	5	DREYFUS SOHNE & CIE.	2	1
KBC Asset Management NV	10	5	Ecofi Gestion	5	1
LANDESBANK BERLIN IN	12	5	Further Lane Asset M	17	1
LAZARD ASSET MANAGEM	0	5	Hsbc Trinkaus & Burk	2	1
FEDERIS GA	6	4	Kingsley Asset Mgmt	14	1
PMK Capital Advisors	15	4	Kookmin Bank (Seoul)	5	1
IXIS ASSET MANAGEMEN	6	4	Pani Bekaert Plum &	8	1
MOORE CAPITAL MANAGE	10	4	Pramerica Investment	2	1
Prado Epargne Gestio	5	4	Reale Seguros Generales, SA	2	1
BAYERN INVEST KAPITA	6	3	SIGNAL IDUNA AM	1	1
Fonds De Compensatio	5	3	UNION GARANTIE ET DE	1	1
HSBC ASSET MANAGEMENT	5	3	UNION NATIONAL BANK	10	1
Abu Dhabi Investment	5	3	W&W Advisory Dublin	1	1
BSI SA ...	7	3	UBS AG	1	1
ING ASSET MANAGEMENT	5	3	Petercam SA	1	1
KBC Asset Management NV	5	3	Societe Generale Ban	1	1
PICTET AM	6	3	STATE STREET GLOBAL	1	1
Alessia ...	5	3			
Total			1003.7	500	

12yr Tranche

Investor Name	Firm	Allocated	Investor Name	Firm	Allocated
Amundi	500	195	Carige Asset Managem	3	1
COVEA FINANCE	126	39	Erste Bank Der Oeste	3	1
ALLIANZ GLOBAL	119	37	Kingsley Asset Mgmt	14	1
AMB GENERALI FINANZA	100	30	Pani Bekaert Plum &	8	1
IXIS ASSET MANAGEMENT	70	22	PMK Capital Advisors	15	1
AEGON	20	20	Prado Epargne Gestio	2	1
LA BANQUE POSTALE	64	20	Abu Dhabi Investment	5	1
MACSF	80	20	Account X	3	1
Amundi	46	18	AISM	10	1
ASSURANCES DU CREDIT	50	16	Banca Akros Spa (Mil	2	1
BLUEBAY AM	50	16	BANCA D'INTERMEDIAZI	2	1
BNP PARIBAS FIN AMS	50	16	BAYERN INVEST KAPITA	1	1
Caisse Des Depots Et	50	16	CAJA DE SEGUROS REUN	1	1
La Mondiale Trading	40	12	CNP VIDA DE SEGUROS	2	1
DWS Investment GmbH	39	11	Corner Banca SA (Lug	2	1
LA FRANCE MUTUALISTE	30	9	Credit Suisse Asset	1	1
Aviva Gestion Dactif	25	8	DREYFUS SOHNE & CIE.	2	1
SWISS LIFE FRANCE ...	25	8	Hauck & Aufhauser Pr	2	1
GENERALI SGR SPA ...	24	7	Kookmin Bank (Seoul)	5	1
BNP Paribas AM	20	6	Lbbw Asset Managemen	1	1
Legal et General France	20	6	SIGNAL IDUNA AM	8	1
CAISSE CENTRALE DE R	20	5	Societe Generale Ban	1	1
HSBC ASSET MANAGEMENT	17	5	UNION NATIONAL BANK	10	1
MORNAY MUTIGESTIONS	14	5	W&W Asset Management	2	1
MUTUELLE ASSURANCE I	15	4			
FEDERIS GESTION D AC	12	4	Total	1,950	600
MECM LIMITED ...	15	4			
Zantke & Cie. Asset	15	4			
Hsbc Private Bank (S	10	3			
SPF BEHEER BV ...	25	3			
DEUTSCHE AM	6	2			
Prado Epargne Gestio	5	2			
SEB PRIVATE BANK S.A	15	2			
DEXIA BANQUE INTERNA	5	2			
ASSOCIATION GENERALE	6	2			
Deka Investment GmbH	7	2			
AXA IM	4	2			
Nyenburgh Vermogensbeheer B.V.	4	2			
Account X - CA CIB	4	1			

Investors met during the Roadshow



Press Coverage



Société Anonyme de Gestion des Stocks de Sécurité — Sagess

20 January 2012

Borrower's comment:

Our usual maturity is 10 to 12 years. We decided last year to increase our long term financing by increasing our bond funding and halving our commercial paper outstandings to €500m. The main reason was to increase the security of our funding, although it would also increase the cost.

Because of this change in funding mix we wanted to manage and diversify our maturity profile, so we decided to issue a dual tranche trade that included a five year. We wanted to diversify our investor base, too. We have been working on this dual tranche trade since August. This is a market defined by brief windows of opportunity, so we felt that preparedness was key. We wanted to be ready well in advance. We waited to be assigned a fresh rating from Standard & Poor's before mandating banks in early November.

We didn't want to rush the issue as it was a complex one. We went ahead step by step. We went on a roadshow in Germany, London and the Netherlands in December, meeting investors — such as hedge funds in the UK and European central banks — which had never considered investing in Sagess before.

We took the roadshow to France in early January. Our plan was to then wait and see how the market panned out.

What happened next was that France was downgraded, but that turned out to be a blessing in disguise. Many European investors told us that as long as France was on negative watch they weren't in a hurry to buy French paper. The downgrade clarified where France was — that it was one notch not two notches below Germany. It looked to be unfortunate timing, but it turned out to be good for us in the end.

S&P notified us that they were downgrading us by one notch as well on Tuesday. Then we were able to move ahead with the trade. The Cades deal gave us extra encouragement that the five year tranche would be well received as well, although based on investor feedback after the downgrade, we were already quite sure that it would be.

We launched a €1bn trade on Wednesday, equally split between a five and a 12 year, and it was very successful. The quality of the bookrunners and the preparation helped the deal. We were able to twice sharpen the pricing indication of our deal given the very large book of €3bn.

We increased the 12 year slightly to €600m from €500m to accommodate investors. We didn't want to increase the deal further because we have no need of the funding.

We were pleased with the widening of our investor portfolio. We were expecting to get more European participation in the five year and we got it, but we also got strong demand from European investors in the 12 year.

That wasn't the case with last year's deal, which was dominated by French investor demand.

We were happy with the pricing, and didn't want to tighten further. The indications are that the deal is holding very well in secondary.

With this deal we have covered our needs for the year. We're now going to return to our traditional rhythm of a benchmark every 12 to 18 months with a reduced use of our commercial paper programme from €1bn to €500m in 2012.

Bookrunners' comment:

This transaction was unusual as it's a dual tranche one and targets a more intermediate part of the curve. Sagess is more usually a long-dated issuer.

Sagess recognises and appreciates the quality of the support it has from the domestic French investor base, but it wanted to see what it could do to expand its reach to bring more accounts to its name. A five year really fell in the sweet spot of that, where you get all types of investors involved.

The borrower went on a roadshow in December in London, Germany and the Netherlands to explain the credit. This work, done well in advance, helped with the execution. We wanted flexibility in the timing, to be able to launch the deal when we felt appropriate.

After the French downgrade the market was pretty unreactive, even supportive, and Cades's deal gave some kind of level.

Pricing-wise the driver for the 12 year was the absolute yield — the 4% level was eye-catching for insurance companies, and we looked at pricing versus OATs. The 12 year was more straightforward to price. We had initial guidance of mid-swaps plus 170bp. Then we were able to interpolate where we felt fair value was versus the OAT in the five year, and had price guidance of 125bp over.

The bookbuild was very quick. We opened books at 9am Wednesday and went subject at 9.45am with a €3bn order book.

We got orders of €2bn on the 12 year and €1bn on the five year. It's a tremendous outcome for the borrower on both tranches. We were able to tighten guidance substantially on both, to price the five year at 115bp over and the 12 year at 156.7bp over.

The issuer was limited in what it could do. It printed as much it could given its own funding needs. The idea was to sell between €1bn and €1.1bn.

The five year was trading at reoffer on Wednesday afternoon, and the 12 year was 2bp tighter.



Press Coverage

23 January 2012

SAGESS LAUNCHES FIRST DUAL-TRANCHER

SAGESS (Societe Anonyme de Gestion de Stocks de Securite), rated AA+, launched a dual-tranche five and 12-year issue last Wednesday. Initial price thoughts were revealed in the 125bp area over mid-swaps for the five-year and in the plus 170bp area (or 4.125% in yield terms) for the 12-year.

Bank of America Merrill Lynch, CA CIB, Natixis and HSBC lead managed the transaction, which was the first time Sagess had issued a dual-tranche structure.

The €500m five-year tranche was priced at mid-swaps plus 115bp, while the slightly larger €600m 12-year piece was fixed to yield 4.0%. The total combined books were in excess of €3bn with around 180 tickets.

Statistics for the 12-year bond by geography show that France took 79%, Germany and Austria 8%, the UK 5%, the Netherlands 4%, Switzerland 1% and others 3%. By investor type, asset managers

accounted for 73%, insurance and pension funds 21%, banks and retail 3% and others 3%.

For the five-year, France took 37%, Germany and Austria 22%, the Netherlands 13%, Switzerland 11%, the UK 8% and others 9%. By investor type, asset managers took 63%, banks and retail 11%, insurance and pension funds 24% and others 2%.

“The aim for Sagess was to reduce its short-term funding, optimise its debt redemption profile, extend liability duration and diversify its investor base,” said Kerr Finlayson, director on the SSA syndicate desk at HSBC. He added that the success of the exercise highlighted investors’ confidence in France’s credit quality and reinforced Sagess’s capital markets presence.

Press Coverage



Dow Jones

EUROBONDS: Peripheral European Issuer Surfaces In Primary Market

20 January 2012

French oil stocks and reserves manager Societe Anonyme de Gestion de Stocks de Securite, or SAGESS, priced its two-part bond.

The EUR500 million, five-year part priced at 115 basis points over midswaps, tighter than initial guidance of 125 basis points. The EUR600 million 12-year note priced at 156.7 basis points over midswaps.

Bank of America Merrill Lynch, Credit Agricole S.A., Natixis, and HSBC Holdings PLC are the lead managers on the sale.



EUROWEEK

New mandate as SAGESS appoints leads

18 January 2012

French agency Societe Anonyme de Gestion de Stocks de Securite (Sagess), priced a two-part bond, consisting of a €500m five-year bond and a 12-year €600m bond via Bank of America Merrill Lynch, CA CIB, HSBC and Natixis.

Guidance was tightened on both tranches, in a sign of strong demand, to mid-swaps plus 115bp versus guidance of plus 125bp area for the shorter-dated bond, and to a yield of 4% on the 12-yr versus initial guidance of 4.125% area.

The issuer had mandated the banks back in November for a possible deal aimed for the first quarter of this year





www.sagess.fr

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