



France Trésor

n ° 112

September 1999

<http://www.oat.finances.gouv.fr> • Bloomberg TRESOR <GO> • Reuters <TRESOR> • Reuters Web : <http://tresor.session.rservices.com>

French government debt news

Floating rate bonds : not only has the euro market now become as large as the dollar market, but euro-denominated variable rate issues have increased strongly since the beginning of the year and especially this summer (EUR 129 bn, i.e. 35% of bonds issued this year and 42% of bonds issued during the last two months). This is a consequence of the growing uncertainty about future rates, but also reflects the maturity of the euro market.

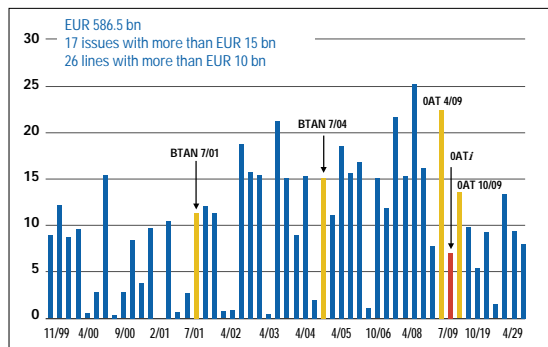
In line with its tradition, the French government also offers benchmark securities on this market.

The first of these is the **TEC 10 OAT**, for which two maturities are offered (2006 and 2009), with total outstandings of EUR 19 bn. This liquid instrument can be used to hedge against rising rates or to exploit deformations of the yield curve.

The second is the **OAT*i***. The first issue - with a 10-year maturity - was launched last year. After five auctions, it has reached an outstanding of EUR 7 bn. This first inflation-indexed security in the euro area met a strong structural demand. In order to complete the real-yield curve and to confirm the success of this new asset class, Dominique Strauss-Kahn, Minister of the Economy, Finance and Industry, has announced that an OAT*i* with a 30-year maturity will be launched before the end of september, market conditions permitting (see joined press release).

French government negotiable debt outstanding on September 2, 1999

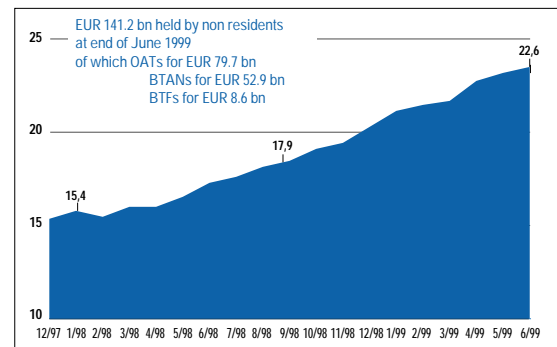
EUR billion



Source: French Treasury

Non-resident holdings of French government negotiable debt securities

as a % of negotiable debt outstanding



Source: Balance of payments

Auction calendar

| 6/9/99 | Settlement on | 13/9/99 | Settlement on | 16/9/99 | Settlement on | 20/9/99 | Settlement on | 27/9/99 | Settlement on | 4/10/99 | Settlement on | 7/10/99 | Settlement on |
|------------|---------------|------------|---------------|-------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|
| BTF | | BTF | | BTAN | | BTF | | BTF | | BTF | | | |
| 13 W. | 9/9/99 | 13 W. | 16/9/99 | 2 years | 23/9/99 | 13 W. | 23/9/99 | 13 W. | 30/9/99 | 13 W. | 7/10/99 | OAT | 14/10/99 |
| BTF | | BTF | | BTAN | | BTF | | BTF | | BTF | | | |
| 29 W. | 9/9/99 | 28 W. | 16/9/99 | 5 years | 23/9/99 | 52 W. | 23/9/99 | 26 W. | 30/9/99 | nc | 7/10/99 | | |

Source: French Treasury

Last auctions OATs and BTANs

EUR million

| | OAT October 2009 4.00% | OAT April 2011 6.50% | BTAN 2 years July 2001 3.00% | BTAN 5 years July 2004 3.50% |
|------------------------------|------------------------------|----------------------------|------------------------------------|------------------------------------|
| Auction date | 2/09/99 | 2/09/99 | 19/08/99 | 19/08/99 |
| Settlement date | 9/09/99 | 9/09/99 | 26/08/99 | 26/08/99 |
| Volume announced | from 3 000 to 3 400 | | from 2 400 to 2 800 | |
| Amount bid | 6 940 | 1 840 | 4 525 | 3 105 |
| Amount served | 2 747 | 505 | 1 626 | 1 272 |
| Bid-to-cover ratio | 2.5 | 3.6 | 2.8 | 2.4 |
| Stop price | 91.12% | 111.02% | 99.28% | 96.76% |
| Weighted average rate | 5.14% | 5.20% | 3.39% | 4.24% |
| Previous auctions | 5/8/99 | 2/7/98 | 15/7/99 | 15/7/99 |
| Weighted average rate | 5.10% | 4.96% | 3.16% | 4.01% |

Source: French Treasury

Last auction BTFs

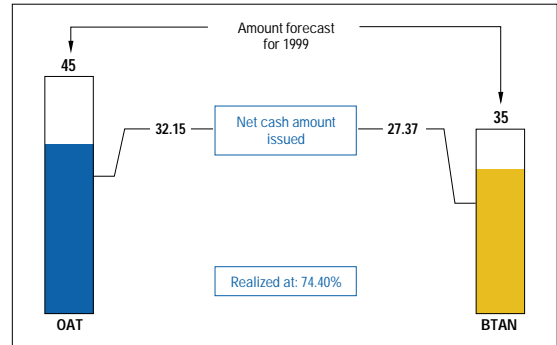
EUR million

| | | BTF 13 W. | BTF 24 to 29 W. | BTF 40 to 52 W. |
|---------|-----------------------|--------------|--------------------|--------------------|
| 9/8/99 | Average amount | 1 056 | 525 | |
| | Weighted average rate | 2.47% | 2.77% | |
| 16/8/99 | Average amount | 1 657 | | 566 |
| | Weighted average rate | 2.50% | | 3.03% |
| 23/8/99 | Average amount | 1 711 | 717 | |
| | Weighted average rate | 2.51% | 2.72% | |
| 30/8/99 | Average amount | 1 002 | | 500 |
| | Weighted average rate | 2.46% | | 3.04% |

Source: French Treasury

Long and medium term financing over the year September 2, 1999

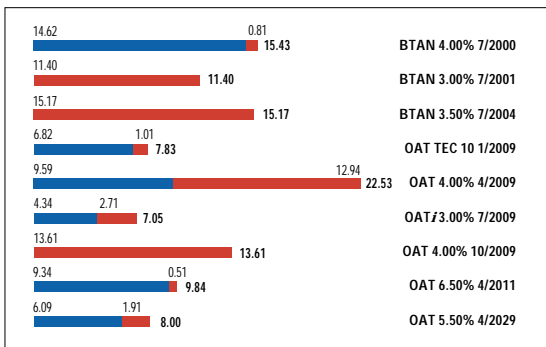
EUR billion



Source: French Treasury

BTANs and OATs 1999 issues and cumulative total September 2, 1999

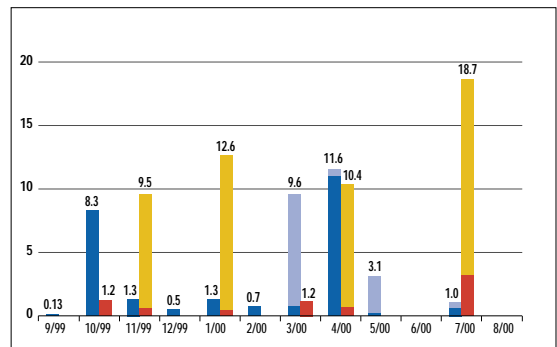
EUR billion



Source: French Treasury

OATs and BTANs : indicative repayment schedule September 2, 1999*

EUR billion



Source: French Treasury

* Floating coupons estimated at present value (02/09/99)

secondary market

French government debt

EUR billion

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 August |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Negotiable debt excluding FSR | 378 | 431 | 474 | 515 | 560 | 583 |
| Long-term debt | 238 | 270 | 308 | 331 | 363 | 381 |
| of which OAT | 217 | 252 | 293 | 329 | 363 | 381 |
| Short & medium-term | | | | | | |
| Treasury notes | 140 | 160 | 166 | 184 | 197 | 202 |
| of which BTF | 36 | 45 | 41 | 41 | 47 | 46 |
| of which BTAN | 104 | 116 | 125 | 143 | 150 | 156 |
| Non-negotiable debt | 65 | 65 | 66 | 63 | 53 | nc |
| Total Government debt | 443 | 496 | 540 | 577 | 613 | nc |
| % of GDP excluding securities issued on behalf of the FSR | 38.7% | 42.0% | 44.5% | 46.0% | 46.9% | nc |
| Average life of negotiable debt | 6 years 176 days | 6 years 95 days | 6 years 47 days | 6 years 57 days | 6 years 93 days | 6 years 62 days |

Source: SROT on 31/12/94, 95, 96, 97 and 98 - French Treasury

Net purchases by non-resident investors from French primary dealers

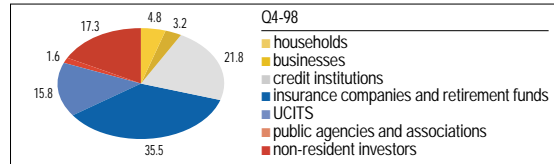
EUR million

| | 1999 | | 1998 | |
|----------------|--------------|---------------|--------------|---------------|
| | June | 6 months | June | 6 months |
| OATs and BTANs | 1 634 | 25 887 | 3 775 | 16 717 |
| BTFs | 2 432 | 11 383 | 304 | 2 990 |
| Total | 4 066 | 37 270 | 4 079 | 19 707 |

Source: Primary dealers' reports

OAT ownership by type of holder

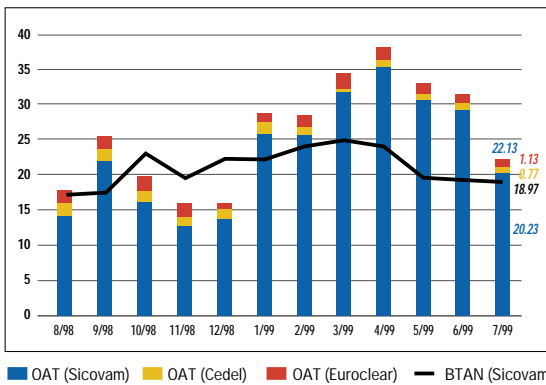
ownership structure, %



Source: Banque de France

Turnover on the 5 most liquid OATs and the 4 most liquid BTANs

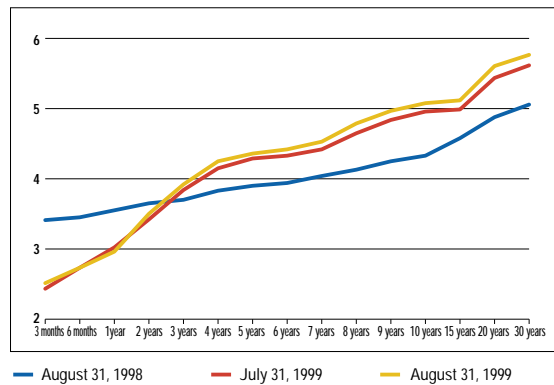
daily average (EUR billion)



Legend: OAT (Sicovam), OAT (Cedel), OAT (Euroclear), BTAN (Sicovam)

French government yield curve

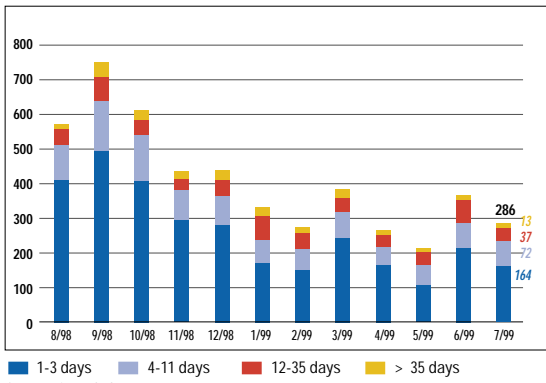
monthly average in %



Source: Bloomberg

Primary dealers, monthly fixed-rate repo transactions

EUR billion

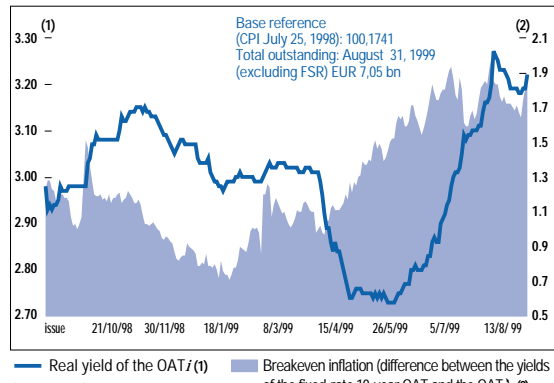


Source: Primary dealers

Real yield of the OAT i 3% 07/2009

in %

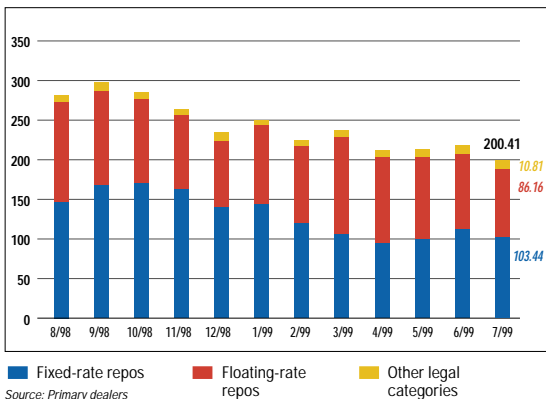
indicative daily quote on the secondary market



Source: French Treasury

Primary dealers, repo outstanding at end of month

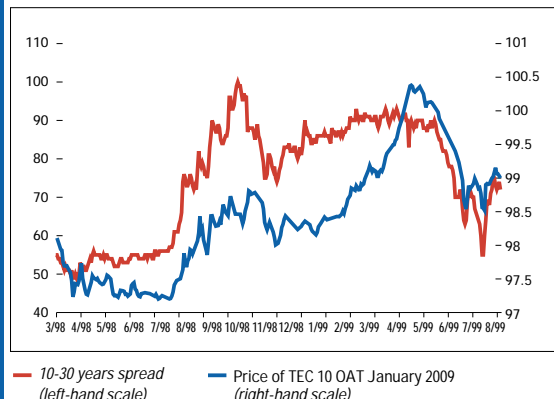
EUR billion



Source: Primary dealers

Comparative change in the 10-30 year spread and the price of the TEC 10 OAT

f o c u s



Source: French Treasury

Forum

for primary dealers

Just weeks ahead of the euro's first anniversary, we can already draw a few conclusions about its impact.

The euro is highly successful as a refinancing currency. As expected, its launch triggered an almost instantaneous adjustment in the balance between flows of new dollar and euro-denominated issues.

The euro has modified the concept of benchmark. From traditional comparison between the complete yield curves of presumed "in" countries, focus has gradually shifted to a benchmark based on specific maturities. Not all sovereign issuers belonging to the "in" countries can claim to manage a complete yield curve effectively. By contrast, all can claim to manage a specific compartment of the yield curve.

The euro has highlighted final demand for liquid issues. This hunger for liquidity was expected and has been confirmed by rising average outstandings of primary issues.

However, the current transition phase remains marked by echoes of historic behaviour on the part of final investors and by inadequate standardisation of certain derivatives compartments. This is to some extent reflected in lines of deliverable issues and deviates certain rate spreads between Member States from their theoretical equilibrium value.

Moreover, the cyclical lag between the United States and Europe in the first half of the year affected the restructuring of international asset portfolios. Both private and public investors have suspended large portfolio flows to the euro area.

Continuation of these asset restructurings and standardisation of the euro-denominated derivatives market structures will help absorb the residual spread distortions currently observed against real values.

Their absorption will even show more clearly the impact of hyper-liquidity on the valuation of bond lines and trigger growing demand on the part of institutional investors for high-quality and transparent debt management on both the secondary and primary markets.

Erick MÜLLER

Crédit Agricole Indosuez

Report completed 27 August 1999

Table (bonds with maturities after 31 August 2000, table updated on 27 August 1999)

EUR billion

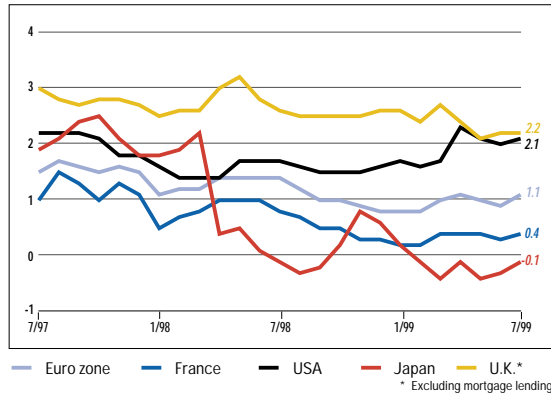
| | Number of lines outstanding > 10 | Average outstandings per line | Number of lines outstanding 5<x< 10 | Average outstandings per line |
|---------|----------------------------------|-------------------------------|-------------------------------------|-------------------------------|
| France | 24 | 15.71 | 10 | 8.37 |
| Germany | 14 | 13.21 | 46 | 6.35 |
| Italy | 14 | 12.22 | 36 | 7.5 |

Source: Crédit Agricole Indosuez

international comparisons

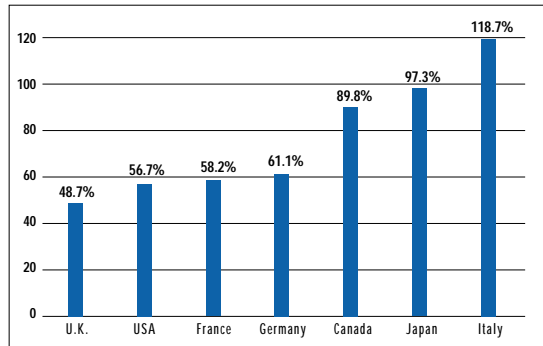
Consumer prices

year on year % change



General government debt in 1998

as a % of GDP



Source: OECD estimates, June 1999. Maastricht definition for European countries.

Timetable for the release of French economic indicators and for auctions

| September 1999 | October 1999 |
|---|---|
| 13 BTF auction | 4 BTF auction |
| 15 Balance of payments in June | 4 Industrial sales price indexes in July and August |
| 15 Wage and salary earners: final statistics, Q2-99 | 5 Household confidence survey: September survey |
| 16 BTAN auction | 7 OAT auction |
| 20 BTF auction | 7 Q2-99 accounts: itemised results |
| 21 Foreign trade in July | 11 BTF auction |
| 23 Household consumption of manufactured goods in July and August | 12 Consumer prices: provisional index for September |
| 24 Consumer prices: final index for August | 15 Balance of payments in July |
| 27 BTF auction | 18 BTF auction |
| 28 New building starts in August | 19 Foreign trade in August |
| 28 Industrial trends: September survey | 21 BTAN auction |
| 30 Job seekers in August | 22 Industrial output in July and August |
| 30 Wage quarterly statistics: final stat., Q2-99 | 25 BTF auction |
| 30 Foreign exchange reserves in August | 26 Household consumption of manufactured goods in September |
| | 26 New building starts in September |
| | 26 Consumer prices: final index for September |
| | 28 Industrial trends: October survey |
| | 29 Job seekers in September |
| | 29 Foreign exchange reserves in September |

Macro-economic forecast

Real growth rate, n-1 prices

| | 1998** | 1999*** | 2000*** |
|--|--------|---------|-----------|
| GDP growth in France | 3.2 | 2.2-2.5 | 2.6-3.0 |
| GDP growth in the euro zone | 2.8 | 2.1 | 2.7 |
| Household consumption * | 3.6 | 2.7 | 3.0 |
| Investment * | 5.3 | 4.2 | 4.6 |
| of which: business investment | 6.3 | 3.5 | 5.0 |
| of which: household housing investment | 2.5 | 5.5 | 5.0 |
| Exports * | 6.9 | 2.7 | 3.9 |
| Imports * | 9.3 | 3.7 | 5.1 |
| Consumer prices | 0.7 | 0.5 | 0.9 |
| Public deficit (as a % of GDP) | 2.7 | 2.3 | 2.0-1.7 |
| Public debt (as a % of GDP) | 58.5 | 58.6 | 58.5-58.2 |

Source: ** INSEE, National Accounts, Q1, 1999
*** National Economic Commission, March 1999 * median scenario

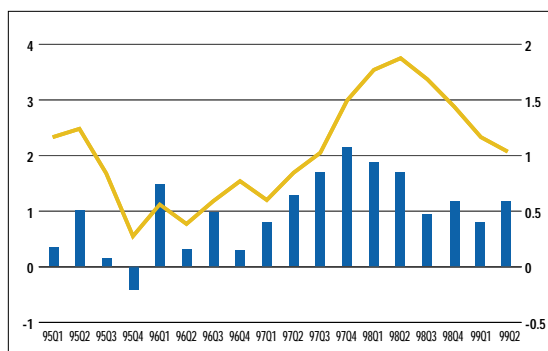
Recent economic indicators

| | | |
|--|----------------------|--------------|
| Industrial output, year-on-year | 0.7% | 06/1999 |
| Household consumption*, year-on-year | 2.0% | 06/1999 |
| Unemployment rate (ILO), in % | 11.2% | 07/1999 |
| Inflation, year-on-year | 0.4% | 07/1999 |
| Inflation, excl. tobacco, year-on-year | 0.3% | 07/1999 |
| <i>Seasonally-adj. FOB/FOB data (EUR bn)</i> | | |
| Trade balance, 1998 | 22.3 (+1.71% of GDP) | 06/1999 |
| Trade balance, cumulative, 1999 | 7.8 | 06/1999 |
| Current account balance, 1998 | 36.4 (+2.78% of GDP) | 05/1999 |
| Current account balance, cumulative, 1999 | 11.8 | 05/1999 |
| 10-year interest rate (OAT) | 5.050% | at 31/8/1999 |
| 3-month interest rate (Euribor) | 2.697% | at 31/8/1999 |
| EUR/\$ | 1.0573 | at 31/8/1999 |
| EUR/Yen | 115.53 | at 31/8/1999 |

Source: INSEE, Ministry of the Economy, Finance and Industry * manufactured goods and Banque de France

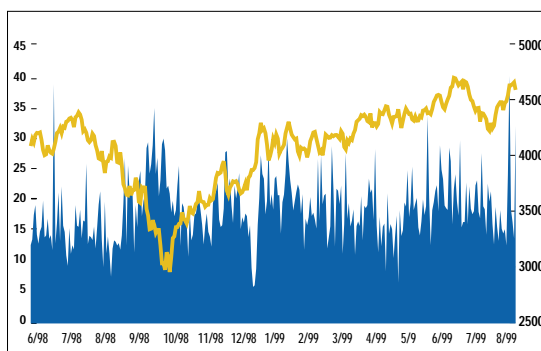
Gross Domestic Product

in %



Source: French Treasury

The French financial market: change in the CAC 40 index



Source: Bloomberg

Government budget monthly position

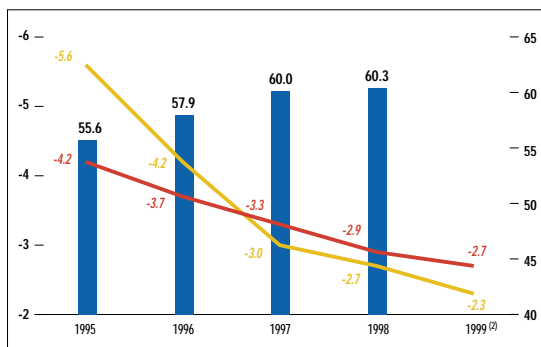
FRF billion

| | 1997 | 1998 | end-of-July level | | |
|---------------------------|---------|---------|-------------------|---------|---------|
| | | | 1997 | 1998 | 1999 |
| General budget | | | | | |
| balance | - 269.2 | - 252.3 | - 189.9 | - 159.3 | - 120.8 |
| - expenditure | 1 654.4 | 1 672.9 | 950.8 | 970.0 | 997.2 |
| - revenue | 1 385.2 | 1 420.6 | 760.9 | 810.7 | 876.4 |
| Balance of special | | | | | |
| Treasury accounts | 1.5 | 4.8 | - 69.9 | - 80.9 | - 69.5 |
| General budget | | | | | |
| outturn | - 267.7 | - 247.5 | - 259.8 | - 240.2 | - 190.3 |

Source: Ministry of the Economy, Finance and Industry, Budget Directorate
For more information: <http://www.finances.gouv.fr/Indicateurs/budget>

Public finance

as a % of GDP



Source: (1) INSEE, 1998 National Accounts (ESA 95); (2) For 1999, government forecast.

Information on France Trésor

INTERNET
<http://www.oat.finances.gouv.fr>

BLOOMBERG
TRESOR<GO>

REUTERS
<TRESOR>

REUTERS Web
<http://tresor.session.rservices.com>

TELERATE Pages
Menu 20010-20078

Contents

| | |
|--|------------|
| French government debt news | p. 1 |
| Primary market | p. 2 |
| Secondary market/Forum for primary dealers | p. 3 |
| International comparisons/The French economy | p. 4 |
| Negotiable government debt outstanding | p. 5 and 6 |
| Press release | p. 7 |

France Trésor monthly bulletin

Available in French, English, German and Japanese
Publication Manager: Michel Le Clainche
Editor: Treasury Department - Bureau A1

To subscribe, write to: France Trésor

BP 6043 - 75060 Paris Cedex 02 - France Fax: 33 1 53 18 36 45

Dette négociable de l'État

French Government Negotiable debt outstanding

OAT au 31 août 1999 / OAT at August 31, 1999

| CODE ISIN SICOVAM | Libellé de l'emprunt/Bond | FSR | Encours hors FSR | CODE ISIN SICOVAM | Libellé de l'emprunt/Bond | FSR | Encours hors FSR |
|----------------------|---|------------|-----------------------------------|----------------------|---|-------------|---|
| | Echéance / Maturity 2000 | | 15 398 600 187 EUR | | Echéance / Maturity 2007 | | 37 098 826 908 EUR |
| FR000057005 3 | OAT 8,5% 28 mars 2000 | | 8 787 923 528 | FR000057057 4 | OAT 5,50% 25 avril 2007 | 50 000 000 | 21 771 775 424 |
| FR000057006 1 | OAT 9,5% 25 avril 2000 (encours démembrés/stripped bonds) | 50 000 000 | 531 519 500 (63 400 000) | FR000057059 0 | OAT 5,50% 25 octobre 2007 (encours démembrés/stripped bonds) | | (282 820 000) 15 327 051 484 (314 270 000) |
| FR000057009 5 | OAT 10% 27 mai 2000 | | 2 870 257 285 | | Echéance / Maturity 2008 | | 41 537 093 494 EUR |
| FR000057010 3 | OAT 6,57% 17 juillet 1984 | | 403 841 960 | FR000057063 2 | OAT 5,25% 25 avril 2008 (encours démembrés/stripped bonds) | 50 000 000 | 25 291 932 367 |
| FR000057011 1 | V OAT TRA 13 septembre 2000 | | 2 805 057 914 | FR000057066 5 | OAT 8,5% 25 octobre 2008 (encours démembrés/stripped bonds) | | (20 880 000) 16 245 161 127 (3 332 480 000) |
| | Echéance / Maturity 2001 | | 16 402 795 857 EUR | | Echéance / Maturity 2009 | | 48 257 407 155 EUR |
| FR000057013 7 | V OAT TME 25 janvier 2001 | | 3 758 478 028 | FR000057067 3 | V OAT TEC 10 25 janvier 2009 | | 7 824 044 498 |
| FR000057014 5 | OAT 9,5% 25 janvier 2001 | | 9 800 947 246 | FR000057143 2 | OAT 4% 25 avril 2009 (encours démembrés/stripped bonds) | | 22 522 258 390 (0) |
| FR000057015 2 | OAT 10% 26 février 2001 | 50 000 000 | 158 673 000 | FR000057142 4 | V OAT 7 3% 25 juillet 2009 | 152 449 017 | 7 049 243 520 |
| FR000057017 8 | OAT 7,5% 25 juillet 2001 | | 2 684 697 583 | FR000022161 6 | V OAT 7 3% 25 juillet 2009 particuliers août 1999 | | 4 129 359 |
| | Echéance / Maturity 2002 | | 17 428 861 326 EUR | FR000001861 9 | OAT 4% 25 octobre 2009 (encours démembrés/stripped bonds) | | 10 596 000 000 (0) |
| FR000057019 4 | OAT 8,5% 15 mars 2002 | 50 000 000 | 742 606 500 | FR000022153 3 | OAT 4% 25 octobre 2009 particuliers mai 1999 | | 59 670 317 |
| FR000057022 8 | OAT 6,75% 25 avril 2002 (encours démembrés/stripped bonds) | 50 000 000 | 875 928 000 (47 910 000) | FR000022156 6 | OAT 4% 25 octobre 2009 particuliers juin 1999 | | 61 626 269 |
| FR000057024 4 | OAT 8,5% 25 novembre 2002 | | 15 810 326 826 | FR000022159 0 | OAT 4% 25 octobre 2009 particuliers juillet 1999 | | 69 934 246 |
| | Echéance / Maturity 2003 | | 31 111 797 652 EUR | FR000022160 8 | OAT 4% 25 octobre 2009 particuliers août 1999 | | 70 500 556 |
| FR000057027 7 | OAT 8,5% 25 avril 2003 (encours démembrés/stripped bonds) | | 15 505 026 287 (1 437 400 000) | | Echéance / Maturity 2011 | | 9 335 367 920 EUR |
| FR000057028 5 | OAT 8% 25 avril 2003 (encours démembrés/stripped bonds) | 50 000 000 | 498 616 500 (153 630 000) | FR000057073 1 | OAT 6,5% 25 avril 2011 (encours démembrés/stripped bonds) | | 9 335 367 920 (310 470 000) |
| FR000057030 1 | OAT 6,75% 25 octobre 2003 (encours démembrés/stripped bonds) | | 15 108 154 865 (399 350 000) | | Echéance / Maturity 2012 | | 5 485 697 339 EUR |
| | Echéance / Maturity 2004 | | 37 591 606 841 EUR | FR000057078 0 | OAT 8,5% 26 décembre 2012 | | 5 485 697 339 |
| FR000057032 7 | OAT 8,25% 27 février 2004 | | 9 033 671 358 | | Echéance / Maturity 2019 | | 9 533 059 248 EUR |
| FR000057036 8 | OAT 5,5% 25 avril 2004 (encours démembrés/stripped bonds) | | 15 415 796 930 (148 170 000) | FR000057092 1 | OAT 8,5% 25 octobre 2019 (encours démembrés/stripped bonds) | | 9 349 392 893 (5 133 810 000) |
| FR000057034 3 | OAT 6% 25 avril 2004 (encours démembrés/stripped bonds) | 50 000 000 | 1 953 143 000 (239 300 000) | FR000057095 4 | OAT 9,82% 31 décembre 2019 | | 183 666 335 |
| FR000057040 0 | OAT 6,75% 25 octobre 2004 (encours démembrés/stripped bonds) | | 11 188 995 553 (1 040 680 000) | | Echéance / Maturity 2022 | | 1 500 000 000 EUR |
| | Echéance / Maturity 2005 | | 34 321 246 330 EUR | FR000057104 4 | OAT 8,25% 25 avril 2022 (encours démembrés/stripped bonds) | 50 000 000 | 1 500 000 000 (425 700 000) |
| FR000057043 4 | OAT 7,5% 25 avril 2005 (encours démembrés/stripped bonds) | 50 000 000 | 18 619 406 569 (2 156 080 000) | | Echéance / Maturity 2023 | | 13 408 195 903 EUR |
| FR000057046 7 | OAT 7,75% 25 octobre 2005 (encours démembrés/stripped bonds) | | 15 701 839 761 (2 456 430 000) | FR000057108 5 | OAT 8,5% 25 avril 2023 (encours démembrés/stripped bonds) | | 13 408 195 903 (10 024 870 000) |
| | Echéance / Maturity 2006 | | 45 015 093 816 EUR | | Echéance / Maturity 2025 | | 9 416 928 118 EUR |
| FR000057049 1 | OAT 7,25% 25 avril 2006 (encours démembrés/stripped bonds) | | 16 934 039 415 (859 090 000) | FR000057115 0 | OAT 6% 25 octobre 2025 (encours démembrés/stripped bonds) | | 9 416 928 118 (2 938 560 000) |
| FR000057050 9 | OAT 7% 25 avril 2006 (encours démembrés/stripped bonds) | 50 000 000 | 1 091 244 000 (319 740 000) | | Echéance / Maturity 2028 | | 46 232 603 EUR |
| FR000057053 3 | OAT 6,50% 25 octobre 2006 (encours démembrés/stripped bonds) | | 15 102 140 991 (509 410 000) | FR000057122 6 | OAT zéro coupon 28 mars 2028 (non offerte à la souscription) | | 46 232 603 |
| FR000057054 1 | V OAT TEC 10 25 octobre 2006 | | 11 887 669 410 | | Echéance / Maturity 2029 | | 7 996 880 762 EUR |
| | | | | FR000057121 8 | OAT 5,50% 25 avril 2029 (encours démembrés/stripped bonds) | | 7 996 880 762 (1 000 190 000) |

Durée de vie moyenne des obligations :
8 ans et 192 jours

Average maturity of OATs:
8 years and 192 days

OAT/ : OAT indexée sur l'inflation.
TRA : taux révisable, en fonction des taux de rendement des Emprunts d'État à taux fixe d'échéance supérieure à 7 ans, publiés par la caisse des dépôts et consignations.
TME : moyenne arithmétique des taux de rendement moyens mensuels des emprunts d'État à taux fixe d'échéance supérieure à 7 ans sur l'année précédant la date de mise en paiement du coupon.
TEC 10 : taux de l'échéance constante à 10 ans.

Total général

380 885 691 459 EUROS

réserve FSR

702 449 017 EUROS

encours démembrés/stripped bonds

33 614 640 000 EUROS

en % des lignes démembrables

11,54 %

as a % of strippable bonds

OAT/ : inflation-indexed OAT.

TRA : variable rate based on the yields of all fixed-rate French Government bonds (EE and OATs included) with maturities greater than 7 years, as published by the CDC.

TME : the coupon rate is the arithmetic mean of the monthly average of all fixed-rate French Government bonds (EE and OATs included) with maturities greater than 7 years.

TEC 10 : 10-year constant maturity Treasury.

1 euro = 6,55957 FRF

Source : ministère de l'économie, des finances et de l'industrie

BTAN au 31 août 1999 Treasury notes - August 31, 1999

| CODE ISIN | Libellé de l'emprunt/Bond | FSR | Encours hors FSR | |
|--|--|------------|---|------------|
| FR0100059502 | Echéance / Maturity 1999 BTAN 7% 12 novembre 1999 | | 8 949 062 152 8 949 062 152 | EUR |
| FR0100059510 FR0100059528 FR0100059536 FR0100059544 | Echéance / Maturity 2000 BTAN 4% 12 janvier 2000 BTAN 7,75% 12 avril 2000 BTAN 4% 12 juillet 2000 BTAN 7% 12 octobre 2000 | | 45 770 559 643 12 195 159 084 9 682 646 821 15 429 089 253 8 463 664 485 | EUR |
| FR0100059551 FR0100059569 FR0100877812 FR0100059577 | Echéance / Maturity 2001 BTAN 5,75% 12 mars 2001 BTAN 6% 16 mars 2001 BTAN 3% 12 juillet 2001 BTAN 5,50% 12 octobre 2001 | 50 000 000 | 34 803 119 105 10 549 167 038 731 023 000 11 395 000 000 12 127 929 067 | EUR |
| FR0100059585 FR0100059593 | Echéance / Maturity 2002 BTAN 4,75% 12 mars 2002 BTAN 4,50% 12 juillet 2002 | 50 000 000 | 30 217 815 874 11 380 471 532 18 837 344 342 | EUR |
| FR0100059601 | Echéance / Maturity 2003 BTAN 4,50% 12 juillet 2003 | 50 000 000 | 21 314 156 556 21 314 156 556 | EUR |
| FR0100802273 | Echéance / Maturity 2004 BTAN 3,50% 12 juillet 2004 | | 15 165 000 000 15 165 000 000 | EUR |

Durée de vie moyenne des BTAN : 2 ans et 60 jours **TOTAL GÉNÉRAL** **150 000 000** **156 219 713 330 EUR**
Average maturity of BTANs: 2 years and 60 days

BTF au 31 août 1999 Treasury bills at August 31, 1999

| | Echéance/Maturity | EUROS |
|-----|-------------------|---------------|
| BTF | 2/9/99 | 5 399 575 593 |
| BTF | 9/9/99 | 3 436 000 000 |
| BTF | 16/9/99 | 848 000 000 |
| BTF | 23/9/99 | 1 039 000 000 |
| BTF | 30/9/99 | 1 075 000 000 |
| BTF | 7/10/99 | 1 110 000 000 |
| BTF | 14/10/99 | 893 000 000 |
| BTF | 21/10/99 | 1 084 000 000 |
| BTF | 28/10/99 | 3 933 000 000 |
| BTF | 4/11/99 | 1 025 000 000 |
| BTF | 10/11/99 | 1 056 000 000 |
| BTF | 18/11/99 | 1 657 000 000 |
| BTF | 25/11/99 | 8 312 505 455 |
| BTF | 2/12/99 | 1 028 000 000 |
| BTF | 23/12/99 | 2 349 000 000 |
| BTF | 17/2/00 | 5 255 000 000 |
| BTF | 27/4/00 | 3 582 000 000 |
| BTF | 13/7/00 | 3 092 000 000 |

Durée de vie moyenne des BTF : 99 jours **TOTAL** **46 174 081 048 EUR**
Average maturity of BTFs: 99 days

Durée de vie moyenne totale de la dette au 31/08/1999 : 6 ans et 62 jours **Total général hors FSR** **583 279 485 837 EUROS**
Average maturity of debt at 31/08/99: **Total général avec FSR** **584 131 934 854 EUROS**
6 years and 62 days

1 euro = 6,55957 FRF

Source : ministère de l'économie, des finances et de l'industrie



FRENCH GOVERNMENT SECURITIES

INDICATIVE CALENDAR Auction and settlement dates Third quarter 1999

| Dates | BTF | | | BTAN | | OAT |
|----------------|-------|------------|--------|-----------------------------|-----------------------------|-----|
| | 13 w. | semestrial | annual | 2 years 3.00% 07/2001 | 5 years 3.50% 07/2004 | |
| Thursday 01/07 | | | | | | ◇ |
| Monday 05/07 | ▽ | ○ | | | | ◇ |
| Thursday 08/07 | ▲ | ● | | | | ◆ |
| Monday 12/07 | ▽ | | □ | | | |
| Thursday 15/07 | ▲ | | ■ | ∪ | ∩ | |
| Monday 19/07 | ▽ | | □ | ∪ | ∩ | |
| Thursday 22/07 | ▲ | | ■ | ∪ | ∩ | |
| Monday 26/07 | ▽ | ○ | | | | |
| Thursday 29/07 | ▲ | ● | | | | |
| Monday 02/08 | ▽ | | □ | | | ◇ |
| Thursday 05/08 | ▲ | | ■ | | | ◇ |
| Monday 09/08 | ▽ | ○ | | | | ◇ |
| Thursday 12/08 | ▲ | ● | | | | ◆ |
| Monday 16/08 | ▽ | | □ | | | |
| Thursday 19/08 | ▲ | | ■ | ∪ | ∩ | |
| Tuesday 23/08 | ▽ | ○ | | ∪ | ∩ | |
| Thursday 26/08 | ▲ | ● | | ∪ | ∩ | |
| Monday 30/08 | ▽ | | □ | | | ◇ |
| Thursday 02/09 | ▲ | | ■ | | | ◇ |
| Monday 06/09 | ▽ | ○ | | | | ◇ |
| Thursday 09/09 | ▲ | ● | | | | ◆ |
| Monday 13/09 | ▽ | ○ | | | | |
| Thursday 16/09 | ▲ | ● | | ∪ | ∩ | |
| Monday 20/09 | ▽ | | □ | ∪ | ∩ | |
| Thursday 23/09 | ▲ | | ■ | ∪ | ∩ | |
| Monday 27/09 | ▽ | ○ | | | | |
| Thursday 30/09 | ▲ | ● | | | | |

| | Auction | | Settlement | |
|------|----------|---|------------|----------------------|
| BTF | 13 weeks | ▽ Each Monday * | ▲ | Following Thursday * |
| | semester | ○ Generally 1 or 2 Mondays per month * | ● | Following Thursday * |
| | 1 year | □ Generally 1 or 2 Mondays per month * | ■ | Following Thursday * |
| BTAN | 07/2001 | ∪ 3 rd working Thursday of the month * | ∪ | Following Thursday * |
| | 07/2004 | ∩ 3 rd working Thursday of the month * | ∩ | Following Thursday * |
| OAT | | ◇ 1 st working Thursday of the month * | ◆ | Following Thursday * |

* or the previous or following working day.

FRENCH GOVERNMENT SECURITIES

1999 auction calendar

| | | |
|--|--|--|
| OAT AUCTION CALENDAR FOR THE YEAR | OAT 1 st Thursday of the month | A fixed-rate 10-year line, of either the existing 4.00% October 25, 2009 OAT or another OAT line to be opened; if market conditions permit, other fixed-rate or floating-rate lines, either existing or to be opened, or inflation-indexed |
| BTAN SEMESTERLY AUCTION CALENDAR | BTAN 3 rd Thursday of the month | Lines auctioned during the second half-year of 1999 • BTAN 3.00% July 2001 • BTAN 3.50% July 2004 and another 2-year line, to be opened |
| BTF QUARTERLY AUCTION CALENDAR | Each Monday | BTF 13 weeks, semester, or 1 year according to the calendar on the other side |

The Treasury reserves the right to cancel an auction listed on the calendar if exceptional market conditions warrant it, or to hold an extra auction according to its borrowing needs and market trends.

Furthermore, the Treasury reserves the right to create new, long- or medium-term during the year, or to issue further tranches of previous issues in accordance with market conditions. The Treasury also reserves the right to use banking syndicate issue procedures.

The exact nature of the Treasury issues will be communicated to the market in the days preceding each auction with information on the volume of the issues.

Reuters pages on French Government Securities

| INDEX TRESOR | MENU: TRESORMENU | | | | | |
|--------------------------------|------------------|------------|------------------------|-----------|-----------------|-----------|
| SVT | BTF | BTAN | OAT | OAT/ | STRIPS | REPO |
| ABN-AMRO FIXED INCOME FRANCE | AAFIBTF | AABOAT | AABOAT/01/02 | AABILB | AAFSTRIP | AAFIREPO |
| BANQUE CPR | CPRCT | CPRBTAN | CPROAT/02-CPRVAR | CPRVAR | CPRSTRIP | CPRCT |
| BANQUE LEHMAN BROTHERS S.A. | LBTF1 | LBBTAN2 | LBOAT1/2 | LBOAT2 | - | LBWE |
| BANQUE PARIBAS | PBBTF | PBBTAN | PBOAT/01/02-PBTEC | PBTEC | PBSTRIP01-02-03 | PBAMLEUR |
| BARCLAYS CAPITAL FRANCE S.A. | BZWPL | BARCAPBTAN | BARCAPOAT1/2 | BARCAPIND | BARCAPSTRIPS1-2 | BZWPL |
| BNP FINANCE | BNPSVT01 | BNPSVT02 | BNPSVT02/05 | BNPSVT05 | BNPSTRIP01 | OBNO |
| CDC MARCHES | CDCBILLS | CDCBTAN | CDCOAT1/2 | CDCOAT3 | CDCSTRIP1-2 | CDCBILLS |
| CREDIT AGRICOLE INDOSUEZ | CAIEUCT01 | CAIBTAN01 | CAIOAT/01/02/CAIVAR01 | CAIVAR01 | CAISTRIP01 | CAIREPO |
| CREDIT COMMERCIAL DE FRANCE | CCFBTF | CCFBTAN | CCFOAT-CCFTEC | CCFTEC | CCFSTRIP | CCFREPO |
| CREDIT LYONNAIS | CLBTF | CLBTAN | CLOAT/01-04 | - | CLSTRIP01 | CLREPO |
| DEUTSCHE BANK FRANCE S.A. | DBBTF | DBBTAN1 | DBOAT1-2/DBILB | DBILB | DBFRSTRIP-DEBP | DBPPL |
| DRESNER KLEINWORT BENSON | DRBTF | DRBTAN | DRBOAT1-2/DRBTEC10 | DRBTEC10 | DRBSTRIP1-2 | DRBREPO01 |
| GOLDMAN SACHS PARIS INC. & Cie | GSPK | GSPC | GSPD-F | - | GSPH-J | GSPFREPO |
| HSBC MARKETS | HSBCBTF | HSBCBTAN | HSBCOAT/01-02/HSBCVAR | HSBCVAR | - | HSBCBTF |
| J.P. MORGAN & Cie S.A. | MGPK | JPMFR01 | JPMFR01-02 | MGTEC | JPMSTRIPFR | MMQU |
| MERRILL LYNCH FINANCE S.A. | MLFRONT | MLFBTAN | MLFOAT1-2/MLFTEC | MLFOAT1 | MLFSTRIP | MLFRONT |
| MORGAN STANLEY S.A. | MSFRD | MSFRB/D | MSFRB-C | - | MSFRE | MSFRR |
| SOCIETE GENERALE | SGREPO01 | SGOAT01 | SGOAT/01-02/SGOATVAR01 | SGFR06 | SGSTRIP01 | SGREPO01 |
| UNION EUROPEENNE DE CIC | CICBTF | CICBTAN | CICOAT1-2/CICTEC | CICOAT1 | CICSTRIP | CICREPO |

DAILY BENCHMARKS ON TREASURY BILLS published by Banque de France SVTF-G-H

Telerate pages on French Government Securities

| INDEX TRESOR | MENU: 20010 - 20078 | | | | |
|-----------------------------|---------------------|-----------|--------------|----------|--|
| SVT | BTF | BTAN | OAT | STRIPS | |
| BANQUE CPR | 8 325 | 2 526 | 8320/21 | - | |
| BANQUE PARIBAS | 20 106/107 | 20 106 | 20 105 | - | |
| CDC MARCHES | 2 521 | 2 520 | - | - | |
| CREDIT AGRICOLE INDOSUEZ | 2 528 | 2 532 | 2533/34/35 | 2 511 | |
| CREDIT COMMERCIAL DE FRANCE | 20 082 | 20 081/82 | 20 080 | 20 086 | |
| CREDIT LYONNAIS | 21 891 | 21 888 | 21 885/86/87 | 21913/15 | |
| DRESNER KLEINWORT BENSON | 47 401 | 47 402 | 47 403/4 | - | |
| J.P. MORGAN & Cie | - | 21 482 | 21483/5 | 21 486 | |
| SOCIETE GENERALE | 42 161 | 42 162 | 42163/4 | - | |
| UNION EUROPEENNE DE CIC | 20 121 | - | 20 124/25/26 | - | |

DAILY BENCHMARKS ON TREASURY BILLS published by Banque de France 20018-19

INFORMATION ON FRENCH GOVERNMENT SECURITIES

| | |
|--------------|---|
| INTERNET | http://www.oat.finances.gouv.fr |
| BLOOMBERG | TRESOR<GO> |
| REUTERS 3000 | <TRESOR> http://tresor.session.rservices.com |



September 6, 1999

Press release

Dominique Strauss-Kahn is announcing the launch of the 30 year inflation-indexed OAT (OAT_i)

Before the end of September, France Trésor will launch, depending on market conditions, a 30 year OAT_i, maturing 25th July 2029, for a minimum amount of 2.5 billion euro.

This 30 year OAT_i will supplement the real rate yield curve in euro and further establish the importance of this new euro-denominated asset class. The inflation-indexed market in euro was initiated in September 98 with the launch of the 10 year OAT_i, the outstanding amount of which has so far reached 7 billion euro.

Still acting within an active management and control of public finances, France Trésor is thus diversifying further its financing resources by providing the market with a wide range of liquid and well-suited instruments, which confirms its benchmark issuer status within the euro zone.

This new issue will be lead-managed by Banque Nationale de Paris, Crédit Agricole Indosuez and Deutsche Bank. All French primary dealers (SVTs) will be closely associated to the deal.

France Trésor will continue to tap the OAT_i market through regular auctions. OAT_i's fully belong to the 1999 France Trésor issuing program and will be of course included into the 2000 financing program. As announced on the launching of the first OAT_i, inflation-indexed OAT's will only represent a limited portion of France Trésor's financing program.