Press release

Supervisory Board January 29, 2009

At the Supervisory Board meeting on January 29, 2009, the preliminary results[1] of the financial management of the FRR for the year just ended were presented and analyzed. In addition, the overall situation was subject to a thorough review.

On December 31, 2008, the assets of the FRR were valued at 27.7 billion euros. The annualized performance[2] of the FRR since inception (June 2004) remains slightly positive (+0.3%). At year-end 2007, it was +8.8%. This sudden deterioration is the direct consequence of the global crisis in the capital markets, in particular that of the world's equity markets which declined by 42% over the last year. With this background, the performance of the FRR's portfolio for the year 2008 was -24.8%.

These results do not reflect any losses related to securitized vehicles, structured products or hedge funds, in which the Fund has made no investments. The losses are attributable to the strategic asset allocation, which led to a predominance of equity investments in the portfolio (60%), made in 2003 and in 2006, consistent with the usual level of exposure to the markets for a very long-term investor with no liquidity constraint prior to 2020 and therefore able to benefit from the outperformance of equities over a sufficiently long time frame. This position is one shared by all of the FRR's foreign counterparts.

In light of the turn for the worse that the crisis took in late September, and following the guidelines decided on as of October, the exposure of the FRR's portfolio to equities was substantially cut back (to 49% from 64.5% at year end 2007). Correlatively, the percentage of assets held in treasury (14%, versus 1.2% at year end 2007) and invested in bonds (36%, versus 33.5%) was increased.

The Supervisory Board unanimously considered that, in light of the current market environment, this conservative management strategy had to be maintained for the foreseeable future.

As indicated in October 2008, the task of reviewing the strategic asset allocation has begun and should be completed by May 2009.

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[1] Based on validated but not yet audited data.
[2] Average annual return of the assets since inception (June 2004).