



Press release

Executive Board

Paris, June 6th, 2007

Pursuant to an investment manager selection process for its initial €1.5 billion private equity programme, FRR has decided to award mandates¹ to the following companies allowing them to commit on its behalf to a portfolio of private equity funds:

- a diversified European private equity mandate (Lot 1 of the programme²) to **Pantheon Ventures**. The total commitment relative to this mandate is €550 million.
- a small and mid-cap European private equity mandate (Lot 2 of the programme) to **Access Capital Partners**. The total commitment relative to this mandate is €300 million.
- a diversified North American private equity mandate (Lot 3 of the programme) to **Lehman Brothers International Europe**. The total commitment relative to this mandate is €500 million.

The objectives of this first private equity programme are to increase, from a financial standpoint, FRR's long term return on, and the diversification of its portfolio, while contributing positively to the development and innovation of companies, primarily small and mid-size enterprises, in the non-quoted sector. Consequently, FRR has decided to allocate a significant proportion of this programme to the development of small and mid-cap and venture funded companies in Europe, which together will represent approximately half of this initial private equity programme.

FRR has therefore prioritised investments in funds of a size consistent with this strategic orientation, that is funds not targeting commitments exceeding € 3 billion in Europe and US \$ 4 billion in North America. In the same spirit, turnaround funds and funds specialising in public to private transactions will not form part of the investment strategy for the European mandates.

In addition, FRR has required its investment managers to pay particular attention to the investment practices followed by the underlying funds which they select under their mandates. In particular, it does not wish its investment managers to invest in funds engaging in hostile takeovers of target companies or investing in countries listed by GAFI as not observing its money laundering rules and procedures. Finally, FRR has requested its investment managers to include, as part of their review of funds which they wish to select on its behalf, an assessment of the overall adequacy of their socially responsible investment principles compared with those of FRR and to bring to its attention, if need be, any issues in this respect.

FRR is pleased with the high quality of communication experienced during the competitive dialogue process, as well as with the quality of offers submitted. It wishes to express its gratitude to all the candidates who participated in the process.

FRR has been advised by Campbell Lutyens & Co Ltd in relation to the structuring of this initial private equity programme and the implementation of the investment managers selection process and by Gide Loyrette Nouel in relation to legal matters pertaining thereto.

¹ A mandate of an amount of €150 million dedicated to the purchase of secondary positions in European and North American Private Equity funds (Lot 4 of the programme) was awarded in December 2006 to AXA Private Equity Europe.

² The detail of the lots' specificities is described in annex.

ANNEX: MAIN CHARACTERISTICS OF EACH OF THE LOTS OF THE PROGRAMME

- LOT 1 – DIVERSIFIED PAN-EUROPEAN PRIVATE EQUITY

This lot principally covers Europe, defined as the countries of the European Union, Switzerland and Norway. It privileges Development Capital and Buy-Outs transactions. It targets medium to large size funds with a pan-European or regional focus, investing in transactions involving medium to large size companies. It also includes a Venture Capital allocation with a bias towards technology investments.

- LOT 2 – EUROPE SMALL AND MEDIUM CAPITALISATIONS

This lot exclusively covers Europe. It clearly emphasises Development Capital and Buy-Outs transactions. It principally targets small to medium size funds focussing on one or several local markets, and transactions involving small to medium size capitalisation companies. It includes a complementary Venture Capital allocation with a bias towards technology investments.

- LOT 3 – DIVERSIFIED NORTH AMERICAN PRIVATE EQUITY

This lot principally covers North America. There is also in this lot an emphasis on the segments of Buy-Out, Development Capital and Venture Capital with a bias towards technology investments. It targets small to large size funds, principally focussing on the North American domestic market. In order to add some diversification, it includes an allocation to special situations funds.

- LOT 4 – DIVERSIFIED INTERNATIONAL PORTFOLIO OF SECONDARY POSITIONS

This lot, dedicated to the purchase of secondary positions in a diversified panel of private equity funds, brings a maturity and a potential liquidity, which will accelerate the investment cycle of FRR's first private equity programme.

All the mandates of this programme should be active by the beginning of the second half of 2007 and their investment period should cover the period 2007-2010.

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