



Paris, 10 October 2006

Press Release

**CNP Assurances announces the acquisition of 49.9% of Ecureuil Vie for €1.4 billion
Accretive impact on earnings per share from the acquisition date
Estimated first-year accretion: 3%
CNP's strong financial position maintained after the acquisition**

At its meeting on 10 October, the CNP Assurances Supervisory Board approved the terms of acquisition of 49.9% of Ecureuil Vie from the Caisse d'Epargne Group, raising CNP's interest in this fully-consolidated subsidiary from 50.1% to 100%.

In line with the announcement made in May 2006, the shares will be acquired directly from the Caisse d'Epargne Group for €1,406 million. Half of the transaction price will be financed by issuing subordinated debt and half by issuing shares.

1. Transaction rationale and organisation of the partnership

1.1 Transaction rationale

The acquisition of the 49.9% of Ecureuil Vie not already held will enable CNP Assurances to deploy the same life insurance business model with both of its main partners in France, the Savings Banks network and La Banque Postale.

In addition, with Ecureuil Vie consolidated on a 100% basis, CNP Assurances' profit and embedded value will reflect the full benefit of the Savings Banks' strong potential for growth in the life insurance market, particularly the unit-linked segment.

1.2 Ecureuil Vie

Ecureuil Vie is a life insurance company set up in 1988 by CNP Assurances and the Caisse d'Epargne Group. Its products are distributed via the Savings Banks network under a distribution agreement that was extended in June through to 31 December 2015.

- Last year, Ecureuil Vie reported premium income of €9.4 billion (on a non-consolidated basis) and French Gaap technical reserves of €72.8 billion.
- Its French Gaap equity at 31 December 2005 stood at €1.87 billion, and its contribution to CNP Assurances' 2005 net profit was €103 million.
- The corresponding amounts under IFRS are €9.4 billion in premium income, €78.1 billion in technical reserves, €1.94 billion in equity and €94 million in net profit before the impact of fair value adjustments.
- The company has 3 million savings/pensions contracts and 300,000 personal risk contracts.
- Its strategy consists of improving margins by increasing sales of unit-linked and personal risk products.

1.3 Organisation of the partnership

In parallel with the acquisition, a joint subsidiary is expected to be set up to provide sales and marketing support and training. The new entity – which will be 60%-owned by CNP Assurances and 40% by the Caisse d'Épargne Group – will take over part of the activities of Ecureuil Vie (mainly sales and marketing), while the financial management teams will join CNP.

2. Price and fairness opinion

2.1. The 49.9% of Ecureuil Vie (cum 2006 dividend) will be acquired from the Caisse d'Épargne Group for €1,406 million. The purchase agreement will include a price adjustment clause based on the impact on Ecureuil Vie's NAV at 31 December 2005 of changes in interest rates or stock market indices between that date and the transaction completion date.

2.2. The price of €1,406 million for 49.9% of Ecureuil Vie reflects the following 2005 multiples:

- 1.15 times European embedded value, based on the new distribution agreement
- 13.7 times contribution to CNP's net profit (under French GAAP)
- 1.51 times equity
- Goodwill representing 5 times estimated new business, based on the new distribution agreement.

2.3. UBS Limited, an independent bank, has issued a fairness opinion on the acquisition price, which has been presented to the CNP Assurances Supervisory Board.

Extracts from the UBS Limited fairness opinion dated 21 September 2006:

"In determining our Opinion we have used such customary valuation methodologies as we have deemed necessary or appropriate for the purposes of this Opinion. In particular, we have valued the Consideration and the Transaction on the basis of (i) trading multiples of comparable companies (ii) appraisal valuation (based on actuarial values and forecasts provided by CNP), (iii) a dividend discount model (based on the forecasts in the business plan for Ecureuil Vie), and (iv) precedent transactions. [...]"

*Based on and subject to the foregoing, it is our opinion, as of the date hereof, that the Consideration to be paid by the Company to CNCE in respect of the Transaction is fair to the shareholders of the Company taken as a whole."*¹

3. Financing

The transaction will be financed by a combination of subordinated debt (€700 million) and stock (€700 million).

This balance between subordinated debt and equity financing will ensure that:

- CNP's solvency capital excluding unrealised gains continues to represent 1.1 times required capital,
- Gearing² remains below 40%,
- The transaction's accretive impact on earnings per share is preserved.

¹ See disclaimer in Appendix 1

² Ratio of subordinated debt to required capital

An Extraordinary General Meeting will be called before the end of the year to authorise the share issue, which will be carried out in the first quarter of 2007. Existing shareholders will have a pre-emptive subscription right and Caisse des Dépôts and Sopassure have already indicated that they intend to take up their share of the issue.

4. Financial impact of the transaction

The transaction should have a roughly 3% accretive impact on earnings per share³ in the first year (2007).

The Group's post-acquisition APE margin, based on first-half 2006 premiums, would amount to 10.8% versus a reported 11%.

5. Conditions and completion

The transaction is subject to approval by the French insurance regulator (Comité des Entreprises d'Assurance) and other official approvals. It is also dependent upon completion of the NatIxis transaction, scheduled for 17 November 2006.

The transaction closing is expected to take place in the first quarter of 2007.

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Further information regarding factors which may cause results to differ materially from those projected in forward looking statements is included in CNP Assurances' filings with the Autorité des Marchés Financiers. CNP Assurances does not undertake to update any forward-looking statements presented herein to take into account any new information, future event or other factors.

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³ Based on underlying net profit, corresponding to reported net profit before fair value adjustments to securities and before depreciation, amortisation and impairment losses

Appendix 1

UBS Limited Disclaimer

In connection with the Transaction, UBS Limited (“UBS”) rendered its opinion to the Supervisory Board of the Company that, as of 21 September 2006, and based upon and subject to the factors, assumptions, procedures, limitations and qualifications set forth in such opinion, the Consideration to be paid by the Company to CNCE, the seller in respect of the Transaction, is fair, from a financial point of view to the shareholders of the Company taken as a whole. In rendering its opinion, UBS assumed and relied upon (without assuming any responsibility therefore), among other things, at the direction of the Company, the projections for the Company and of the Target prepared by management of the Company and of the Target. UBS’s opinion did not address the relative merits of (i) the Transaction (or the terms of the Transaction) as compared to other business strategies or transactions that might be available with respect to the Company, (ii) the structure of the financing of the Transaction or (iii) the Company's underlying business decision to effect the Transaction. UBS’s opinion is not a recommendation to any shareholder of the Company as to how such shareholder should vote or act with respect to the Transaction. UBS’s opinion is confidential and was provided solely for the benefit of the Company's Supervisory Board (acting in their capacity as such) in connection with the Transaction and was not provided for the benefit of, and may not be relied upon by, the shareholders of the Company or any other person. UBS did not act as financial adviser to the Company in connection with the Transaction. UBS only received a fee upon delivery of its opinion to the Supervisory Board of the Company. In the past, UBS, its affiliates and their predecessors have provided investment banking services to the Company and CNCE, the seller, and received compensation for the rendering of such services and may be entitled to continue to do so in the future.