

PROSPECTUS DATED 9 JULY 2007



Cofidis S.A.

(A société anonyme established under the laws of France)

€400,000,000

Senior Floating Rate Notes due 2014

Issue Price: 99.878 per cent.

The €400,000,000 senior floating rate notes due 2014 (the **Notes**) of Cofidis S.A. (the **Issuer**) will be issued outside the Republic of France on 11 July 2007 (the **Issue Date**).

The principal of and interest on the Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* and without any preference among themselves and (subject to mandatory provisions of law) equally and rateably with all other present and future unsecured and unsubordinated obligations of the Issuer.

Each Note will bear interest at a floating rate of 0.22 per cent per annum above the European inter-bank offered rate for three-month deposits for Euro from and including 11 July 2007 to but excluding 11 July 2014, payable quarterly in arrear on 11 July, 11 October, 11 January and 11 April in each year all subject to adjustment in accordance with the Modified Following Business Day Convention and commencing on 11 October 2007.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed in full at their principal amount on 11 July 2014. The Issuer may, and in certain circumstances shall, redeem the Notes, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See "Terms and Conditions of the Notes – Redemption and Purchase" herein).

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the **Prospectus Directive**), for its approval of this Prospectus. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market, which is a regulated market within the meaning of Directive 2004/39/EC and to be listed on the Luxembourg Stock Exchange.

The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank SA/N.V. (**Euroclear**). The Notes will on the Issue Date be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination and Title" below) including the depositary banks for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in dematerialised bearer form in the denomination of €50,000 each. The Notes will at all times be represented in book entry form (*dématérialisé*) in the books of the Account Holders in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the Notes.

The Notes have been assigned a rating of A- by Standard & Poor's Ratings Services. A rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

See Risk Factors on page 6 of this Prospectus for certain information relevant to an investment in the Notes.

JOINT-BOOKRUNNERS AND JOINT-LEAD MANAGERS

NATIXIS

CALYON CREDIT AGRICOLE CIB

*This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of the Prospectus Directive and the Luxembourg law on prospectuses for securities of 10 July 2005 implementing the Prospectus Directive in Luxembourg.*

*The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information with respect to the Issuer and its consolidated subsidiaries (**filiales consolidées**) and consolidated affiliates (**participations consolidées**) taken as a whole (the **Group**) and the Notes which is material in the context of the issue and offering of the Notes; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions or intentions expressed in this Prospectus with regard to the Issuer and the Group are honestly held or made, have been reached after considering all relevant circumstances and are based on reasonable assumptions; there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and the offering of the Notes, make any statement in this Prospectus misleading in any material respect; and all reasonable enquiries have been made to ascertain and verify the foregoing. The Issuer accepts responsibility accordingly.*

This Prospectus may only be used for the purposes for which it has been issued.

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes in jurisdictions in which no offer, solicitation or invitation is permitted. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions, including the United States, the United Kingdom, the Republic of France and Italy, may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" below.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and, subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)).*

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes.

See "Risk factors" for certain information relevant to an investment in the Notes.

In this Prospectus, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.

In connection with this issue, Natixis (herein referred to as the Stabilisation Manager) or any person acting for the Stabilisation Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer accepts responsibility for the information contained in this Prospectus. The Issuer, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Cofidis S.A.
Parc de la Haute Borne
61, avenue Halley
59866 Villeneuve d'Ascq Cedex
France

Duly represented by: Mr. Benoît COQUEVAL
Directeur Général

RISK FACTORS

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the following risk factors. Prospective investors should be aware that this section is not intended to be exhaustive and that the risks described herein may combine and thus modify one another. They should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus. Terms defined in "Terms and Conditions of the Notes" below shall have the same meaning in the following section.

RISK FACTORS RELATING TO THE ISSUER

The Issuer believes that the following factors may affect its ability to fulfill its obligations under Notes issued under the Programme. Many of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Five main categories of risks are inherent to the Issuer's activities:

1. **Credit Risk:** Credit risk is the risk of financial loss relating to the failure of an obligor to honour its contractual obligations. Credit risk arises in lending activities and also in various other activities where the Issuer is exposed to the risk of counterparty default, such as its trading and capital markets activities.

Counterparty limits are set and monitored in order to provide a secure framework for interest-rate hedging and ongoing cash-flow management while minimising dealings with counterparties with a higher likelihood of defaulting on their commitments.

Counterparties are selected exclusively from amongst the highest-rated banking signatories. Maximum amounts and periods are determined for each counterparty based on its rating and an analysis of its financial position.

These limits are then reviewed periodically, and all decisions with respect to renewals or amendments are subject to the approval of the Issuer's Board of Directors.

2. **Market and Liquidity Risk:** Market risk is the risk related to earnings, which arises primarily from adverse movements of trading and non-trading market parameters. Trading market parameters include, but are not limited to, foreign exchange rates, bond prices, security and commodity prices, derivatives prices and prices of other marketable assets such as real estate or cars.

Trading market parameters can also include derivatives linked to interest rates, credit spreads, implied volatility or implied correlation. Non-trading market parameters include parameters based on assumptions or on statistical analysis, such as models and statistical correlation respectively. Neither equity interest investments in subsidiaries outside of the euro zone nor their results are subject to hedging operations.

- **Exchange rate risk:** associated with intra-group financing in currencies other than the euro, this risk is the subject of systematic hedging.
- **Interest rate risk:** Codifis practices a policy of hedging its interest rate risk the objective of which is to preserve financial margin through a reasoned use of adequate hedging instruments.

Interest rate risk concerns fixed rate customer credits (amortising credits) for which Cofidis provides strict cover for the outstanding amounts, and credits with revisable rates (revolving credits) where the objective of hedging policy is not to have to pass on to clients any rate increases in the event of a temporary distortion of the market.

- **Market risk** arises in trading portfolios and in non-trading portfolios. In non-trading portfolios, it encompasses:
 - risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk.
 - risk associated with investment activities, which is directly connected to changes in the value of invested assets within equity portfolios.
 - risk associated with certain other activities, such as real estate or car leasing, which is indirectly affected by changes in the value of negotiable assets held during the normal course of business.

Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value. A lack of liquidity can arise due to a lack of volume, legal restrictions or a one-way market.

- **Liquidity risk**, which is also referred to as funding risk, is the inability of the Issuer to meet its obligations at an acceptable cost in a given currency and location.

Cofidis' refinancing policy is based on prudential rules and risk management that can be broken down into three areas:

- financial security obtained through a significant proportion of long and medium term facilities, which are by nature liquid, and by complying with internal Cofidis policy to, at all times to have access to unused bank facilities for an amount corresponding to approximately 25% of global needs;
- financial independence resulting in considerable dispersion of financing between the various lenders and through a large diversity of refinancing tools allowing the increase of the number of potential investors to be increased; and
- diversification through market resources and banking resources on one hand, and strictly domestic and external resources on the other hand.

3. **Operational Risk:** Operational risk corresponds to the risk of losses due to inadequate or failed internal processes, or due to external events, (whether deliberate, accidental or natural occurrences). Internal processes include, but are not limited to, human resources and information systems. External events include floods, fires, earthquakes or terrorist attacks.

It is important to distinguish between the different categories of risk because each category requires specific measuring and monitoring systems. Nevertheless, the growing complexity of the Group's businesses and products means that the categories of risk increasingly overlap. An interruption in or breach of the Issuer's information systems may result in lost business and other losses.

The Issuer relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan

organisation systems. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have a material adverse effect on the Issuer's financial condition and the results of its operations.

Client Risk

Legal risk:

The activity of Cofidis is carried out within the framework of the regulations applicable to credit institutions.

The Issuer is subject to the provisions of regulations n° 97-02 and 2001-01 of the committee of the banking and finance regulations (*Comité de la réglementation bancaire et financière*) which strengthened the obligations of credit institutions as regards to internal control.

Internal control procedures are used to make verifications of all kinds and are implemented by all employees with the intention of providing reasonable assurance that projects will be completed and the risks controlled. The objective is that all activities are integrated in a co-ordinated system where the operations and their control, serve the same strategy. In that capacity the internal control procedures fulfill a number of requirements.

They are designed to:

- verify that operations entered into by the institution comply with applicable statutory and regulatory provisions.
- verify that decision making procedures, investment/credit limits and management standards are complied with.
- verify the quality of accounting and financial information.
- verify the conditions in which this information is assessed, recorded, retained and made available.
- verify the quality of information system and its communication.

The Internal Control is composed of 3 levels:

- first level control:

Permanent surveillance of employees' observance of rules and procedures in place and the automatic controls integrated into the information system.

- second level control:

Management supervision of the observance of rules and procedures in place and the control function integrated within the divisions:

Information Technology Security Officer:

Team for the Prevention of Risk of Fraud integrated with the Division of Finance and Risk.

Control group integrated with the Finance and Risk Division.

Control group integrated with the Client Collection Division.

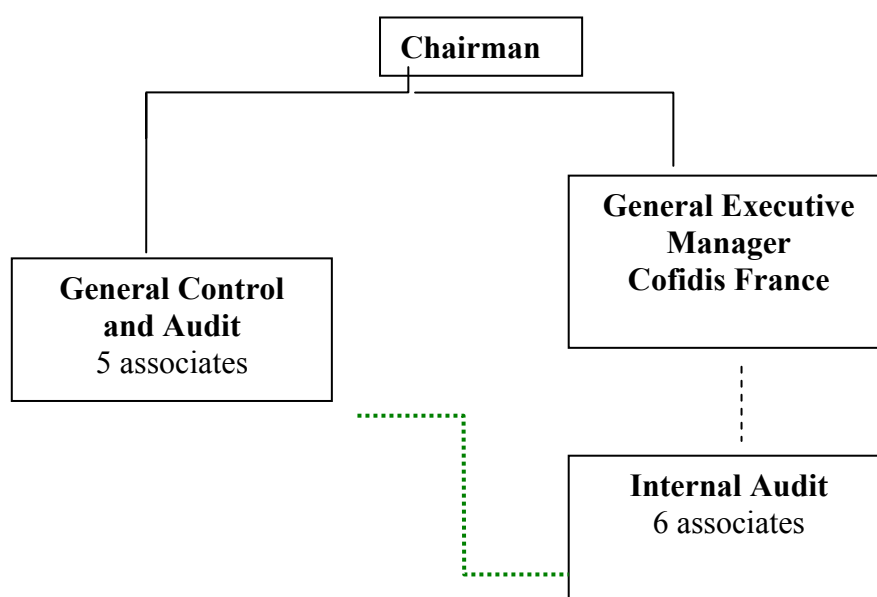
- third level control:

This is carried out by the internal audit team who reports to the Executive Management and by the General Control and Audit subdivision who are responsible for internal controls.

The internal audit team reports on risk analysis and on hedging policy and ensures that the organisation and its procedures team comply with the regulatory requirements and Management guidelines.

The team reports on the functioning of the first and second level of Internal Controls.

Organisation of the General Control and Internal Audit



The Issuer is subject to extensive supervisory and regulatory regimes both in France and in the other jurisdictions in which it operates.

Regulatory compliance risk arises from a failure or inability to fully comply with the laws, regulations or codes applicable to the financial services industry. Non-compliance could lead to fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

The Issuer's businesses and earnings can be affected by fiscal or other policies and other actions of various regulatory authorities of France or foreign governments and international agencies. The nature and impact of future changes in such policies and regulatory action are not predictable and are beyond the Issuer's control.

Other areas where changes could have an impact include, *inter alia*:

- the monetary, interest rate and other policies of central banks and regulatory authorities;

- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Issuer operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework;
- changes in the competition and pricing environment;
- changes in the financial reporting environment;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which in turn may affect demand for the Issuer's products and services.

Each of France's and the global financial services' market remains highly competitive and innovative competition comes both from incumbent players and a steady stream of new market entrants. The landscape is expected to remain highly competitive in relation to all aspects of the Issuer's businesses, which could adversely affect the Issuer's profitability.

RISK FACTORS RELATING TO THE NOTES

Investors

1. Prospective investors should be experienced with respect to transactions on capital markets and notes and should understand the risks of transactions involving the Notes.
2. They should reach an investment decision only after careful consideration of the information set forth in the Prospectus and general information relating to the Notes.
3. Potential investors should ensure that they have sufficient financial resources to bear the risks of purchase of the Notes.
4. Each potential investor should have sufficient knowledge of the nature of the Notes, the merits and risks of investing in the relevant Notes and verifying the suitability of such investment in light of its particular financial situation.
5. Each potential investor should have access to, and knowledge of, appropriate analytical tools to evaluate legal, fiscal, accounting and regulatory aspects of the purchase of the Notes.
6. Each potential investor should be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Certain potential investors are subject to restricting investment regulation. These potential investors should consult their legal counsel in order to determine whether investment in the Notes is authorised by law, whether such investment is compatible with their other borrowings and whether other selling restrictions are applicable to them.

Redemption risk

The Notes may be redeemed in whole (but not in part) at the option of the Issuer at any time for certain taxation reasons.

In certain circumstances, the Issuer will be required to redeem the Notes (in whole but not in part) for taxation reasons.

In each case, except in the case of liquidation, early redemption of the Notes is subject to the prior approval of the *Secrétariat Général de la Commission Bancaire*.

See "Terms and Conditions of the Notes – Redemption and Purchase".

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at the same rate of return as that provided by their investment in the Notes.

Potential Conflicts of Interest

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Credit Ratings may not reflect all Risks

The independent credit rating agency Standard & Poor's Rating Services has assigned a rating of A- to the Notes. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The trading market for the Notes may be volatile and may be adversely impacted by many events.

The market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer is entitled to buy back the Notes (which shall then be cancelled) and to issue further notes to be assimilated (*assimilables*) with the Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Consolidated Regulatory Group (including the Issuer) taken as a whole and a number of additional factors, including but not limited to, market interest and yield rates and the time remaining to the maturity date. The value of the Notes depends upon a number of interrelated factors, including economic, financial and political events

in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Exchange Rate

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

Change of Law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

No Legal and Tax Advice

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

TERMS AND CONDITIONS OF THE NOTES

The issue outside the Republic of France of the €400,000,000 Senior Floating Rate Notes (the **Notes**) by Cofidis S.A. (the **Issuer**) has been authorised by a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer adopted on 15 February 2007 and a decision of Mr. Benoît Coqueval, in its capacity as *Directeur Général* of the Issuer, dated 9 July 2007.

The Notes are issued subject to and with the benefit of an agency agreement dated 9 July 2007 (the **Agency Agreement**) between the Issuer and Fortis Banque Luxembourg SA as fiscal agent, paying agent, calculation agent and listing agent (the **Fiscal Agent**, the **Paying Agent**, the **Calculation Agent**, and the **Listing Agent** which expressions shall, where the context so admits, include the Fiscal Agent, the Paying Agent, the Calculation Agent and the Listing Agent and any successors for the time being of respectively the Fiscal Agent, the Paying Agent, the Calculation Agent and the Listing Agent). Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Paying Agent. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. Form, Denomination and Title

The Notes are issued in dematerialised bearer form (*au porteur*) in the denomination of €50,000 each. Title to the Notes will be evidenced in accordance with article L.211-4 of the French *Code monétaire et financier* by book entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V., (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €50,000.

2. Status and negative pledge

(a) Status of the Notes

The principal of and interest on the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* and without any preference among themselves and (subject to mandatory provisions of law) equally and rateably with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) Negative Pledge

So long as any Notes remain outstanding, the Issuer will not secure or allow to be secured any loan, debt or other obligation in respect of borrowed moneys (including an obligation under a guarantee) by any lien, mortgage, pledge or other charge upon any of its present or future assets or revenues (other than fixed assets or revenues therefrom) without at the same time equally and rateably securing the Notes by such lien, mortgage, pledge or charge or equivalent security therefor.

3. Interest

(a) Interest Payment Dates

Each Note bears interest from and including 11 July 2007 (the **Issue Date**) on its principal amount at the Floating Rate of Interest (as defined below) to but excluding 11 July 2014. Interest on each Note for the time being outstanding will be payable quarterly in arrear on 11 July, 11 October, 11 January and 11 April in each year (each an **Interest Payment Date**), and for the first time on 11 October 2007. If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in paragraph (c) (iii) (c)), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day. The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period**.

(b) Interest Payments

Each Note will cease to bear interest from the date on which it is due to be redeemed unless payment of principal is improperly withheld or refused on such due date or if default is otherwise made in respect of payment thereof. In such event, each Note shall continue to bear interest in accordance with this Condition (both before and after judgement) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

(c) Floating Rate of Interest

The floating rate of interest for the Notes (the **Floating Rate of Interest**) will be determined by the Calculation Agent on the following basis:

- (i) On the second business day before the beginning of each Interest Period (the **Interest Determination Date**) the Calculation Agent will determine the European interbank offered rate for three-month euro deposits commencing on the first day of the relevant Interest Period as at, or about, 11.00 a.m. (Paris time) on the Interest Determination Date in question. Such European interbank offered rate will be that which is calculated by the European Banking Federation and which is published for information purposes on the display designated Reuters Page EURIBOR01 (or such other page or service as may replace it for the purpose of displaying Euribor). The Rate of Interest for such Interest Period shall be the sum of 0.22 per cent. per annum and the rate which so appears, as determined by the Calculation Agent.
- (ii) If for any reason on any Interest Determination Date such offered rate is not so calculated, then the Calculation Agent will, on such date, request the principal euro-zone office of each of four major banks (other than the Issuer and its consolidated subsidiaries) in the euro-zone interbank market, selected by the Calculation Agent (the **Reference Banks**) to provide the Calculation Agent with its offered quotation for three-month euro deposits commencing on the first day of the relevant Interest Period to leading banks in the euro-zone interbank market at, or about, 11.00 a.m. (Paris time) on the Interest Determination Date in question. The Floating Rate of Interest for such Interest Period shall be the sum of 0.22 per cent. per annum and the arithmetic mean (rounded, if necessary, up to the nearest fifth decimal place) of such quotations (or of such of them, being at least two in number, as are so provided), as determined by the Calculation Agent.

- (iii) If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Floating Rate of Interest for the next Interest Period shall be whichever is the higher of:
 - (a) the Floating Rate of Interest in effect for the last preceding Interest Period to which one of the preceding sub-paragraphs of this paragraph (c) shall have applied; and
 - (b) the rate per annum which the Calculation Agent determines to be the sum of 0.22 per cent. per annum and the arithmetic mean (rounded, if necessary, up to the nearest fifth decimal place) of the euro lending rates quoted by major banks (with exception of the Calculation Agent) in the euro-zone (selected by the Calculation Agent and being at least two in number) at, or about, 11.00 a.m. (Paris time) on such Interest Determination Date for loans in euro to leading European banks for a period of three months commencing on the first day of the relevant Interest Period.
 - (c) In this Condition, the expression **business day** means any day upon which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto (the **TARGET System**) is operating.

(d) Determination of Floating Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Paris time) on each Interest Determination Date, but in any event no later than the business day in the city of its specified office thereafter, determine the Floating Rate of Interest and calculate the amount of interest payable in respect of each Note (the **Interest Amount**) for the relevant Interest Period. The Interest Amount in respect of a Note shall be calculated by applying the Floating Rate of Interest to the principal amount of such Note and multiplying such product by the actual number of days in the Interest Period concerned divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, unless (i) the last day of the relevant period is the 31st day of a month but the first day of the relevant period is a day other than the 30th or the 31st day of a month, in which case the month that includes the last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the relevant period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and rounding the resulting figure, if necessary, to the nearest EUR 0.01 (0.005 being rounded upwards).

(e) Publication of Floating Rate of Interest and Interest Amount

The Calculation Agent will cause the Floating Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent (if different from the Calculation Agent), each other Paying Agent (if any), the Luxembourg Stock Exchange and any stock exchange on which the Notes are for the time being listed and the Calculation Agent will cause publication thereof in accordance with Condition 9 as soon as possible after their determination but in any event not later than the second business day thereafter. The Interest Amount and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 7 other than on an Interest Payment Date, the accrued interest and the Floating Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 3 but no publication of the Floating Rate of Interest or the Interest Amount so calculated need be made.

(f) Calculation Agent

The name of the Calculation Agent and its specified office are as follow:

CALCULATION AGENT

Fortis Banque Luxembourg SA
50, Avenue John F.Kennedy
L2951 Luxembourg
Grand Duchy of Luxembourg

The Issuer reserves the right at any time to vary the appointment of the Calculation Agent and to appoint substitute Calculation Agent provided that the Issuer will procure that, so long as any Note is outstanding, there shall at all times be a Calculation Agent having a specified office in a major European city. If the Calculation Agent (acting through its relevant office) is unable or unwilling to continue to act as Calculation Agent or if the Calculation Agent fails duly to establish the Floating Rate of Interest for any Interest Period or to calculate the Interest Amount, the Issuer shall appoint some other leading bank engaged in the euro-zone interbank market (having a specified office in a major European city) to act in its place. The Calculation Agent may not resign its duties without a successor having been so appointed. Notice of any change of the Calculation Agent or of any change in its office will be published in accordance with Condition 9.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this Condition whether by the Reference Banks (or any of them) or the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the stock exchange on which the Notes are for the time being listed, the Reference Banks, the Calculation Agent, the Paying Agents, the Fiscal Agent and all the holders of the Notes (the **Noteholders**).

4. Payments

(a) Method of Payment

Payments of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank, in a country within the TARGET System (as defined below). Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear and the depositary bank for Clearstream, Luxembourg) and all payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

(b) Payments subject to fiscal laws

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6.

(c) Payments on Business Days

If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day

and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

For the purposes of these Conditions, **Business Day** means any day, not being a Saturday or a Sunday, (i) on which commercial banks and foreign exchange markets are open for general business in Paris, (ii) on which Euroclear France, Euroclear and Clearstream, Luxembourg are operating and (iii) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (or any successor) is operating.

(d) Fiscal Agent, Paying Agent and Calculation Agent

The name of the initial Fiscal Agent, Paying Agent and Calculation Agent in France and its specified offices are as follows:

FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

Fortis Banque Luxembourg SA
50, Avenue John F. Kennedy
L2951 Luxembourg
Grand Duchy of Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent and/or Calculation Agent or approve any change in the office through which the Fiscal Agent, Paying Agent or Calculation Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city and (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the applicable rules of that stock exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent). Notice of any change of Fiscal Agent, Paying Agent and/or Calculation Agent or of any change in its office will be published in accordance with Condition 9.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Interest Payment Date falling on or nearest to 11 July 2014 at its principal amount.

(b) Redemption for Taxation Reasons

- (i) If in respect of the Notes the Issuer would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of the Republic of France or any other authority thereof or therein be required to pay additional amounts as provided in Condition 6, the Issuer may on any Interest Payment Date on giving not more than 45 nor less than 15 days' notice to the Noteholders (in accordance with Condition 9) which notice shall be irrevocable, redeem all, but not some only, of the Notes at their principal amount together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding for such taxes.
- (ii) If the Issuer would, on the next due date for payment of any amount in respect of the Notes, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 6, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and shall on any Interest Payment

Date redeem all, but not some only, of the Notes then outstanding at their principal amount together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days' prior notice to the Noteholders (in accordance with Condition 9), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

(c) Purchases

The Issuer shall have the right at all times to purchase Notes in the open market or otherwise at any price, subject to the applicable laws and regulations.

(d) Cancellation

All Notes purchased by or on behalf of the Issuer must be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France and, together with all rights relating to payment of interest and other amounts relating to the Notes. Any Notes so cancelled may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(e) Illegality

If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the date on which agreement is reached to issue the Notes, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 9, redeem all, but not some only, of the Notes at their principal amount together with any interest accrued to the date set for redemption.

6. Taxation

(a) Withholding Tax Exemption

The Notes being denominated in euro and accordingly deemed to be issued outside the Republic of France for taxation purposes, payments of interest and other revenues made by the Issuer in respect of the Notes to non-French tax residents benefit under present law from the exemption from deduction of tax at source on account of French taxes provided by Article 131 quater of the Code général des impôts (French General Tax Code). Accordingly, such payments do not give the right to any tax credit from any French source.

(b) Additional Amounts

If any French law or regulation should require that any payment of principal or interest in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)):

- (i) who is subject to such taxes, duties, assessments or other governmental charges, in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note; or
- (ii) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (iii) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26 - 27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such EU Directive.

For the purpose of this Condition 6, **Relevant Date** in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Note has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given in accordance with Condition 9 to Noteholders that such moneys have been so received.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 6.

7. Events of Default

The Representative (as defined in Condition 8) acting on behalf of any Noteholder may, upon written notice to the Fiscal Agent, cause the Notes to become due and payable at their principal amount, together with any interest accrued to the date of repayment and calculated in accordance with Condition 3, as of the date on which such notice is received by the Fiscal Agent if any of the following events (each an **Event of Default**) occurs and is continuing, unless such Event of Default has been remedied prior to the receipt of such notice by the Fiscal Agent:

- (i) in the event of default in any payment on its due date of principal or interest due in respect of any Notes (including any additional amounts payable in accordance with Condition 6), when and as the same shall become due and payable, if such event shall not have been cured within 15 days; or
- (ii) in the event of default by the Issuer in the due performance of any other provision of these Terms and Conditions, if such default shall not have been cured within 30 days after receipt by the Fiscal Agent of written notice of such default given by the Representative; or
- (iii) any other present or future indebtedness of the Issuer for borrowed money in excess of Euro 30,000,000 or its equivalent in any other currency shall become due and payable prior to its stated maturity as a result of a default hereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefor or any guarantee given by the Issuer for any such indebtedness of others shall not be honoured when due and called upon; or
- (iv) the Issuer enters into, or has commenced any proceedings in furtherance of a forced or voluntary dissolution or liquidation, except in the case of a disposal, merger or other reorganisation pursuant to which all or substantially all of the Issuer's assets are transferred to a legal entity which simultaneously assumes all of the Issuer's debt and liabilities whose main purpose is the continuation of, and which effectively continues, the Issuer's activities pursuant to applicable regulations; or

- (v) the Issuer applies for or is subject to the appointment of a conciliator (*conciliateur*) or it enters into an amicable settlement (*procédure de conciliation*) with its creditors or a judgment is rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of its business (*cession totale de l'entreprise*) or it makes any disposal for the benefit of, or enters into any agreement with, its creditors or is in state of cessation des paiements; or
- (vi) the Issuer ceases or threatens to cease to carry on all or a substantial part of its business, or the ownership, possession or control of all or substantially all of the assets of the Issuer are relinquished by the Issuer.

8. Representation of Noteholders

The Noteholders will be grouped automatically for the defence of their respective common interests in a masse (hereinafter referred to as the **Masse**).

In accordance with Article L.228-90 of the Code de commerce (French Commercial Code) (the **Code**), the Masse will be governed by the provisions of the Code applicable to the Masse (with the exception of the provisions of Articles L.228-48, L.228-59, L.228-71, R.228-63, R.228-67, R.228-69 and R.228-72 thereof), subject to the following provisions:

(a) Legal Personality

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the Code, acting in part through a representative (the **Representative**) and in part through a general assembly of Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

(b) Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Conseil d'Administration (Board of Directors), its Directeurs Généraux (general managers), its statutory auditors, its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least 10 per cent. of the share capital of the Issuer or of which the Issuer possesses at least 10 per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (gérants), general managers, members of their board of directors, management board or supervisory board, their statutory auditors, and their ascendants, descendants and spouses;
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The Representative shall be:

Mrs Aziza Breteau
C/o Natixis
47 Quai d'Austerlitz 75013
Paris
France

In the event of death, incompatibility, resignation or revocation of the Representative, a substitute representative will be elected by a meeting of the general assembly of the Noteholders.

The Issuer shall pay to the Representative a remuneration of EUR 200 per year payable on each anniversary date of the Issue Date and for the first time on such anniversary date in 2008.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

(c) Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of the Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, in order to be valid, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) General Assemblies of Noteholders

General assemblies of Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the outstanding principal amount of the Notes may address to the Issuer a demand for convocation of the general assembly; if such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 9 not less than fifteen calendar days prior to the date of the general assembly.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

(e) Powers of General Assemblies

A general assembly is empowered to deliberate on the fixing of the remuneration, dismissal or replacement of the Representative and may also act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds majority of votes cast by the Noteholders attending such meeting or represented thereat.

Decisions of the general assembly must be published in accordance with the provisions set out in Condition 9 not more than 90 calendar days from the date thereof.

(f) Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the fifteen calendar days period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

(g) Expenses

The Issuer will pay all reasonable expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

9. Notices

Any notice to the Noteholders and the Luxembourg Stock Exchange will be valid if delivered to Euroclear France, Euroclear and Clearstream, Luxembourg for so long as the Notes are cleared through such clearing systems, except that, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that stock exchange so require, such notice shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, at the option of the Issuer, in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the d'Wort). If any such publication is not practicable, notice shall be validly given if published in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

10. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

11. Further issues

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the amount and date of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the event of such an assimilation, the Noteholders and the holders of such further notes will be grouped together in a single masse for the defence of their common interests.

12. Governing Law and Jurisdiction

The Notes are governed by, and shall be construed in accordance with, the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The proceeds of the issue of the Notes and will be used for general corporate purposes.

DESCRIPTION OF THE ISSUER

GENERAL DESCRIPTION

I - GENERAL INFORMATION CONCERNING THE ISSUER

A - Name, registered office

COFIDIS SA
Parc de la Haute Borne
61, Avenue Halley
59866 Villeneuve d'Ascq Cedex
Telephone No.: 03 28 09 20 00

B – Legal form of the Issuer

A French limited liability company with a Board of Directors (*Société Anonyme à Conseil d'Administration*), governed by Articles L.210-1 to L.228-97, L.232-1 to L.237-31 and L.241-1 to L.247-9 of the commercial code, decree No. 67-236 of 23 March 1967, and approved as a Finance company pursuant to Articles L.511-1 to L.511-43 of the monetary and financial code.

The supervision of the company is carried out by two statutory auditors.

C – Governing law of the Issuer

The Issuer is governed by French law.

D – Date of incorporation and expiration of the Issuer, duration of the company

The company was incorporated on 11 June 1982 (the date of the signing of its Articles of Association).

The company was established on 13 September 1982 (date of its registration with the Registre du Commerce et des Sociétés (Trade and Companies Registry)) for a period of ninety-nine (99) years, to expire on 13 September 2081, except in the instance of its early dissolution or the extension of its registration.

E – Corporate purpose (Article 2 of its articles of association)

Article 2 – Purpose

The company's purpose is to grant consumer credits and personal loans, as well as to issue and manage means of payment. In addition to its primary purpose, the company may also grant loans to professionals, to finance the purchase of all office furniture, equipment and supplies, including information technology.

Finally, the company also exercises the activity of an insurance broker.

The corporate purpose extends more generally to all transactions relating directly or indirectly to the activities referred to above, and in particular to the creation or acquisition of all businesses of a similar nature.

The company may invest by any means and in any form whatsoever in all enterprises and companies already created or to be created and generally in all industrial, commercial, financial, movable property or real property transactions relating directly or indirectly to the matters referred to above, or to any other similar or related purpose.

F - Commercial Registry

The Issuer is registered with the Lille Trade and Companies Registry under the registration number 325 307 106.

G – Consultation of the legal documents relating to the Issuer

The following documents (or copies thereof) can be consulted at the Issuer's registered office located at Parc de la Haute Borne, 61, Avenue Halley, 59866 Villeneuve d'Ascq Cedex:

- (i) the Issuer's Certificate of Incorporation and Articles of Association;
- (ii) all reports, letters and other documents, historical financial information, valuations and declarations drawn up by an expert at the Issuer's request, any part of which is included or referred to in the reference document; and
- (iii) the Issuer's historical consolidated and non consolidated financial information for each of the two financial years preceding the publication of this Prospectus.

H – Financial year

The financial year begins on 1 January and ends on 31 December of that same year.

I – Statutory allocation of the profits (Article 30 of the Articles of Association)

“Out of the net profits of each financial year reduced by any prior losses, a deduction of five percent may be made to constitute the statutory reserve; this deduction ceases to be mandatory when the reserves reach one-tenth of the total share capital and resumes if and when, for any reason, the statutory reserves fall below this level.

The balance, increased by any retained earnings, constitutes the distributable profit. After approval of the accounts, this profit is made available to the Shareholders' General Meeting, who may:

- deduct the necessary amount to pay an initial dividend on the shares equal to 5% of the amount of the paid-up and unamortised capital; however, if the profits of one financial year do not allow a payment of a dividend, the shareholders may claim it out of the profits of subsequent years;
- out of the available surplus, and following a proposal by the Board of Directors, the Shareholders' General Meeting may carry forward any amount it considers appropriate to the following financial year or may allocate the surplus to one or more special reserves;
- distribute any balance among shareholders as an additional dividend.

In addition, the Shareholders' General Meeting may resolve to distribute sums taken from the reserves, in accordance with French law.

Notwithstanding the provisions of this article, a contribution may be made to the profit-sharing fund established for employees of the Issuer, in accordance with French law.”

II - GENERAL INFORMATION CONCERNING THE ISSUER'S CAPITAL (The amount of capital, the number and class of shares)

The Issuer's total share capital amounts to fifty million euros (€ 50,000,000). It is divided into two million seven hundred and eighty-three thousand four hundred and seventy-nine (2,783,479) shares, all of the same class and fully paid-up.

There is no authorised unissued share capital or commitment to increase share capital.

There are no convertible bonds or other financial instruments exchangeable or refundable in shares.

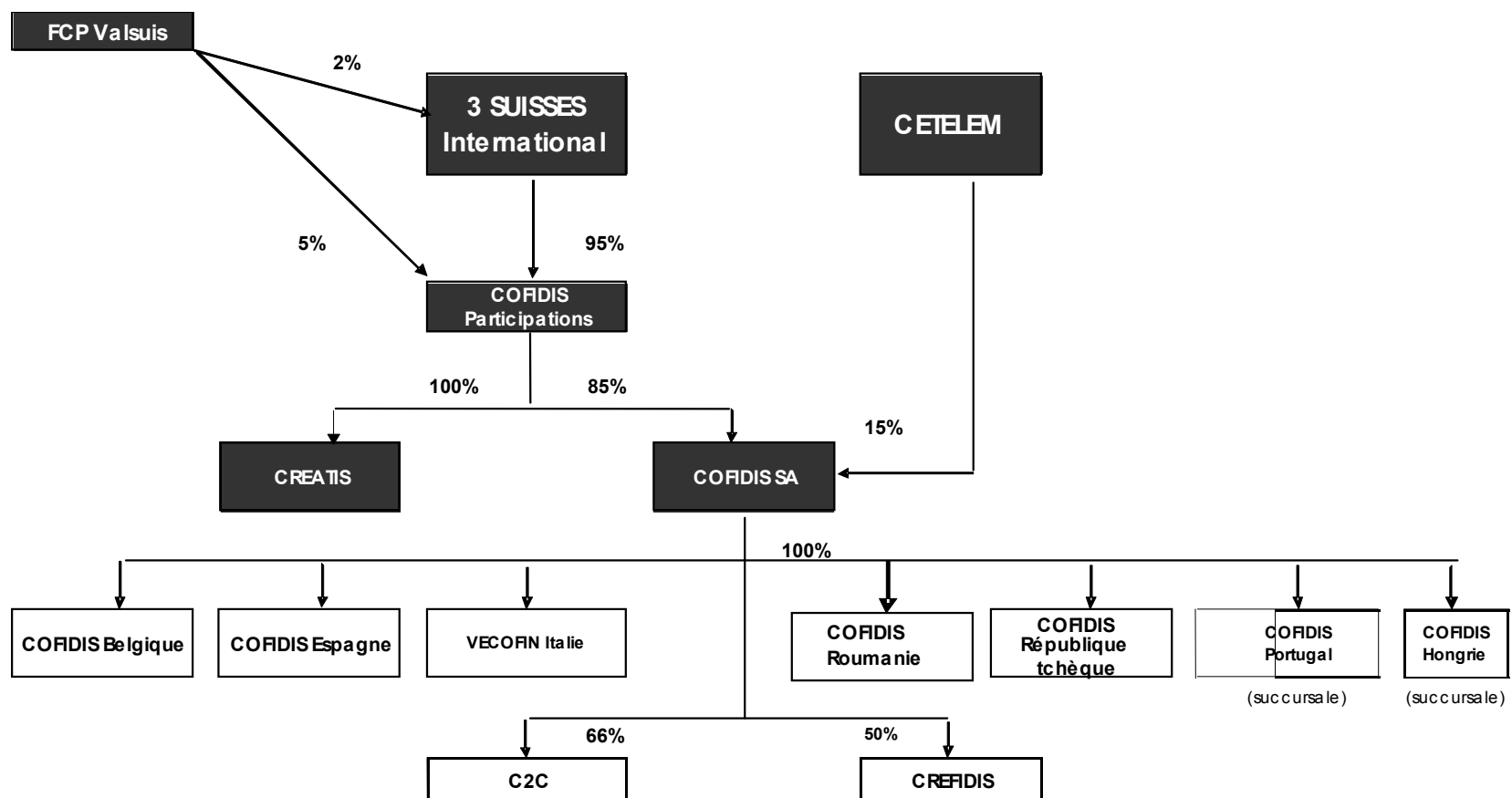
III - CURRENT BREAKDOWN OF THE CAPITAL AND VOTING RIGHTS

A – Shareholders holding, directly or indirectly, 5% or more of the capital or voting rights

As of 16 April 2007:

- COFIDIS PARTICIPATIONS holds directly 2,365,950 shares, equal to 85% of the total share capital and voting rights of the Issuer,
- 3 Suisses International holds directly 95% of the share capital and voting rights of COFIDIS PARTICIPATIONS,
- CETELEM holds directly 417,521 shares, equal to 15% of the capital and voting rights of the Issuer.

Direct or indirect holding of the capital and voting rights of the Issuer



There are no shares with multiple voting rights.

As of 30 October 2006, none of the Issuer's shares were held in a portfolio by the Issuer or by a company in which the Issuer holds a direct or indirect interest exceeding 50%.

B – Modifications that have occurred in the capital breakdown during the last three years

On 7 October 2005 COFIDIS SA merged with CIG, the merger took effect retroactively as of 1 January 2005. As a result of the merger, COFIDIS SA now holds 100% the share capital of the following companies: Vecofin (Italy), COFIDIS (Belgium), COFIDIS Hispania (Spain), COFIDIS Hellas (Greece) and COFIDIS Ceska (Czech Republic).

The Board of Directors of COFIDIS SA and the Management Committee of CIG decided on the principle of a merger by absorption of CIG by COFIDIS in order to consolidate the COFIDIS companies held abroad by CIG under the French company COFIDIS, which then became the parent company of all the COFIDIS companies and establishments.

The merger simplified and rationalised the corporate structure of COFIDIS SA.

It had the advantage of rendering more legible the organisation of this entity to the various partners of COFIDIS SA, notably investors and banks called upon for the refinancing, as well as to the various supervisory authorities.

The merger was carried out in accordance with the conditions set out in Articles L.236-1 and following of the commercial code and Articles 254 and following of Decree No. 67-236 of 23 March 1967.

In the course of the merger, the company increased its share capital to fifty million euros (€ 50,000,000).

In July 2005, the Issuer decided to develop its activities in Central Europe and to create a branch in Hungary. It also opened a subsidiary in Romania in 2006.

The capital breakdown has been modified as follows during the last three years:

	31/12/2004	31/12/2005	31/12/2006
CIG	99.99%	0%	0%
Various	0.01%	3.73%	0%
COFIDIS PARTICIPATIONS	0%	81.27%	85%
CETEM	0%	15%	15%

For the last fiscal year and the current fiscal year, the Issuer's shares have not been the object of any public purchase or exchange offer or price guarantee offer by any third party. Furthermore, no public exchange offer has been initiated by the Issuer on the shares of another company.

C – Persons exercising control over the Issuer directly or indirectly

- COFIDIS PARTICIPATIONS
- 3 Suisses International
- CETELEM

D – The Issuer belongs to a group of companies

None of the companies of the 3 Suisses International group to which the Issuer belongs is listed on the stock market.

IV - MARKET ON WHICH THE ISSUER'S SECURITIES ARE TRADED

A – Issuer securities listed in Paris and in Luxembourg

Issues listed in Paris

- 1997 bond issue of EUR 76,225,000, at the nominal rate of 6% represented by 100,000 bonds of EUR 762.25, maturity date December 2008
COB approval No. 97-666 on 25 November 1997

Issues listed in Luxembourg

- 2004 bond issue of EUR 250,000,000 represented by 250,000 bonds of EUR 1,000, maturity date June 2009, ISIN: FR0010093302
- 2004 subordinated bond issue of EUR 150,000,000 represented by 150,000 bonds of EUR 1,000, maturity date June 2014, ISIN: FR0010093294
- 2005 bond issue of EUR 400,000,000 represented by 400,000 bonds of EUR 1,000, maturity date June 2008, ISIN: FR0010202184
- 2006 bond issue of EUR 100,000,000 represented by 2,000 undated deeply subordinated non cumulative floating rate notes of EUR 50,000, ISIN: FR0010386003
- 2007 bond issue of EUR 550,000,000 represented by 11,000 bonds of EUR 50,000, maturity date February 2012, ISIN: FR0010436485

B – Volume of securities traded

The volume of securities traded is quite low and not significant.

C – Securitisation

In 2000, 2001 and 2002, the Issuer assigned part of its receivables resulting from the “Formule Libravou” to a securitisation vehicle (*FCC – Fonds Commun de Créances*) called LIBRAVOU (see below page 63). This FCC is composed of three sub-funds called FL1, FL2 and FL3, to which are assigned the portfolio of receivables and the units representing such receivables. LIBRAVOU will supply the sub-fund throughout its life with new eligible loans and the required drawdowns from the loans previously securitised. The variations in the total

outstanding credits of the portfolio will be funded by the issue or reimbursement of the C units, which will be fully subscribed for by the assignor. The C units have the same rank as the A and B units and therefore do not constitute increases in credit for the A and B units.

The evolution of the outstanding securitised amount in 2005 is broken down as follows (in thousands of euros) :

	<u>FL1 11/2000</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
- Receivables securitised as of 12/31/2005	195,379	193,917	194,340
- Funding	40,571	40,629	40,678
- Payments	-105,951	-102,3337	-101,518
- Recharging	25,632	21,637	19,842
- Bank charges, insurance, miscellaneous	37,406	37,874	38,479
- Receivables securitised as of 12/31/2005	193,037	191,720	191,821

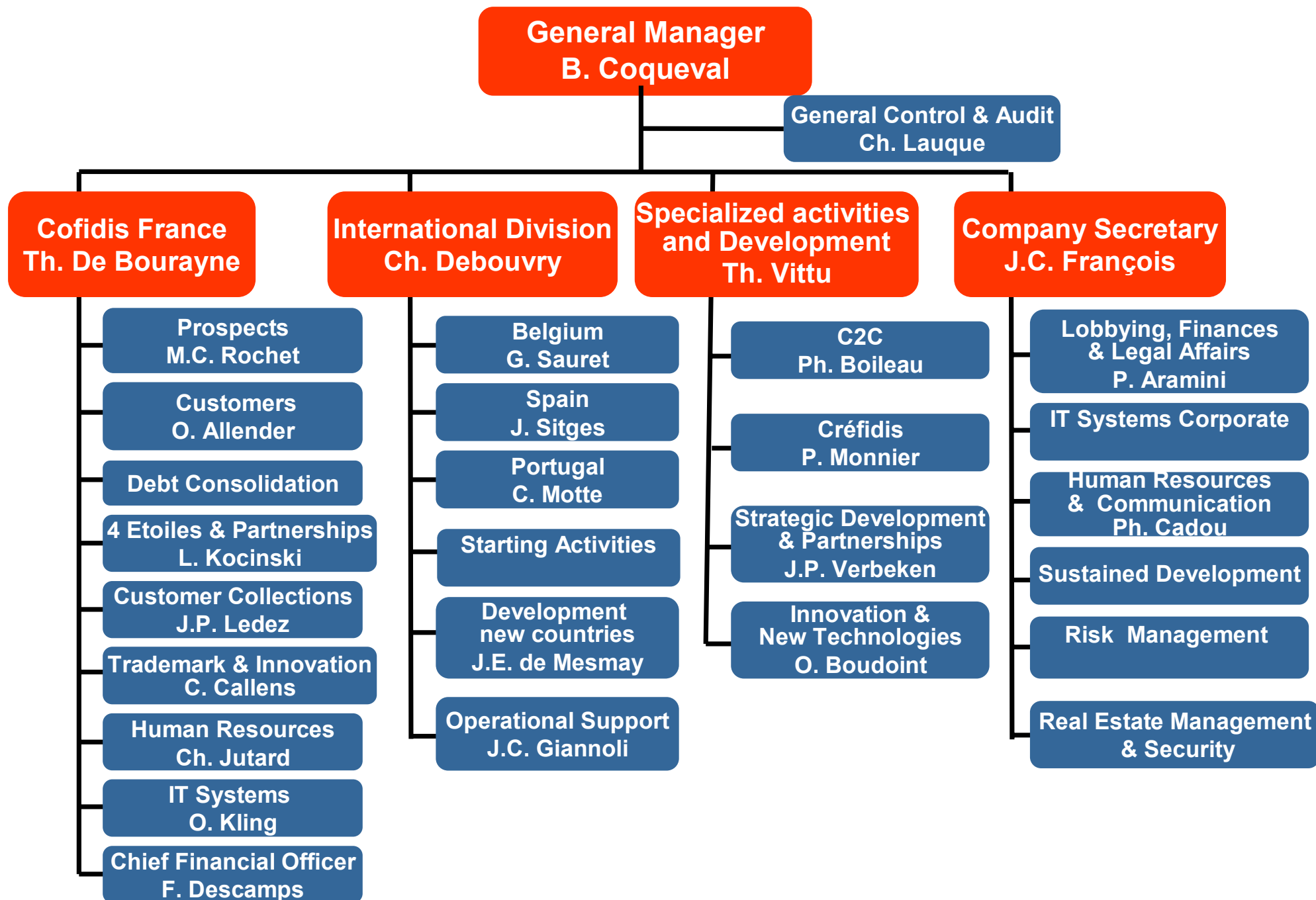
MANAGEMENT AND CONTROL BODIES

I – Board of Directors

Chairman of the Board of Directors	Mr. Pierre Zecchini 89 rue de Beaumont 59510 Hem
General Manager	Mr. Benoît Coqueval 24 Avenue de Hautmont 59420 Mouvaux
Directors	3 Suisses International 4 place de la République 59170 Croix represented by Mrs. Annie Gain 36, rue Norbert Segard 59910 Bondues CETELEM 5 avenue Kléber 75016 Paris represented by Mr. François Langlois 51, rue Maurice Bokanowski 92600 Asnières Sur Seine COFIDIS PARTICIPATIONS 1 rue du Molinel 59290 Wasquehal represented by Mr. Thierry Vittu 24B, rue d'Ouvignies 59310 Nomain Leval 3 5 avenue Kléber 75016 Paris represented by Mr. Bruno Salmon 36, rue de Garches 92420 Vaucresson

II - Managers

Mr. Pierre Zecchini	Chairman of the Board of Directors
Mr. Benoît Coqueval	General Manager
Mr. Christian Debouvry	Deputy General Manager International Department
Mr. Thomas de Bourayne	General Manager France
Mr. Pascal Aramini	Director of Finance, Institutional Relations, Lobbying and Legal Affairs
Mr. Olivier Allender	Customer Commercial Director
Mr. Olivier Boudoint	Director of Innovation and New Technologies
Mr. Jean-Claude François	Company Secretary
Mrs. Nathalie Woronko	General Manager of the Hungarian branch
Mr. Jean Eric De Mesmay	Director of New Countries Development
Mr. François Descamps	Chief Financial Officer and Risk Manager
Mr. Olivier Dieu	Information System Director Cofisun Management
Mr. Jean Pierre Ledez	Director of Customer Collections
Mrs. Christine Jutard	Director of Human Resources
Mrs. Céline Motte	General Manager of the Portuguese Branch
Mrs. Marie-Cécile Rochet	Commercial Director for Prospects
Mr. Olivier Kling	Information System Director
Mr. Christophe Callens	Director of Trademark and Innovation
Mr. Jean Philippe Verbeken	Director of Strategic Development and External Partnerships



III – The statutory auditors

- KPMG Audit
1 cours Valmy
92923 Paris la Défense France
- Cabinet ACEA
Parc de la Cimaïse
28 rue du Carrousel
59650 Villeneuve d’Ascq France

IV – Principal positions held outside of the company by the members of the administrative and management bodies (as of 31 December 2006)

As of 31.12.2006

3 SUISES INTERNATIONAL

Administrative positions held

In France

DIRECTOR

VAD HOLDING (Croix)
BEAUTE CREATEURS PARTICIPATIONS (Croix)
COFIDIS (Villeneuve d'Ascq)
MONABANQ (Croix)
COFIDIS PARTICIPATIONS (Croix)
ID3SI (Croix)
TROKERS (Paris)

MEMBER OF THE BOARD OF MANAGEMENT

BEAUTE CREATEURS (SAS) (Paris)
CONTENTIA FRANCE (SAS) (Marcq en Baroeul)
CIVAD (SAS) (Tourcoing)
BECQUET (SAS) (La Chapelle d'Armentières)
SENIOR & Cie (SAS) (Saint Ouen)
ORGA SYSTEM (SAS) (Paris)

MEMBER OF THE BOARD OF DIRECTORS

3SW (SAS) (Croix)

MEMBER OF THE SUPERVISORY BOARD

CREFIDIS (Villeneuve d'Ascq)
CREATIS (Lille)

Abroad

DIRECTOR

SAINT BRICE (Belgium)
TEXTILE DU GLATEGNIES (Belgium)
COFIDIS (Belgium)
CONTENTIA (Belgium)
JM. BRUNEAU BELGIUM (Belgium)
CIFD SA (Spain)
VENTA CATALOGO (Spain)
3 SUISES DE RE (Luxembourg)

As of 31.12.2006

Mrs. Annie Gain

Administrative positions held

In France

CHAIRMAN AND GENERAL MANAGER

MONABANQ (*Croix*)

CHAIRMAN

AVENIR (SAS) (*Croix*)

BASQUAISE DE COURTAGE (*Croix*)

NON-SHAREDHOLDING MANAGER

SCI OISE PICARDIE (*Croix*)

SCI 3S (*Croix*)

PERMANENT REPRESENTATIVE

of 3 SUISSSES INTERNATIONAL on the Boards of Directors of :

COFIDIS (*Villeneuve d'Ascq*)

COFIDIS PARTICIPATIONS (*Croix*)

3SW (SAS) (*Croix*)

TROKERS (*Paris*)

of 3 SUISSSES INTERNATIONAL on the Boards of Management of :

BEAUTE CREATEURS (SAS) (*Paris*)

CIVAD (SAS) (*Tourcoing*)

SENIOR & Cie (SAS) (*St Ouen*)

BECQUET (SAS) (*La Chapelle d'Armentières*)

ORGA SYSTEM (SAS) (*Paris*)

CONTENTIA FRANCE (SAS) (*Marcq en Baroeul*)

DEPUTY CHAIRMAN OF THE
SUPERVISORY BOARD

of 3 SUISSSES INTERNATIONAL on the Supervisory Board of:

CREFIDIS (*Villeneuve d'Ascq*)

CREATIS (*Lille*)

Abroad

DELEGATED DIRECTOR

TEXTILE DU GLATEGNIES (*Belgium*)

CHAIRMAN OF THE BOARD OF DIRECTORS

3 SUISES DE RE (*Luxembourg*)

CHAIRMAN

DOMINIQUE CORPORATION (*USA*)

ARIVO (*Suisse*)

DIRECTOR

LE CLUB DES CREATEURS DE BEAUTE (*Belgium*)

**LE CLUB DES CREATEURS DE BEAUTE
TAIWAN Co. Ltd**

**LE CLUB DES CREATEURS DE BEAUTE
KOREA Ltd**

**LE CLUB DES CREATEURS DE BEAUTE
JAPON**

CONTENTIA PORTUGAL

3 SUISES Canada

COFIDIS Romania

PERMANENT REPRESENTATIVE

of **3 SUISES INTERNATIONAL** on the
Boards of Directors of:

CONTENTIA (*Belgium*)

CIFD SA (*Spain*)

VENTA CATALOGO SA (*Spain*)

JM. BRUNEAU Belgium (*Belgium*)

3 SUISES DE RE (*Luxembourg*)

MEMBER OF THE SUPERVISORY BOARD

CEMOD –CZ (*Czech Rep.*)

MANAGER

**3 SUISES INTERNATIONAL TRADE
(SHANGHAI) Co Ltd**

YI MEI JA (*China*)

As of 31.12.2006

CETELM

Administrative positions held

In France

DIRECTOR

MONABANQ (*Croix*)
CAISSE EPARGNE FINANCEMENT
COFIDIS (*Villeneuve d'Ascq*)
COFINOGA
LAFAYETTE SERVICES LASER
LEVAL 3
LEVAL DEVELOPPEMENT
SOCIETE DES PAIEMENTS PASS
SOFRACEM
UCB

Abroad

DIRECTOR

COFIDIS HISPANIA EFC, SA (*Spain*)
BANCO CETELM (*Portugal*)
CETELM ALGERIE SPA (*Algeria*)

As of 31.12.2006

Mr. François Langlois

Administrative positions held

In France

CHAIRMAN AND GENERAL MANAGER

LEVAL 18

PERMANENT REPRESENTATIVE

of CETELEM on the Boards of Directors of:
COFIDIS (*Villeneuve d'Ascq*)
MONABANQ (*Croix*)

Abroad

DIRECTOR

VECOFIN (*Italy*)

As of 31.12.2006

LEVAL 3

Administrative positions held

In France

DIRECTOR

MONABANQ (*Croix*)
COFIDIS (*Villeneuve d'Ascq*)
LEVAL DEVELOPPEMENT

As of 31.12.2006

Mr. Bruno Salmon

Administrative positions held

In France

DELEGATED GENERAL MANAGER CETELEM

DIRECTOR COFINOGA
CETELEM

PERMANENT REPRESENTATIVE of LEVAL 3 on the Boards of Directors of:
MONABANQ (*Croix*)
COFIDIS (*Villeneuve d'Ascq*)

Abroad

DIRECTOR Banco CETELEM (*Spain*)
Findomestic Banca Spa (*Italy*)
Banco CETELEM (*Portugal*)
CETELEM Brasil SA (*Brasil*)
CETELEM BANK SPOLKA AKCYJNA (*Poland*)
CETELEM IFN SA (*Romania*)

As of 31.12.2006

COFIDIS PARTICIPATIONS

Administrative position held

In France

DIRECTOR

COFIDIS (*Villeneuve d'Ascq*)

As of 31.12.2006

Mr. Thierry Vittu

Administrative positions held

In France

PERMANENT REPRESENTATIVE

of VAD HOLDING on the Board of Management of:
BECQUET (*La Chapelle d'Armentières*)
SENIOR & Cie (*St Ouen*)

of VAD HOLDING on the Board of Directors of:
COFIDIS PARTICIPATIONS (*Croix*)
of 3 SUISSES INTERNATIONAL on the Board of
Directors of:
BEAUTE CREATEURS PARTICIPATIONS (*Croix*)
MONABANQUE (*Croix*)

of COFIDIS PARTICIPATIONS on the Board of
Directors of:
COFIDIS (*Villeneuve d'Ascq*)

of BASQUAISE DE COURTAGE on the Board of
Management of:
CONTENTIA FRANCE (*Marcq en Baroeul*)

Abroad

PERMANENT REPRESENTATIVE

of VAD HOLDING on the Board of Directors of:
CIFD SA (*Spain*)
VENTA CATALOGO (*Spain*)

DIRECTOR

COFIDIS (*Romania*)
3 SUISSES DE RE (*Luxembourg*)

As of 31.12.2006

Mr. Pierre ZECCHINI

Administrative positions held

In France

<u>CHAIRMAN and GENERAL MANAGER</u>	3 SUISSSES INTERNATIONAL (<i>Croix</i>) COFIDIS PARTICIPATIONS (<i>Croix</i>)
<u>CHAIRMAN OF THE BOARD OF DIRECTORS</u>	EQUIPAR (<i>SAS</i>) (<i>Croix</i>) BEAUTE CREATEURS (<i>SAS</i>) (<i>Paris</i>) SAINT MARTIN (<i>SAS</i>) (<i>Villebon s/Yvette</i>) VAD HOLDING (<i>Croix</i>) MARTINTER (<i>SAS</i>) (<i>Croix</i>)
<u>MANAGER</u>	J.M. BRUNEAU (<i>Villebon sur Yvette</i>)
<u>DIRECTOR</u>	BEAUTE CREATEURS PARTICIPATIONS (<i>Croix</i>)
<u>MEMBER OF THE DIRECTION'S BOARD</u>	BEAUTE CREATEURS (<i>SAS</i>) (<i>Paris</i>)

Abroad

<u>DELEGATED DIRECTOR</u>	ST BRICE (<i>Belgium</i>)
<u>CHAIRMAN</u>	3 SUISSSES Canada
<u>DIRECTOR</u>	TEXTILE DU GLATEGNIES (<i>Belgium</i>) JM. BRUNEAU BELGIUM (<i>Belgium</i>) COSIMAR (<i>Japan</i>)
<u>PERMANENT REPRESENTATIVE</u>	of 3 SUISSSES INTERNATIONAL on the Board of Directors of: TEXTILE DU GLATEGNIES (<i>Belgium</i>) COFIDIS (<i>Belgium</i>) ST BRICE (<i>Belgium</i>) of JM BRUNEAU on the Board of Directors of JM BRUNEAU BELGIUM (<i>Belgium</i>) OFFICE PLANET GmbH (<i>Germany</i>)
<u>CO-MANAGER</u>	
<u>CHAIRMAN OF THE BOARD</u>	3 SUISSSES INTERNATIONAL TRADE SHANGHAI Co. Ltd

As of 31.12.2006

Mr. Benoît COQUEVAL

Administrative positions held

In France

GENERAL MANAGER

COFIDIS (*Villeneuve d'Ascq*)

PERMANENT REPRESENTATIVE

of COFIDIS on the Board of Directors of:
CREFIDIS
Société de crédit à la consommation C2C

Abroad

CHAIRMAN OF THE BOARD OF DIRECTORS

COFIDIS HISPANIA EFC, SA (*Spain*)
COFIDIS (*Romania*)

PRESIDENT and ADMINISTRATEUR DELEGUE

VECOFIN (*Italy*)

ADMINISTRATEUR DELEGUE

COFIDIS (*Belgium*)

PERMANENT REPRESENTATIVE

COFIDIS (*Belgium*) in the Board of Directors
of CONTENTIA (*Belgium*)

INFORMATION ABOUT THE ISSUER'S BUSINESS - PRESENTATION OF THE COMPANY AND THE GROUP

I – Changes in the group's structure over the last few years

The 3 Suisses International group, to which COFIDIS belongs, specialises in remote sales of products and services in France and abroad. Its activities focus on five main areas:

- . Textile and Home goods,
- . Cosmetics,
- . Finance,
- . Office supplies,
- . Services to enterprises.

The 3 Suisses Group has a commercial presence in 15 countries, mainly in Europe, and has a global workforce of 13,148 employees and a consolidated before tax turnover of 3.210 billion euros as of 31 December 2006, the closing date of 3 Suisses International's financial year.

In France, its main subsidiaries are 3 Suisses France, Civad (*La Blanche Porte* catalogue), Becquet, Senior et Cie, Beauté Créateurs, JM Bruneau and Contentia.

In terms of financial activities, the 3 Suisses Group holds COFIDIS, C2C, Crefidis, Monabanq. (66%), and the bank Créatis (100%) in France.

The 3 Suisses Group is mainly established in Belgium (Saint Brice, Beauté Créateurs, COFIDIS Belgique, Contentia), Germany (Beauté Créateurs, 3 Pagen, OTTO office), Spain (CIFD-Venca, COFIDIS Hispania, JM Bruneau, Contentia), Italy (Vecofin credit company), Portugal (VPC Portugal, COFIDIS) and the Czech Republic (COFIDIS, Magnet, Otto Office).

Finally, the 3 Suisses Group has a presence in Japan and Taiwan under the logo of the *Club des Créateurs de Beauté*. The 3 Suisses Group is also established in China under the name 3 Suisses.

II – The Issuer's main activities

COFIDIS was created in 1982 for the purpose of offering customers of the 3 Suisses Group companies a new means of financing their purchases.

Taking advantage of the synergies obtained from the alliance of the capabilities of 3 Suisses, in terms of remote selling, and those of Cetelem, in terms of credit for individuals, COFIDIS quite naturally chose to specialise in the remote selling of credit to individuals.

Through its original approach on the financial products market, COFIDIS has been able to create flexible products to meet the expectations of a broad range of clients; simple, so that they could be easily understood and used; reliable, to give optimum satisfaction to its customers with whom it seeks to develop a relationship based on trust.

COFIDIS, whose business focuses mainly on consumer credit, distributes the following revolving credit facilities to a customer base comprised of individuals:

A) In France

1) Revolving credits

a) Retailer cards

- The “*Carte 4 Etoiles*”

Since its creation, COFIDIS has proposed a revolving credit facility called the “*Carte 4 Etoiles*” allowing customers of 3 Suisses France to spread the payment of their purchases. Initially reserved for the 3 Suisses general catalogue, this service was subsequently extended to other logos of the 3 Suisses Group: *Vitrine Magique*, *Club des Créateurs de Beauté*, VPC Promotion, the *Excédence* shops and *La Blanche Porte*. Today the “*Carte 4 Etoiles*” has joined the Maty logo.

In 2006, the “*Carte 4 Etoiles*” experienced a decrease of some 10% in the number of card subscriptions compared to 2005. The amount of outstanding credits is EUR 511 million as of 31 December 2006, down by 7,1% compared to the previous year. Global production is close to EUR 545 million as of end 2006, down by 8,1% compared to 2005.

b) Products distributed by COFIDIS directly to individuals

- The “*Formule Libravou*”

In 1986, COFIDIS designed and launched a revolving credit facility not linked to any specific retailer called “*Formule Libravou*”, which customers can use at their discretion.

It was first distributed to customers holding “*Carte 4 Etoiles*” and then very quickly to other customers, as this product was increasingly successful.

In 2002, the “*Formule Libravou*” product was associated with an international bank card, combining payment facilities to retailers with withdrawals from bank cash points.

This cash-revolving credit facility continued with the strong increase in the number of its holders in 2006. The amount of outstanding credits is EUR 3,106 billion as of 31 December 2006, including securitised credits, up by 7.63% compared to the previous year. Global production is close to EUR 1161 million as of end 2006, equal to +3.2% compared to 2005.

2) Credits repayable in instalments

To diversify its range of products, COFIDIS has, since 1990, been proposing the “*Prêt sur Mesure*”, a credit product allowing customers to finance their biggest projects (purchase of automobiles, property refurbishment, etc.).

In addition, COFIDIS has, since 1996, been proposing the “**Prêt à Modeler**”, a credit which is not linked to any particular retailer, whose principle feature is its method of distribution, which copies the techniques used for the sale of cash revolving credit facilities.

Finally, in April 1997, COFIDIS launched the “**Prêt d’Avance Auto**”, which has the particular feature of separating the granting of the loan and the actual funding on presentation of the proof of purchase.

The total amount of outstanding credits repayable in instalments distributed by COFIDIS was EUR 617 million as of 31 December 2006. The global production reached EUR 392 million during the past year, equal to an increase of +28.5% compared to the previous year.

In 2006, Cofidis opened 44 573 credits repayable in instalments, equal to an increase of +20% compared to the previous year.

B) In Portugal

More than 90,202 accounts were opened during the 2006 financial year, as compared to 81,557 in 2005, equal to an increase of 10.6%.

The gross amount of outstanding credits was EUR 629.58 million as of 31 December 2006.

The total amount of financing provided in 2006 was EUR 349 million, equal to an increase of 28.3% since the previous year.

At the end of December 2006, the branch recorded Net Banking Income of EUR 111.88 million. These amounts were readjusted by reciprocal accounting entries. The risk exposure amounts to EUR 17.43 million.

The branch’s net profit as of the end of December 2006 was EUR 30,365,025.

C) In Hungary

The Issuer created a new branch in Hungary on 6 July 2005 which commenced its activity in December 2005.

2006 is the first complete financial year of Cofidis Hungary.

The branch opened 7,648 accounts during the 2006 financial year.

The gross amount of outstanding credits was EUR 7.1 million as of 31 December 2006.

The total amount of financing provided in 2006 was EUR 7.4 million.

III – Amount of outstanding credits, production and income from transactions carried out with customers during the last three financial years

A) In France

In thousands of EUR	2004	2005	2006
Net production	1,745,354	2,011,175	2,127,163
Net outstanding customer credits	3,318,300	3,638,105	3,937,554
<i>Customer transactions (bank charges, income and commissions with customers in thousands of euros)</i>	535,249	574,941	670,907

B) In Portugal

In thousands of EUR	2004	2005	2006
Net production	165,211	272,117	348,950
Net outstanding customer credits	254,710	401,801	571,024
<i>Customer transactions (bank charges, income and commissions with customers)</i>	56,244	87,931	131,866

C) For COFIDIS consolidated

In thousands of EUR	2005	2006
Net production	3,103,915	3,568,989
Net outstanding customer credits	4,959,857	5,656,641
<i>Customer transactions</i>	836,071	1,085,442

IV – The Issuer's principal establishments

The Issuer carries on its French business from its registered office.

In Portugal, the Issuer's branch carries on its business from an establishment located at Avenida de Berna, 52-3º 1069-046 Lisbon.

In Hungary, the Issuer's branch carries on its business from an establishment located at 1066. Mozsár utca 16. Hungary.

V – Average workforce and how it has changed over the last three financial years

Over the last three years, the workforce of COFIDIS has changed as follows:

	France	Portugal	Hungary	Consolidated
31 December 2004	1,279	219	Not applicable	Not applicable
31 December 2005	1,371	327	Not applicable	2,344
31 December 2006	1,302	362	13	2,596

The human resources policy applied in 2006 complied with the same priorities as those followed in previous years, based on the company's values, such as accountability, delegation, training and communication.

An employment situation drawn up every year, in addition to being provided to the local labour authorities, is submitted to the personnel representative bodies (*Comité d'Entreprise*) and is available to be consulted by the personnel members.

VI – Investment policy

In early 2004, the Issuer acquired a majority holding in the capital of the consumer credit company CAMIF C2C (hereafter « C2C »). The transaction consisted of the acquisition of 66% of the capital and voting rights of C2C, for a price of EUR 16,680,000 (sixteen million six hundred and eighty thousand euros). The *Comité des Etablissements de Crédit et des Entreprises d'Investissement* (Credit Establishments and Investment Enterprises Committee) approved the transaction at its meeting of 24 February 2004.

C2C is a credit institution with the status of a financial company specialising in consumer credit, proposing credit facilities and different forms of loans for household equipment to customers of the brand names of the Camif group.

C2C has a capital of EUR 4,020,075 divided into 26,275 shares of a par value of EUR 153. A French limited liability company with a supervisory board and a management board (*Société Anonyme à Conseil de Surveillance et au Directoire*) and has its registered office at 82, rue de Courcelles 75008 Paris.

As of the end of December 2006, the gross outstanding credits amounted to EUR 85.3 million, equal to an increase of 4% compared to the financial year 2005.

The net profit of the financial year 2006 was EUR 2,163,891.71.

A Net Banking Income of EUR 9.1 million was realised for 2006.

This acquisition is part of a global alliance project between the Camif group and the 3 Suisses Group.

The aim is for each of the two partners to exploit optimally the synergies and complements existing between them.

As a result COFIDIS has the opportunity of reaching new customers and products that are not included in its current offer, such as the “Venicia” card, which combines a means of payment with the characteristics of a credit.

C2C finds in COFIDIS a way of strengthening its current business and developing its range of financing, relying on the recognized expertise of COFIDIS in the distance selling of financial products.

In addition, this project allows C2C to extend the scope of its approval to customers other than those of Camif.

VII – the Issuer’s risks

A) Global risk management of interest rates and liquidity

1) Interest rate risk

COFIDIS practices a policy of hedging its interest rate risk, the objective of which is to preserve financial margin through a reasoned use of hedging instruments.

Interest rate risk concerns fixed rate customer credits (amortising credits), for which COFIDIS provides strict cover for the outstanding amounts, and credits with revisable rates (revolving credits), where the objective of the hedging policy is not to have to pass on to customers any rate increases in the event of a temporary distortion of the market.

The transactions handled are principally macro-hedging, concluded exclusively on over-the-counter markets.

As of 31 December 2006, COFIDIS had the following interest rate hedging products:

Swaps (fixed rate borrowers – floating rate lenders)	379 million EUR
Swaps (floating rate borrowers – fixed rate lenders)	525 million EUR
Caps and Collars	4,599 million EUR

These interest rate hedging transactions are linked to either floating rate facilities or fixed rate facilities maturing in the short term.

In 2006, interest rates in Europe increased by 1.25%, the European Central Bank principal official market rate reached 3.50% at the end of the year.

In this changing environment, our significant hedging programs based mainly on optional instruments were very effective.

2) Refinancing

COFIDIS’ refinancing policy is based on prudential rules and risk management that can be broken down into three areas:

- financial security, which obtained through a significant proportion of long and medium term facilities, which are by nature a liquid, and by complying with an internal rule that requires COFIDIS at all times to have access to unused bank facilities for an amount corresponding to approximately 25% of its global needs,
- financial independence, which results from the diversity of lenders and sources of financing and increases the number of potential investors,
- diversification through market resources and bank resources, on the one hand, and strictly domestic and external resources, on the other hand.

In October 2006, the Company issued €100,000,000 undated deeply subordinated non cumulative floating rate notes.

In February 2007, COFIDIS issued a bond with a 5 year term for a global amount of €550,000,000.

The bond issue was extremely successful with institutional investors in the Europe.

3) The regulatory ratios

The various regulatory ratios are an integral part of COFIDIS' financial policy and they are scrupulously respected:

- the European solvency ratio as of 31 December 2006 was 13.82% on a non-consolidated basis, excluding the share of the year's profit for the fraction allocated to the reserves, and was 11.29% as of 31 December 2005,
- the debt/equity coefficient is considerably above the required threshold (60%) and was 108% as of the end of financial year 2006,
- the regulatory liquidity ratio was consistently higher than the standard ratio (100%) and was 126% as of 31 December 2006.

B) Customer risks

The doubtful debts and provisions for the last four financial years are broken down as follows:

	<i>In millions of euros</i>			
	2003	2004	2005 *	2006 *
Gross amount of doubtful debts	412	424	578	815
% gross outstanding credits	13,1	12,6	11	14
Global provision	354	365	527	638
Coverage rate	85.8%	86%	91%	78%

* for COFIDIS consolidated

The method used for calculating is a statistics-based means in which the figures may be weighted depending on the gravity of the unpaid amounts.

C) Legal risk

COFIDIS' business is governed by the regulations applicable to credit institutions.

The Issuer is governed by the provisions of regulations Nos. 97-02 and 2001-01 of the *Comité de la Réglementation Bancaire et Financière* (Bank and Financial Regulations Committee) which increased the obligations of credit institutions in terms of internal controls.

Internal control procedures are used to make verifications of all kinds and are implemented by all employees with the intention of providing reasonable assurance that projects will be completed and the risks controlled. The objective is to integrate all the activities into a coordinated system where transactions, and their control, reach the same objectives. In this regard, the internal control procedures respond to several requirements.

They are designed to:

- verify that transactions carried out by the establishment are in compliance with applicable laws and regulations.

- verify that decision-making procedures, investment/credit limits and management standards are strictly respected.
- verify the quality of the accounting and financial information.
- verify the conditions in which this information is assessed, recorded, retained and made available.
- verify the quality of the information and communication system.

The Internal Control system is applied at three levels:

- first level control:

Permanent surveillance of employees' observance of the rules and procedures in force and the automatic controls integrated into the information system.

- second level control:

Management supervision of the observance of rules, procedures and the control function integrated into the various departments.

IT security manager

Fraud Risk Prevention Team integrated into the Financial and Risk Department

Control cell integrated into the Financial and Risk Department

Control cell integrated into the Customer Collection Department

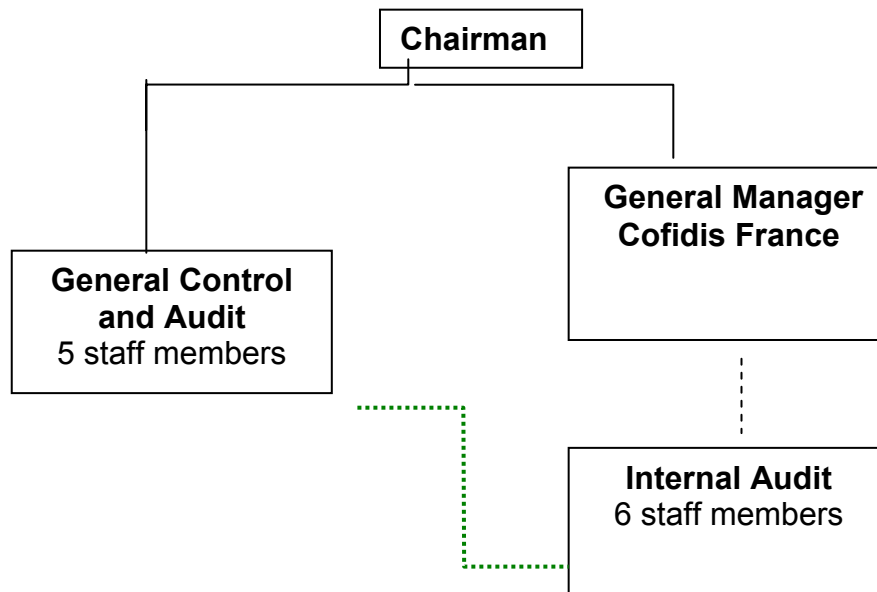
- third level control:

This is provided by the Internal Audit team attached to the General Management for France, and by the Pole's General Control and Audit team which in addition has a duty to supervise the controls.

The audit team reports on its analysis of the risks and their coverage and ensures that the organisation and procedures comply with the regulatory requirements and the Management's guidelines.

It reports on the functioning of the first and second levels of the Internal Control.

Organisation of the General Control and the Internal Audit



CAPITALISATION OF THE ISSUER

I – Capitalisation Table

The capitalisation table was as follows as of 31 December 2006:

For COFIDIS SA consolidated:

In thousands of euros	Adjusted	31/12/2006	31/12/2005
Capital	50,000	50,000	50,000
Share premium	62,567	62,567	62,567
Legal reserve	5,000	5,000	4,000
Regulated reserve	0	0	0
Other reserves	462,745	462,745	316,059

The situation of the Issuer's indebtedness was as follows as of 31 December 2006:

For COFIDIS consolidated:

In millions of euros	Adjusted	31/12/2006	31/12/2005
Current liabilities	2,377	2,377	2,042
Medium and long term liabilities	2,283	2,283	1,832
Total	4,661	4,661	3,874

No significant change in the Issuer's capitalisation likely to alter its financial situation has occurred since 31 December 2006 except for this issue.

II – Global amount of the bond issues to be repaid

- At 31 December 2006, the global amount in principal of the repayable bond issues and subordinated notes still to be repaid amounted to:
 - Secured loans: 0
 - Unsecured loans: euros 976.2 million
- As of this same date, the global amount in principal of all the other issues and liabilities amounted to:
 - Secured loans and liabilities: 0
 - Unsecured loans and liabilities: euros 3,653.7 million
- Finally, the global amount of off balance sheet financial commitments relating to financial futures (both firm and conditional) amounted to 6,456 million euros (gross accounting balance not reflecting the financial situation but including all transactions, including those with deferred execution).

III – Table of resources concerning the last three financial years

Table of resources and their application:

For COFIDIS Consolidated:

In millions of euros

	2005	2006
Other short term financing (Pensions, bank facilities.....)	420	541
TCN.....	1,921	2,031
Medium/long term bank indebtedness	580	1111
Bond issues.....	803	727
Repayable subordinated notes	150	251
“Hard” equity (the capital).....	584	753

IV – Individual information about the enterprises in which the Issuer holds a fraction of the capital and which are not likely to have a significant influence on the appreciation of the Issuer’s assets and liabilities, financial situation or results.

As of 31 December 2006 the Issuer held 49.99% of the capital of “Crédifidis”, which was incorporated as of the end of 2003, and has its registered office at 61 avenue de Halley 59667 Villeneuve d’Ascq.

As of the end December 2006, the network was composed of 2776 retailers and 1542 small businesses and other subscribers, or a global increase of 30% compared to 2005.

Production amounted to EUR 39.3 million compared to EUR 15.8 million in 2005 and the amount outstanding was 29.6 million euros, an increase of 175% compared to the previous year.

The cost of the risk is at a satisfactory level (2.5% of the average outstanding amounts).

For 2006, Crédifidis incurred a loss of EUR 1,969,158 in line with forecasts.

As of 31 December 2006 the Issuer held 66% of the capital of “Société de Crédit à la Consommation Camif C2C”, which has its registered office at 82 rue de Courcelles 75008 Paris. As of the end December 2006, the gross outstanding amount was EUR 85.3 million, equal to an increase of 4% compared to 2005.

C2C’s business and profitability rely very heavily on the turnover of CAMIF, and on the share of credit in this turnover.

The development of the share of credit in the turnover of CAMIF and the return to growth of financing and outstanding amounts, as a result of the cash flow from the “Véronèse” and “Vénicia” products, are the immediate priorities.

The net profit of 2006 was EUR 2,163,891.71.

A Net Banking Income of EUR 9.1 million was realised.

- As of 31 December 2006 the Issuer held 100% of the capital of COFIDIS SA (Belgium), which has its registered office at 4 rue de Glategnies B – 7500 Tournai (Belgium). With a gross outstanding amount of EUR 388.91 million, COFIDIS Belgium finished 2006 with an increase of EUR 37.35 million or +10.63% compared to end 2005. The financing of the year amounted to EUR 287.63 million, an increase of 10.25% over the previous year. The before tax profit of the year was EUR 12.36 million and the net profit EUR 8.69 million. It's worth noting that there was an increase in capital of EUR 30 million in June 2006.
- As of 31 December 2006 the Issuer held 100% of the capital of COFIDIS Hispania EFC (Spain), which has its registered office Plaza de la Pau, Edificio 1 – WTC Almeda Park, 08940 Cornellà de Llobregat (Spain). The key figures of COFIDIS Hispania increased strongly in financial year 2006. The net outstanding amount increased by 42% compared to the previous year, with an amount of EUR 505,320,000. The net profit of the company increased by 15% compared to the previous year, with an amount of EUR 15,349,000.
- As of 31 December 2006 the Issuer held 100% of the capital of VECOFIN (COFIDIS Italy), which has its registered office Via A. Bono Cairoli, nr 34, 20127 Milan (Italy). VECOFIN closed the financial year ending on 31 December 2006 with a profit of EUR 192.5 thousand. The cost of the risk increased to 8.11% compared to 2005. The company recorded a decrease of 27% in new credits opened, with 11,418 new credits, compared to 15,711 the previous year. Its financing amounted to EUR 61.970 million in 2006, close to the level of 2005 (EUR 61.231 million).
- As of 31 December 2006 the Issuer held 100% of the capital of COFIDIS Ceska Sro (Czech Republic), which has its registered office Bucharova 1423/6, 158 00 Prague 5 (Czech Republic). COFIDIS Ceska Sro started its commercial activity towards the end of 2004. In 2006, the gross outstanding amount increased significantly by 278% compared to the previous year, with an amount of 28,967,000. For 2006, the company incurred a loss of EUR 1,895,951 in line with forecasts.

RECENT DEVELOPMENTS

I – Significant events:

The principal events that occurred during financial year 2006 are the following:

On July 2006, Cofidis closed down its subsidiary in Greece.

On 23 October 2006, Cofidis issued €100,000,000 undated deeply subordinated non cumulative floating rate notes.

On June 2006, Cofidis opened a subsidiary in Romania.

Romania is an important market for Cofidis (22 million people). It is a growing country in which consumer credit is expanding.

II – Future prospects:

In an intensified competition situation, Cofidis intends to maintain a dynamic commercial policy to pursue its growth of market share.

Marketing to the general public will be continued in 2007 with the firm intention of developing further the Company's reputation and increasing the number of its customers.

In addition, actions seeking to conclude new partnerships will be pursued.

Among the main projects in the pipeline are the following:

- To intensify efforts to gain new customers via the Internet through 1 euro.com (which is a new service launched in 2006 with a view to offering credit solutions specifically designed for purchases on the web), which has been developing strongly since last year and is still expanding.
- The creation of variants of the easy credit concept is continuing in the expression of customer preferences "VIVEZ, SOURIEZ" (*Live, Smile*). This project underlines the strategic need for Cofidis to make a difference on this very competitive market.

III – Recent changes

During the first trimester of 2007, Cofidis' activities continued to expand.

The number of new accounts opened increased by 6% at 31 March 2007, compared to the same period of the previous year.

The outstanding credits also increased strongly by some 15% at 31 March 2007 compared to the first trimester of 2006.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE
YEAR ENDED 31 DECEMBER 2006**

COFIDIS CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF EUROS

ASSETS	Fiscal year ended 31/12/2006	Fiscal year ended 31/12/2005
Interbank and similar operations	211 501	44 970
Customer receivables	5 084 549	4 382 546
Hire-purchase and similar operations		
Bonds, shares, and other fixed and variable income securities	152 096	82 677
Insurance company investment		
Holdings, shares in affiliate companies, and other long-term investments	9	9
Tangible and intangible fixed assets	38 404	29 403
Consolidated goodwill	26 539	28 908
Securities trading and settlement accounts		
Other accruals and sundry assets	105 256	70 881
TOTAL ASSETS	5 618 354	4 639 394

COFIDIS BALANCE SHEET**IN THOUSANDS OF EUROS**

LIABILITIES	Fiscal year ended 31/12/2006	Fiscal year ended 31/12/2005
Interbank and similar operations	1 651 326	999 556
Customer deposits	14 248	11 236
Debts represented by securities	2 758 281	2 724 254
Technical provisions for insurance companies		
Securities trading and settlement accounts		
Other accruals and sundry liabilities	154 053	125 090
Goodwill		
Provisions for contingencies and liabilities	6 796	15 703
Subordinated debts	251 314	150 227
General reserve for banking risks	25 154	25 154
Minority interests	4 666	4 519
Equity group share (excluding general reserve for banking risks)	752 516	583 654
Subscribed capital	50 000	50 000
Issue premiums	62 567	62 567
Consolidated and other reserves (+/-)	467 745	320 059
Profit/loss for fiscal year (+/-)	172 204	151 028
TOTAL LIABILITIES	5 618 354	4 639 393

COFIDIS OFF-BALANCE SHEET ITEMS

IN THOUSANDS OF EUROS

(in thousands of euros)	Fiscal year ended 31/12/2006	Fiscal year ended 31/12/2005
<u>Commitments made</u>		
Financing commitments	5 471 484	7 744 704
Guarantee commitments		
Commitments on securities		
Commitments given for the insurance activity		
<u>Commitments received</u>		
Commitments received from the banking activity		
Financing commitments	1 148 019	1 233 893
Guarantee commitments	115	115
Commitments on securities		
Commitments received from the insurance activity		

COFIDIS CONSOLIDATED INCOME STATEMENT

IN THOUSANDS OF EUROS

	Fiscal year ended 31/12/2006	Fiscal year ended 31/12/2005
+Interest and related income	797 844	644 703
- Interest and related expenses	141 560	98 627
+ Revenue on variable income securities		
+ Commission (income)	210 294	165 401
- Commission (expenses)	10 380	8 875
+/- Gains or losses on portfolio trading operations	-23	-19
+/- Gains or losses on investment portfolio and related operations	15 816	14 094
+ Other banking operating income	7 399	7 760
- Other banking operating losses	226	225
+/- Gross margin on insurance activities		
+/- Net income on other activities	2	1
NET BANKING INCOME	879 167	724 213
- General operating expenses	413 736	356 250
- Provisions for amortisation and depreciation of intangible and tangible fixed assets	5 853	4 403
GROSS OPERATING PROFIT/LOSS	459 578	363 560
+/- Cost of risk	-185 048	-129 027
OPERATING PROFIT/LOSS	274 530	234 533
+/-Share in net profit of companies accounted for by equity method		
+/- Gains or losses on fixed assets	-6 677	-998
PROFIT/LOSS BEFORE TAX	267 853	233 535
+/-Exceptional profit/loss		
- Corporation tax on profits	92 452	78 883
- Provision for consolidated goodwill	2 369	2 835
+/- Provision/release of funds for general banking risks		
- Minority interests	828	789
NET PROFIT/LOSS – GROUP SHARE	172 204	151 028
Net earnings per share		
Diluted earnings per share		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2006 COFIDIS S.A.

I – NOTE ON THE MAIN ASSESSMENT AND PRESENTATION RULES

The consolidated financial statements have been drawn up and presented in accordance with the provisions of the regulations applicable to credit institutions, as provided for in particular under regulation No. 85-12 of the CRBF relating to consolidation of the financial statements of credit institutions, as amended by regulation No. 99-07 and CRC 2005-05.

In accordance with regulation CRC 2005-03, Cofidis S.A. posts a capital and interest discount on the restructured certain outstanding amount which is the difference between the discounting of contractual flows initially expected and the discounting of future flows expected resulting from the restructuring. This option is provided for in article 6 of the same regulation. The weight of the risk is applied to the restructuring and then adjusted in the interest margin and classified as a deduction of the certain credit outstanding. The effect on the discount processing of the restructured receivables resulting from the application of CRC2005-03 is a change of method having an impact of <€16,405,000>, which was applied to the opening equity capital balance.

1 – METHOD AND SCOPE OF CONSOLIDATION

All companies within the scope of the consolidation are consolidated according to the full consolidation (FC) method. However CREFIDIS is consolidated according to the proportional consolidation (PC) method.

All companies close their financial year on 31 December.

At December 2006, the scope of consolidation was as follows:

Company name	Registered office	Company objects	SIRET1 or registration number	Method	% owned
Crédidis S.A.	61 avenue Halley, 59667 Villeneuve d'Ascq Cedex France	The company's objects, apart from purely banking transactions, are all financing transactions on behalf of third parties.	450622048	PC	49.99
C2C S.A.	82 rue de Courcelles, 75008 Paris France	The company's objects, apart from purely banking transactions, are all financing transactions on behalf of third parties.	341888998	FC	66.00

¹ Company identification number in France

Company name	Registered office	Company objects	SIRET1 or registration number	Method	% owned
Cofidis Belgium	Tournai – 7500 – 4, rue de Glatignies – Belgium	Carrying out of credit transactions	No. 400 359 283 Tournai 063 618	FC	99.99
Cofidis Ceska	Kratkeho 1 19000 Prague 9 – Czech Republic	Carrying out of trading and service transactions and insurance brokerage	27179907	FC	100.00
Cofidis S.A. IFN	World Trade Center, Piata Montreal, nr 10 Bucharest Rumania	Carrying out of credit transactions	ARMAE 54100 / 01AT/B03/134	FC	99.99
Cofidis Hispania	Calle retama N°3, 3r piso – 3° Madrid – 28045 Spain	Carrying out of credit transactions	tomo 444 libro de sociedades folio 160 hoja h8545	FC	100.00
Vecofin	Via San Gregorio, 34, 20124 Milan, Italy	Carrying out of credit transactions	No. 241813 – No. UIC 16785 Milan	FC	100.00

Cofidis S.A. has two branches, one in Portugal (Cofidis Portugal) and the other in Hungary (Cofidis Hungary)

The scope of consolidation was changed following the:

- closing of Cofidis Greece in July 2006.
- opening of Cofidis Rumania during June 2006.

2 – ACCOUNTING PRINCIPLES

2.1 – Customer receivables

The amounts of credits outstanding include uncertain credits outstanding net of provisions.
The uncertain credits outstanding break down into:

- uncertain credits outstanding,
- compromised credits outstanding (corresponding to the disputed credits outstanding and the restructured credits outstanding with payment arrears at 31/12/06).

The losses in value on unpaid receivables as well as on restructured receivables are calculated by applying increasing funding rates based on the degree of seriousness of each category of credits outstanding (larger or smaller number of monthly instalments late, special reasons, etc.). The rates used are based on a statistical approach of the risk and are updated each year.

The rates used are based on a statistical approach of estimated collection flows updated at each annual closing and Cofidis S.A. discounts them at the contract rate in accordance with CRC 2002-03. Note that the allocations are posted as the cost of the risk and the adjustments are posted as interest margins.

2.2 – Shares and securities

Investment securities purchased with the intention of them being held for more than 6 months are valued at their purchase price.

Equity shares and shares in affiliated companies are also valued at their purchase price. Purchase differentials are calculated on the basis of the equity capital on the date of purchase and on the purchase value.

2.3 – Fixed assets

Fixed assets are valued at their acquisition cost and are depreciated according to their estimated duration of use.

2.4 – Employee benefit commitments

A provision was posted in the corporate financial statements of Cofidis S.A, Cofidis Belgium and C2C on 31 December 2006 to meet the payment of social-security commitments. Said provision, less the amount outsourced for Cofidis S.A., has been valued according to the projected unit credit method recommended by the IAS 19 standard: the employee's vested pension rights are calculated on the end of career salary.

2.5 – Translation differentials

The balance sheets were translated according to the closing price method. However, the equity capital was valued at the historic rate. The profit and loss accounts were translated based on the average price method. Translation differentials have been posted for the consolidated companies outside the euro zone (Cofidis Hungary, Cofidis Rumania Cofidis Ceska).

2.6 – Income and expenses from banking operations

The banking income and expenses are posted in the profit and loss account prorata temporis, apart from late payment penalties on loans, which are posted as income since their acquisition.

For Cofidis S.A., rate subsidies granted by certain partners were spread over the term of the loans (in accordance with the interest taxation rules) at 31 December 2006.

2.7 – Financial futures transactions

At 31 December 2006, Cofidis has:

Macro hedging:

Swaps,	fixed rate borrower, variable rate lender,
Swaps,	variable rate borrower, fixed rate lender,
Caps,	buyer.
Collars,	buyer of Caps, seller of Floors,

These various commitments are rate risk macro hedging transactions. In fact, all such transactions on futures markets underpin variable rate facilities or the renewal of matured short term fixed rate facilities. Their purpose is to reduce Cofidis's exposure to any rate increases. The expenses and income are posted prorata temporis under the item "gains or losses on investment portfolio and like transactions".

2.8 – Deferred taxation

Deferred taxes are calculated according to the variable carry-over method. This year the tax deficits have been activated for subsidiaries that presented a plan with a positive result for the next 2 financial years.

These subsidiaries are: Cofidis Hungry, Créfidis and Cofidis Czech Republic.
The tax deficit of Cofidis Rumania has not been activated.

2.9 – Tax integration

None of the companies within the scope of consolidation is concerned by the tax integration.

II – NOTES TO THE BALANCE SHEET

1 - ASSETS

1.1 – Interbank and like transactions

Receivables on credit institutions break down as follows:

<i>(in thousands of euro)</i>	2006	2005
Demand deposit	59,914	44,100
Cash	75	59
Deposit account	149,071	0
Receivables from affiliated entities	2,442	811
Total	211,502	44,970

Schedule at 31 December 2006 (excluding receivables from affiliated entities)

<i>(in thousands of euro)</i>	Total balance sheet	≤ 3 months	3 months to 1 year
Receivables from affiliated entities	208,985	199,211	9,774

1.2 – Transactions with customers

1.2.1 – Other facilities to customers

The item “other facilities to customers” can be analysed as follows:

1- Cash advance

<i>(in thousands of euro)</i>	2006	2005
Certain credits outstanding	4,830,838	4,820,793
Uncertain credits outstanding	747,484	N.C
Receivables from affiliated entities	39,389	33,612
Total gross credits outstanding	5,617,711	4,854,405
Losses in value	561,069	484,639
Total net credits outstanding	5,056,642	4,369,766

Schedule at 31 December 2006

<i>(in thousands of euro)</i>	Total balance sheet	≤ 3 months	3 months to 1 year	1 to 5 years	> 5 years
Account receivables (certain credits outstanding)	4 830 838	1 022 025	1 310 893	2 260 659	237 261

2- Other items

(in thousands of euro)	2006	2005
Commercial receivables	27,524	12,781
Amounts not charged	383	0
Total	27,907	12,781

1.2.2 – Assignment of receivables in the scope of securitisation transactions

LIBRAVOU is a securitisation fund² (French acronym FCC) set up to refinance the renewable loans granted by Cofidis S.A. The FCC has three sections LIBRAVOU FL1, FL2 and FL3, to which the portfolio of debts and shares representing said debts have been assigned. LIBRAVOU shall reload the section throughout its existence with new eligible loans as well as with the drawdowns required on the previously securitised loans. The changes in the total credits outstanding of the portfolio shall be financed by the issue or redemption of C shares, which the assignor shall subscribe for in full. The C shares shall have the same rank as the A and B investor shares and shall thus not constitute credit enhancement for the A and B shares.

The A shares shall enjoy a credit enhancement of 15% comprised of subordinated shares (12%) and the reserve account (3%). The B shall enjoy a credit enhancement of 3% composed of the reserve account, posted in debts attached to investment securities.

a) The change in the securitised credit outstanding breaks down as follows: (in thousands of euro)

	<u>FL1 11/2000</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
- Securitised debts at 31/12/2005	195,379	193,917	194,340
- Financing	40,571	40,629	40,678
- Payments	-105,951	-102,337	-101,518
- Reloading	25,632	21,637	19,842
- Bank charges, insurance, sundry	37,406	37,874	38,479
Securitised debts at 31/12/2006	193,037	191,720	191,821

b) Change in assignor shares

Assignor shares are classified under the item “investment securities” valued at their purchase price (€1,000) for an amount of €132,498,000.

	<u>FL1 11/2000</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
- Number of shares at 31/12/2005	26,807	13,035	14,549
- Change 2006	61,783	18,280	-1,956
- Number of shares at 31/12/2006	88,590	31,315	12,593

² Fonds Commun de Créances

c) Change in the reserve account (in thousands of euro)

	<u>FL1 11/2000</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
- Balance at 31/12/2005	5,113	5,085	5,255
- Change 2006	0	0	0
- Balance at 31/12/2006	5,113	5,085	5,255

d) Redemption system provided for at the various dates of estimated maturity

The system described hereinafter applies to the sections FL1, FL2 and FL3 and FCC LIBRAVOU.

The three sections FL1, FL2 and FL3 treat A et B Investor Shares relating to the Total Early Redemption and the relevant Normal Redemptions corresponding to the dates of estimated maturity of each of the sections in the same way.

The procedure described above may be applied only on the date of payment provided that the section in question is not in the process of Modified Redemption or Forced Redemption or between a period of Modified Redemption or a period of Forced Redemption.

Subject said proviso, as from the account closing date prior to the date of payment, the Management Company, acting in the scope of a simple best endeavours obligation will try to issue to two new share classes, the A and B shares to allow the Total Early Redemption of A and B shares respectively and to replace the latter.

In the event they are issued, the A and B shares thus proposed:

- would be issued and paid up on one sole occasion on the date of payment on a Working Day prior to the date of payment
- would be issued at a par value that is enough to allow the redemption of the A and B shares respectively and the payment of all commissions and costs owed to third parties ;
- would grant a right to a quarterly right the rate of which would be set at their issue date with the lowest margin to allow the issue of A and B shares for the required amount set on the basis of margins proposed by buyers that offered to subscribe for said shares. Only rates proposed at normal market conditions may be taken into account;
- would be redeemable in accordance with the Redemption rules applicable to A and B shares that they would replace.

If:

- The A and B shares to be issued in accordance with the terms set forth hereinafter were subscribed for in full concomitantly with their issue at the latest and
- The subscribers paid the section the amounts required corresponding to the issue of A and B shares and any other shares scheduled for issue on the same date in accordance with the terms of the Special Regulations.

The Management Company shall use the proceeds from the issue to carry out the Total Early Redemption of A and B shares in accordance with the terms of the Special Regulations.

In default, the Management Company shall record that it is impossible to carry out the Total Early Redemption of A and B shares and shall in consequence carry out their normal redemption in accordance with the terms set forth hereinafter:

- For FL1: estimated maturity date 29/10/2007, redemption at the rate of 1/24th per month of the amount of the A and B investor shares.

- For FL2: estimated maturity date 30/09/2009, redemption 1/12th per quarter of the amount of the A and B investor shares

- For FL3: estimated maturity date 25/05/2010, redemption 1/12th per quarter of the amount of the A and B investor shares

Under the assignment and management contract, the Assignor waived, on its own behalf and on behalf of the companies that it controls exclusively or jointly on the issue date of A and B shares, subscribing for and/or holding all or part of said shares.

Note that the sections FL1 and FL2 have matured. The Management Company issued A and B shares. All of the A and B shares were redeemed early.

1.3 – Shares and other variable income securities

<i>in thousands of euro</i>	2006	2005
Unit trusts	231	233
Assignor and residual shares	132,528	54,421
Security deposit	20,548	20,548
Receivables from affiliated entities	-1,211	7,475
Total	152,096	82,677

1.4 – Shares in affiliated companies

<i>(in thousands of euro)</i>	Capital	Share of the capital owned as a %	Net asset value of securities owned
GIE Eurosolis	3	100.00	3
GIE Fimestic	600	1.00	6

1.5 – Intangible assets

<i>(in thousands of euro)</i>	2006	2005
Opening balance	43,839	10,755
Cig/Cofidis merger (June 2005)	0	34,869
Purchases / Disposals	7,399	2,491
Allocation for the year	- 1,773	- 1,441
Depreciation of goodwill	- 2,370	- 2,835
Closing balance	47,095	43,839

1.6 – Purchase differentials

The purchase differential of Cofidis Spain (€23,668,000) fully amortised on CIG reserves was transferred to Cofidis S.A. reserves at the time of the merger.

The purchase differentials break down as follows:

<i>(in thousands of euro)</i>	Net opening amount	Change of the year	Depreciation	Appropriation Charging	Total
Vecofin	2,273	0	- 159	-	2,114
Cofidis Belgium	19,179	0	- 1,279	-	17,900
C2C	7,456	0	- 932	-	6,524
Total	28,908	0	- 2,370	-	26,538

Purchase differentials are amortised over a 20 year period. C2C's purchase differential is amortised over 10 years.

1.7 – Tangible fixed assets

<i>(in thousands of euro)</i>	2006	2005
Opening balance	14,472	8,524
Entry following merger	0	3,134
Purchases / Disposals	7,455	5,775
Allocation for the year	- 4,079	-2,961
Closing balance	17,848	14,472

1.8 – Adjustment accounts and sundry assets

<i>(in thousands of euro)</i>	2006	2005
Premiums on instruments purchased	3,972	1,447
Prepayments to suppliers	850	379
Cheques receivable	0	0
Deferred taxes	42,732	24,317
Staff – Advances and part payments	594	440
Taxes	6,124	4,434
Deposits and guarantees paid	742	896
Other sundry debtors	8,615	10,552
Prepaid expenses	11,644	6,104
Accrued income	25,345	19,961
Other	4,637	2,351
Total	105,255	70,881

Prepaid expenses and accrued income include receivables attached to off balance sheet instruments.

1.9 – Deferred taxes

At 31 December 2006, they break down as follows:

in euro	Opening	Reserves	Impact earnings Increase	Impact earnings Decrease	Closing
C2C	82,404	-	54,279		136,683
Crédidis (1)	0	-	986,217		986,217
Cofidis Hungary (2)	0	19,183	327,621		346,804
Cofidis Belgium	196,465	-	11,914		208,379
Cofidis Spain	3,063,479	-	1,429,751		4,493,230
Cofidis France	11,669,853	5,467,895 (4)	7,398,586		24,536,334
Cofidis Italy	5,201,827	-	2,560,423		7,762,250
Cofidis Portugal	4,103,407	-		899,568	3,203,839
Cofidis Czech Republic (3)	0	131,750	927,006	195	1,058,560
Total	24,317,435	5,618,828	13,695,798	899,763	42,732,296

(1) Impact of the activation of the deficit that may be carried over €0.9 million

(2) Impact of the activation of the deficit that may be carried over €0.3 million

(3) Impact of the activation of the deficit that may be carried over €0.9 million

(4) Impact of the CRC 2005-03 that amends CRC 2002-03

2 – LIABILITIES

2.1 – Interbank and like transactions

The item breaks down as follows:

(in thousands of euro)	2006	2005
Demand deposits	252,689	39,890
Debts with affiliated entities payable at sight	22	28
Long-term debts	1,390,846	955,692
Long-term debts with affiliated entities	7,769	3,946
Total	1,651,326	999,556

Schedule 31 December 2006 (excluding debts with affiliated entities)

<i>(In thousands of euro)</i>	Total balance	≤ 3 months	3 months to 1 year	1 to 5 years	> 5 years
Debts to credit institutions	1,643,534	1,512,559	98,232	32,744	0

2.2 – Debts evidenced by securities

<i>(in thousands of euro)</i>	2006	2005
Marketable debt securities	2,010,207	1,906,405
Debts with affiliated entities	20,622	14,403
<i>Total marketable securities</i>	<i>2,030,829</i>	<i>1,920,808</i>
Debenture loans	726,224	802,449
Debts with affiliated entities	1,227	997
<i>Total Debenture loans</i>	<i>727,451</i>	<i>803,446</i>
Total	2,758,280	2,724,254

Schedule at 31 December 2006 (excluding debts with affiliated entities)

<i>(in thousands of euro)</i>	Total balance sheet	≤ 3 months	3 months to 1 year	1 to 5 years	> 5 years
Debts evidenced by a security	2,736,431	1,100,700	628,307	1,007,424	0

2.3 – Adjustment accounts and sundry liabilities

<i>(in thousands of euro)</i>	2006	2005
Accounts payable	34,971	28,071
Staff and related accounts	18,732	16,423
State – Taxes	36,096	18,809
Dividends to be paid	0	0
Other sundry creditors	29,013	31,154
Accrued expenses	30,271	25,319
Prepaid income	4,137	4,760
Other liabilities	833	554
Total	154,053	125,090

The accrued expenses are mainly general operating expenses as well as debts attached to off balance sheet instruments.

2.4 – Provision for contingencies

<i>(in thousands of euro)</i>	2006	2005
Tax dispute	283	6,034
Social-security commitments	1,011	865
Provision for legal contingencies	2,857	3,653
Provision for contingencies	2,645	5,151
Total	6,796	15,703

2.5 – Subordinated debts

<i>(in thousands of euro)</i>	2006	2005
Redeemable subordinated securities (TSR ³)	150,000	150,000
Super subordinated securities (TSS ⁴)	100 000	
Debts with affiliated entities	1 314	227
Total	251,314	150,227

The TSR relates to the Cofidis S.A. issue for €150 million in June 2004. It has the following features:

Payment / right to interest: 15 June 2004

Redemption: at par on 15 June 2014

Lifespan and average life: 10 years in the event of normal redemption as from 5 years in the event of early redemption

Par rate: 3 month Euribor + 75 base points up to the 5th year, then 3 month Euribor + 125 base points

The TSS relates to the Cofidis S.A. issue for €100 million in October 2006. It has the following features:

Payment / right to interest: October 2006

Par rate: 3 month Euribor + 170 base points

2.6 – Fund for general banking risks (FRBG⁵)

The amount of this item relates to Cofidis SA only and it is as follows:

<i>(in thousands of euro)</i>	2006	2005
FRBG (general banking risk fund)	25,154	25,154

2.7 – Equity capital

Cofidis S.A.'s share capital is comprised of 2,783,479 shares of a total amount of €50 million that have been paid up in full.

The share capital is allocated as follows:

- Cofidis Participations : 84.99 %
- Cetelem : 14.99 %
- Others : 0.02 %

The sale of Cofidis Greece did not give rise to any unrealised capital gains.

³ Titres subordonnés remboursables

⁴ Titres super subordonnés

⁵ Fonds pour risques bancaires généraux

The summary of changes in consolidated equity capital excluding FRBG and excluding subordinated debts is as follows:

2.7.1 – Group share

Group share – in thousands of euro	Capital	Premiums	Consolidated reserves	Translation differential	Consolidated earnings	Total equity capital
Balance at 31 December 2004	40,000.00	10,816.19	263,388.81	0.00	113,496.00	427,701.00
Dividend distribution					-75,929.94	-75,929.94
Change in capital	10,000.00					10,000.00
Change in premiums and reserves		51,750.70 (1)	33,238.69(4)	106.39		85,095.79
Withdrawal from scope						
Appropriation of the 2004 consolidated earnings			37,566.06		-37,566.06	0.00
Debtor carry-over						0.00
2005 consolidated earnings					151,028.30	151,028.30
Change in accelerated depreciation						0.00
Change in accounting methods			-19,576.48(2)			-19,576.48
Change in purchase differentials			-465.99			-465.99
Change in deferred taxes			7,262.07			7,262.07
Other changes			-1,460.08			-1,460.08
Balance at 31 December 2005	50,000.00	62,566.89	319,953.09	106.39	151,028.30	583,654.68
Dividend distribution					-1,040.52	-1,040.52
Change in capital						0.00
Change in premiums and reserves			-280.48	3.23		-277.25
Withdrawal from scope			7,809.40			7,809.40
Appropriation of the 2005 consolidated earnings			149,987.78		-149,987.78	0.00
Debtor carry-over						0.00
2006 consolidated earnings					172,204.50	172,204.50
Change in accelerated depreciation			1,717.95			1,717.95
Change in accounting methods			-16,405.33(2)			-16,405.33
Change in purchase differentials			-2,835.47(4)			-2,835.47
Change in deferred taxes			11,140.88(3)			11,140.88
Other changes			-3,452.26			-3,452.26
Balance at 31 December 06	50,000.00	62,566.89	467,635.58	109.62	172,204.50	752,516.59

(1) Following the merger of CIG and Cofidis

(2) Change of method in 2005 following the application of CRC 2002-03 on the discounting of future collection flows and in 2006 on the calculation of the capital and interest discount on the restructured uncertain credits outstanding (CRC 2002-03 amended by CRC 2005-03)

(3) Including €5.5 million related to the change in method of calculating the discount

(4) Change following the merger of CIG and Cofidis SA in 2005 which has an impact on: the reserves in 2005 as Cig held Cofidis Spain, Cofidis Italy, Cofidis Belgium, Cofidis Greece and Cofidis Czech Republic and the depreciation of purchase differentials in 2006 (Cofidis Italy, Cofidis Belgium)

2.7.1 – Minority interests

Minority interests – In thousands of euro	Capital	Premiums	Consolidated reserves	Translation differential	Consolidated result	Total equity capital
Balance at 31 December 2004	0.00	0.00	3,556.99	0.00	1,052.02	4,609.01
Dividend distribution					-499.85	-499.85
Change in capital					0.00	0.00
Change in premiums and reserves			-394.57			-394.57
Withdrawal from scope						0.00
Appropriation of the 2004 consolidated earnings			552.17		-552.17	0.00
Debtor carry-over					0.00	0.00
2005 consolidated earnings					789.39	789.39
Change in accelerated depreciation						0.00
Change in accounting methods						0.00
Change in purchase differentials						0.00
Change in deferred taxes			15.01			15.01
Other changes						0.00
Balance at 31 December 2005	0.00	0.00	3,729.60	0.00	789.39	4,518.99
Dividend distribution					-535.98	-535.98
Change in capital						0.00
Change in premiums and reserves			-144.42	0.00		-144.42
Withdrawal from scope			0.00			0.00
Appropriation of the 2005 consolidated earnings			253.41		-253.41	0.00
Debtor carry-over						0.00
2006 consolidated earnings					827.76	827.76
Change in accelerated depreciation			0.00			0.00
Change in accounting methods			0.00			0.00
Change in purchase differentials			0.00			0.00
Change in deferred taxes			13.01			13.01
Other changes			-13.01			-13.01
Balance at 31 December 2006	0.00	0.00	3,838.59	0.00	827.76	4,666.35

III – NOTES ON OFF BALANCE SHEET COMMITMENTS

1 – FINANCING COMMITMENTS FOR CUSTOMERS

The facilities that the company has irrevocably undertaken to grant its customers when they make a request to this effect (in the scope of a permanent credit line) amounts to €5.47 billion at 31/12/06.

2 – FUTURE FINANCIAL INSTRUMENTS

For accounting purposes, all transactions are taken into account as from the execution thereof, **even if the hedged period is different**

Macro hedging

- SWAPS (fixed rate borrower and variable rate lender) in the amount of €559.70 million
- SWAPS (variable rate borrower and fixed rate lender) in the amount of €525.08 million
- CAPS (buyer) in the amount of €5,249.00 million
- COLLARS (buyer) in the amount of €122.00 million

The fair value of derivatives is of the order of €18.11 million.

IV- NOTES ON THE PROFIT AND LOSS ACCOUNT

1 – INTEREST AND LIKE INCOME

Said item of €780,991,000 includes the amount of deals concluded with third parties in the company's normal professional operations.

2 – INTEREST AND LIKE EXPENSES

<i>(in thousands of euro)</i>	2006	2005
Interest on transactions with credit institutions	48,746	33,789
Interest on transactions with customers	4	39
Interest on bonds and other fixed income	92,810	64,799
Total	141,560	98,627

3 – COMMISSIONS

- Commissions received

<i>(in thousands of euro)</i>	2006	2005
Transactions with customers	210,294	165,401

- Commissions paid

<i>(in thousands of euro)</i>	2006	2005
Transactions with customers	624	480
Transactions with credit institutions	9,756	8,395
Total	10,380	8,875

4 – GENERAL OPERATING EXPENSES

<i>(in thousands of euro)</i>	2006	2005
- Staff costs:		
Salaries, emoluments, bonuses	79,405	65,990
Expenses related to salaries	3,025	2,019
Social-security expenses	30,662	25,870
Incentive bonus and profit sharing	9,096	7,642
Taxes and like payments	6,346	5,673
<i>Total staff costs</i>	128,534	107,194
- Other administrative costs	285,201	249,056
Total general operating expenses	413,736	356,250

5 – NET BANKING INCOME

The net banking income per company is as follows:

<i>(in thousands of euro)</i>	2006	2005
C2C	11,210	10,891
Cofidis France	554,111	472,747
Cofidis Portugal	117,105	85,078
Crédidis	1,290	567
Cofidis Hungary	701	1
Cofidis Spain	93,867	70,311
Cofidis Greece	1,166	1,691
Cofidis Belgium	62,905	56,668
Cofidis Italy	32,153	24,181
Cofidis Czech Republic	4,654	2,079
Cofidis Rumania	5	0
Total net banking income	879,167	724,214

6 – COST OF RISK

<i>(in thousands of euro)</i>	2006	2005
Provisions for contingencies	-8,941	-4,047
Expenses on accounts receivable	193,989	133,074
Cost of the risk	185,048	129,027

7 – EARNINGS PER SHARE

Earnings per share are as follows:

<i>(in euro)</i>	2006	2005
Overall amount of consolidated earnings	173,032,266	151,817,694
Total number of Cofidis shares	2,783,479	2,783,479
Earnings per share	62.164	54.542

V OTHER INFORMATION

1 – STAFF

<i>On the closing date</i>	2006	2005
Executives	601	505
Non executives	2,285	2,022
Total	2,886	2,527

2 – COMPENSATION OF CORPORATE OFFICERS

Given its confidentiality, no information is provided on this subject.

3 - SUNDRY

Cofidis is consolidated through Cofidis Participations, a subsidiary of 3 Suisses International.

**STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2006**

ABCD

KPMG Audit
Immeuble KPMG
1, cours Valmy
92923 Paris La Défense Cédex
France



28, rue du Carrousel
Parc de la Cimaïse
59650 Villeneuve d'Ascq
France

Cofidis S.A.
Statutory auditors' report on
the consolidated financial statements

Year ended 31 december 2006
Cofidis S.A.
Parc de la Haute Borne
61, avenue Halley
59667 Villeneuve d'Ascq

ABCD

KPMG Audit

Immeuble KPMG
1, cours Valmy
92923 Paris La Défense Cédex
France



28, rue du Carrousel
Parc de la Cimaïse
59650 Villeneuve d'Ascq
France

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Cofidis S.A.

Registered office: Parc de la Haute Borne – 61, avenue Halley – 59667 Villeneuve d'Ascq
Share capital: €50 000 000

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2006

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Cofidis S.A. for the year ended 31 December 2006.

The consolidated financial statements have been approved by the Board. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

**Cofidis S.A.**

Statutory auditors' report on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, of the financial position of the Group as at 31 December 2006 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw attention to the change in accounting principles occurred in 2006 and reported in the note I. to the consolidated financial statements, linked to the calculation of discount on restructured client balances, due to the application of CRC nr 2005-03 (3 November 2005).

2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Changes in accounting policies

As part of our assessment of the accounting policies applied by your company, we ascertained that the above mentioned changes in accounting policies were fairly applied and properly disclosed in the financial statements.

Accounting estimates

As mentioned in the note to the consolidated financial statements nr I.2.1. "Customer receivables" to the accounts, your company records provisions in order to cover the risks of non recoverability of debtors. We have identified the processes implemented in order to identify and assess these risks as well as to determine the required levels of provisions.

Your company records deferred assets taxes as described in the note nr I.2.8. to the consolidated financial statements. Our audit work consisted in assessing assumptions made and we ascertained that the note nr I.2.8 provides required information.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the group management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris la Défense and Villeneuve d'Ascq, on the 30 April 2007

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aCéa
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France

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE
YEAR ENDED 31 DECEMBER 2005**

COFIDIS CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF EUROS

ASSETS	Fiscal year ended 31/12/2005	Fiscal year ended 31/12/2004
Interbank and similar operations	44 970	93 815
Customer receivables	4 382 546	3 129 306
Hire-purchase and similar operations		
Bonds, shares, and other fixed and variable income securities	82 677	89 619
Insurance company investment		
Holdings, shares in affiliate companies, and other long-term investments	9	3
Tangible and intangible fixed assets	29 403	10 419
Consolidated goodwill	28 908	8 854
Securities trading and settlement accounts		
Other accruals and sundry assets	70 881	90 719
TOTAL ASSETS	4 639 394	3 422 735

COFIDIS BALANCE SHEET**IN THOUSANDS OF EUROS**

LIABILITIES	Fiscal year ended 31/12/2005	Fiscal year ended 31/12/2004
Interbank and similar operations	999 556	1 016 523
Customer deposits	11 236	10 028
Debts represented by securities	2 724 254	1 692 743
Technical provisions for insurance companies		
Securities trading and settlement accounts		
Other accruals and sundry liabilities	125 090	79 355
Goodwill		
Provisions for contingencies and liabilities	15 703	16 414
Subordinated debts	150 227	150 207
General reserve for banking risks	25 154	25 154
Minority interests	4 519	4 609
Equity group share	583 654	427 701
(excluding general reserve for banking risks)		
Subscribed capital	50 000	40 000
Issue premiums	62 567	10 816
Consolidated and other reserves (+/-)	320 059	263 389
Profit/loss for fiscal year (+/-)	151 028	113 496
TOTAL LIABILITIES	4 639 393	3 422 735

COFIDIS OFF-BALANCE SHEET ITEMS**IN THOUSANDS OF EUROS**

(in thousands of euros)	Fiscal year ended 31/12/2005	Fiscal year ended 31/12/2004
<u>Commitments made</u>		
Financing commitments	7 744 704	6 998 091
Guarantee commitments	7 744 704	6 998 091
Commitments on securities		
Commitments given for the insurance activity		
<u>Commitments received</u>		
Commitments received from the banking activity	1 234 008	1 463 219
Financing commitments	1 233 893	1 463 104
Guarantee commitments	115	115
Commitments on securities		
Commitments received from the insurance activity		

COFIDIS CONSOLIDATED INCOME STATEMENT

IN THOUSANDS OF EUROS

	Fiscal year ended 31/12/2005	Fiscal year ended 31/12/2004
+Interest and related income	644 703	453 653
- Interest and related expenses	98 627	76 288
+ Revenue on variable income securities		
+ Commission (income)	165 401	102 583
- Commission (expenses)	8 875	6 993
+/- Gains or losses on portfolio trading operations	-19	0
+/- Gains or losses on investment portfolio and related operations	14 094	15 668
+ Other banking operating income	7 760	8 928
- Other banking operating losses	225	192
+/- Gross margin on insurance activities		
+/- Net income on other activities	1	
NET BANKING INCOME	724 213	497 360
- General operating expenses	356 250	238 372
- Provisions for amortisation and depreciation of intangible and tangible fixed assets	4 403	5 387
GROSS OPERATING PROFIT/LOSS	363 560	253 601
+/- Cost of risk	-129 027	-71 774
OPERATING PROFIT/LOSS	234 533	181 827
+/-Share in net profit of companies accounted for by equity method		
+/- Gains or losses on fixed assets	-998	-7
PROFIT/LOSS BEFORE TAX	233 535	181 820
+/-Exceptional profit/loss		
- Corporation tax on profits	78 883	66 805
- Provision for consolidated goodwill	2 835	466
+/- Provision/release of funds for general banking risks		
- Minority interests	789	1 052
NET PROFIT/LOSS – GROUP SHARE	151 028	113 496
Net earnings per share		
Diluted earnings per share		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2005
COFIDIS S.A.

I – NOTE ON THE MAIN ASSESSMENT AND PRESENTATION RULES

The consolidated financial statements have been drawn up and presented in accordance with the provisions of the rules and regulations applicable to credit institutions, as provided for more specifically by regulation no.85-12 of the CRBF (French banking and financial regulations committee) relating to the consolidation of the accounts of credit institutions, as amended by regulation no. 99-07, as well as CRC regulation 2000-04 dated July 4, 2000 relating to summary documents for businesses under the authority of the French banking and financial regulations committee.

1 – METHOD AND SCOPE OF CONSOLIDATION

All of the companies which fall within the scope of consolidation are accounted for using the full consolidation method (FC), with the exception of CREFIDIS which is accounted for using the proportionate consolidation method (PC).

All of the companies close their fiscal year on December 31st.

As at December 31, 2005, the scope of consolidation was as follows:

Corporate name	Registered office	Corporate purpose	Siret or registration no.	Method	% stake
Crédidis S.A.	61, avenue Halley, 59667 Villeneuve d'Ascq Cedex France	The corporate purpose is all financing operations on behalf of third parties with the exception of operations of a purely banking nature.	450622048	PC	49.99
C2C SA	82 rue de Courcelles, 75008 Paris	The corporate purpose is all financing operations on behalf of third parties with the exception of operations of a purely banking nature.	341888998	FC	66.00
Cofidis Belgium	Tournai – 7500 – 4 rue de Glatignies – Belgium	Execution of credit operations	No.400 359 283 Tournai 063 618	FC	99.99
Cofidis Ceska	Kratkeho 1 19000 Prague 9 Czech Republic	Execution of trading and service operations and insurance broking	27179907	FC	100.00
Cofidis Hellas	47 agiou Konstantinou Maroussi Athens Greece	Execution of credit operations	ARMAE 54100 / 01AT/B03/134	FC	99.99
Corporate name	Registered office	Corporate purpose	Siret or registration no.	Method	% stake

Cofidis Hispania	Calle retama No.3, 3r piso – 3º Madrid – 28045 Espana	Execution of credit operations	Tomo 444 libro de sociedades folio 160 hoja h8545	FC	100.00
Vecofin	Via San Gregorio, 34, Milano, Italia	Execution of credit operations	No. 241813- No. UIC 16785 Milano	FC	100.00

Cofidis S.A. has two branch offices, one in Portugal (Cofidis Portugal) and the other in Hungary (Cofidis Hungary).

The scope of consolidation was modified further to:

- the merger of CIG and Cofidis S.A. in October 2005. This has resulted in the entry into Cofidis S.A.'s scope of consolidation of Cofidis Belgium, Cofidis Spain, Cofidis Greece, Cofidis Italy, Cofidis Czech Republic. The contribution of shares to Cofidis S.A. was made on the basis of their net book value.
- the opening of a branch office in Portugal in September 2005.

2 – ACCOUNTING PRINCIPLES

2.1 – Customer receivables

The amount of outstanding loans includes doubtful debts excluding provisions.

Outstanding doubtful debts can be broken down into:

- Doubtful debt
- Impaired debt (corresponding on 31/12/2005 to outstanding debt in litigation and restructured defaulted debt).

Provisions for unpaid debts, including those which have been rescheduled, are calculated by applying provision rates which increase with the degree of seriousness of each category of outstanding debt (number of monthly payments late, special grounds and so on).

These rates are obtained using a statistical approach to risk and are discounted each year.

2.2 – Shares and securities

Investment securities, acquired with the intention of being retained for a period of more than six months, are valued at their acquisition price.

Shares and holdings in affiliate companies are also valued at their acquisition price. Consolidated goodwill is calculated on the basis of shareholders' equity as at the date of purchase and the acquisition value.

2.3 – Fixed assets

Fixed assets are valued at their acquisition cost and are depreciated according to their estimated duration of use.

2.4 – Employee benefit commitments

A provision was posted in the corporate accounts of Cofidis S.A., Cofidis Belgium and C2C as at December 31, 2005 in order to provide for staff commitments. This provision, after deduction of the amount outsourced for Cofidis S.A., was assessed using the "projected unit credit method" recommended by the IAS 19 standard: the retirement rights acquired by employees are calculated on the basis of their salary at the end of their career.

2.5 – Unrealised exchange gains or losses

The balance sheets have been converted according to the current exchange rate method, with the exception of shareholders' equity which has been assessed using the historical cost method. The income statements have been converted on the basis of the average exchange rate method. Unrealised exchange gains or losses have been recorded for the consolidated companies which are not part of the Euro zone (Cofidis Hungary and Cofidis Ceska).

2.6 – Operating income and expenses for banking operations

Banking income and expenses are posted in the income statement on a prorata temporis basis, excluding any penalties for delay on credit facilities, recorded as income as soon as they are acquired. For Cofidis S.A., interest rebates, granted by certain partners, have been spread out over the life of the loan as at December 31, 2005 (in compliance with rules for the taxation of interest).

2.7 – Operations on financial futures

As at December 31, 2005 Cofidis has:

Macro cover:

Swaps, fixed-rate borrower, variable-rate lender

Swaps, variable-rate borrower, fixed-rate lender

Caps, buyer

Collars, buyers of Caps, seller of Floors.

These different commitments are macro-cover operations for interest rate risk. Indeed, all these futures market transactions support variable rate resources or the renewal of short-term fixed rate resources which have come to fruition, thus reducing Cofidis' exposure to any rate increases. Expenditure and income are posted on a prorata temporis basis under the heading "Gains or losses on investment portfolio and related operations."

2.8 – Deferred taxation

Deferred taxation is calculated according to the variable carry forward method.

2.9 – Tax integration

Since the merger of CIG and Cofidis, there is no longer any entity in the scope of consolidation concerned by tax integration.

II – NOTES TO THE BALANCE SHEET

1. ASSETS

1.1 - Interbank and similar operations

Receivables from credit institutions are broken down as follows:

<i>(In thousands of euros)</i>	2005	2004
On demand	44 100	6 527
Cash	59	7
Futures	0	70 000
Related receivables	811	719
Total	44 970	77 253

Schedule as at 31.12.2005 (excluding related receivables)

<i>(In thousands of euros)</i>	Balance sheet total	≤ 3 months	3 months to 1 year
Receivables from credit institutions	44 100	44 100	0

1.2 – Customer receivables

1.2.1 – Other customer receivables

The heading “other customer receivables” can be analysed as follows:

1 – Short-term credit

<i>(In thousands of euros)</i>	2005	2004
Sound and doubtful outstanding debt	4 820 793	3 443 143
Related receivables	33 612	24 230
Total gross outstanding debt	4 854 405	3 467 373
Provisions	484 639	368 286
Total net outstanding debt	4 369 766	3 099 087

Cofidis SA decided not to apply CRC opinion no. 2005-07 by anticipation. Accordingly, the 2005 discount is calculated according to the same method as in 2004, and for all sound restructured receivables, the amount of the discount has been obtained on the basis of the difference between the current value of the sum of future interest assessed at the market rate for redeemable loans, and the current value of future interest assessed at the rate of restructured receivables.

The provisions of CRC regulation 2002-03 dated December 12, 2002 regarding depreciation for proven risk were applied by Cofidis SA as at January 1st 2005. The effects resulting from the discounting of future flows constitute a change in method. At the start of the year this had an impact of <19 576> K€ and was charged to shareholders’ equity.

Schedule as at 31.12.2005

<i>(In thousands of euros)</i>	Balance sheet total	≤ 3 months	3 months to 1 year	1 to 5 years	> 5 years
Customer receivables (sound receivables)	4 290 112	1 016 408	999 734	2 071 679	202 291

2. Loans to financial customers

<i>(In thousands of euros)</i>	2005	2004
Sound receivables	0	30 000
Related receivables	0	218
Total	0	30 218

3. Other items

<i>(In thousands of euros)</i>	2005	2004
Commercial receivables	12 781	0
Uncharged amounts	0	0
Total	12 781	0

1.2.2. – Assignment of receivables within the framework of securitization operations

LIBRAVOU is a Private Debt Fund (PDF) set up to refinance renewable loans granted by Cofidis S.A. The PDF is comprised of three compartments LIBRAVOU FL1, FL2 and FL3, to which are assigned the portfolio of receivables and the representative shares of these receivables. LIBRAVOU refills the compartment for the duration of its life with new eligible loans and also from drawings required on loans previously securitized. Variations in the total outstanding debt of the portfolio are financed by issuing or redeeming C shares, which are fully subscribed to by the assignor. The C shares are of the same rank as the A and B investor shares and therefore, do not constitute a credit enhancement for A and B shares.

A Shares have a credit enhancement of 15% comprised of subordinate shares (12%) and a reserve account (3%). B shares have a credit enhancement of 3% constituted by the reserve account, recorded in receivables related to investment securities.

a) The variation in the outstanding debt securitized in 2005 can be broken down as follows (in thousands of euros):

	<u>FL1 11/200</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
Securitized receivables as at 31.12.2004	199 608	197 913	197 250
Financing	47 855	48 466	48 988
Settlements	-101 265	-100 153	-100 055
Refilling	13 349	11 158	10 962
Bank charges, insurance, sundry	35 832	36 533	37 195
Securitized receivables as at 31.12.2005	195 379	193 917	194 340

b) Variation in transferred shares

Transferred shares are recorded in investment securities, valued at their acquisition price (1 000 euros) for a total amount of 54 391 thousand euros.

	<u>FL1 11/200</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
Number of shares as at 31.12.2004	17 851	19 061	19 414
Variation 2005	8 956	-6 026	-4 865
Number of shares as at 31.12.2005	26 807	13 035	14 549

c) Variation in the reserve account (in thousands of euros)

	<u>FL1 11/200</u>	<u>FL2 10/2001</u>	<u>FL3 06/2002</u>
Balance as at 31.12.2004	5 113	5 085	5 255
Movements 2005	0	0	0
Balance as at 31.12.2005	5 113	5 085	5 255

d) Amortization mechanism at different rates of provisional maturity

The mechanism described below is applied to compartments FL1, FL2 and FL3 of the LIBRAVOU PDF.

The three compartments FL1, FL2 and FL3 are homogenous in their treatment of A and B investor shares for early total redemption and normal redemption corresponding to the dates of provisional maturity of each compartment.

The procedure described hereafter may only be applied on the date of payment, on condition that the compartment in question is not in the course of modified or forced redemption or is not entering the period of modified or forced redemption.

Subject to this condition, with effect from the date of closing prior to the date of payment, the Management Company, which is bound solely by a due diligence obligation and is not bound to achieve any specific result, strives to issue two new classes of shares, A' shares and B' shares, which are intended to allow the total early redemption of A and B shares respectively, and thus replace the latter.

Should such shares be issued, the said A' and B' shares offered accordingly:

- would be issued and paid-up in one single operation, at the date of settlement which is one working day before the date of payment;
- would be issued at par value, for a nominal amount which is sufficient to allow the redemption of A and B shares respectively and the payment of all expenses and commissions due to third parties;
- would give rise to quarterly interest, whose rate is fixed at the date of issue, with the lowest margin allowing the issue of A and B shares for the required amount, fixed on the basis of the margins proposed by the purchasers offering to subscribe to such shares, it being understood that only those rates proposed on the basis of ordinary market terms are liable to be accepted;
- would be redeemable in compliance with the rules of redemption applicable to the A and B shares which such shares replace.

If:

- the A' and B' shares to be issued in accordance with the terms set out hereinabove are fully paid up concomitantly with their issue, and
- the Compartment has received from the subscribers the amounts necessary for the issue of A' and B' shares and any other shares which are to be issued on this same date in accordance with the provisions set out in the Specific Regulations,

The management company will use the income from the issue to proceed with the early total redemption of A and B shares, at the date of payment, in accordance with the conditions set out in the Specific Regulations.

Failing this, the management company shall state that it is impossible to proceed with the early total redemption of A and B shares and shall accordingly proceed with their normal redemption in accordance with the conditions set out hereinafter:

- For FL1: the provisional maturity date stands at 29/10/2007, redemption of 1/24th of the amount of A and B investor shares per month
- For FL2: the provisional maturity date stands at 30/09/2009, redemption of 1/12th of the amount of A and B investor shares per quarter.
- For FL3: the provisional maturity date stands at 25/05/2010, redemption of 1/12th per quarter of the amount of A and B investor shares per quarter.

Within the framework of an Assignment and Management Agreement, the Assignor has waived, both for his own account and for the account of the companies which he may control exclusively or jointly on the date of issue of A' and B' shares, the right to subscribe to and/or hold of all or part of these shares.

It should be noted that Compartment FL1 reached maturity during the month of October 2005. In accordance with the above-mentioned amortization mechanism, FL1 has entered a normal redemption phase with the issue of A' and B' shares.

1.3 – Shares in affiliate companies

<i>(In thousands of euros)</i>	Capital	Share of capital held	Net book value of shares held
GIE Eurosolis	3	100.00	3
GIE Firnestic	600	1.00	6

1.4 - Intangible fixed assets

<i>(In thousands of euros)</i>	2005	2004
Balance at start of year	10 755	1 511
Consolidated goodwill C2C		9 326
Entry further to merger	34 869	
Acquisitions / transfers	2 491	3 228
Provision for fiscal year	-1 441	-2 844
Amortization of goodwill	-2 835	-466
Balance at year end	43 839	10 755

1.5 – Consolidated goodwill

Consolidated goodwill for Cofidis Spain (23 668 K€) which is fully amortized on CIG reserves was transferred to Cofidis reserves upon completion of the merger.

Consolidated goodwill can be broken down as follows:

<i>(In thousands of euros)</i>	Net amount at start of year	Variation for year	Amortization	Appropriation	Total
Vecofin	0	2 432	-159	-	2 273
Cofidis Belgium	0	20 457	-1 279	-	19 179
C2C*	8 854	0	-1 398	-	7 456
Total	8 854	22 889	-2 835	-	28 908

Consolidated goodwill is amortized over a period of 20 years, with the exception of C2C which is amortized over a period of 10 years.

* The amortization period has been decreased to 10 years, the provision for this year reflects this change for an amount of 466K€.

1.6 - Tangible fixed assets

<i>In thousands of euros</i>	2005	2004
Balance at start of year	8 524	7 847
Entry further to merger	3 134	
Acquisitions / transfers	5 775	3 114
Provision for fiscal year	-2 961	-2 543
Amortization at close of year	0	106
Balance at year end	14 472	8 524

1.7 Accruals and sundry assets

<i>In thousands of euros</i>	2005	2004
Premiums on acquired instruments	1 447	694
Supplier prepayments	379	4 612
Cheques receivable	0	0
Deferred taxation	24 317	3 501
Personnel – prepayments and down-payments	440	17
Taxes and duties	4 434	325
Guarantees and deposits paid out	896	43
Other sundry debtors	10 552	10 638
Costs accrued	6 104	2 797
Deferred income	19 961	52 856
Other	2 351	15 236
Total	70 881	90 719

Costs accrued and deferred income include receivables related to off-balance sheet instruments.

1.8 – Deferred taxation

As at December 31, 2005 deferred taxation was broken down as follows:

In euros	At start of year	Reclassification/ merger	Increase	Decrease	At close of year
C2C	44 151		35 253		82 404
Cofidis Belgium		187 543	8 922		196 465
Cofidis Spain		2 413 078	650 401		3 063 479
Cofidis France*	1 167 754		10 502 099		11 669 853
Cofidis Italy		3 486 813	1 715 014		5 201 827
Cofidis Portugal	2 289 195		1 814 212		4 103 407
Total	3 501 100	6 087 434	14 728 901		24 317 435

*The impact of CRC 2002-03 stood at 6 740 180 euros.

1.9 – Tax-regulated provisions (special accelerated depreciation)

Within the framework of the application of CRC rule 2002-10 dated December 12, 2002 regarding the amortization and depreciation of assets, the amortization and depreciation durations of Cofidis and Crédifidis have been reviewed. The so-called prospective method was applied as at January 1, 2005.

2. LIABILITIES

2.1 - Interbank and similar operations

This heading is broken down as follows:

<i>(In thousands of euros)</i>	2005	2004
Accounts on demand	39 890	6 515
Related debts on demand	28	15
Futures	955 692	1 006 293
Related debts (futures)	3 946	3 700
Total	999 556	1 016 523

Schedule as at 31.12.2005 (excluding related debts)

<i>(In thousands of euros)</i>	Balance sheet Total	≤ 3 months	3 months to 1 year	1 to 5 years	> 5 years
Debts to credit institutions	995 582	916 649	68 933	10 000	0

2.2 - Debts represented by securities

<i>In thousands of euros</i>	2005	2004
Negotiable debt instruments	1 906 405	1 204 600
Related debts	14 403	6 204
Total negotiable debt instruments	1 920 808	1 210 804
Bond borrowings*	802 449	478 673
Related debts	997	3 266
Total bond borrowings	803 446	481 939
Total	2 724 254	1 692 743

Schedule as at 31.12.2005 (excluding related debts)

<i>(In thousands of euros)</i>	Balance sheet Total	≤ 3 months	3 months to 1 year	1 to 5 years	> 5 years
Debts represented by securities	2 708 854	934 600	676 105	371 925	726 224

2.3 – Accruals and sundry liabilities

<i>(In thousands of euros)</i>	2005	2004
Suppliers	28 071	22 162
Staff and related accounts	16 423	16 733
State, taxation	18 809	8 811
Dividends payable	0	0
Other sundry creditors	31 154	12 773
Accrued expenditure	25 319	10 100
Unearned income	4 760	4 704
Other	554	4 072
Total	125 090	79 355

Accrued expenditure is comprised mainly of general operating charges as well as other debts related to off-balance sheet instruments.

2.4 – Provisions for contingencies and liabilities

<i>(In thousands of euros)</i>	2005	2004
Tax litigation	6 034	6 034
Worker commitments	865	221
Provision for country-related risks	0	0
Provision for legal risks	3 653	7 643
Provision for miscellaneous contingencies and liabilities	5 151	2 516
Total	15 703	16 414

2.5 – Subordinated debts

<i>(In thousands of euros)</i>	2005	2004
Refundable subordinated securities	150 000	150 000
Related debts	227	207
Total	150 227	150 207

Subordinated securities correspond to the Cofidis S.A. issue of 150 million euros in June 2004. They have the following characteristics:

Settlement/maturity: June 15, 2004

Redemption: at par value, June 15, 2014

Duration and average life: 10 years in case of normal redemption, as of 5 years in the case of early redemption.

Nominal rate: Euribor 3 months + 75 bps up to the 5th year, then Euribor 3 months + 125 bps

2.6 – General reserve for banking risks

This heading concerns Cofidis S.A. alone and can be analysed as follows:

<i>(In thousands of euros)</i>	2005	2004
General reserve for banking risks	25 154	25 154

2.7 – Equity

The share capital of COFIDIS is made up of 2 783 479 shares, fully paid-up, for a total amount of 50 million euros.

Breakdown of capital:

- Cofidis Participations: 81.27%
- Cetelem: 15.00%
- 3 Suisses International: 3.41%
- Others: 0.32%

The following table shows the variation in equity (excluding the general reserve for banking risks and subordinated debt):

1 – On closing 2004

- Minority interests

<i>(In thousands of euros)</i>	Amount
Amount at start of year	3 557
Profit	1 052
Minority interests as at 31.12.04	4 609

- Group share

<i>(In thousands of euros)</i>	Amount
Equity at start of year	401 153
Profit	113 496
- including C2C	1 577
Dividends paid	86 492
Consolidated equity as at 31.12.04	427 701

2 – On closing 2005

Analysis of the variation in equity 2004/2005

VARIATION IN EQUITY - OVERALL	Start of year	Dividends n-1	Down-payments div	Profit/loss n	Appropriation of profit/loss n-1	Variation cap	Var %	Change in method	Merger	Exit	Reclassification on	Non cash	Entry	Variation exchange gains or losses	Close of year
Share capital	57 952,13					19 530,00	32 496,00		3 932,06						113 910,19
Issue premium & merger	12 042,57					10 009,59			41 741,11						63 793,27
Carry forward	-223,29				18 098,27	0,26	-1 539,20	-19 576,48							-3 240,43
Legal reserves	4 426,01				365,25		2 005,35								6 796,61
Regulated reserves	98,98										-98,98				0,00
Other reserves	261 940,90	-59 321,91	0,00		114 882,74	-1,74	41 704,27				98,98				359 303,23
Exchange reserves	0,00						91,62							14,76	106,39
Corporate profit/loss	114 329,90			153 277,78	-133 346,26		19 016,36								153 277,78
Capital and reserves	450 567,20	-59 321,91	0,00	153 277,78	0,00	29 538,11	93 774,40	-19 576,48	45 673,17	0,00	0,00	0,00	0,00	14,76	693 947,04
Deferred taxation reserves	3 501,10			5 623,31			187,54	6 740,18							16 052,13
Elimination of securities	-30 612,06					-9 530,00	-118 991,67		-3 932,06						-163 065,78
Special accelerated depreciation	0,00			1 717,95											1 717,95
Goodwill	9 319,76						52 474,74								61 794,50
Amortisation of goodwill	-465,99			-2 835,47			-29 584,87								-32 886,32
Appraisal increase/decrease	0,00						10 614,16								10 614,16
Dividend balance	0,00	5 965,87		-5 965,87											0,00
Down payments on dividends	0,00		0,00												0,00
Group provision	0,00														0,00
Restatement of minority interests	0,00														0,00
Sundry	0,00														0,00
Consolidated equity	432 310,01	-53 356,04	0,00	151 817,69	0,00	20 008,11	8 474,32	-12 836,30	41 741,11	0,00	0,00	0,00	0,00	14,76	588 173,67

VARIATION IN EQUITY - GROUP	Start of year	Dividends n-1	Down-payments div	Profit/loss n	Appropriation of profit/loss n-1	Variation cap	Var %	Change in method	Merger	Exit	Reclassification on	Non cash	Entry	Variation exchange gains or losses	Close of year
Share capital	56 585,39					19 530,00	32 495,92		3 932,06						112 543,37
Issue premium & merger	11 625,62					10 009,59			41 741,11						63 376,33
Carry forward	-223,29				18 098,27	0,26	-1 539,20	-19 576,48							-3 240,43
Legal reserves	4 281,17				365,25		2 005,35								6 651,77
Regulated reserves	98,98						0,00								98,98
Other reserves	260 312,71	-58 821,77	0,00		114 882,74	-1,74	41 704,27								358 076,20
Exchange reserves	0,00						91,62							14,76	106,39
Corporate profit/loss	113 672,20			152 501,39	-132 688,56		19 016,36								152 501,39
Capital and reserves	446 352,78	-58 821,77	0,00	152 501,39	0,00	29 538,11	93 774,33	-19 576,48	45 673,17	0,00	0,00	0,00	0,00	14,76	689 456,30
Deferred taxation reserves	3 486,09			5 610,30			187,54	6 740,18							16 024,11
Elimination of securities	-30 612,06					-9 530,00	-118 991,67		-3 932,06						-163 065,78
Special accelerated depreciation				1 717,95			0,00								1 717,95
Goodwill	9 319,76						52 474,74								61 794,50
Amortisation of goodwill	-465,99			-2 835,47			-29 584,87								-32 886,32
Appraisal increase/decrease	0,00						10 614,16								10 614,16
Dividend balance	0,00	5 965,87		-5 965,87			0,00								0,00
Down payments on dividends	0,00		0,00				0,00					0,00			0,00
Group provision	0,00						0,00								0,00
Restatement of minority interests	0,00						0,00								0,00
Sundry	-379,58						0,00					-0,28			-0,28
Consolidated equity	427 701,00	-52 855,90	0,00	151 028,30	0,00	20 008,11	8 474,24	-12 836,30	41 741,11	0,00	0,00	-0,28	0,00	14,76	583 654,63

VARIATION IN EQUITY - MINORITY INTERESTS	Start of year	Dividends n-1	Down-payments div	Profit/loss n	Appropriation of profit/loss n-1	Variation cap	Var %	Change in method	Merger	Exit	Reclassificati on	Non cash	Entry	Variation exchange gains or losses	Close of year
Share capital	1 366,75						0,08								1 366,83
Issue premium & merger	416,95														416,95
Carry forward	0,00														0,00
Legal reserves	144,84														144,84
Regulated reserves	0,00														0,00
Other reserves	1 628,19	-499,86			657,70										1 786,03
Exchange reserves	0,00														0,00
Corporate profit/loss	657,70			776,39	-657,70										776,39
Capital and reserves	4 214,42	0,00	0,00	776,39	0,00	0,00	0,08	0,00	0,00	0,00	0,00	0,00	0,00	0,00	4 990,88
Deferred taxation reserves	15,01			13,01											28,02
Elimination of securities	0,00														0,00
Goodwill	0,00														0,00
Amortisation of goodwill	0,00														0,00
Appraisal increase/decrease	0,00														0,00
Dividend balance	0,00														0,00
Down payments on dividends	0,00			0,00								0,00			0,00
Group provision	0,00			0,00											0,00
Restatement of minority interests	0,00											0,00			0,00
Sundry	379,58														0,00
Consolidated equity	4 609,01	-499,86	0,00	789,39	0,00	0,00	0,08	0,00	0,00	0,00	0,00	0,00	0,00	0,00	4 519,04

III – NOTES RELATING TO OFF-BALANCE SHEET ITEMS

1 – FINANCING COMMITMENTS IN FAVOUR OF CUSTOMERS

The irrevocable commitments that the company has made in favour of its customers, at the request of the latter (in the case of opening of permanent credit facilities) amounted to € 3.8485 billion as at 31.12.2005 (net amount as used in the liquidity ratio, i.e. after deduction of amounts corresponding to cards which have been inactive since the origin or over the last 2 years).

2 – FINANCIAL FUTURES

All operations have been accounted for as of their completion, even if the period covered is deferred.

Macro-cover:

- SWAPS (COFIDIS fixed-rate borrower and variable-rate lender) for an amount of 982.70 million euros.
- SWAPS (COFIDIS variable-rate borrower and fixed-rate lender) for an amount of 696.90 million euros.
- CAPS (buyer) for an amount of 2 515.80 million euros.
- COLLARS (buyer) for an amount of 130 million euros.

The fair value of derivative instruments stands at 18 383 thousand euros.

IV – NOTES TO THE INCOME STATEMENT

1 – INTEREST AND RELATED INCOME

This item for an amount of 644 703 thousand euros represents the business carried out with third parties within the framework of the company's ordinary professional activity.

2 – INTEREST AND RELATED EXPENSES

<i>(In thousands of euros)</i>	2005	2004
Interest on operations with credit institutions	33 789	21 471
Interest on operations with customers	39	0
Interest on bonds and other fixed-income securities	64 799	54 817
Total	98 627	76 288

3 – COMMISSIONS

- *Commissions received*

<i>(In thousands of euros)</i>	2005	2004
Operations with customers	165 401	102 583

- *Commissions paid*

<i>(In thousands of euros)</i>	2005	2004
Operations with customers	480	0
Operations with credit institutions	8 395	6 993
Total	8 875	6 993

4 – GENERAL OPERATING CHARGES

<i>(In thousands of euros)</i>	2005	2004
- Personnel expenses		
Salaries, wages and bonuses	71 057	48 119
Wage-related expenses	2 019	2 728
Social security contributions	25 870	14 509
Profit sharing and incentives	2 575	5 947
Taxes, levies and similar wage-related expenses	5 673	5 415
Total personnel expenses	107 194	76 718
- Other administrative charges	249 056	161 654
Total operating charges	356 250	238 372

5 – NET BANKING INCOME

Net banking income for each company can be analysed as follows:

<i>(In thousands of euros)</i>	2005	2004
C2C	10 891	10 311
Cofidis France	472 747	433 418
Cofidis Portugal	85 078	52 257
Crédidis	567	373
Cofidis Hungary	1	0
Cofidis Spain	70 311	0
Cofidis Greece	1 691	0
Cofidis Belgium	56 668	0
Cofidis Italy	24 181	0
Cofidis Czech Republic	2 079	0
Total net banking income	724 214	497 359

6 – COST OF RISK

<i>(In thousands of euros)</i>	2005	2004
Provision for contingencies and liabilities	-4 047	-20 062
Charges on customer receivables	133 074	91 836
Cost of risk	129 027	71 774

7 – EARNINGS PER SHARE

<i>(In euros)</i>	2005	2004
Overall amount of consolidated profit/loss	151 817 694	113 495 814
Total number of Cofidis shares	2 783 479	2 402 550
Earnings per share	54.542	47.239

V. OTHER INFORMATION

1 – HEADCOUNT

<i>At close of year</i>	2005	2004
Managerial staff	505	361
Non-managerial staff	2 022	1 195
Total	2 527	56

2 – DIRECTORS' EMOLUMENTS

For the sake of confidentiality, this information is not disclosed.

3 – MISCELLANEOUS

Cofidis S.A. is consolidated through Cofidis Participations, subsidiary of 3 Suisses International.

**STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2005**

ABCD

KPMG Audit
Immeuble KPMG
1, cours Valmy
92923 Paris La Défense Cédex
France



28, rue du Carrousel
Parc de la Cimaïse
59650 Villeneuve d'Ascq
France

Cofidis S.A.
Statutory auditors' report on
the consolidated financial statements

Year ended 31 december 2005
Cofidis S.A.
Parc de la Haute Borne
61, avenue Halley
59667 Villeneuve d'Ascq
This report contains 47 pages

Cofidis S.A.
*Statutory auditors' report on the
consolidated financial statements*

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Cofidis S.A.

Registered office: Parc de la Haute Borne – 61, avenue Halley – 59667 Villeneuve d'Ascq
Share capital: €50 000 000

Statutory auditors' report on the consolidated financial statements

- Year ended 31 December 2005

To the Shareholders,

- Following our appointment as statutory auditors by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Cofidis S.A. for the year ended 31 December 2005.
- The consolidated financial statements have been approved by the Board. Our role is to express an opinion on these financial statements based on our audit.

1) OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

- We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, of the financial position of the Group as at 31 December 2005 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw attention to the changes in accounting principles occurred in 2005 and reported in the notes to the consolidated financial statements:

- the first application of the regulation CRC n°2002-10 relating to assets amortization and depreciation mentioned in the note n° II.1.9 "Provisions réglementées";

- the first application of the articles of the regulation CRC n° 2002-03 on the accounting treatment of credit risk relating to discounting of credit risk provisions, as the note n°II.1.2.1.1. “Crédit de Trésorerie” refers to.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Changes in accounting policies

As part of our assessment of the accounting policies applied by your company, we ascertained that the above mentioned changes in accounting policies were fairly applied and properly disclosed in the financial statements.

Accounting estimates

As mentioned in the note to financial statements n° I.2.1. “Customer receivables” to the accounts, your company records provisions in order to cover the risks of non recoverability of debtors. We have identified the processes implemented in order to identify and assess these risks as well as to determine the required levels of provisions.

The note n° I.2.2. “Shares and securities” describes the method chosen by your company relating to the assessment of goodwill, which requires estimates. Our audit work consisted in assessing data and assumptions upon which the calculation of estimates is based, to control the calculation made by the company and to check the approval process of these estimates by the management.

On this basis, we have assessed those estimates for reasonableness.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also verified the information given in the group management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Villeneuve d’Ascq, on 12 May 2006

TAXATION

The statements herein regarding taxation are based on the laws in force in the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Notes.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. This Directive has been implemented in French law under Article 242 ter of the French *Code général des Impôts*.

French Taxation

The Notes issued in euros by a French legal entity are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code Général des Impôts*. Consequently, interest and other revenues with respect to the Notes paid to non-French residents benefit from the exemption of withholding tax set out under Article 125 A III of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the Directive on the taxation of savings income and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another

Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1 July, 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

All prospective Noteholders should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

Natixis and Calyon (the **Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 9 July 2007, jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 99.878 per cent., of their principal amount. The Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General

No action has been taken or will be taken by the Issuer or the Managers that would or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

Each Manager must, to the best of its knowledge, comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended) or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any Manager shall have any responsibility therefore. No Manager will either offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of any offering materials relating to the Notes by such Manager will be made on the same terms.

United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to the extent permitted by the Subscription Agreement.

Each Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation of or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) it has complied and will comply with all applicable provision of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each of the Managers and the Issuer has represented and agreed that the Notes are issued outside the Republic of France and that it has not offered or sold, and will not offer or sell directly or indirectly any Notes in the Republic of France, and has not distributed and will not distribute or cause to be distributed in the Republic of France the Prospectus or any other offering material relating to the Notes, except to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange.
2. The estimate of the total expenses related to the admission to trading is Euro 6,065.
3. The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear, Brussels with the Common Code number of 030804015 and Euroclear France with the International Securities Identification Number (ISIN) FR0010491787. The address of Euroclear France is 155, rue de Réaumur, 75081 Paris Cedex 02 France.
4. There has been no significant change in the financial or trading position of the Issuer since 31 December 2006.
5. There has been no material adverse change in the prospects of the Issuer since 31 December 2006.
6. The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer.
7. The issue of the Notes was authorised pursuant to a resolution of the *Conseil d'Administration* of the Issuer dated 15 February 2007 and a decision of Mr Benoît Coqueval in its capacity as *Directeur Général* dated 9 July 2007.
8. There are no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
9. At the date of this Prospectus, there are no conflicts of interest material to the issue or offer of the Notes between the duties of the members of the Board of Directors and their private interests and/or their other duties.
10. Copies of the latest annual report of the Issuer, including its consolidated accounts may be obtained without charge from the specified offices for the time being of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
11. For as long as the Notes are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agent:
 - (i) this Prospectus ;
 - (ii) the *statuts* of the Issuer ;
 - (iii) the audited consolidated financial statements of the Issuer for the fiscal years ended 31 December 2006 and 2005;
 - (iv) the latest, audited or unaudited, consolidated, annual published financial statements of the Issuer.

The Issuer does not publish any interim financial statements.

The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

12. The statutory auditors of the Issuer are KPMG Audit, 1 cours Valmy 92923 Paris La Défense and ACEA, Parc de la Cimaïse, 28 rue du Carrousel, 59650 Villeneuve d'Ascq (both entities duly authorised as *Commissaires aux Comptes* and are members of the *compagnie nationale des commissaires aux comptes*) and they have audited and rendered unqualified audit reports on the Issuer's consolidated financial statements for the fiscal years ended 31 December 2006 and 2005.
13. The yield of the Notes is 4.375 per cent. which corresponds to the 3 month Euribor rate on the pricing date (20 June 2007) plus a spread of 0.22 per cent per annum and is calculated at the issue date on the basis of the issue price. It is not an indication of future yield.

ISSUER

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France

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France

Natixis

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Grand Duchy of Luxembourg

CALCULATION AGENT

Fortis Banque Luxembourg SA

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Grand Duchy of Luxembourg

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