

For immediate release

Socially responsible investment in France: Up 88% in one year

Assets owned by French institutional and private investors invested in accordance with SRI principles went from 8.8 billion euros to 16.6 billion euros

June 7, 2007 (Paris) –Novethic presents the results of its exclusive annual survey on the French SRI market. **SRI *assets held by French residents at the end of 2006 totaled 16.6 billion euros, of which 63% in the hands of institutional investors. This data confirms the growing interest on the part of these investors for vehicles that integrate environmental, social and governance (ESG) criteria.**

Institutional investors drive SRI growth

Overall, the French SRI market reached **16.6 billion** euros in assets under management at year-end 2006, compared with 8.8 billion euros at year-end 2005. This near doubling (**+88%**) in one year was driven primarily by institutional investors. For this investment segment, growth was **+104%, compared with +66% for retail investors**. The overall breakdown was **10.5 billion euros (63% of total assets)** for institutional investors and **6 billion euros** (versus 3.6 billion euros at year-end 2005) for individual investors, who now account for **37%** of the total, compared with 42% in 2005.

Dedicated SRI management progresses by 178%

While the development of SRI in France has focused mostly on mutual-type funds, dedicated management for institutional investors is now rising much more rapidly than pooled management. While pooled vehicles still make up the bulk of SRI assets (9 billion euros or 58%), dedicated management is experiencing the most rapid growth (**+178%**, versus **+52%** for pooled management).

A few large institutional investors played a key role in 2006

Today, 53% of the SRI assets of institutional investors are in dedicated SRI vehicles, with some of these players gradually embracing **a genuine commitment to SRI**. This reinforcement of dedicated management was largely driven by the activation of the FRR's SRI mandates as well as those of AGIRC-ARCCO throughout 2006. It also reflects the decision made by ERAFP (*Etablissement de la Retraite Additionnelle de la Fonction Publique*) to begin managing its bond investments **in-house** in accordance with SRI principles. At year-end 2006, SRI assets under dedicated management for French institutional investors totaled **5.6 billion** euros, versus **1.7 billion** at year-end 2005.

Employee savings invested in SRI assets is robust and growing

Employee savings assets invested in accordance with SRI principles more than doubled in 2006, increasing from 1.3 to **2.8 billion euros (+118%)**, reflecting the gradual inclusion of these approaches in the range of vehicles available to employees of large corporations.

France is becoming less atypical in the international SRI landscape

Overall, the French SRI market is tending toward the Anglo-Saxon and Northern European model, with a majority of institutional investors linked to the pension business, for whom an investment timeframe that is more long term in focus must gradually integrate **Environmental, Social and Governance criteria** into management practice.

A full summary of the survey is available on demand.

*In terms of demand and not in terms of suppliers present in France (the latter include French and foreign clients in their AUM).

About Novethic:

A subsidiary of Caisse des Dépôts et Consignations, Novethic is a leading center for research, information and expertise pertaining to SRI and corporate social and environmental responsibility. Its web site (www.novethic.fr) is a comprehensive resource for responsible economic actors.