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## PRESS RELEASE

### **ALLEN & OVERY AND SOCIÉTÉ GÉNÉRALE ARE SELECTED BY THE FRENCH MINISTRY OF JUSTICE FOR A GROUNDBREAKING PRISON CONSTRUCTION PROGRAMME**

Paris/London, 26<sup>th</sup> February 2004

The French Ministry of Justice has mandated SG Corporate & Investment Banking (SG CIB), part of the Société Générale Group, and Allen & Overy to provide legal and financial advice on an 18-prison construction programme.

The project represents the first large-scale application of a Public Private Partnership (PPP) scheme by the French government and as such is highly innovative in France. A total of 18 penitentiaries (capacity for 8,900 prisoners) for an approximate budget of 900 million Euros will be built under a PPP structure. The Ministry aims to have the first prison facilities in operation by 2007.

A recently introduced law<sup>1</sup> sets out the framework for the prison programme. This will pave the way for an opening up of PPPs in France and will further develop the close working relationship between public and private sectors. This new law will be complemented by an ordinance relating to PPPs, which should come into effect in April 2004, and which will enable the scheme to have a more widespread application across the public sector.

Under the current new law<sup>1</sup>, private sponsors will be responsible for the design, building, financing and maintenance of these penitentiary centres whilst complying with the technical and functional specifications of the Ministry of Justice.

The financial aspects will be handled by a team from SG CIB, specialising in the required areas of expertise - project finance, asset finance and financial engineering.

The legal aspects, handled by Allen & Overy, will also be undertaken by a multi-disciplinary team comprising specialists in public law, banking and finance law - in particular project finance - corporate and real estate law.

The two teams, who regularly collaborate on projects, will act in complete unison and will initially work on determining the best contractual model for the Ministry of Justice to achieve its objectives of quality, controlled costs and shortened deadlines. Working under the guidance of the “*Agence de maîtrise d’ouvrage des Travaux du Ministère de la Justice*”, the government agency responsible for the building projects of the Ministry of Justice which will manage the project for the Ministry, the

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<sup>1</sup> Loi d'orientation et de programmation pour la sécurité intérieure (LOPSI)

teams will also benefit from the technical expertise of the prison administration and that of the assistant to technical construction, currently under selection.

**Noël Chahid-Nourai**, partner in Public Law at Allen & Overy states: "*We are particularly delighted to have been selected in tandem with SG Corporate & Investment Banking for this operation, and we will apply all our collective experience in this field to ensure the success of this innovative project financing*".

**Jean-Luc Parer**, Deputy Head of Debt Finance at SG Corporate & Investment Banking underlines SG CIB's strong desire to play an active role with this pilot project, in the development of Public Private Partnerships in France and in particular the establishment of structured finance operations adapted to this type of project.

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## **Notes for Editors:**

### **Allen & Overy**

1/ The Paris Public Law practice is led by partner Noël Chahid-Nourai, a former senior judge at the Conseil d'Etat, the French Administrative Supreme Court, and a specialist in public, administrative and environmental law. The team currently comprises 4 lawyers including "Of Counsel" Frédéric Mion, also a former member of the Conseil d'Etat.

2/ The team offers a full range of advice for governments, public authorities, "corporates", banks, public funded entities and utilities on a range of matters relating to concessions and public works, regulatory and environmental issues, privatisation, public law litigation and tax litigation.

3/ The Paris project finance team is an integral part of Allen & Overy's global projects group and advises banks, sponsors and other institutions on a diverse range of projects in both domestic and foreign jurisdictions. The team now numbers 7 lawyers including 2 partners.

4/ The fully bilingual team handles a range of matters in areas such as energy and natural resources, infrastructure and telecom finance and works in close collaboration with our Public and Administrative and Environmental law team.

### **Société Générale**

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 88,000 people worldwide in three key businesses:

- Retail Banking & Financial Services : Société Générale serves more than 15 million retail customers worldwide.
- Asset Management, Private Banking & Securities services : Société Générale is one of the largest banks in the euro-zone in terms of assets under custody (USD 1,165 trillion) and under management (EUR 284 billion, December 2003).
- Corporate & Investment Banking : SG CIB ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

Société Générale is included in the four major socially responsible investment indexes. [www.socgen.com](http://www.socgen.com)

### **SG Corporate & Investment Banking**

SG CIB is the Corporate and Investment Banking arm of the Société Générale Group. Present in over 45 countries across Europe, the Americas and Asia, SG CIB is a bank of reference in:

- Euro Capital Markets: A top ten player in debt and equity segments (bonds, securitisations, syndicated loans, equity-linked and equity issues).
- Derivatives: Among the world leaders in equity derivatives and in many interest rate, credit, foreign exchange and commodities derivatives.
- Structured Finance: A worldwide leader in export, project and structured commodity finance.

Combining innovation and quality of execution, SG CIB provides corporates, financial institutions and investors with value-added integrated financial solutions.

[www.sgcib.com](http://www.sgcib.com)

### **Debt Finance**

SG CIB's Debt Finance division provides both issuers (corporates, financial institutions, sovereigns) and investors with a global, solution-driven approach to their debt finance or investment needs based on an integrated debt and treasury product offer including syndicated loans, bonds, securitisations, structured credits, specialised finance (project, export, asset, commodity, media & telecom, acquisition, and leveraged finance), together with interest rate, currency and commodity hedging and treasury operations. More than 2,000 people work in Debt Finance worldwide with an established presence in all the major financial centres around the world