

## **USD 5-year « AIRBAG » Certificate Linked to the Morgan Stanley Capital International Taiwan Index (TWY)**

**AIRBAG** is a 5-year maturity certificate linked to the performance of the MSCI Taiwan Index Index.

Its double aim is to:

- ⇒ **Cash in on the full rise, with no cap and with no currency risk**, in the case of a rise of the index.
- ⇒ **Fully protect the capital if the index does not drop by more than – 30%**.

**Protect the capital if the index does not fall by more than – 30% :**

On the issue date, each certificate is issued at 1 000 USD. At maturity, the index performance is determined between its final level and its initial one. Each certificate will be redeemed on the following basis :

⇒ **If the index has never traded (at any time between the Strike Date and the Settlement Date) between at or below 70% of the initial value:** AIRBAG will be redeemed at 1000 USD plus a coupon equal to the better of between 85% and the point-to-point performance of the MSCI Taiwan Index. The initial capital and a minimum coupon of 85% will therefore be paid even in case of a fall in the index (up to a 30% fall).

⇒ **Otherwise:** AIRBAG will be redeemed at 1000 USD times the performance (positive or negative) of the MSCI Taiwan Index. If the performance is negative, the Investor will lose the negative performance on its investment. Therefore, the capital is not protected (IE: if the MSCI Taiwan Index drops by more than 30% at any time between the Strike Date and the Settlement Date and close at 80% at Final Fixing Date, each unit will be redeemed at 800 USD)

### *FINAL TERMS AND CONDITIONS*

ISSUER	: Calyon Financial Products Ltd.
GUARANTOR	: CALYON (Rating : AA-/Aa2)
TYPE	: Certificate
TRADE DATE	: From the 28 <sup>th</sup> of April to the 19 <sup>th</sup> of May
PAYMENT DATE	: May 19 <sup>th</sup> , 2006
STRIKE DATE	: May 12 <sup>th</sup> , 2006
FINAL FIXING DATE	: May 12 <sup>th</sup> , 2011
SETTLEMENT DATE	: May 19 <sup>th</sup> , 2011
CURRENCY	: USD ( <b>no currency risk</b> )
UNDERLYING	: The MSCI Taiwan Index (Bloomberg : TWY)
ISSUE SIZE	: USD 1,415,000 (1,415 certificates)
ISSUE PRICE	: 100% (USD 1000 per certificate)
CAPITAL PROTECTED	: No
BARRIER LEVEL	: 70% ( 213.05)
REDEMPTION	: At maturity, each certificate will be redeemed in USD as follows :

- If the Underlying has never traded below 70% of Index<sub>initial</sub> between Issue Date and Final Fixing Date, each certificate will be redeemed as follows:

$$\text{USD } 1000 \times \text{Max} \left[ 185\%, 100\% \times \left( \frac{\text{Index}_{final}}{\text{Index}_{initial}} \right) \right]$$

- Otherwise, each certificate will be redeemed at:

$$\text{USD } 1000 \times \left\{ \frac{\text{Index}_{final}}{\text{Index}_{initial}} \right\}$$

with :

- $\text{Index}_{initial} = 304.36$  (closing level of the index on May 12<sup>th</sup>, 2006)
- $\text{Index}_{final}$  = the closing level of the Underlying index on Final Fixing Date.

SECONDARY MARKET	:	CALYON will quote a 1% Bid/Offer spread on Bloomberg
QUOTITY	:	1 Certificate
SELLING RESTRICTIONS	:	This issue does not constitute a public offer of securities and has not been subject to the clearance procedures of the competent authorities. Selling restrictions : USA and other countries (see Pricing Supplement).
APPLICABLE LAW	:	Swiss law
ISIN / VALOREN	:	GB00B1314N73

*Although the indicative terms set out above reflect the terms as of the specified date on which Calyon believes securities or other obligations might be issued, no assurance can be given that such an issue could in fact be arranged, and no specific issuer is obligated to issue such securities or obligations. The price and other terms on which securities might be issued will be a function of market prices prevailing at the time of issue and the demand for securities of the issuer at that time.*

*This Certificate is a complex instrument with or without optional component as the case may be which involves a high degree of risk limited to the investment and are intended for sale to investors having a full understanding of the terms, conditions and risks. The value of the Certificate may increase or decrease and the investor may not recover the amount invested originally. Any investor in Certificates must not be prohibited to buy or to sell such kind of Certificates neither statutorily, nor by any other constitutive document, nor by any law, decree, or other regulation or otherwise which shall be applicable to it.*

*Consequently, any investor who purchases or sells Certificates is deemed to understand and assess the terms, conditions and risks attached to Certificates. Each of Calyon Financial Products (Guernsey) Limited, Calyon and any of their officers represents that it is not acting as adviser for such investors. Each of them recommends to each investor to consult with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary.*

*This issue does not constitute a public offer of securities in Switzerland. This communication is only directed at persons outside the United Kingdom and must not be acted upon by persons in the United Kingdom.*