

# Reverse Convertible RIO 2008

Final Term Sheet as of 04/04/2008

## 3-Year Non Principal Guaranteed EMTN Linked to the Performance of the Companhia Vale do Rio Share

This Term Sheet does not constitute a final and binding legal document. In case of discrepancies, please contact us at the telephone number above. A final and binding legal document will be made available to you at the time of issuance.

This Term Sheet should be read in conjunction with the Documentation referenced below which was provided to you (except the Final Terms) and terms used but not otherwise defined herein shall have the meaning ascribed to them in the Documentation. This Term Sheet is of a confidential and proprietary nature and its contents should not be reproduced or copied in whole or in part without the express authorisation of the Issuer or Dealer.

**REPAYMENT OF PRINCIPAL IS NOT GUARANTEED ON THE MATURITY DATE. THE PRINCIPAL AMOUNT DUE AT MATURITY WILL BE DEPENDENT UPON THE PERFORMANCE OF THE UNDERLYING. INVESTORS MAY POTENTIALLY LOSE ALL OR PART OF THEIR INITIAL INVESTMENT.**

## 1. Main Terms Of The Securities

Type of Security	EMTN (the " <b>Securities</b> ")
Issuer	Calyon Financial Products (Guernsey)
Issuer's Guarantor	CALYON (Moody's Aa1, Standard & Poors AA-, Fitch AA)
ISIN Code / other codes	XS0357631711
Documentation	Base Prospectus, as amended or supplemented from time to time and Final Terms in respect of the issuance.
Dealer	CALYON
Calculation Agent	CALYON
Trade Date	April 4, 2008
Issue Date	May 9, 2008
Maturity Date	May 9, 2011
Specified Currency	USD
Aggregate Nominal Amount	USD 800, 000 / 800 notes
Specified Denomination	USD 1000
Issue Price	100% of the Specified Denomination
Underlying	Companhia Vale do Rio / RIO UN / listed on NYSE Stock Exchange (hereinafter the " <b>Share</b> ")
Strike Price	USD 37.92 i.e. closing price of the Underlying on Initial Valuation Date

Barrier	USD 30.336								
Coupon <sub>t</sub>	On each Specified Interest Payment Date <sub>t</sub> , a Coupon shall be paid in respect of each Security for an amount calculated by the Calculation Agent as follows: <b>Coupon<sub>t</sub> = 9.50% x Specified Denomination</b>								
Specified Interest Payment Date <sub>t</sub>	Means any of the following dates:								
	<table border="1"> <thead> <tr> <th>Coupon<sub>t</sub></th> <th>Specified Interest Payment Date<sub>t</sub> (* )</th> </tr> </thead> <tbody> <tr> <td>Coupon<sub>1</sub></td> <td>May 11, 2009</td> </tr> <tr> <td>Coupon<sub>2</sub></td> <td>May 10, 2010</td> </tr> <tr> <td>Coupon<sub>3</sub></td> <td>May 9, 2011</td> </tr> </tbody> </table>	Coupon <sub>t</sub>	Specified Interest Payment Date <sub>t</sub> (* )	Coupon <sub>1</sub>	May 11, 2009	Coupon <sub>2</sub>	May 10, 2010	Coupon <sub>3</sub>	May 9, 2011
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Coupon <sub>2</sub>	May 10, 2010								
Coupon <sub>3</sub>	May 9, 2011								
	(* ) or if any such date is not a Business Day, the immediately succeeding Business Day								
Barrier	80% of Share <sub>initial</sub>								
Final Redemption Amount	The amount per Security payable on the Maturity Date (or, as the case may be, the number of Shares delivered) will be calculated by the Calculation Agent in accordance with the following:								
	<b>Case 1:</b> if Share <sub>final</sub> is equal to, or higher than 80% × Share <sub>initial</sub> <b>100% x Specified Denomination</b>								
	<b>Case 2:</b> if Share <sub>final</sub> is strictly lower than 80% × Share <sub>initial</sub> redemption in Shares, with delivery of a number of Shares equal to the Conversion Ratio and fraction paid in cash (or, at the Issuer's convenience, redemption in cash for an amount equal to : Conversion Ratio x Share <sub>final</sub> )								
	where :								
	- "Share <sub>initial</sub> " is the closing price of the Share on Valuation Date <sub>initial</sub>								
	- "Share <sub>final</sub> " is the closing price of the Share on Valuation Date <sub>final</sub>								
	<b>"Conversion Ratio"</b> is $\frac{\text{Specified Denomination}}{100\% \times \text{Share}_{\text{initial}}}$								
	For the avoidance of doubt, a Coupon will be paid in addition to the Final Redemption Amount according to the above provisions.								
Valuation Date <sub>t</sub>	Mean any of the following dates: "Valuation Date <sub>initial</sub> ": April 25, 2008 "Valuation Date <sub>final</sub> ": April 25, 2011 or if any such date is not an Exchange Business Day, the following day which is an Exchange Business Day								
Events	<i>Market Disruption Events:</i> If on a Valuation Date <sub>t</sub> , a Market Disruption Event occurs, such date shall be postponed to the immediately succeeding Exchange Business Day. <i>Adjustments / Extraordinary Events:</i> Upon the occurrence of an event which may have a concentrative or dilutive effect on the market value of the Share or which may affect the Shares (such as merger, de-merger, delisting, nationalisation), the Calculation Agent may in its absolute discretion make any appropriate adjustments or early redeem the Securities. <i>Settlement Disruption Events:</i> Upon the occurrence of an event as a result of which the Issuer is unable to deliver the Shares on the Maturity Date, such Maturity Date shall be postponed to the next Business Day.								
	Please refer to the Documentation for the full and binding terms and conditions regarding the events summarised above.								
Exchange Business Day	Means any day on which (i) the designated stock exchange and (ii) the related exchange where derivatives on the Share are traded, are all open for trading.								
Listing of the Securities	None								

Settlement	[Euroclear / Clearstream / 71331
Governing Law	English law
Selling restrictions	<b>PRIVATE PLACEMENT ONLY OR UNDER ANY OTHER SAFE HARBOUR EXEMPTION.</b> <b>THE SECURITIES HAVE NOT BEEN AND WILL NOT BE SUBJECT TO ANY CLEARANCE PROCEDURE ALLOWING A PUBLIC OFFERING IN ANY JURISDICTION.</b> <b>THE DISTRIBUTION OF THIS DOCUMENT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES, SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS. PLEASE REFER TO THE "SUBSCRIPTION AND SALE" SECTION OF THE DOCUMENTATION.</b>

## 2. Secondary Market

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Under normal market conditions for the Underlying, CALYON will endeavour, upon request of the Purchaser, to give an indicative a bid/ask spread of 1%] for the Securities on a daily basis on page Bloomberg provided however that CALYON does not assume any legal obligation to make a secondary market for these Securities. An insufficient secondary market may prevent the liquidation or limit the funds that can be generated from the sale of this Security.

The price quoted shall be based upon the market value of the Securities and may be below par value. The price quoted will be dependent upon, among other parameters, value and volatility of the underlying assets, remaining time until maturity and interest rates.

**Minimum dealing size:** USD 1000

## 3. Disclaimer

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This Term Sheet has been prepared at your request by CALYON.

You are informed that indicative bid and ask prices of the Securities may be subject to significant fluctuations. Consequently, at any time between the Issue Date and the Maturity Date, the bid or ask price of the Securities may be below par value.

We are providing you with this document and are negotiating (or, as the case may be, entering into) this transaction with you on the basis of our understanding that (i) you have ensured that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your financial situation, your own objectives and circumstances, including the possible risks and benefits of entering into such a transaction and its tax implications (and this document does not purport to identify any such benefits, risks or implications); general product descriptions and some of their related associated risks, can be found at <http://mifid.calyon.com>; (ii) you shall, at all times, be solely responsible for making your own independent appraisal of the Issuer, investigation into the business, financial condition and creditworthiness thereof; and (iii) you have engaged your own financial, tax, accounting, legal and other advisors that you consider appropriate in connection with your investment decision.

CALYON or its affiliates, connected companies, employees or clients may at times have an interest in financial instrument of the type described in this Term Sheet that could be material and/or could give rise to a conflict of interest or potential conflict of interest. Such interest may include dealing, trading, holding or acting as market makers in the financial instrument and may include providing financial services to any company or issuer of securities or financial instruments referred to in this Term Sheet. In such event, you consent to CALYON acting in any manner that it considers appropriate to provide fair treatment of such conflicts for you. "Issuer" and "CALYON" include any affiliate or agent thereof.

Distributor(s) may acquire Securities at a price which is lower than the issue price and/or receive a placement fee.

Calyon is authorised and regulated in France by the Comité des Etablissements de Crédit et des Entreprises d'Investissement, in the UK by the Financial Services Authority, in Hong Kong by the Hong Kong Monetary Authority, in Singapore by the Monetary Authority of Singapore, in Japan by the Financial Services Agency of Japan, in Australia by the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority and in the US, by the New York State Banking Department and the Federal Reserve Board. The financial instruments described in this Term Sheet are made in compliance with an applicable exemption from the registration requirements of the US Securities Act of 1933.