

**ALL THE CAISSE'S INVESTMENT GROUPS CONTRIBUTE
TO \$2 BILLION OF VALUE ADDED IN 2006**

Montréal, February 22, 2007 – The investment groups of the Caisse de dépôt et placement du Québec generated a record \$2 billion of value added in 2006.

Value added is the difference between the return earned by the Caisse and the return on the market indexes, which are 14.6% and 12.7% respectively.

“All the investment groups made a positive contribution to the Caisse’s absolute return and value added. Their combined efforts enabled the Caisse to achieve this result in 2006,” stated Henri-Paul Rousseau, President and Chief Executive Officer of the Caisse.

EQUITY MARKETS PORTFOLIOS: AN OUTSTANDING YEAR FOR CANADIAN EQUITIES

The seven specialized equity portfolios, totalling \$53.0 billion, returned 20.9% in 2006, or 1.9% more than the market index, and generated \$645 million of value added. The specialized Canadian Equity portfolio stood out with a 22% return, versus 17.3% for its market index. The portfolio therefore outperformed its benchmark by 4.7%.

PRIVATE EQUITY PORTFOLIOS: REMARKABLE, SUSTAINED RESULTS

In 2006, the two specialized Private Equity portfolios, totalling \$16.8 billion, built on the progress of previous years. With a 22% return, they outperformed the market index by 5.8% and generated \$600 million of value added. The specialized Private Equity portfolio had the higher return with 30.4%, as a result of a strong performance by leveraged-buyout operations.

ASSET ALLOCATION OPERATIONS: A SIGNIFICANT CONTRIBUTION

In 2006, active management of asset allocation contributed \$377 million. This result is due to two factors. First, tactical asset allocation operations were productive. Second, reducing the weight of bonds and raising the weight of equities were profitable in the context of a rising stock market.

REAL ESTATE PORTFOLIOS: SEVERAL YEARS OF OUTSTANDING RETURNS

The two specialized Real Estate portfolios, with a value of \$23.2 billion, produced an excellent 20.2% return, or 2.2% more than the market index. This sector contributed \$357 million of value added. This is the third straight year that this group has earned a return of more than 20% as a result of its geographic allocation strategy, opportunistic acquisitions and role as a leading real estate lender.

The specialized Real Estate portfolio returned 30.5%, or 3.4% more than its benchmark index. The specialized Real Estate Debt portfolio returned 6.5%, exceeding its index by 1.3%.

HEDGE FUNDS PORTFOLIOS: A CONTRIBUTION TO THE RETURN AND RISK DIVERSIFICATION

The specialized Hedge Funds and Commodities portfolios returned 5.7%, exceeding the market index by 0.7%, and creating \$15 million of value added. These portfolios offer lower returns than equities, but higher returns than bonds, and contribute to the Caisse's return and its portfolio risk diversification.

FIXED INCOME PORTFOLIOS: PRESERVATION OF CAPITAL AND A SOURCE OF LIQUIDITY

In 2006, the four specialized Fixed Income portfolios, whose value is \$42.9 billion, generated a 4.0% return and \$13 million of value added. These portfolios provide effective preservation of capital for depositors and offer excellent liquidity.

"Our results for 2006 are due to the sum of the decisions and actions by the Caisse's teams. The Caisse is a more effective investor, as shown by its results. Its size and agility give it access to major transactions. Its results prove that it can increasingly attract and retain talented employees. I'm convinced we're on the right track to achieve our ambition of becoming a benchmark organization," Mr. Rousseau concluded.

TABLE 6: PERFORMANCE BY INVESTMENT GROUP ACCORDING TO THE UNIVERSE OF MARKET INDEXES – CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

INVESTMENT GROUPS	AS AT DECEMBER 31, 2006		2006			
	Net assets	Weighting	Result of Caisse investment operations	Results of market indexes	Value added by Caisse teams' active management	
	in billions of \$	in %	in % ¹	in %	in %	in millions of \$ ²
Equity Markets	53.0	37.1	20.9	19.0	1.9	645
Private Equity	16.8	11.8	22.0	16.2	5.8	600
Asset Allocation ³	0.4	0.3	N.A.	N.A.	N.A.	377
Real Estate	23.2	16.2	20.2	18.0	2.2	357
Hedge Funds	6.5	4.6	5.7	5.0	0.7	15
Fixed Income	42.9	30.0	4.0	3.9	0.1	13
Net assets	143.5 ⁴	100.0	14.6	12.7	1.9	2,006

¹ Before operating expenses.

² After operating expenses.

³ The results for this group include asset allocation cash results.

⁴ The net assets are those presented in the combined financial statements audited by the Auditor General.

Figures may not add to totals shown because of rounding.

Source: Caisse de dépôt et placement du Québec

Source and information

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