

Press Release

Paris, January 9th 2007

SGAM Alternative Investments to close “CFO Premium”, its first CFO on Fund of Hedge Funds

SGAM Alternative Investments (SGAM AI) announces the closing of CFO Premium, a market value Collateralized Fund Obligation with a 5 year scheduled maturity, managed by SGAM AI and arranged within SGAM Group. CFO Premium has been fully subscribed and has reached its maximum size of EUR 200 million.

The CFO Premium is based on the CDO « Collateralized Debt Obligation » securitization technique. However, unlike a classic CDO, the underlying collateral is a Fund of Hedge Funds which replicates the SGAM AI Premium Fund management process without leverage. Among the Fund of Hedge Funds range of SGAM Alternative Investments, SGAM AI Premium Fund, a closed fund to new investors, has the strongest track record in terms of resilience in market downturns, an outstanding historical Sharpe Ratio and no major drawdown. The CFO Premium transaction includes 4 debt tranches rated by Moody's from Aaa to Baa2 and 1 equity tranche.

Over 200 investors in Europe, Asia and the Middle East have shown great interest in this CFO in less than 2 months. The deal was successfully distributed to a wide range of investors from traditional CDO investors to Hedge Funds specialists. The debt tranches, over-subscribed by fixed income investors, offer diversification from traditional asset classes, whereas investors at the equity tranche benefit from efficient leverage and therefore from an enhanced targeted performance.

Steven Le Moing, manager of CDO & Securitization at the Structured Asset Management Group of SGAM AI comments on the key benefits of this structure: " We have used the successful combination of Hedge Fund, securitization techniques, tight spread environment and current investors' appetite for enhanced return to offer this unique product."

Following this successful transaction, SGAM Alternative Investments is planning to arrange and distribute new CFO's in 2007, in accordance with its ambition to be a major actor in structured credit products.

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Société Générale

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs more than 103,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 21 million individual customers worldwide.
- Global Investment Management & Services: Société Générale is one of the largest banks in the euro-zone in terms of assets under custody (EUR 2 155 billion, September 2006) and under management (EUR 411 billion, September 2006).
- Corporate & Investment Banking: Société Générale ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

Société Générale is included in the five major socially-responsible investment indexes.

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Societe Generale Asset Management

Societe Generale Asset Management is one of the world's leading asset managers with € 334 billion in assets under management as at 30th June 2006. A subsidiary of the Société Générale Group, SGAM is a global player with a balanced and robust business model based on:

- its multi-center structure: 2,600 employees, including 600 managers and analysts, are located at the heart of the markets in Continental Europe and the United Kingdom, and in major centers (each with 600 employees) in the United States and Asia;
- a business that covers all asset classes: equities, fixed income, balanced, and alternative investment, where SGAM is among the leaders with almost € 54 billion in assets under management;
- access to all types of investor: institutions, distributors, corporates and individuals, all of whom benefit from SGAM's leading-edge expertise and a local service.

Thanks to cross-selling (15% of net inflows at 31st December 2005) and a focus on quality and constant innovation, SGAM has developed value-added management solutions tailored to clients' specific needs and which optimize performance and control risk.

Since 2000, SGAM has been rated AM2+ by Fitch Ratings, the top rating awarded to an asset management company for the whole of its structure. For investors, this rating is a guarantee of the professionalism of SGAM's teams and the quality of its international organization. www.sgam.com

SGAM Alternative Investments (SGAM AI) is a wholly-owned subsidiary of Societe Generale Asset Management. SGAM Alternative Investments has developed successfully by combining active asset management processes with a capital market culture that mixes innovation and risk management. With EUR 42.7 billion in assets under management at 30 September 2006, 314 employees worldwide and the strategic and financial backing of Société Générale Group, SGAM Alternative Investments has become one of the leading global specialists in alternative investments. www.sgam-ai.com
SGAM Group as a whole (SGAM AI, TCW and BAREP) manages EUR 55 billion in alternative investments assets as at 30th September 2006.