



# Press Release

Hong Kong, 26 October 2004

## SG launches Innovative 2-year Retail Equity-linked Notes

Unique features:

- Guaranteed coupon of 10% paid after 6 months
- Potential semi-annual coupons from year 1 onwards
- Automatic early redemption at the Early Redemption Amount when sum of all coupons reaches the Target Return of 18%
- Total potential return of up to 38% in 2 years
- Minimum term 1 year, maximum 2 years
- Upside potential even if the sum of coupons does not reach the Target Return

Société Générale Acceptance NV ("SGA"), a wholly-owned subsidiary of the Société Générale Group, brings a new non-capital-guaranteed equity-linked notes to Hong Kong retail investors. These notes offer potential high returns linked to the performance of a basket of 6 Hong Kong listed shares over a short maturity.

- **A guaranteed coupon of 10% paid after 6 months**  
A guaranteed coupon of 10% paid to the investors after 6 months, regardless of the performance of the basket of 6 Hong Kong listed shares.
- **Potential semi-annual coupons from year 1 onwards**  
Potential semi-annual coupons are linked to the performance of 6 Hong Kong listed shares:

China Mobile HK  
Hutchison Whampoa  
Sun Hung Kai Properties

HSBC Holdings  
Petrochina Co 'H'  
Swire Pacific 'A'

Starting from 1 year after the launch date, for every 6 months, investors may receive a potential coupon calculated as:

**8%**  
+  
**Performance (positive or negative) of the Lowest Performing Share in the Basket since launch date**

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*Total potential semi-annual coupons capped at 8% and each coupon cannot be less than 0.*

- **Automatic early redemption at the Early Redemption Amount when sum of all coupons reaches the Target Return of 18%**

At the end of 1 year, 1.5 years and 2 years, if the sum of all coupons reaches 18% of the Nominal Amount, the notes will be redeemed early by the Issuer at the relevant Early Redemption Amount.

- **Potential return as high as 38% after 2 years**

The Early Redemption Amount increases at each valuation date, to give investors a chance to achieve higher returns. Potential returns are shown below.

Valuation Date	Sum of coupons payable*	Early Redemption Amount*	Total potential return incl. capital*
Year 1	18%	110%	128%
Year 1.5	18%	115%	133%
Year 2	18%	120%	<b>138%</b>

\* As a percentage of the Nominal Amount

- **Minimum term 1 year, maximum 2 years**

The notes may be early redeemed at the end of year 1 or year 1.5 if the Target Return is reached. If not, the Notes will continue to the year 2 Maturity Date.

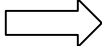
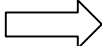
- **Upside potential even if the sum of coupons does not reach the Target Return**

Even if the Target Return is not reached over the 2 years, investors may still achieve positive returns at Maturity.

Investors are guaranteed to make a profit as long as the Lowest Performing Share in the Basket does not fall below the Strike Price (a given percentage of the closing price of the Lowest Performing Share on the launch date).

If the sum of the coupons does not reach the Target Return by the end of year 2, investors will receive the following amount depending on the value of the closing price of the Lowest Performing Share:

$$\frac{\text{Closing Price of Lowest Performing Share at end year 2} \times \text{Nominal Amount}}{\text{Strike Price}}$$

If the Closing Price of Lowest Performing Share is greater than or equal to Strike Price		The amount is paid in cash
If the Closing Price of Lowest Performing Share is less than the Strike Price		The amount is paid as a combination of Deliverable Shares and Residual Cash Amount (see Issue Prospectus for more details).

- **Distributors:**

The note is distributed by ABN Amro Bank N.V., Bank of America (Asia) Ltd., Bank of China (Hong Kong) Limited, Chiyu Banking Corporation Ltd., Citic Ka Wah Bank Limited, Liu Chong Hing Bank Limited, Nanyang Commercial Bank Limited and Wing Hang Bank Ltd until 5 November 2004.

## Note Details

Issuer:	Société Générale Acceptance N.V. (SGA)
Issuer's Guarantor:	Société Générale (Moody's Aa3, Standard & Poor's AA-, Fitch's AA-)
Issue Size:	Up to HKD 150,000,000
Offer Period:	Until 5 November 2004 (subject to extension or early closure)
Launch Date:	Expected to be 9 November 2004
Issue Date:	Expected 23 November 2004
Maturity Date:	Expected to be 23 November 2006, subject to Early Redemption
Issue Price:	100% of the Nominal Amount
Nominal Amount:	HKD 50,000 per note
Minimum Investment:	HKD 50,000 or 1 note
Strike Price:	88% of the closing price of the Lowest Performing Share on the Launch Date (estimate as at 6/10/04)
Target Return per note:	18% of the Nominal Amount
Dealing deadline:	First and third Tuesday of each month or next business day

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## NOTE TO EDITORS

### **Société Générale Group**

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 (approximately USD 1300 billion) and under management (EUR 311 billion, June 2004).
- **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.

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### **SG**

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

- **Euro Capital Market:** 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.

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