

Press Release

Singapore, 7 June 2004

INVESTORS' ENTHUSIASM FOR INNOVATIVE INVESTMENT STRUCTURES LEADS TO LAUNCH OF NEW TRIGGER CAPITAL GUARANTEED FUNDS BY LYXOR.

Attractive features of the Trigger Capital Guaranteed Fund (SGD) and Trigger Capital Guaranteed Fund (USD) (collectively the "Trigger Capital Guaranteed Funds"):

- Early Termination upon achieving the Trigger level -- **NEW!**
- Trigger level of 15% -- **NEW!**
- Guaranteed Fixed Payout of 10% as at the end of year 1
- Potential Positive Payouts from year 2 onwards in various market conditions
- Lock-in Payout feature from year 2 onwards
- Quality Underlying Basket of 30 blue chip stocks
- 100% Capital Guaranteed by Société Générale at maturity (or early termination)

Lyxor International Asset Management, the asset management arm of SG Corporate and Investment Banking, is launching the Trigger Capital Guaranteed Funds in Singapore following positive investor feedback earlier this year in Hong Kong and Singapore. Distributed by HSBC and Standard Chartered Bank, this unique investment opportunity offers potential total payouts of 15% or more in a variety of market conditions over a maturity period that can potentially be as short as 2 years. Standard Chartered Bank is offering both the Singapore Dollar-denominated fund ("Singapore Dollar Fund") and a US Dollar-denominated fund ("US Dollar Fund") while HSBC offers the Singapore Dollar-denominated fund only.

Unique features include:

■ **Achieve potential total payouts of 15% or more in as short as 2 years**

Each fund will terminate early if the trigger level of 15% is achieved or exceeded from as early as the end of year 2. The maximum term of the investment is 10 years.

■ **Trigger level of 15%**

The trigger level is not a cap –each fund will terminate as soon as the sum of the payouts equals **or exceeds** 15%. The total potential payouts may be higher than 15%.

■ **Guaranteed Fixed Payout of 10% as at end of year 1**

Investors are guaranteed to receive a 10% payout at the end of year 1. This means that investors will have achieved two thirds of the trigger level by the end of year 2. As such it enhances their chance of achieving the trigger level early, thereby triggering termination before the maximum investment term (10 years).

■ **Potential Lock-in Payout as at the end of year 2**

At the end of year 2, investors will receive a Potential Lock-in Payout per Unit equal to:

- Singapore Dollar Fund:
 $S\$10.00 \times (5\% + 25\% \times \text{average performance of the } \mathbf{6} \text{ least performing stocks in the underlying basket})$
- US Dollar Fund:
 $US\$10.00 \times (5\% + 25\% \times \text{average performance of the } \mathbf{8} \text{ least performing stocks in the underlying basket})$
- And floored at zero to protect the principal and the Guaranteed Fixed Payout

The unique payout formula ensures that each fund will perform in a variety of market conditions.

The performance of stocks is measured on the Observation Date at the end of each year and compared to their respective initial prices.

■ **Unique Lock-in mechanism from year 2 onwards**

At the end of subsequent years, investors will receive a Potential Lock-in Payout per Unit which is guaranteed to be greater than or equal to the Lock-in Payout previously paid (if any).

The formula for calculating Potential Lock-in Payouts from year 2 onwards is essentially the same as that described above, except that the Lock-in Payouts from year 2 onwards are floored at previous years Payouts (if any).

The lock-in feature ensures the potential payouts, if any, from year 3 on will only be higher than or equal to the previous year's potential lock-in payout. This enhances the visibility on future payouts and possibility of early termination.

■ **Quality Underlying Basket**

The underlying basket of stocks comprises 30 blue chip stocks with market capitalisation of at least US\$5 billion each and score at least 70% buy or hold recommendation in the Bloomberg consensus recommendations (as of 16 April 2004).

“The Trigger Capital Guaranteed Funds offer a mix of innovative features: The guaranteed fixed payout of 10% at the end of year 1, the potential short maturity period (minimum 2 years) upon achieving the trigger level of 15%, and most importantly the unique payout formula that enables performance in a variety of market conditions.” said Nicolas Reille, Director at SG Structured Products Asia ex-Japan. “The unique lock-in payout mechanism allows investors to receive a positive payout in different market conditions (should the underlying stocks be up, flat or even down by less than 20%) and ensures that future lock-in payouts cannot be lower than the previous one” he continued. “The structure of the funds offers a high minimum return guaranteed, a high upside potential and a potentially short maturity period. Therefore, the funds should appeal to a broad range of investors” he continued.

The Trigger Capital Guaranteed Funds are available for investment until 2 July at all Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank branches in Singapore.

Fund Details:

Offer period:	Until 2 July 2004
Launch date:	16 July 2004
Maturity date:	16 July 2014
Earliest possible maturity date:	20 July 2006
Base currency:	S\$ (For Singapore Dollar Fund) / US\$ (For US Dollar Fund)
Offer price:	S\$9.70 or US\$9.70 per unit
Minimum investment:	S\$5,000 or US\$5,000
Initial sales charge:	3%
Realisation charge:	0%
Management fee:	0.1% p.a.
Dealing deadline:	Each Tuesday
Manager:	Lyxor International Asset Management (a 100% SG subsidiary)
Guarantor:	Société Générale (AA-, Aa3)

The payouts and capital guaranteed amount at the applicable dates are calculated based on S\$10.00 per unit and US\$10.00 per unit for the Singapore Dollar Fund and the US Dollar Fund respectively so that the returns per unit are not impacted by the subscription fee. The payouts will only be payable to units in issue at the relevant payout calculated date. Units redeemed prior to such dates are not entitled to the relevant payouts. Since the maximum investment period of the funds is 10 years, investors should regard investments in the funds as 10-year investments and should also consider their need to maintain sufficient liquid assets during the investment period of the funds and satisfy themselves that the funds are suitable for them in terms of their own circumstances and financial position before making any decision to invest in the funds. The guarantee only applies to units that are held until the maturity date or early termination date. Units that are redeemed before such dates are fully exposed to fluctuations in the value of the funds’ assets and the realization price may be lower than the guaranteed value. The guarantee is issued by Societe Generale and is subject to guarantor risk. Investments in the funds involve risks. The value of units of the funds and the income from them, if any, may fall or rise. A copy of the prospectus is available and may be obtained from the authorized distributors. Investors should read the prospectus before investing in the funds. This product is not a bank deposit and is not guaranteed by the authorized distributors of any of their affiliates or subsidiaries. Investors may wish to seek advice from a financial adviser before making a commitment to invest in the funds. In the event that an investor chooses not to seek advice from a financial adviser, the investor should consider whether the funds in question are suitable for him.

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NOTE TO EDITORS

Société Générale

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 1200 billion) and under management (EUR 284 billion, December 2003).
- 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. www.socgen.com

SG

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- Euro Capital Markets: A top ten player in debt and equity segments (bonds, securitisations, syndicated loans, equity-linked and equity issues).
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Combining innovation and quality of execution, SG provides corporates, financial institutions and investors with value-added integrated financial solutions. www.sgcib.com

SG EQUITY DERIVATIVES AND STRUCTURED PRODUCTS

SG has a proven track record and a leading market reputation in equity derivatives and structured products. It was named “Equity Derivative House of the Year 2003” by The Banker, “Equity Derivatives House of the Year 2001 and 2003” by Asia Risk, « Equity Derivatives House of the Year 2003” by Asiamoney, « Equity Derivatives House of the Year 2003” by The Asset, and “Equity Derivatives House of the Year 2001 and Year 2002” by Risk Magazine. SG is well qualified to provide the necessary risk management techniques required for pricing and hedging these types of complex derivatives.

LYXOR INTERNATIONAL ASSET MANAGEMENT

Lyxor International Asset Management (“Lyxor”) is a 100% subsidiary of SG, fully dedicated to structured funds activities. Its mission is to facilitate access to innovative structured investments: equity and index derivative instruments and capital guaranteed or leverage products. Lyxor’s Altus Trust Fun-Ride Guaranteed Fund and Currencies series was named Best Capital Guaranteed Product 2003 by The Asset. As of April 2004, Lyxor managed close to USD 43.6 billion of assets through more than 945 funds, and employed more than 120 people.

Past performance is not necessarily indicative of the future performance.