

Press release

SGAM Alternative Investments launches Euronext-quoted structured funds on the FTSEurofirst 80 index

Paris, 20 March 2006 – Two new structured exchange-traded funds (ETFs) based on the **FTSEurofirst 80** index were admitted to listing on Euronext today. The funds, launched by SGAM Alternative Investments, a global player specialised in structuring high added-value products, are quoted on the Structured Funds compartment of Euronext's NextTrack segment.

These two products are the first listed structured funds based on a eurozone equity index. They provide investors with active exposure to FTSEurofirst 80 and, depending on the profile, either a cushion (i.e. partial capital protection) or leverage.

Philippe Brosse, Chief Executive of SG AM Alternative Investments, said: "By launching two funds based on the FTSEurofirst 80 index, we are extending our product range to the euro zone. The FTSEurofirst 80 is ideal because it fits in with our policy of offering innovative, high quality index products. This is our second offering and follows on from the CAC 40 funds we launched in October 2005".

In a joint statement, Xavier Leroy, Director of FTSEurofirst at Euronext, and Imogen Dillon Hatcher, Managing Director at FTSE Group said: "The decision by SGAM Alternative Investments to choose the FTSEurofirst 80 confirms the market's growing interest in this index, which responds more effectively to the need for greater coverage and sector representation in the euro zone. Some 50 products have been launched on the index in Europe in less than two years and this is the first time structured ETFs have been launched on the FTSEurofirst 80".

The FTSEurofirst 80 is the tradable eurozone index from the FTSEurofirst index series created jointly by FTSE Group and Euronext. It comprises 80 eurozone stocks, 60 of which are chosen on the basis of free float and the other 20 for sector representation. This makes it possible to replicate more accurately the overall performance of equity markets within the euro zone.

SGAM structured exchange-traded funds are managed using the portfolio insurance (or "cushion") method¹. They combine the benefits of structured management with the transparency of continuously quoted ETFs.

- The first fund has **built-in insurance**. For a limited risk, investors obtain partial capital protection, revised annually on the basis of 80% of the previous year's net asset value², while capturing some or all of the performance of the FTSEurofirst 80.

¹ The portfolio insurance method consists in regularly and automatically adjusting the relative proportions of risky and non-risky assets in a portfolio (i.e. assets exposed to an index, and money market instruments) to provide partial or total protection for the invested capital.

² In 2005, the net asset value used as a reference for calculating the protection feature was the starting net asset value.

- The second provides **leverage**. Replicating up to 200% of the gains or losses on the FTSEurofirst 80, it is intended for active, experienced investors seeking to give their portfolio an extra percentage edge by taking on more risk without using derivatives.

The two funds are quoted in Paris on the new Structured Funds compartment of NextTrack, the segment of Euronext specialised in ETFs. The compartment opened for business on 19 October 2005 with the listing of the first leveraged and cushion-managed funds on the CAC 40 index.

The listing of these two new products is yet another sign of NextTrack's buoyant momentum. It also confirms the wisdom of the decision to open the Structured Funds compartment to meet the market's needs for transparency and flexibility in this type of product. ETFs are as easy to trade as shares since their index exposure is known at all times and their net asset value is calculated and disseminated continuously.

FTSEurofirst indices

FTSEurofirst indices are a tradable set of European indices launched on 29 April 2003 by Euronext and FTSE Group, the leading global index provider. Those indices combine high liquidity and broader, more accurate market coverage to provide a superior index solution for trading in European equities. The FTSEurofirst series comprise three indices: the FTSEurofirst 80, which covers the euro zone with a basket of 80 stocks; the FTSEurofirst 100, made up of a pan-European selection of 100 stocks; and the FTSEurofirst 300, made up of the 300 largest capitalizations in the FTSE Developed Europe index. Options and futures on FTSEurofirst indices are available on Euronext.liffe, the derivatives arm of Euronext.

Société Générale Group

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 19 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 2,000 billion*) and under management (EUR 386 billion, December 2005).
- Corporate & Investment Banking: Société Générale ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

** pro forma figures including UniCredit's Securities Services*

Societe Generale Asset Management (SGAM) is one of the world's leading asset managers with € 327 billion in assets under management as at 31st December 2005.

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 € 46 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

Société Générale Asset Management Alternative Investments (SGAM AI) is a wholly-owned subsidiary of Société Générale 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 36 billion in assets under management at 31st December 2005, 268 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 46 billion in alternative investments assets as at 31st December 2005.

Euronext

Euronext, the first pan-European exchange, results from the September 2000 merger of equity and derivatives markets in Amsterdam, Brussels and Paris. BVLP, the Portuguese exchange and LIFFE, the international derivatives exchange, joined Euronext in 2002. Euronext offers services that include listing of financial instruments, trading in securities and derivatives, data dissemination and IT support. Measured by value and number of trades processed through its central order book, Euronext is the largest cash equity market in Europe. Euronext.liffe, the derivatives business of Euronext, is Europe's second largest derivatives exchange by volume and the value of listing.

www.euronext.com

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