

## Press Release

Paris, 17 January 2007

### **SGAM Alternative Investments launches on Euronext Paris the first ETF offering a reverse exposure to the variation of the CAC 40<sup>®</sup> index**

SGAM Alternative Investments (SGAM AI) announces the launch on Euronext Paris of two new ETFs (Exchange Traded Funds), which complete the range of structured ETFs of SGAM ETF. Designed to obtain a reverse exposure to the variation of the CAC 40<sup>®</sup> index ("bear strategy"), they are admitted for listing on the active ETFs compartment of Euronext's NextTrack segment.

**SGAM ETF Bear CAC 40** offers a reverse exposure up to 100% to the CAC 40<sup>®</sup> Total Return index, enhanced by a monetary return,  
**SGAM ETF XBear CAC 40** offers a reverse exposure up to 200% to the CAC 40<sup>®</sup> Total Return index, enhanced by a monetary return.

The reverse exposure to the index is variable and can be modified at the end of each quarter with 7 day prior notice. Based on fundamental and quantitative analysis, a Management Committee composed of fund managers and analysts of SGAM AI anticipate the upcoming trend and volatility to issue signals. These signals are used to reset the reverse exposure of the product if necessary. At the launch date, the reverse exposure to the index is fixed at 75% for SGAM ETF Bear CAC 40 and at 175% for SGAM ETF XBear CAC 40.

According to the exposure to the index, the ETF performance will be enhanced by a money market return which can reach 2 times the no risk interest rate EONIA for SGAM ETF Bear, and 3 times EONIA for SGAM ETF XBear.

SGAM ETF Bear and SGAM ETF XBear are intended for institutional investors who do not wish to use futures to set up a bear strategy or to hedge a portfolio. They also allow the implementation of a long-short arbitrage strategy between an equity portfolio and the CAC 40<sup>®</sup> index, in order to only extract the outperformance from the portfolio, independent of the direction of the market.

The investment in SGAM ETF Bear CAC 40 and SGAM ETF XBear CAC 40 offers reduced costs as the funds do not charge any entry or exit fees.

Structured ETFs are as easy to trade as shares since their exposure to index is known at all times and their net asset value is calculated and communicated continuously.

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SGAM AI's structured exchange-traded funds combine the benefits of structured management with the transparency of continuously quoted ETFs. Based on an actively managed exposure to

the index, they provide a cushion (i.e. partial capital protection), leverage or a reverse exposure to the index, depending on their "Flexible", "Leveraged" or "Bear or XBear" profile.

### **Press contacts :**

#### **Société Générale GIMS**

Joëlle Rosello +33 1 56 37 18 88  
Jolyon Barthorpe +33 1 56 37 88 17

#### **Euronext**

Antoinette Darpy +33 1 49 27 53 75  
Eléonore Fleury +33 1 49 27 10 66

#### **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 (over EUR 2 155 billion, 30 September, 2006) and under management (EUR 411 billion, September 30, 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.

[www.socgen.com](http://www.socgen.com)

**Societe Generale Asset Management** is one of the world's leading asset managers with € 345bn in assets under management as at September 30,2006.

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 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 € 55 bn 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 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](http://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. SGAM Group as a whole (SGAM AI, TCW and BAREP) manages EUR 55 billion in alternative investments assets as at 30<sup>th</sup> September 2006.

[www.sgam-ai.com](http://www.sgam-ai.com)

#### **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](http://www.euronext.com)