

Press release

Paris, London 2 May 2007

Société Générale Corporate & Investment Banking launches a second issuance of its *Albatros* CPPI transaction, managed by IXIS AM

Société Générale Corporate & Investment Banking and IXIS Asset Management (IXIS AM) announce a second issuance of *Albatros*, a long/short Constant Proportion Portfolio Insurance (CPPI) on European Asset-Backed Securities (ABS) and corporate Credit Default Swap (CDS). *Albatros* aims to provide diversification to institutional investors while offering an attractive risk/return profile.

Albatros offers investors an ABS and pure credit leveraged exposure without any correlation risk. The managed portfolio is composed of three different buckets. European Investment Grade ABS will bring stability to the structure, the long corporate exposure will create value through its positive carry and the added-value bucket will enable the manager to generate return without market directionality.

Investors can enter into *Albatros* either through a capital guaranteed note or a Total Return Swap (TRS). The TRS offers the possibility to transfer directly the performance of the managed credit portfolio to the investors.

Albatros' first issuance of Euro 250M has attracted more than 20 Investors from Asia, Central and Eastern Europe and the Middle East, with nine different formats offered to fit investors' specific needs.

Commenting on *Albatros*, Béatrice Benhamou, responsible for credit structuring in France at Société Générale Corporate & Investment Banking, said, "Compared to CDOs, CPPIs offer investors dynamic management of the leverage coupled with the expertise of an experienced credit manager such as IXIS AM. This flexibility will be accrued in *Albatros* thanks to the Gap Value at Risk model, developed by Société Générale Corporate & Investment Banking, which comprehensively accounts for the diversification and the stability embedded within the ABS and the long/short buckets."

Commenting on *Albatros*, Stéphane Caron, Head of ABS Investments at IXIS Asset Management, said, "Despite the recent volatility in the US ABS market, European ABS tranches demonstrated a very stable performance, especially for the higher ratings and granular sectors, targeted for *Albatros* portfolio."

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A French corporation with share
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Société Générale Corporate & Investment Banking and IXIS AM target the last week of April for the second closing date of the transaction.

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Société Générale

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 120,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 22,5 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 2 262 billion, December 2006) and under management (EUR 422 billion, December 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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Société Générale Corporate & Investment Banking

A leading player present in over 45 countries across Europe, the Americas and Asia-Pacific, Société Générale Corporate & Investment Banking ranks third in the euro zone in terms of NBI. It is the bank of reference for:

- **Euro capital markets.** A top 5 player across euro debt capital markets (bonds, securitisation, loans), and a leader in French Equity Capital Markets with European reach.
- **Derivatives.** A world leader in equity derivatives, and with forefront positions in many interest rate, credit, foreign exchange and commodities derivatives.
- **Structured finance.** A worldwide leader in export, project and structured commodity finance with global expertise in energy, infrastructure, real estate and media & telecom finance.

Tailoring solutions in terms of capital raising, financing, risk management and investment, Société Générale Corporate & Investment Banking combines expertise, innovation and advisory skills coupled with quality of execution to both issuers and investors clients across debt and equity.

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IXIS Asset Management

IXIS AM Group is a leading French asset manager with over €459 billion of assets under management worldwide (as of December 29, 2006), of which €268 billion is managed in Paris. Since 2000, IXIS AM has developed an expertise in the structured credit market with a highly experienced team (15 years of experience on average). The CDO platform employs 26 professionals. A team of 4 managers is dedicated to ABS investments and a team of 7 persons is in charge of corporate, the latter being also responsible for CDO and CPPI management. As of today, IXIS AM manages 15 CDO, one corporate CPPI (Catamaran), a fund of CDO equity tranches and a fund of ABS (IXIS ABS Plus).

www.ixis-am.com