

Press release

Launch of first structured funds listed on Euronext

SGAM ETF: the first leveraged and cushioned funds indexed on the CAC 40[®] and quoted continuously

19 October 2005 – Today sees the launch of the first-ever structured funds to be quoted continuously on Euronext. These pioneering products are designed by SG AM Alternative Investments, a global player in alternative asset management and a specialist in structuring high value-added products. They will be listed in Paris on the new Structured Funds compartment of Euronext's NextTrack segment.

Unveiled today by SG AM Alternative Investments, the first two funds in the SGAM ETF range will provide investors with actively managed exposure to the CAC 40 index and, depending on their profile, either partial capital protection or leverage. The funds are managed using the "portfolio insurance" or "cushion" method¹. They combine the benefits of a structured investment with the transparency of continuously exchange-traded funds.

- The first fund has **built-in portfolio 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 CAC 40 index.
- The second provides **leverage**. Replicating up to 200% of the gains or losses on the CAC 40, it is intended for active, experienced investors seeking to boost their portfolio performance by taking on more risk without using derivatives.

Listed in the Structured Funds compartment of NextTrack, the new funds meet the same requirements as all other NextTrack products:

- **transparent**: index exposure is known at all times, and the indicative net asset value is calculated and disseminated continuously
- **flexible**: funds can be bought and sold as easily as shares
- **liquid**: two market makers provide continuous liquidity throughout the trading session
- **secure**: a trading range with upper and lower limits ensures that trades remain close to fair prices

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 is the starting net asset value.

Philippe Brosse, Chief Executive of SG AM Alternative Investments, says: "With this groundbreaking launch, SG AM Alternative Investments has once again demonstrated its ability to structure high value-added products while harnessing the outperformance potential of active asset management. This expertise reflects the strength of a global player in alternative investment. Through the SGAM ETF range of active exchange-traded funds, SG AM Alternative Investments aims to play a key role in the market for innovative ETFs, supported by the SG Asset Management group at international level. We plan to quickly expand the range to include other leading European indices".

According to Marianne Demarchi, Director of Business Development, Strategy and Products for Euronext, "Four years after Euronext inaugurated NextTrack, the segment specialised in trackers, we now quote 68 trackers with 55 underlyings. Encouraged by this achievement, Euronext is pleased to be opening a new NextTrack compartment specialised in Structured Funds, which will host the first structured funds launched here today by SG AM Alternative Investments. Opening this new compartment is a logical step for Euronext: the market in exchange-traded structured funds has grown sharply in recent years, and the products meet the needs of issuers and investors for transparency and tradability".

SGAM Alternative Investments: This wholly-owned subsidiary of SG Asset Management has developed successfully by combining active asset management processes with a capital market culture that blends innovation and risk management. With nearly €28 billion under management, 235 employees worldwide and the strategic and financial backing of Société Générale Group, SGAM Alternative Investments has become one of the leading global specialists in its field. www.sgam-ai.fr

SG Asset Management

SG Asset Management (SG AM) is one of the world's leading asset managers with €298 billion under management at 30 June 2005.

A subsidiary of Société Générale Group, SG AM is a global player with a balanced and robust business model based on:

- a multi-centre 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 centres (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 SG AM is among the leaders with €40 billion in assets under management;
- access to all types of investor: institutions, distributors, corporates and individuals, all of whom benefit from SG AM's leading edge expertise and a local service.

Through cross-selling, which accounted for more than one-third of net inflows in 2004, and a focus on quality and constant innovation, SG AM has developed value-added management solutions tailored to clients' specific needs and which optimise performance and control risk. Since 2000, SG AM 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 SG AM's teams and the quality of its international organisation. www.sgam.com

About Euronext

Euronext, the first pan-European exchange, results from the September 2000 merger of equity and derivatives markets in Amsterdam, Brussels and Paris. BVL, 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 trading. www.euronext.com

Press contacts:

Société Générale GIMS:	Joelle Rosello	+33 1 5637 18 88
	Jolyon Barthorpe	+33 1 5637 88 17
Euronext:	Amsterdam	+31 20 550 4488
	Brussels	+32 2 509 1392
	Lisbon	+351 217 900 000
	Paris	+33 1 49 27 11 33