

## Press Release

Hong Kong, 20 August 2008

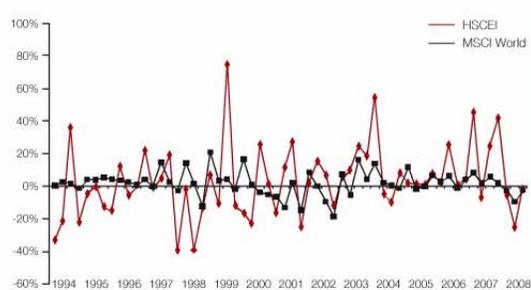
### Lyxor AM launches China All Weather Guaranteed Fund to leverage gains from both Up and Down markets

On the back of increasing volatility of China equity market, Lyxor Asset Management ('Lyxor AM'), a wholly-owned subsidiary of Société Générale, is pleased to announce today the launch of the Lyxor China All Weather Guaranteed Fund (the "Fund") aiming at providing investors with the best of both worlds.

The Fund is well-placed as a market neutral investment to help investors who want to tap the opportunity brought by the China market without risking capital depreciation. Its objective is providing investors with 1.5% guaranteed coupon<sup>1</sup> after 1 year, 100% capital guaranteed<sup>2</sup> and potential growth (if any) upon its maturity. Its "All Weather" solution further caters to the core need of investors in terms of delivering a potential return linked with the absolute performance of the Hang Seng China Enterprises Index ("the Index") in both up and down markets.

China equity market is undergoing a period of adjustment triggered by worries of uncertainties from oil price, interest rates, geopolitical and economic factors. Compared to the world equity, the volatility of the China market is on the rise and the ups and downs of the Index have been more drastic.

Quarterly performance of Hang Seng China Enterprises Index (HSCEI) vs. World Equity Since 1994



	Average positive return	Average negative return
HSCEI	+16.6%	-15.4%
MSCI World Index	+5.7%	-5.7%

Source: Bloomberg, as of 30 June 2008.  
Past performance is not indicative of future returns.

Indices	Historical Price Volatility*
HSCEI Index	40.99%
India BSE SENSEX Index	37.33%
Hang Seng Index	28.55%
Brazil Bovespa Stock Index	28.21%
Taiwan TAIEX Index	25.76%
Russian RTS Index	24.32%
Nikkei 225 Index	23.60%
KOSPI 200 Index	21.66%
DJ Euro STOXX 50 Index	19.36%
S&P 500 Index	19.33%
MSCI World Index	13.60%

\*Historical price volatility based on 90 days and local currency.  
(Source: Bloomberg, from 1 August 2007 to 31 July 2008)

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PRESS RELATIONS

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SOCIETE GENERALE  
A French corporation with share  
capital of  
EUR 738.409.055  
552 120 222 RCS PARIS

Owing to market uncertainties and high volatility, investors tend to look for conservative and stable means of investment. The Fund aims at meeting the requirements of various categories of investors, whether they hold optimistic or conservative investment views.

The structure of the Lyxor China All Weather Guaranteed Fund is very simple. At the end of the first year, investors will receive a guaranteed coupon<sup>1</sup> of 1.5% regardless of the Index performance. At each quarter, the “quarter-to-quarter” performance of the Index will be recorded in absolute value, subject to the Cap<sup>4</sup> (expected to be 17%). Any negative index movement will be reversed to positive. Altogether 8 absolute performances<sup>3</sup> will be used for potential return calculation at maturity. On the maturity date, investors will receive the higher of:-

1. US\$10.00 x (Sum of Absolute Performances<sup>3</sup> – Guaranteed Coupon<sup>1</sup>); or
2. 100% of the Offer Price (i.e. US\$10.00 per Unit)<sup>2</sup>

**Fund details:**

Offer Period	20 August 2008 to 24 September 2008
Launch Date	30 September 2008
Maturity Date	4 October 2010
Base Currency	US Dollar
Offer Price	US\$10.00 per Unit
Minimum Subscription	US\$3,000
Initial Sales Charge	0%
Realisation Fee	0%
Management fee*	Up-front management fee: 2.00% for 2 years (total up-front fees: 2.70%)* Annual management fee: 0.15% per annum
Dealing Deadline	First and third Wednesday of each month (Redemption only)
Fund Manager	Lyxor Asset Management (100% SG Subsidiary)
Guarantor	Société Générale (Standard & Poor’s AA-, Moody’s Aa2)

The Fund is distributed by ABN AMRO, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia), Chong Hing Bank, Citibank (Hong Kong) Limited, CITIC Ka Wah Bank, Dah Sing Bank, DBS Bank (Hong Kong) Limited, Hang Seng Bank, KGI Asia, MEVAS Bank, Public Bank (Hong Kong), Shanghai Commercial Bank, Sun Hung Kai Financial, The Hongkong and Shanghai Banking Corporation Limited and Wing Hang Bank.

\* It is expected that the total charges and expenses deducted from the Net Asst Value of the Fund and paid or payable by the Fund (i.e., management fee, aggregate Trustee’s Fees, Auditors’ Fees, Custodian’s Fees and Registrar’s Agent’s Fees, and establishment costs and expenses) will represent approximately 3% (including the up-front fees of 2.7% as well as the annual management fee of 0.15% per annum over the 2 years investment period) of the Net Asset Value of the Fund, the final amount of total charges and expenses will depend on the Net Asset Value of the Fund. The up-front fees will be deducted at the time of subscription and the remaining amount would be invested by the Fund. Investor should note that even if they redeem their holdings before maturity, they will still bear the full up-front fees.

<sup>1</sup>Guaranteed Coupon will only be payable in respect of those Units in issue as at the Coupon Date. Units redeemed prior to the Coupon Date will not be entitled to the Guaranteed Coupon.

<sup>2</sup>The guaranteed only applies to investors who hold the investment until the maturity date. Dealings before such date are fully exposed to fluctuations in the value of the Fund's assets. The realisation price may be lower than the guaranteed value. Please refer to the Fund Specific Memorandum for details of the guarantee.

<sup>3</sup>Absolute Performance is the absolute value of the Performance (t) (t = 1 to 8) (i.e. in the case where the Performance (t) (t = 1 to 8) is a negative figure, with the negative sign of the Performance (t) (t = 1 to 8) removed and just adopting the numerical value thereof for the purpose of determining the Absolute Performance (t) (t = 1 to 8)) calculated as of the relevant Observation Date (t) (t = 1 to 8). The value of the Absolute Performance (t) (t = 1 to 8) is capped at the value of the Cap. Please refer to the Fund Specific Memorandum for details of the Absolution Performance.

<sup>4</sup>The Cap is expected to be between 15% and 19%. As of 11 August 2008, the estimated limit is 17%. The limit will be determined between the beginning of the offer period and the launch date and the final figure may be different from the estimate. The launch of the Fund will be cancelled in the event that, based on the prevailing market conditions between the Offer Period and the Launch Date, the Manager would not be able to secure (at normal commercial rates) option transactions and deposit transactions which would enable the Cap to be at least 15%.

Lyxor AM is one of the leaders in structured asset management. Since 1998, it has developed an award winning range of structured funds to cater to the dynamic needs of investors in Asia.

In particular, **Lyxor Asset Management** was named or awarded the following:

***“Asset Manager of the Year”***

- ▶ Asia Risk (2007, 2004)

***“Best Overall Investment Platform”***

- ▶ Hedge Funds Review (2007)

***“Best Managed Accounts Platform”***

- ▶ Albourne (2006 & 2004)

***“Best Capital Guaranteed Product”***

- ▶ The Asset
  - ▶ Lyxor Absolute Korea Guaranteed Fund (2006)
  - ▶ Reverso Capital Guaranteed Fund Series (2005)
  - ▶ Fun-Ride Guaranteed Fund & Currencies Series (2003)
  - ▶ Swing Guaranteed Fund Series(2002)

***“Best Structured Product – Equity” & “Best Structured Product – Hong Kong”***

- ▶ The Asset
  - ▶ Lyxor Alpha Equity Fund – Hang Seng Index (2008)

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**Société Générale**

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 151,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 30 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 2 733 billion, June 2008) and under management (EUR 381.4 billion, June 2008).
- 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)

**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 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.

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

**Lyxor Asset Management ("Lyxor AM")**

Created in 1998, Lyxor AM currently manages EUR 72.1 billion. A wholly-owned subsidiary of Société Générale Group, belonging to the Corporate and Investment Banking arm of the group, the asset management company specialises in three businesses:

- Alternative Investments (EUR 25.4 billion). Lyxor AM offers a broad range of hedge funds, funds of hedge funds and absolute return funds, adhering to high risk-management standards and rigorous hedge fund manager selection guidelines. Lyxor AM gained its prominence with its hedge fund platform. This platform includes more than 170 hedge funds covering all principal strategies and represents a diversified investment universe benefiting from a high level of transparency, security and liquidity.
- Structured Management (EUR 19.9 billion). Lyxor AM offers investment solutions to its customers adapted to their risk profiles and return objectives. These solutions integrate the innovations of the Group into this domain, world number 1 as regards structured products on equity.
- Index Tracking (EUR 27.3 billion). Lyxor AM offers one of the most diversified and liquid range of ETF (Exchange Traded Funds). The company is one of the top players of the European ETF industry. Lyxor ETFs are listed in Europe and Asia and reflect Equity, Bond and Commodity markets.

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