

PRESS RELEASE

London, 1 October, 2012

SOCIETE GENERALE UNVEILS UK'S FIRST DAILY LEVERAGE PRODUCTS ~5 TIMES THE DAILY PERFORMANCE OF THE FTSE 100 TR~

Societe Generale has launched the UK's first Daily Leverage Products, which aim to provide sophisticated UK retail investors with enhanced returns via shorter, more tactical trading opportunities on the FTSE 100 TR, without putting more than their initial investment at risk.

Listed on the London Stock Exchange (LSE), Daily Leverage Products are designed to provide investors with a simple, flexible and transparent way to enhance their potential profits from the daily rise or fall of the FTSE 100 TR by multiplying its daily performance by a factor of five.

Using either a Daily Long 5 if they anticipate a rise, or a Daily Short 5 if they expect a fall in the FTSE 100 TR, investors can gear up their exposure by five times. This means that every 1 per cent rise or fall in the FTSE 100 TR from the previous day's closing price will generate a 5 per cent move in the price of the Daily Leverage Product before fees. To provide this leverage effect, the Daily Leverage Product tracks a leveraged Underlying Index, which is created and calculated independently by FTSE.

Trading with 5 times leverage can be a risky business. This is why Daily Leverage Products include two important safety mechanisms. The first is the index's Air Bag mechanism, which is designed to reduce the impact of an extreme fall in the FTSE 100 TR during market hours. The second is the Gap Premium, which is effectively insurance to protect investors from an extreme movement in the FTSE 100 TR overnight. Both are designed to ensure that investors cannot lose more than they invested.

Daily Leverage Products can be bought and sold at any time during LSE market hours just like a share in a UK stockbroker account or SIPP. The minimum trading amount for a Daily Leverage Product is one unit, which costs £100 at launch.

Daily Leverage Products were first launched by Societe Generale in France in November 2010. Today, Societe Generale offers French investors the chance to leverage the performance of the CAC 40 or a number of single stocks by 3, 5, 7 & 10 times. The range has proved extremely popular with nearly 250,000 trades and over €1.6bn in turnover. Societe Generale is looking to replicate this success in the UK with a similar range of Daily Leverage Products on the main UK underlying assets.

Full details of Daily Leverage can be found on www.sglistedproducts.co.uk
We recommend that investors consult their own independent professional advisers before trading.

-ENDS-

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Notes to editors

Product details

	Daily Long 5	Daily Short 5
Issuer	Societe Generale Acceptance	Societe Generale Acceptance
Epic / ISIN	UKL5 / CWN8138Y4548	UKS5 / CWN8138Y4704
Expiry Date	18/09/15	18/09/15
Underlying Index	X5 Daily Leveraged RT FTSE 100 NET TR Index	X5 Daily Short Strategy RT FTSE 100 GROSS TR Index
Level of the underlying index as of 26/10/12 at 9am	11,331	5,597
Parity	100	50

How do Daily Leverage Products create the leveraged return?

Daily Leverage Products are linked to the performance of the X5 Daily Leveraged RT FTSE 100 TR Index series (Daily Leveraged Indices). These Underlying Indices aim to multiply the daily performance of the FTSE 100 TR Index by a factor of 5. The price of a Daily Leverage product will rise or fall in line with the Underlying Index that it tracks.

Daily Long 5s are for investors who believe that the FTSE 100 is set to rise over the trading day, and want the opportunity to multiply their returns by a factor of 5. As a long investment, a Daily Long 5 will rise by approximately 5% for every daily 1% rise in the FTSE 100 TR.

Daily Short 5s are for investors who believe that the FTSE 100 is set to fall over the trading day, and want the opportunity to enhance their returns by a factor of 5. As a short investment, a Daily Short 5 will rise by approximately 5% for every daily 1% daily in the FTSE 100 TR.

Trading Daily Leverage Products

Daily Leverage Products are investment products that are listed with live pricing publicly available on the London Stock Exchange (LSE) and trade like a share through an existing stockbroker account or Self Invested Personal Pension (SIPP) at any time during LSE market hours (8:00am to 4.30pm).

The minimum trading amount for a Daily Leverage Product is one unit, which costs £100 at launch. However, the price of a Daily Leverage Product will rise and fall throughout the LSE Trading Day in line with changes in the price of the FTSE 100 TR.

Costs & Fees

Trading costs are kept as low as possible. Investors trading in and out of a Daily Leverage Product in the same day will simply pay a dealing commission to their broker, and a small spread on the BID / ASK prices, i.e. a small difference between the buy price and sale price. The wider the spread, the greater the cost will be of selling back your product.

Commission

Investors who wish to hold their position over night will pay a Commission of 0.50% per year in the same way as they would with a fund. The Commission is charged daily and taken from the value of the product at a pro-rated rate of approximately 0.0013% per day..

Gap Premium

Gap Premium is essentially a form of insurance that is embedded in the price of the product to limit an investors risk from extreme market movements overnight. Without the Gap Premium, if the FTSE 100 TR was to open more than 20% against them, investors could lose more than their initial investment as the product would lose more than 100% of its value.

The combination of the Gap Premium and Commission will impact the relationship between a change in price of the Underlying Index and the price of the Daily Leverage Product over time. We call this relationship 'Ratio'. Societe Generale will adjust the ratio if costs and fees represent greater than 20% of the cost of the Daily Leverage Product.

Dividends

As Total Return Indices, dividends are re-invested in the performance of the Underlying Indices. This is the only difference to the FTSE 100 which is a Price Return Index and therefore does not include dividends in the Index performance.

Taxation

Investments made outside of a tax efficient wrapper will be subject to Capital Gains Tax*. Unlike a UK share purchase, investors will not be charged the 0.5% Stamp Duty usually incurred.

Key Risks

- **Counterparty Risk** – Daily Leverage are issued by Societe Generale Acceptance N.V., a member of the SOCIETE GENERALE group of companies. Any failure by Societe Generale to make payments due under the Daily Leverage Product may result in the loss of all or part of your investment. You will have no claim for compensation from the Financial Services Compensation Scheme or any other scheme where the Issuer is domiciled.
- **Capital at Risk** – Capital is fully at risk, we recommend that you consult your independent professional advisor before investing.
- **Leveraged returns** - Leveraged returns are a major advantage of Daily Leverage Products but can also work against you. You should be aware that, if the FTSE 100 TR moves in the opposite direction to that which you anticipated, the losses incurred by the Daily Leverage Product will be greater in percentage terms than those incurred by a direct investment in the FTSE 100 TR itself. The price of a Daily Leverage Product can therefore be volatile.
- **Compound returns** - As the product is reset on a daily basis, your capital could erode very quickly following a continued succession of positive (Daily Short 5) or negative (Daily Long 5) performance of the FTSE 100.
- **Underlying Risk** – The value of the product will depend on the value of the X5 Daily Leveraged RT FTSE 100 TR Index series, which are linked to the FTSE 100 TR. The FTSE 100 TR can be volatile and may move in the opposite direction to that which you anticipated.
- **Liquidity Risk / Early Sale Risk** – Societe Generale is the only market-maker and therefore the only party providing prices for the Product. Trading prices will only be available in normal market conditions. You can sell a Daily Leverage Product before the end of its term but may get back less than you invested irrespective of the performance of the Underlying Asset.

We recommend that investors study the final terms of your chosen product and seek advice from an independent professional adviser before making an investment decision.

Important Information

Daily Leverage Products are Securitised Derivatives suitable for sophisticated retail and professional investors in the UK, who have a good understanding of the underlying market and characteristics of the security. In particular, it is important that an investor appreciates at the outset that they could lose all their capital when investing in this securitised derivative, even if it is held until the end of its term.

A securitised derivative (SD) is a security listed on the London Stock Exchange and issued by a bank via an Issuing Programme which is approved by the UK Listing Authority. Final Terms are published for each SD which provide investors with its characteristics and its pay-off at maturity. The product features given in the Final Terms are prescribed by the approved Base Prospectus.

*The tax statement is only a general guide. The tax treatment of investments will depend on your individual circumstances. If you are in any doubt as to your tax position, you must consult with an appropriate professional tax adviser. This statement of the UK tax treatment of the Plan is based on our understanding of the laws and practice in force as of the date of this document and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect.

Societe Generale

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Its 160,000 employees based in 77 countries, accompany more than 33 million clients throughout the world on a daily basis. Societe Generale' teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- Retail banking in France with the Societe Generale branch network, Credit du Nord and Boursorama
- International retail banking, with a presence in Central and Eastern Europe and Russia, in the Mediterranean basin, in Sub-Saharan Africa, in Asia and in the French Overseas Territories
- Corporate and investment banking with a global expertise in investment banking, financing and global markets.

Societe Generale is also a significant player in the socially-responsible investment indices FTSE4Good and ASPI.

For more information, you can follow us on twitter @societegenerale or visit our website www.societegenerale.com.