

World Timberland Index Accelerator

130% participation in any rise, 1-1 downside

Investment objective:

To offer 130% participation in any rise in the TIMBEX, the World Timberland Index, with no currency risk and just one for one downside participation.

SG TIMBEX Accelerator

The SG TIMBEX Accelerator is a London Stock Exchange traded instrument, issued by SG, with the following characteristics:

- 130% participation in any rise in the TIMBEX
- One for one participation in any fall
- No currency risk

Why invest in the TIMBEX Accelerator ?

The TIMBEX is a benchmark index for World Timber Land Companies. It is composed of the 15 largest and most liquid listed stocks in the Forestry Products, Real Estate and Paper sectors, screened for significant Timber Land assets.

Although past performance does not guarantee future performance, historically, Timber Land investments have benefited from good returns with low volatility and low correlation with other asset classes.

If held to expiry, the holder of the tracker will receive 130% of any rise in the TIMBEX (USD) Price Index (with reference to the index level on the initial reference date).

Should the index fall by maturity, the holder will only receive one-for-one participation in the downside.

How to trade the Accelerator

The Accelerator is traded on the London Stock Exchange with a 1% bid/ask spread, maintained under normal market conditions. The Accelerator can be bought or sold on any trading day.

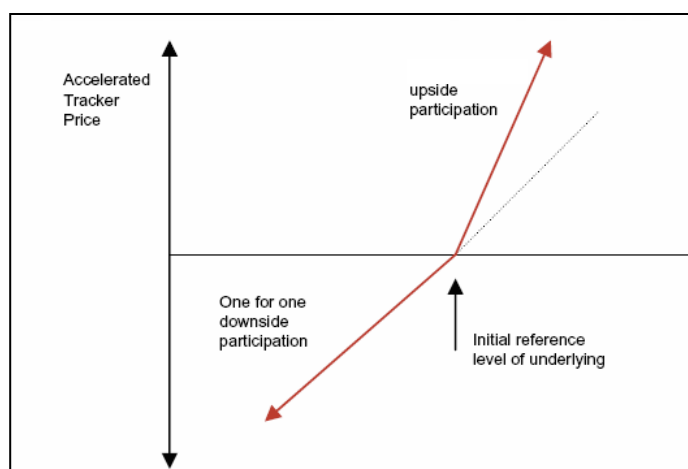
The Accelerator can be held in a SIPP or by UCITS funds. The minimum trade size is £1,000. If held directly, profits from the Accelerator will be subject to capital gains tax only.

The Accelerator is not capital protected. All capital invested is at risk.

Key Facts:	(Indicative prices only)
Classification:	Covered Warrant
Issuer:	SG
Guarantor:	SG (AA S&P)
Underlying:	TIMBEX (USD) Price Index Reuters .TIMBEXPD
Issue date:	12 March 07
Initial reference date:	13 March 07
Expiry date:	13 March 13
Initial reference level:	978.69
Issue price:	£1,000
Issue size:	£20m
Min trade size:	£1,000
Currency:	GBP
Settlement:	Cash settlement only
Pricing	Daily, real time
Traded on:	London Stock Exchange
Settlement:	CREST
SCARP:	No
Tax treatment:	CGT only

Product code:	SG30
Reuters code	SG30.L
Bloomberg code	SG30 Corp
Sedol code:	B1TMBM2
ISIN code:	ANN8127H8199

Accelerator Payout at expiry



Tax assumptions may be subject to statutory change. Listed structured products are not suitable for all investors as they can offer leveraged exposure to an underlying asset, which can make them volatile investments. Capital invested is at risk unless specifically stated otherwise. Past performance does not guarantee future performance. Potential investors should carefully read the term sheet and relevant risk warnings in the product brochure.