



SG DJ Eurostoxx 50

Protected Accelerator II

Issue date: 13th June 2007

- 200% Upside participation
- High degree of capital protection
- June 2012 Expiry

The SG35 DJ Eurostoxx 50 Protected Accelerator II

The SG35 DJ Eurostoxx 50 Protected Accelerator II offers investors 200% uncapped participation in any rise of the DJ Eurostoxx 50 index level (above a reference level of 4,500), with a high degree of capital protection.

SG35 offers 100% capital protection of the product denomination price of £1,000 at expiry, provided the DJ Eurostoxx 50 index never quotes below 3,150 (ie 70% of the 4,500 reference level) on any day between issue and expiry.

If the index does quote below this level, the capital protection element is lost, although the holder only receives one-one participation on the downside (with 200% upside participation still applying above 4,500).

The Protected Accelerator II expires on 13th June 2012, at which point the cash value of the product will automatically be paid out to the holder, with no action required on the holder's behalf.

Why invest in the SG35 DJ Eurostoxx 50 Protected Accelerator II?

The Accelerator allows investors to gain leveraged exposure to the DJ Eurostoxx 50, the benchmark index for continental European blue chips (see www.stoxx.com for constituents). The Accelerator is designed as an alternative to holding a European fund and offers the twin benefits of increased participation in any rise in the index level, but with less downside risk compared with a fund due to the element of capital protection.

The Accelerator does not pay any dividends. Investors give up any dividend income they may otherwise receive from an investment in a European fund in exchange for the possibility of enhanced upside participation. The Accelerator has a denomination (and minimum trade size) of just £1,000. There is no cap on the maximum payout level at expiry.

How can I hold the Protected Accelerator II?

The Protected Accelerator II can be held as a direct investment or in a Self Invested Personal Pension (SIPP). It cannot be held in an ISA or PEP. If held directly, any gains from SG35 are subject to Capital Gains Tax only.

The Protected Accelerator II is eligible to be held by UCITS funds both directly (by funds that can hold derivatives for investment purposes) or for the purposes of Efficient Portfolio Management (EPM).

How does the Protected Accelerator II work?

At expiry, the Protected Accelerator will pay-out £1,000 x 200% of any rise in the DJ Eurostoxx 50 index above 4,500.

If the DJ Eurostoxx 50 index is 5,850 at expiry, (30% above the 4,500 reference level), for example, investors will benefit from a 30% x 200% = 60% uplift, and so receive £1,000 x 60% = £600 for each product they hold.

Should the index fall to 3,600 (80% of the reference level) at expiry, for example, the holder will still receive £1,000, provided the index has never traded at or below the barrier level of 3,150 during the product's life.

If this barrier level had been breached, however, the payout would be £800 ie 80% of the £1,000 product denomination.

How can I trade the Protected Accelerator?

The fair value price of the SG35 Protected Accelerator II is maintained on the London Stock Exchange (with LSE code "SG35") throughout the trading day. The product can be traded like a share – i.e. it can be bought or sold at any time via a stockbroker.

SG will maintain a high level of liquidity in the product throughout the trading day. The minimum trade size is one unit, with a bid/ask spread of 1% under normal market conditions. The initial issue size is £40 million.

Key Facts

Classification	Protected Accelerator II
Issuer	SG
Guarantor	Société Générale (AA S&P)
Listed on	London Stock Exchange
Issue date	13 Jun 2007
Expiry date	13 Jun 2012
Upside participation	200%
Index reference level	4,500
Protection knock-out	3,150 (-30%)
Currency	GBP
Denomination	£1,000
Issue size	£40m
Product code	SG35

Where can I find a price for SG35?

A live price will be available at the SG website, <http://uk.warrants.com>, or can be found on Reuters (SG35.L) or Bloomberg (SG35 CORP).

What are the costs?

Broker commission generally applies for both buy and sell orders. As a cash settled investment product, there is no Stamp Duty to pay when trading SG35.

What are the risks?

The Protected Accelerator II provides leveraged exposure to the DJ Eurostoxx 50 index with contingent capital protection. All capital invested is at risk if the underlying index falls below the protection knock-out level. If applicable, capital protection applies at expiry only. The secondary market value of the Accelerator may be below the issue price.

Historic Chart of DJ Eurostoxx 50 Index with Reference and Barrier level

(Source: Reuters)



Who is SG?

Société Générale is one of Europe's largest banks, rated AA by S&P. It is the world's largest issuer of listed derivatives. For more information on SG, visit uk.warrants.com.

Please note that Listed Products are not suitable for everyone. You should not deal in them unless you understand their nature and the extent of your exposure to risk. You should be satisfied that they are suitable for you in the light of your circumstances and financial position. If you are in any doubt you should consult an appropriately qualified financial advisor. Where a product is based on an index, the index provider will have no liability to you in respect of its activities in respect of that index.