

PRESS RELEASE

London, May 21st, 2014

New SG Hinde UK Dynamic Equity ETN aims to provide a more dynamic way to access the UK equity market.

The **SG Hinde UK Dynamic Equity ETN (50% Hedge)** is an actively managed Exchange Traded Note (The ETN) for professional and sophisticated retail investors, which aims to accelerate the total return generated by a dynamic portfolio of high yielding UK stocks, whilst providing partial protection against market falls.

The aim is to provide equity like returns but with lower volatility than investing directly in the equities themselves.

Unlike a regular ETN or tracker, this next generation Smart Beta product has a dynamic portfolio of equities that is actively managed by Hinde Capital, a London based investment manager specialised in developing world-class investment solutions for institutions, family offices, trustees, and high net worth private clients and their advisers.

Each quarter Hinde will define a portfolio of 20 equally weighted UK stocks, which according to the Hinde Dividend Value Matrix™ (HDVM™) offer the highest total return potential for the next quarter. The HDVM™ screens the entire universe of the FTSE 100 and FTSE 250 and selects the top 10 stocks from each index according to Dividend, Performance and Value.

By rotating the holdings each quarter, Hinde aims to sell stocks where the capital revaluation and dividend has been captured, and use this additional capital to invest in more undervalued companies. The aim of this cycle of capture and re-investment is to significantly improve the total return. For investors, they only need to purchase the ETN once, and then each quarter the dynamic portfolio is automatically updated to suit market conditions.

In order to reduce potential losses if the UK equity markets fall, the dynamic portfolio also includes short positions on the FTSE 100 and FTSE 250 Indices. These short positions are designed to offset 50% of any loss suffered on the equity holdings. To ensure they remain accurate, they are calculated quarterly and adjusted according to the Beta of the portfolio.

By combining a long exposure to UK equities, and a short position on the FTSE 100 and FTSE 250 Indices, this strategy aims to smooth out returns throughout the market cycle.

The ETN is issued by SG Issuer, and guaranteed by Societe Generale. However, this ETN mitigates Counterparty Risk through the use of UCITS eligible collateral holdings, which are re-balanced daily in order to maintain 110% of the ETN value.

The SG Hinde UK Dynamic Equity ETN (50% Hedge) is listed on the London Stock Exchange and can be purchased by professional and sophisticated retail investors through a UK stockbroker. We do recommend that professional advice is sought prior to investing. Holders of the ETN will pay an annual charge equivalent to 1.3%, which is calculated and deducted daily.

PRESS RELATIONS

LAETITIA MAUREL
+33(0)1 42 13 88 68
Laetitia.a.maurel@socgen.com

HELENE AGABRIEL
+33(0)1 41 45 98 33
Helene.agabriel@socgen.com

NATHALIE BOSCHAT
+33(0)1 42 14 83 21
Nathalie.boschat@socgen.com

ANTOINE LHERITIER
+33(0)1 42 13 68 99
Antoine.lheritier@socgen.com

ASTRID FOULD-BACQUART
+33(0)1 56 37 67 95
Astrid.Fould-Bacquart@socgen.com

SOCIETE GENERALE
COMM/PRS
75886 PARIS CEDEX 18
SOCIETEGENERALE.COM

A FRENCH CORPORATION WITH SHARE CAPITAL OF
EUR 1 000 024 292.50
552 120 222 RCS PARIS

Press contact:
Murray Parker
Murray.parker@sgcib.com
+44 20 7676 6771
Product information

EPIC Code	ISIN Code	Exposure
HALF	JE00BMM24P01	A long exposure to 20 UK equities from the FTSE 350 universe and a short exposure to the FTSE 100 and FTSE 250 Indices.

KEY BENEFITS	KEY RISKS
Actively managed exposure to 10 UK companies from each of the FTSE 100 and FTSE 250 index universes.	The inclusion of the Beta Hedge means that the ETN will not benefit from the full rise of the stocks of the Long Exposure.
Total return strategy aims to generate returns from a combination of dividends and capital growth.	Capital is at risk. The value of the Dynamic Portfolio can be volatile and it is possible to lose your entire investment.
Beta Hedge risk management feature aims to reduce the impact of market falls and generate lower volatility than traditional equity strategies.	The stock selection process and the resulting performance of the Dynamic Portfolio is the sole responsibility of Hinde Capital. As such, if their allocation proves unsuccessful, there is a risk of poor performance in the ETN.
Counterparty Risk mitigated through the use of UCITS eligible collateral.	Counterparty risk. If SG Issuer and Societe Generale were to default or become insolvent, the ETN will terminate immediately. The amount that you receive back on your investment will depend on i) the market value of your investment at that time and on ii) the value of the Collateral Assets at the time of default. You may receive back less than your initial investment.
Eligible for investment into a Stocks and Shares ISA if there is more than 5 years remaining until Maturity, or a SIPP Dealing Account. Investments made outside of an ISA or SIPP may be subject to Capital Gains Tax.	Liquidity 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. Cases in which normal market conditions may not prevail include where the Share price is suspended or not tradable; there is a failure in the LSE or Societe Generale systems; there are abnormal trading situations e.g. sudden and sharp volatility increase or lack of liquidity in the underlying.
The ETN is listed on the LSE and can be traded at any point during the trading day under normal market conditions with no early redemption charges.	

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.

Societe Generale has been playing a vital role in the economy for 150 years. With more than 148,000 employees, based in 76 countries, we accompany 32 million clients throughout the world on a daily basis. Societe Generale's 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, offering a comprehensive range of multichannel financial services on the leading edge of digital innovation;
- **International retail banking, financial services and insurance** with a presence in emerging economies and leading specialised businesses;
- **Corporate and investment banking, private banking, asset management and securities services**, with recognised expertise, top international rankings and integrated solutions.

Societe Generale is included in the main socially responsible investment indices: Dow Jones Sustainability Index (Europe), FSTE4Good (Global and Europe), Euronext Vigeo (Global, Europe, Eurozone and France), ESI Excellence (Europe) from Ethibel and 5 of the STOXX ESG Leaders indices.

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

Societe Generale: 150 years

In 2014, Societe Generale Group celebrates its 150th anniversary with a focus on entrepreneurial spirit, innovation and team spirit. Founded by a group of industrialists and financiers, the bank's very name illustrated their ambition: "Société Générale pour favoriser le développement du commerce et de l'industrie en France" ("**Societe Generale to support the development of trade and industry in France**"), as written into the Imperial decree signed by Napoléon III on 4 May 1864.

Societe Generale has always served economic development, contributing to the financing of infrastructures that symbolised the modern world and of leading French groups. Societe Generale was among the first French banks to open branches in London and in Russia in the 1870s, before expanding into the Maghreb, New York and Africa and to set up operations in Central European countries.

Societe Generale has always been at the cutting edge of financial innovation, and takes strength from its origins to assert its banking vision for the future, reinvent its businesses to serve its clients and become the reference bank of the 21st century.

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Investors should note that holdings in this product will not be covered by the provisions of the Financial Services Compensation Scheme, nor by any similar scheme.

The performance of the Dynamic Portfolio depends on the ability and services of the Weighting Manager. Investors should be aware that the performance of the Dynamic Portfolio will depend to a considerable extent on the ability of the Weighting Manager to provide the optimal weighting and/or replacement recommendations throughout the life of the Dynamic Portfolio as well as on the ability of the Issuer and of the Calculation Agent to implement the recommendations of the Weighting Manager. Investors should make their own independent appraisal of the ability, services and overall competence of the Weighting Manager and should not rely exclusively on Societe Generale or its affiliates in making this assessment. There can be no assurance that the Weighting Manager will be able to provide such services or indeed be able to avoid negative performance. Neither Société Générale nor their affiliates are in a position to protect the Investors against fraud, negligence or misrepresentation on the part of the unaffiliated Weighting Manager. Investors should understand that they could be materially adversely affected by any such factors.