

SG Corporate & Investment Banking

SG CIB is the Corporate and Investment Banking arm of Société Générale Group. Present in over 45 countries across Europe, the Americas and Asia, SG CIB is a reference bank in:

- **Euro Capital Markets:** A top ten player in debt and equity segments (bonds, securitizations, syndicated loans, equity-linked and equity issues).
- **Derivatives:** Among the world's leaders in equity derivatives and in many interest rate, credit, foreign exchange and commodity derivatives.
- **Structured Finance:** A worldwide leader in export, project and structured commodity finance.

Combining innovation and quality of execution, SG CIB provides corporates, financial institutions and investors with value-added integrated financial solutions. In the United States, securities, underwriting, trading and brokerage activities and financial advisory services are conducted by SG Americas Securities, LLC and SG Cowen & Co., LLC. Both are registered broker-dealers and members of the NYSE, NASD and SIPC.

www.sgcib.com

Société Générale Group

Société Générale is one of the largest financial services groups in the eurozone. The Group employs more than 80,000 people worldwide in three key business lines:

- **Retail Banking:** Société Générale serves 14.7 million retail customers worldwide.
- **Asset Management & Private Banking:** Société Générale ranks third in the eurozone in terms of assets under management (EUR 270 billion in 2002).
- **Corporate & Investment Banking:** SG CIB is the fourth largest bank in the eurozone based on net banking income.

www.socgen.com

REVERSE CONVERTIBLE Notes

SG Structured Products Inc.



A New Generation of High Coupon Notes

SG Americas Securities, LLC

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ReConvs Notes



ReConvs are designed to provide investors with the potential for higher returns than those provided by traditional fixed-

income instruments in exchange for exposure to the risk of owning the dedicated Reference Share.

High Coupon

ReConvs are short-term investment instruments that offer an opportunity to receive enhanced yield and steady income through the payment of a high fixed coupon paid quarterly. In return investors participate in certain of the risks associated with the ownership of the Reference Share.

In addition, ReConvs provide Downside Protection against some degree of decrease in the value of the Reference Share.

ReConvs offer a good risk/return ratio, i.e. a coupon higher than fixed-income instruments of comparable maturity vs. the risk of owning stocks.

However, ReConvs are designed for investors who are willing to forego the principal balance on their Notes should the Reference Asset close below the Downside Limit Price over the term to maturity.

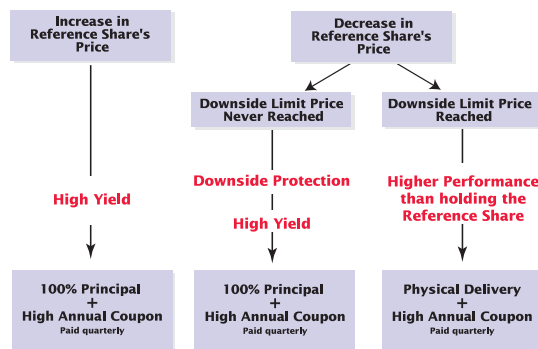
In addition, ReConvs typically do not offer the opportunity to participate in any appreciation in the Reference Asset.

Convertible Reverse Convertible Notes

ReConvs provide a high fixed coupon in any case (paid quarterly) plus a redemption based on:

- whether the Final Share Price is greater or lower than the Initial Share Price, and
- whether the Reference Share closed below the Downside Limit Price

Payoff Scenarios



ReConvs are designed for investors who anticipate the price of the Reference Share to remain unchanged, appreciate or depreciate up to a certain level.

In the event that the Reference Share depreciates, ReConvs due to the high embedded coupon will outperform a direct investment in the Reference Share.

ReConvs are issued in many different forms:

- **Maturity**
One year, two years, etc.
- **Type of Reference Share**
Blue Chip, High Tech, Small Caps, Foreign, etc.
- **Type of Return**
"Plain Vanilla," "Knock in," "Knock out," etc.

Notes

ReConvs

Reverse Convertible Notes

Reverse

Guarantee

Payment of all amounts under ReConvs are irrevocably and unconditionally guaranteed by Société Générale New York (SGNY is rated AA- by Standard and Poor's Rating Services/Aa3 by Moody's Investor Services Inc.). Société Générale is among the world's largest banks with more than USD 500 billion in assets and offices in more than 80 countries.

Liquidity

SG Americas Securities maintains a market every business day during trading hours accessible through Bloomberg ("SGNY<GO>"), Reuters ("SGENY0") and the telephone. If you want to buy or sell any series of ReConvs, please contact your broker. Prices are posted continuously on the Internet during market hours (<http://us.sgamericas.com>). When you sell (buy) a ReConv on the secondary market, the amount of accrued coupon that you receive (pay) is included in the quoted price.

ReConvs are most suitable for purchase and holding until maturity. For secondary market transactions SG Americas Securities expects the bid-ask spread to be no greater than 1% of the principal balance of a Note.

For selling orders prior to maturity investors may receive a market price which is at a premium or discount to par and which does not necessarily reflect any increase in the Reference Share to the date of such sale.

Taxes

For tax purposes, a ReConv is viewed as having two components.

First, a regular debt instrument that pays a coupon equal to the comparable rate for SG Structured Products Inc. (typically between 1% to 2%). U.S. investors will have to report this amount as income each year that they hold a ReConv.

The second component is considered as an option

linked to the Reference Share.

As a result, while holding the ReConvs, U.S. investors will generally **not** be taxed on the amount of the ReConvs' Coupon that is higher than the comparable rate.

At maturity, the option component is taxed as a short-term capital gain if U.S. investors receive the cash settlement. In the case of the physical delivery, the option component will reduce the tax basis of the Reference Shares delivered to their accounts. No tax event will occur until the sale of the shares.

The offering memorandum for each ReConv provides more detailed information. Please contact your tax advisor for your specific situation.

ReConvs Check List

- ☒ I am expecting a stable or slightly rising market.
- ☒ I am mainly interested in yield and I am prepared to accept higher risks if the earnings prospects are higher.
- ☒ I want to remain flexible and be able to sell my position at any time at market prices.
- ☒ I follow the evolution of the stock market and like to capture good investment opportunities and target yields.

Example

Among other various types of payoff, below is an example for a 1-year ReConv providing a 12% annual coupon paid quarterly and a 30% Downside Protection.

Initial Share Price/Conversion Price: USD 50
Downside Limit Price: 70% of the Initial Share Price

For illustration purposes, the scenarios below show an investment of USD 10,000 in the ReConvs.

- **Scenario 1: The Reference Share increased by +20%**

The redemption at maturity will be the Cash Delivery, i.e. 100% of the investment at inception.

For USD 10,000 invested, you will receive **USD 10,000 plus a 12% annual coupon paid quarterly.**

- **Scenario 2: The Reference Share recorded a -20% decrease but never closed below the Downside Limit Price**

In spite of the depreciation, the redemption will be the Cash Delivery (**30% Downside Protection**).

For USD 10,000 invested, you will receive **USD 10,000 plus a 12% annual coupon paid quarterly.**

- **Scenario 3: The Reference Share recorded a -20% decrease and closed at least once below the Downside Limit Price**

The redemption will be the Physical Delivery, i.e. a number of Reference Shares per Denomination (USD 1,000) computed as the Denomination divided by the Conversion Price.

In this example, the Physical Delivery will be 20 shares per Denomination, each worth USD 40. For USD 10,000 invested, you will receive **200 shares with a market value of USD 8,000 plus a 12% annual coupon paid quarterly.**

How to Buy a ReConv

ReConvs can be purchased directly through your broker. The minimum investment per series of ReConv is USD 5,000 (USD 2,000 for retirement accounts) with increments of USD 1,000.

Where Can I Get More Information?

Each ReConv is offered pursuant to an Offering Memorandum and its Supplement. You should read the Offering Memorandum and its Supplement, and review the product with your broker or investment advisor before making a decision to invest in ReConvs.

You can also obtain information at:

- Bloomberg <SGNY><GO>
- Reuters <SGNEY0>
- <http://us.sgamericas.com>

You can reach us at:

SG Americas Securities, LLC
Ref: ReConv
1221 Avenue of the Americas, 6th Floor
New York, NY 10020
1.800.747.2006 x6391

Please indicate the name, phone number and address of your regular broker in any correspondence.

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