

- Information to the Press -

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New research shows half of institutional investors plan to raise investment in Gulf region

- Potential for strong future growth cited by 70% of institutional investors as major attraction of region

Research* from Lyxor Asset Management (Lyxor), Société Générale's wholly-owned subsidiary and European leader in Exchange Traded Funds (ETFs) shows that half of institutional investors in the UK plan to increase their investment exposure to the Gulf region over the next three years. None of the respondents said they would not do so.

Institutions cite several reasons for believing that Kuwait and the Gulf are attractive investments. A significant majority (70%) believe the region has the potential for strong future growth, while economic and political stability also features strongly. The full list of responses is outlined in the table below:

Reasons for finding investment in the Kuwait and Gulf stock markets attractive	Percentage of respondents who cite these reasons
Potential for strong future growth	70%
Economic stability in the region	30%
Political stability in the region	30%
Current strong growth in the region	15%
Other	10%

Nearly half (45%) of institutional investors believe that over the next five years stockmarket returns in the Gulf region will be excellent or good, with 5% believing they will be excellent and 40% good. One in 10 (10%) say returns will be poor while none expect them to be very poor.

Last month (July), Lyxor and Coast Investment & Development Company, a leading financial institution in the Gulf region, launched a new ETF focusing on Kuwait. The Lyxor ETF Kuwait (FTSE Coast Kuwait 40), (Bloomberg code: LKUW), was the first to focus on the Gulf region, offering the ability to access the Kuwait market through one single share traded on the London Stock Exchange with an annual total expense ratio of just 0.65%.

The new ETF is linked to the FTSE Coast Kuwait 40 Index, which is representative of the Kuwaiti market. The Index is calculated by FTSE on behalf of Coast Investment and Development Company and was established in February 2007. Its constituents are chosen based on free-float market capitalisation and liquidity and as of end-June 2008, its year-to-date performance was positive (+3.43%) when the FTSE100 was down by 12%. Since inception (February 2007), the index has returned 30.71%.

The three main sector constituents of the Index are banking (32%), IT and telecoms (22%) and investments (17%).

Daniel Draper, Global Head of Lyxor ETF, commented: "Our research shows that institutional investors are very much aware of the economic progress that has been made in the Gulf region in recent years. For example, while booming oil and gas prices have boosted Kuwait's economy this has financed development into other areas, such as banking, telecommunications and construction sectors, all helping to improve the diversification profile of the fast-growing Kuwaiti economy."

Sulaiman T. Al-Abduljader, Vice President, Corporate Finance and Investment Services Group, Coast Investment & Development Company, said: "Kuwait is typical of the economic advances being made in the Gulf region. Kuwait's GDP grew by 176% between 2000 and 2006, with growth averaging 26% per annum. Oil revenue has helped drive this, but this growth is also attributable to development in other areas, especially the finance, telecommunications and construction sectors. I am delighted that institutional investors in the UK appreciate this great investment story."

For more information on Lyxor ETFs, see the website: www.lyxoretf.co.uk

ENDS

* Research conducted by Lyxor amongst 20 of the top 100 pension funds in the UK between 1st and 3rd July 2008

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Notes to editors:

Lyxor Asset Management

www.lyxor.com

Created in 1998, Lyxor AM currently manages over EUR 75 billion. A wholly-owned subsidiary of Société Générale Group, belonging to the Corporate and Investment Banking arm of the group, the asset management company specializes in three businesses:

- Alternative Investments (EUR 25.8 billion). Lyxor offers a broad range of hedge funds, funds of hedge funds and absolute return funds, adhering to high risk-management standards and rigorous hedge fund manager selection guidelines. Lyxor AM gained its prominence with its hedge fund platform. This platform includes more than 170 hedge funds covering all principal strategies and represents a diversified investment universe benefiting from a high level of transparency, security and liquidity.

- Structured Management (EUR 20.5 billion). Lyxor offers investment solutions to its customers adapted to their risk profiles and return objectives. These solutions integrate the innovations of the Group into this domain, world number 1 as regards structured products on equity.

- Index Tracking (EUR 28.9 billion). Lyxor offers one of the most diversified and liquid range of ETF (Exchange Traded Funds). The company is one of the top players of the European ETF industry. Lyxor ETFs are listed in Europe and Asia and reflect Equity, Bond and Commodity markets. www.lyxoretf.com.

Coast Investment and Development Company K.S.C

www.coast.com.kw

Coast Investment and Development Company is one of the leading financial institutions in Kuwait and the region. Coast was established in 1975 and listed on the Kuwait Stock Exchange in 1989. Its current paid-up capital is 62 million KWD (230 million USD) with total funds managed in excess of 3 billion USD. Coast is engaged in a variety of investment management activities including private equity, asset management and real estate investments both locally and internationally. Coast is also an active player in the local, GCC and international markets offering a wide array of investment services including portfolio and fund management, advisory services, corporate finance and investment banking services.

Coast has adopted a unique approach towards enhancing returns while controlling risk for its shareholders, clients and strategic partners. Further, the company has taken an unrivalled approach towards setting the highest standards through providing internationally recognized index related investments in the region. It is, therefore, the intention of Coast to continue to strive for excellence and lead in serving local and global investors.

Coast and Lyxor have collaborated to facilitate competent index related investments to the region by utilising the combined expertise of both institutions. For more details and research on GCC markets go to www.coast-lyxor.com