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**MERRILL LYNCH AND CAPGEMINI RELEASE
12TH ANNUAL WORLD WEALTH REPORT**

***Assets of High Net Worth Individuals Rise to \$40.7 Trillion –
Average HNWI Wealth Surpasses \$4 Million for First Time***

***World's High Net Worth Population Now Stands at 10.1 Million;
India, China and Brazil have Highest HNWI Population Growth***

New York, June 24 – Driven by market capitalization growth in emerging economies, the wealth of the world's high net worth individuals (HNWIs¹) increased 9.4 percent to US\$40.7 trillion in 2007, according to the 12th annual World Wealth Report, released today by Merrill Lynch (NYSE: MER) and Capgemini. The number of HNWIs in the world increased 6 percent in 2007 to 10.1 million, the number of ultra high net worth individuals (Ultra-HNWIs²) increased by 8.8 percent, and for the first time in the history of the Report, the average assets held by HNWIs exceeded US\$4 million.

The global economy had a transitional year in 2007, characterized by sharply opposing macroeconomic environments. While momentum carried over from 2006 helped to sustain unabated growth in the first few months of 2007, the economy faced heightened uncertainty by year-end. Global growth remained solid in 2007, in terms of both real GDP and market capitalization– the two primary drivers of wealth generation. Strong worldwide gains in the first half of 2007 boosted HNWI growth

¹ Individuals with net assets of at least US\$1 million, excluding their primary residence and consumables.

² Individuals with net assets of at least US\$30 million, excluding their primary residence and consumables.

across the globe; while in the second half of the year, resilient emerging economies offset slowdowns in mature ones. The global economy grew by 5.1 percent, down slightly from the 5.3 percent global growth in 2006.

Emerging Economies and BRIC Nations Lead the Pack

Impressive growth of emerging economies was boosted largely by thriving export sectors and heightened domestic demand. The largest regional growth of the HNWI population occurred in the Middle East, Eastern Europe, and Latin America, with increases of 15.6 percent, 14.3 percent, and 12.2 percent, respectively. Gains in commodity exports, paired with growing international acceptance of emerging financial centers as significant global players, contributed to the growth rates of emerging economies.

The BRIC nations (Brazil, Russia, India and China) continued to play pivotal roles in the global economy in 2007, driven by impressive economic gains and robust market capitalization growth.

“This year’s Report found that the number of high net worth individuals, and the amount of wealth they control, continued to increase in 2007, with the greatest wealth being created in the emerging markets of India, China, and Brazil,” said Robert J. McCann, president of Global Wealth Management at Merrill Lynch. “While trends indicate opportunities exist for wealth management firms to tap into new growth markets, success will go to those that recognize their existing service, delivery and technology strategies must be adapted and tailored to meet the unique needs of these target growth markets.”

India led the world in HNWI population growth at 22.7 percent, driven by market capitalization growth of 118 percent and real GDP growth of 7.9 percent. Although India’s real GDP growth decelerated from 9.4 percent in 2006, current levels are considered more stable and sustainable. India’s two largest exchanges – the Bombay Stock Exchange and the National Stock Exchange – ranked among the world’s top 12 exchanges by end of 2007, boosted by initial public offering markets and heightened international interest.

China experienced the second largest expansion of their HNWI population, advancing 20.3 percent – an increase fueled by market capitalization growth of 291 percent and real GDP growth of 11.4 percent. Significant price increases and strong IPO activity propelled the Shanghai Exchange to become the sixth largest exchange in the world in terms of market capitalization.

But while market capitalization and real GDP growth rates were higher in China than India, the HNWI population of India grew faster in 2007. The Report suggests that as market capitalization and real GDP in China were spread over a larger population, there were smaller per capita gains in China. In 2006, India had a larger market capitalization growth than gross national income, significantly impacting HNWI population growth in India. In addition, China is currently experiencing explosive growth in its “mass affluent” population, which has yet to break the HNWI threshold of US\$1million.

Brazil enjoyed the third-highest HNWI growth rate in 2007, with a 19.1 percent increase, spurred by a wave of robust market capitalization growth of 93 percent and real GDP growth of 5.1 percent. Net private capital flows to Latin America doubled in 2007, contributing to the Bovespa Stock Exchange's fourth place ranking among the world's largest IPO markets and 7.2 market share gain. This, according to the Report, lent support to the establishment and global integration of the Brazilian financial system.

Russia was home to one of the world's 10 fastest-growing HNWI populations, despite growth deceleration from 15.5 percent in 2006 to 14.4 percent in 2007. Solid gains of 37.6 percent in market capitalization and 7.4 percent in real GDP represented the growing international interest in the country as a global player, suggesting that the ongoing development of Russia's external relationships will likely improve the economy's fundamentals.

Market Capitalization Growth Explodes in Emerging Markets

With a significant portion of HNWI wealth invested in stock markets, market capitalization performance is an important determinant of HNWI wealth generation. While traditional United States, European, and Asian stock market indexes experienced moderate growth, many emerging markets extended winning streaks of robust gains. Various Dow Jones Market Indexes, for example, had moderate returns in 2007, averaging 6.8 percent, far below the 17.3 percent average in 2006, and compared to 2006, market gains in 2007 failed to have as positive an impact on HNWI wealth generation.

Most major European and Asian indexes were contained to low single-digit growth; the world's worst performer, the Nikkei 225, contracted 11.1 percent, while Europe's best performer, the German DAX, was the only major traditional index to outpace its 2006 performance and sustain double-digit growth.

Fueled mostly by organic price increases, the Shanghai and the Shenzhen Stock Exchanges grew at 303 percent and 244 percent, respectively. India's Bombay Exchange and National Stock Exchange had respective growth rates of 122 percent and 115 percent.

"The divide between market capitalization growth in mature and emerging economies was significantly more pronounced in 2007 than in previous years," said Bertrand Lavayssière, Managing Director, Capgemini Global Financial Services. "Despite slowdowns in the growth of traditional stock exchanges and significant market volatility, several emerging market exchanges experienced robust gains in 2007, further accelerating global wealth."

Record Wave of IPOs, Other Investments Draw HNWIs to Emerging Markets

Emerging markets made significant contributions to record-level worldwide IPO activity in 2007. More than 1,300 IPOs raised about US\$300 billion during the year—and emerging markets captured 7 of the top 10 issues. The BRIC nations exhibited particular strength in the area, accounting for 39 percent of global IPO volume in 2007, up from 32 percent in 2006.

Net private capital flows to emerging markets also increased in 2007. China attracted the largest absolute amount of private capital in 2007 at a country level, drawing in about US\$55 billion. Emerging Europe was the most popular regional destination, attracting US\$276 billion. Emerging Asia experienced a 20 percent drop in private capital flows, reflecting, in part, that equity flows helped policymakers accumulate foreign exchange reserves, which reached roughly US\$1 trillion in China alone. Private capital flows to Latin America, however, more than doubled to US\$106 billion in 2007.

Overall, hedge funds performed well in 2007 with average gains reaching 12.6 percent, down only slightly from 2006. Hedge fund returns outperformed traditional stock indexes in 2007, boosted by 20.3 percent average gains in emerging markets. In recent years, an increasing proportion of hedge fund assets have come from institutional investors, versus wealthy clients, shifting the main driver of the industry's growth.

Fueled largely by the growth of capital-intensive sectors, venture capitalist fundraising and investing in 2007 reached their highest levels since 2001. New opportunities in life sciences and clean technologies expanded market opportunities and the renewable energy sector hosted a record IPO issuance last year led by the US\$6.5 billion IPO of a Spanish utilities group and the US \$1.2 billion IPO of a Brazilian sugar and ethanol producer. Total investment in clean technology increased 35 percent, boosted by numerous clean technology benchmark indexes gaining more than 50 percent for the year.

Slowdown in Mature Economies

Effects from the downturn in the United States economy weighed on other mature economies – as evident by slowed GDP growth and weak equity market performances in parts of Europe and Asia – and were fueled by three main factors: a cooling housing market, tightened credit availability, and greater volatility and price declines in equity markets. This chain of events impacted both consumers and institutions, impeding their ability to maintain liquidity and operate businesses.

In line with housing market downturns, REIT indexes incurred significant losses globally – in marked contrast to robust gains in 2006. Worldwide equity market performances proved the divergence between mature and emerging markets – the MSCI Global Indexes recorded 0.1 percent and 3.2 percent contractions in Europe and the United States, respectively, in the second half of the year, versus gains of 10.4 percent and 6.3 percent in the first half. The Emerging Market MSCI Global Indexes excelled – led by Latin America in the beginning of the year and the BRIC nations in the second half. Equity market losses in mature economies reverberated throughout international credit markets in the second half of 2007. The economic slowdown in the United States drove a severe depreciation of the U.S. dollar against most major currencies worldwide – the dollar fell 10.5 percent, 15.8 percent, and 17 percent, respectively, relative to the euro, the Canadian dollar, and the Brazilian real.

Since the close of 2007, economic indicators in the United States have deteriorated further; notably: slowing consumer spending, cooling housing markets and softening labor market conditions. A

flurry of developments in international credit and equity markets, all stemming from the United States' economic slowdown, shaped the opening months of 2008. Early on, greater downside risks to growth in the United States, along with the far-reaching implications of tightening international credit markets, weighed heavily on equity markets around the globe. By mid-January, losses incurred in virtually all geographic markets exceeded 10 percent.³ However, mature markets have stabilized somewhat, bringing average 2008 losses down to roughly 4 percent, and emerging markets have actually reclaimed and exceeded incurred losses, generating an average net gain by mid-April.⁴

Shift to Safer, More Familiar Investments

The diverging macroeconomic environments at either end of 2007 helped define HNWI's asset allocation strategies. Building on the optimism of 2006, the early months of 2007 showed HNWI's betting heavily on riskier asset classes. But as the year wore on, and financial market turmoil and economic uncertainty intensified, HNWI's began to retrench, shifting their investments to safer, less volatile asset classes.

The Report found that cash/deposits and fixed income securities accounted for 44 percent of HNWI financial assets, up 9 percentage points from 2006. Fixed income securities saw a 6 percentage point increase in asset allocation, accounting for 27 percent of holdings, up from 21 percent in 2006.

Globally, HNWI's continued to decrease their holdings in North America and showed greater interest in domestic market investments, preferring more familiar ground amid heightened levels of economic uncertainty.

Green Investing Gains Traction

Due to overall heightened interest in the environment, green investing has become widely popular across the globe in recent years, offering investors lucrative returns and an opportunity to become actively involved in social responsibility. An array of vehicles through which to back green initiatives drove robust growth in green sectors in 2007, such as mutual funds, ETFs and other pooled products, or alternative investments. The total investment in clean technology, for example, increased to US\$117 billion in 2007, up 41 percent from 2005, with notable strength in wind and solar segments.

The Middle East and Europe were the most environmentally attuned HNWI and Ultra-HNWI populations, with participation ranging from around 17 percent to 21 percent in 2007. In comparison, only 5 percent of HNWI's and 7 percent of Ultra-HNWI's in North America allocated part of their portfolio holdings to green investing. North America was also the only region in which social responsibility was the primary driver of HNWI's green investing. Among HNWI's worldwide, approximately half pointed to financial returns as the primary reason for their allocation to green investing.

With future sustainability at stake, the Report projects continued growth in green investments.

³ Dow Jones World Indices, SunGard PowerData, accessed April 18, 2008

⁴ Ibid.

Looking Ahead

Despite heightened uncertainty regarding the near-term global outlook, still-strong fundamentals in emerging markets are likely to sustain high levels of growth. The balance between emerging market strength and mature market recovery will likely persist through 2008, with the short-term outlook subject to variability given that aspects of potential risk may still be unknown.

By and large, the global economy has two distinctive obstacles to overcome: inhibitors to growth in mature markets and high risks of inflation in emerging markets. How well these challenges are met will shape global HNWI growth prospects going forward. Given 2007 performances and taking into consideration recent developments in world markets, the Report suggests that global HNWI wealth will grow to US\$59.1 trillion by 2012, advancing at a rate of 7.7 percent per year.

Gain even greater insight into the complexity and competitiveness of the global wealth management market with the recently released book “*WEALTH: How the World’s High-Net-Worth Grow, Sustain, and Manage Their Fortunes*” by Merrill Lynch and Capgemini at www.wealththebook.com.

About Merrill Lynch

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies, with offices in 40 countries and territories and total client assets of approximately \$1.6 trillion. As an investment bank, it is a leading global trader and underwriter of securities and derivatives across a broad range of asset classes and serves as a strategic advisor to corporations, governments, institutions and individuals worldwide. Merrill Lynch owns approximately half of BlackRock, one of the world's largest publicly traded investment management companies, with more than \$1 trillion in assets under management. For more information on Merrill Lynch, please visit www.ml.com.

About Capgemini

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working - the Collaborative Business Experience – and through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion (approximately US\$12 billion) and employs over 83,000 people worldwide.

Capgemini provides deep industry experience, enhanced service offerings and next generation global delivery to serve the financial services industry. With a network of 15,000 professionals serving over 900

clients worldwide, we move businesses forward with leading services and best practices in Banking, Insurance, Capital Markets and Investments. For more information, please visit www.capgemini.com/financialservices.

Note to Editors/Reporters: To download the 2008 World Wealth Report, please visit www.capgemini.com/worldwealthreport.

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