

JPMorgan and Innovest Launch "GREEN" Bond Index

New York, February 27, 2007 - JPMorgan and Innovest Strategic Value Advisors launched today the JPMorgan Environmental Index-Carbon Beta (JENI-Carbon Beta), the first bond index designed to address the risks of global warming. The JENI-Carbon Beta, a United States high-grade corporate bond index, enables credit investors to make return-driven investment decisions that systematically take into account risks and opportunities issuers face as they address climate change.

"Until today, bond prices did not reflect an increasingly important financial risk: climate change," said Edward Marrinan, managing director and head of investment grade credit strategy. "With climate exposures factored in, companies' risk profiles - and their bonds - will more accurately reflect the trade-off between risk and return."

The JENI-Carbon Beta is based on the JPMorgan US Liquid Index (JULI), an established benchmark for the U.S. investment-grade corporate bond market. A relative carbon beta score is calculated monthly for each issuer, relative to its sector, by Innovest, the world leader in providing environmental analysis to institutional investors. The JULI is then "tilted" according to the carbon beta scores of issuers to create the JENI-Carbon Beta. For example, within the automotive sector, an automaker that has curbed emissions from its plants and produces a fleet of vehicles with relatively high fuel efficiency might be overweighted compared to an automaker that has not taken such steps.

The JENI-Carbon Beta is meant to serve as a benchmark for mainstream investors concerned about the financial impact of climate change and related regulation, as well as for funds mandated to seek out investments that meet particular environmental criteria. Back testing confirms that the JENI-Carbon Beta closely replicates the characteristics of the JULI, while reducing investor exposure to the financial risks arising from global warming.

"Awareness and concern among major investors have been growing exponentially," commented Innovest Chief Executive Matthew Kiernan. "What's been missing - until today - have been sophisticated investment tools and products to help them translate that concern into concrete investment decisions and actions. We expect this innovative new index to have a major, positive impact."

Historical index levels and returns are available from January 1, 2006. Clients and investors can access the JENI-Carbon Beta on www.morganmarkets.com, dataquery.jpmorgan.com, www.jpmorgan.com/jeni, and Bloomberg page: JENI .

Along with JENI-Carbon Beta, JPMorgan has produced extensive research designed to help investors profit from increased concern about climate change. Previously published reports include: *Liability for Climate Change; Investing in Ethanol: A Look at the Ethanol Industry and Various Ways to Gain Exposure; The Flintstones Strategy: Alternatives to Fossil Fuels; Cars and Climate Change: A regulatory battle brings risk for investors; and the ongoing series, All You Ever Wanted to Know about Carbon Trading.*

About JPMorgan Chase

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$1.4 trillion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset and wealth management, and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its JPMorgan and Chase brands. Information about the firm is available at www.jpmorganchase.com.

About Innovest Strategic Value Advisors

Innovest Strategic Value Advisors is an international investment research and advisory firm specializing in analyzing "non-traditional" drivers of risk and shareholder value, including climate change. Among its other previous assignments in the carbon finance field, Innovest has provided the research and analysis for the Carbon Disclosure Project every year since its inception in 2002, most recently on behalf of institutional investors with combined assets of over \$30 trillion. Innovest was ranked as the #1 global investment research provider in the non-traditional space by the 2006 Thomson Extel survey of institutional investors. The firm has offices in six countries, with clients in over twenty. Further information is available at www.innovestgroup.com.