PARIS ORLEANS

On June 30, 2008, the Supervisory Board of Paris-Orleans met under the chairmanship of Mr. Eric de Rothschild to analyse the accounts and consolidated results for the year ended March 31, 2008, which have been approved by the Executive Directors on June 27, 2008.

The major corporate reorganisation to take control of Concordia BV, parent company of Rothschilds Continuation Holdings AG which houses the banking activities of the Rothschild group, was announced on July 17, 2007. The first transaction took place on November 20, 2007 when Paris-Orleans' interest in Concordia BV increased from 50% to 57.5% as a consequence of a capital reduction within Concordia BV. The second transaction took place on January 22, 2008 following an Extraordinary General Assembly which adopted all of the resolutions relating to the acquisition by Paris-Orleans of the remaining 42.5% of the share capital of Concordia BV.

The consolidated income statement as at March 31, 2008 is presented for the first time in a banking format to meet the requirements of the CRBF[1]. The contribution of Concordia BV to the consolidated results of the Paris-Orleans is split into two parts: from April 1, 2007 to November 20, 2007 Concordia BV was not controlled and the group's share of net profits is included within profits arising from associated companies; thereafter it is fully consolidated from November 21, 2007, with a minority interest (not adjusted of Treasury Stocks) of 42.5% between November 21, 2007 and January 21, 2008, reducing to 0% when Concordia BV became wholly owned.

Hence, it is important to emphasise that the consolidated income statement for the Paris-Orleans group for the year 2007/2008 is atypical. It is not comparable with the year 2006/2007, which included Concordia BV as an associated company, nor will it be comparable for the year 2008/2009, which shall include the whole year's results of Concordia BV on a fully consolidated basis.

The Board is pleased to announce consolidated profits for the year ended March 31, 2008 of € 125.3m (2006/2007 € 55m). The consolidated profit attributable to the shareholders of Paris-Orleans for the year is € 109.1m (2006/2007 € 54.1m). A table summarising the results for the year is presented below.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (in K€) 31/03/2008	
+ Interest income	223,624
- Interest expenses and similar charges	-170,535
+ Fee and commission income	264,031
- Fee and commission expense	-5,385
+/- Profit and loss on Available for Sale (AFS)	46,023
+ Other operating income	356
Net banking income	**358,114**
- General and administrative expenses	-239,985
- Depreciation and amortisation	-8,876
Gross operating income	**109,253**
- Risk related costs	-72,678
Operating income	**36,575**
+/- Share of profits of associated undertakings	48,010
+/- Net gain or loss on disposal of other assets	61,212
Profit before tax	**145,798**
- Tax	-20,524
Net Income	**125,274**
Minority interests	16,142
Net Income – Group share	**109,132**

(under audit process)

The detailed accounts and notes will be published in BALO at the end of July 2008.

The following table presents the consolidated income statement for Paris-Orleans the year 2006/2007

CONSOLIDATED PROFIT AND LOSS ACCOUNT (in K€) 31/03/2007	
Operating income	28,090
Net financial expenses	-1,036
Share of income from investments in associates	21,586
Tax	-6,926
Net income from operations sold, held for sale or discontinued	12,245
Net Income	**54,959**
Minority Interests	166
Net Income – Group share	**54,125**

In 2007/2008 the direct investment activities of Paris-Orleans have been expanded with € 151m of new investments compared with € 83m during the previous year. Investment sales, amounting to € 107.5m, generated € 75.5m of consolidated profits before taxes for the Paris-Orleans group. The sale of the investment in SIACI contributed € 59.6m to the results for the year (of which, € 31.7m had been recognised directly to reserves in September 2003 for an earlier recapitalisation of the business).

The profits arising in Concordia BV, holding of the banking business, during the year are € 99.1m (2006/2007 € 113.5m). Paris-Orleans' share of these profits included in the consolidated results are € 20.1m (2006/2007 € 20.1m) after adjustments. The overall results reflect the very favourable trading environment during the beginning of the year, followed by the abrupt change in conditions in the later period as a result of the severe dislocation in most western financial markets.

In the core investment banking and private wealth management advisory businesses, a record level of revenues and profits was achieved. Particularly pleasing were the revenues achieved in many emerging economies, where the group has invested heavily to build its geographic footprint and capabilities. Strong performances were recorded in the European markets with high levels of corporate advisory revenues spread across the continent. These profits were more than sufficient to offset the downturn in the commercial banking business, which suffered from the higher funding costs and loan impairments during the latter part of the year affecting all banks. Within the group's well spread portfolio of loan assets and securities, loan impairment costs represented c.1.8% of the portfolio. The remaining portfolio of loans and securities are diversified and currently performing well in the more challenging economic environment.

Following the division by 10 of the nominal value of equity shares, the net asset value, at March 31 2008, amounted to € 34.2 per share, against € 29.5 per share as at March 31, 2007. Since January 28, 2008 Paris Orleans shares have been upgraded to be continuously traded on the Eurolist of Euronext Paris.

On June 5, 2008, Paris-Orleans announced the sale of its interest in the Manufaktura shopping mall in Lodz (Poland), generating a net gain before tax of € 56.6m which will be recognised in the accounts for 2008 -2009.

The Executive Directors will recommend to the General Meeting of the Company, scheduled for September 29th 2008 at 11.00 AM, a dividend of € 0.55 per share, 10% higher than last year.

(1) Comité de Réglementation Bancaire et Financière