



**ISSUE OF NEW SHARES IN CONSIDERATION FOR  
CONCORDIA BV AND INTEGRITAS BV SHARES TO BE  
CONTRIBUTED TO PARIS ORLÉANS**

**Appendix to the Paris Orléans Management Board's report  
to the ordinary and extraordinary general meeting of shareholders on 21 January 2008**



**Registration by the *Autorité des Marchés Financiers***

Pursuant to the provisions of its General Regulation, and particularly article 212-34, the *Autorité des Marchés Financiers* registered this document on 20 December 2007 under registration number E.07-174. The document has been prepared by the issuer and its signatories are liable for the contents. In accordance with the provisions of article L. 621-8-1-I of the French Monetary and Financial Code, the AMF registered the document after satisfying itself that the information contained therein is complete, understandable and consistent. This does not imply that the AMF has endorsed the transaction or verified the accounting and financial information contained in the document. It certifies that the information contained therein meets the regulatory requirements for the subsequent admission to trading on Eurolist by Euronext Paris of the shares to be issued in consideration for the transfers, subject to approval by Paris Orléans shareholders.

The document is available free of charge from Paris Orléans's head office at 23 bis, avenue de Messine, 75008 Paris and from the websites of Paris Orléans ([www.paris-orleans.com](http://www.paris-orleans.com)) and the *Autorité des Marchés Financiers* ([www.amf-france.org](http://www.amf-france.org)).

This document contains information about Paris Orléans and certain information about Concordia BV and Integritas BV, whose shares are to be contributed by Eranda Foundation, Rothschild Trust (Schweiz) AG and Integritas Investments BV.

## **SUMMARY OF THE DOCUMENT**

### **Important notice**

This summary should be read as an introduction to the document. The full document should be read carefully before making a decision to invest in Paris Orléans shares. The persons who have presented this summary including, where applicable, its translation, can only be held civilly liable if the contents of the summary are misleading, inaccurate or in contradiction to other parts of the document.

An investor who takes legal action concerning the information contained in the document may, in accordance with the national legislation of the member countries of the European Union or the European Economic Area, be required to pay the costs of translating the document before commencement of legal proceedings.

## **1. INFORMATION ABOUT THE ISSUER**

### **Presentation of the issuer and its core business activities**

The issuer is Paris Orléans, a *société anonyme* with a separate Management Board and Supervisory Board incorporated under the laws of France. It is registered at the Paris Trade and Companies Registry under registration number B 302 519 228.

Today, Paris Orléans has two core business activities:

- banking and finance worldwide through its holding in CBV; and
- private equity.

The private equity business is conducted directly by Paris Orléans.

Until 20 November 2007, Paris Orléans owned 50% of the share capital and voting rights of Concordia B.V., a Dutch law company which owned virtually all the interests of both the French and English branches of the Rothschild family in the Rothschilds banking group together with 44.3% of Rothschild & Cie Banque. The remaining 50% of Concordia B.V. was owned by the English branch of the Rothschilds family.

On 20 November 2007, Concordia B.V. made an unequal capital reduction of €117,937,379.50 for cash in favour of Sir Evelyn de Rothschild (hereinafter referred to as the "**First Transaction**"). The capital reduction had the effecting of increasing Paris Orléans's holding in Concordia B.V. from **50%** to **57.5%** at the date of this document.

*Translation for information purposes only*

The organisation structure of the Paris Orléans Group before the Transactions is provided in Chapter II, section 1.1.1 below.

**Presentation of key financial data**

*Selected financial data for the past three financial years*

<b>CONSOLIDATED ASSETS - key data</b> <i>(in € 000s)</i>	<b>31/03/2007</b>	<b>31/03/2006</b>	<b>31/03/2005</b>
Non-current assets	586,023	523,304	863,922
Current assets	63,506	63,917	107,094
Non-current assets held for sale	51,059	537,821	-
<b>Total assets</b>	<b>700,588</b>	<b>1,125,042</b>	<b>971,016</b>

<b>CONSOLIDATED EQUITY &amp; LIABILITIES - key data</b> <i>(in € 000s)</i>	<b>31/03/2007</b>	<b>31/03/2006</b>	<b>31/03/2005</b>
Equity, Group share	582,993	509,289	389,388
Minority interests	5,314	19,566	15,863
<b>Total equity</b>	<b>588,307</b>	<b>528,855</b>	<b>405,251</b>
Non-current liabilities	42,088	71,324	502,972
Current liabilities	24,862	27,773	62,793
Liabilities associated with non-current assets held for sale	45,331	497,090	-
<b>Total equity &amp; liabilities</b>	<b>700,588</b>	<b>1,125,042</b>	<b>971,016</b>

<b>CONSOLIDATED INCOME STATEMENT - key data</b> <i>(in € 000s)</i>	<b>31/03/2007</b>	<b>31/03/2006</b>	<b>31/03/2005</b>
Operating income	28,090	33,776	18,968
Net income before income from operations sold, held for sale or discontinued	41,714	35,984	26,880
<b>Consolidated net income</b>	<b>53,959</b>	<b>40,317</b>	<b>26,880</b>
Net income, group share	54,125	38,641	25,115

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<b>CASH FLOW STATEMENT - key data</b> <i>(in € 000s)</i>	<b>2006/2007</b>	<b>2005/2006</b>	<b>2004/2005</b>
Cash from operating activities before net interest expense and income tax	12,617	24,422	28,515
Cash provided/(used) by operating activities	(10,554)	21,416	(2,978)
Cash provided/(used) by investing activities	(4,797)	9,046	(21,248)
Cash provided/(used) by financing activities	3,919	(32,583)	(42,940)
<b>Change in cash</b>	<b>(11,540)</b>	<b>(2,048)</b>	<b>(67,178)</b>

*Selected financial data for the first half of 2007*

<b>CONSOLIDATED ASSETS - key data</b> <i>(in € 000s)</i>	<b>30/09/2007</b>	<b>30/09/2006</b>
Non-current assets	660,521	559,176
Current assets	68,752	78,368
Non-current assets held for sale	-	-
<b>Total assets</b>	<b>729,273</b>	<b>637,544</b>

<b>CONSOLIDATED EQUITY &amp; LIABILITIES - key data</b> <i>(in € 000s)</i>	<b>30/09/2007</b>	<b>30/09/2006</b>
Equity, Group share	655,461	531,053
Minority interests	9,589	2,960
<b>Total equity</b>	<b>665,050</b>	<b>534,013</b>
Non-current liabilities	56,633	68,624
Current liabilities	7,590	34,907
Liabilities associated with non-current assets held for sale	-	-
<b>Total equity &amp; liabilities</b>	<b>729,273</b>	<b>637,544</b>

<b>CONSOLIDATED INCOME STATEMENT - Key data</b> <i>(in € 000s)</i>	<b>30/09/2007</b>	<b>30/09/2006</b>
Operating income	84,772	12,736

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Net income before income from operations sold, held for sale or discontinued	92,620	20,737
<b>Consolidated net income</b>	<b>92,620</b>	<b>41,848</b>
Net income, group share	92,411	41,719

**CASH FLOW STATEMENT - key data**  
*in € 000s)*

	30/09/2007	30/09/2006
Cash from operating activities before net interest expense and income tax	15,910	17,992
Cash provided/(used) by operating activities	21,948	21,831
Cash provided/(used) by investing activities	3,187	(22,730)
Cash provided/(used) by financing activities	(13,952)	(8,904)
Impact of exchange rate fluctuations	(70)	(54)
<b>Change in cash</b>	<b>(11,113)</b>	<b>(9,857)</b>

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Summary of capitalisation and indebtedness at 30 September 2007

<b>Total current financial liabilities at 30 September 2007 before Transactions</b>	<b>7,590</b>
<i>Guaranteed</i>	
<i>Secured (share of the company financed)</i>	489
<i>Unguaranteed and unsecured</i>	7,101
<b>Total non-current financial liabilities at 30 September 2007 before Transactions</b>	<b>35,728</b>
<i>Guaranteed</i>	
<i>Secured (share of the company financed)</i>	30,300
<i>Unguaranteed and unsecured</i>	5,428
<b>Capitalisation at 30 September 2007 before Transactions</b>	
Equity, Group share	655,461
<i>Share capital</i>	19,179
<i>Share premiums</i>	317,644
<i>Consolidated reserves</i>	226,227
<i>Net profit for the period</i>	92,411
Minority interests	9,589
<b>Total equity</b>	<b>665,050</b>
<b>Net indebtedness at 30 September 2007 before Transactions</b>	
<i>Cash</i>	5,588
<i>Cash equivalents</i>	7,604
<i>Marketable securities</i>	52,732
<b>Liquidity (A)</b>	<b>65,924</b>
<i>Current bank borrowings</i>	496
<i>Current portion of non-current financial liabilities</i>	489
<b>Current financial liabilities (B)</b>	<b>985</b>
<b>Net current liquidity (A) – (B)</b>	<b>64,939</b>
<i>Non-current bank borrowings</i>	35,728
<b>Net non-current indebtedness (C)</b>	<b>35,728</b>
<b>Net liquidity (A) – (B) – (C)</b>	<b>29,211</b>

The marketable securities equate to cash investments although they do not meet the criteria for classification as cash equivalents under IFRS.

**Main risks related to Paris Orléans and its business**

Paris Orléans is exposed to various risks, including interest rate risk, exchange rate risk, equity risk and liquidity risk. A description of these risks, their impact on Paris Orléans and the measures taken by Paris Orléans to protect against these risks are described in Chapter III, section 4.1 of this document.

A description of the risks related to Concordia BV is provided in Chapter V, section 1.3.1 below.

### **Recent developments in financial position and outlook**

In the first half of 2007/08, Paris Orléans's private equity business continued to grow at a sustained pace with €74.7 million invested (including €26.9 million in the Siaci-ACSH buyout) compared with €30.4 million for the first half of 2006/07.

A further €14.2 million of commitments related to funds were made in the first half but not paid out by 30 September 2007, bearing witness to the excellent prospects for this business for the second half of the year.

Apart from the Siaci-ACSH buyout, Paris Orléans continued to allocate its investments in a balanced manner, with about 35% invested in mezzanine financing in the first half. This asset class is considered to be less risky than expansion and buyout capital.

Paris Orléans's current portfolio does not reveal any risk of impairment or unrealised losses. Please see Chapter III, section 4.3 below for an analysis of the impact of the current liquidity crisis on the Paris Orléans Group.

Recent developments in the banking business (CBV group) are described in Chapter V, section 1.4.4. Please see Chapter V, section 1.4.4.5 for an analysis of the impact of the current liquidity crisis on the banking group.

## **2. INFORMATION ABOUT THE TRANSACTIONS**

### **General description of the Transactions**

The transactions described in this document comprise:

- The sale by Concordia B.V. to Rothschilds Continuation Holdings of its 32.1% interest in Rothschild & Cie Banque and an unequal capital reduction of €117,937,379.50 made for cash by Concordia B.V. in favour of Sir Evelyn de Rothschild, which took place on 20 November 2007; and
- The sale and contribution to Paris Orléans of the balance of Concordia B.V. shares currently held by members of the English branch of the Rothschild family (Integritas Investments B.V., Rothschild Trust (Schweiz) AG and Eranda Foundation), such that Paris Orléans will own 100% of the share capital of Concordia B.V. Integritas Investments B.V. and Rothschild Trust (Schweiz) AG, as well as the French branches of David de Rothschild and Eric de Rothschild will contribute all their Paris Orléans shares to a family holding company called Rothschild Concordia SAS. After these

contributions, Rothschild Concordia SAS will own 46.3% of the share capital and 51.4% of the voting rights of Paris Orléans.

### **Purpose of the Transactions**

The Transactions will simplify the chain of control over the interests in the Rothschilds banking group through their combination within Rothschilds Continuation Holdings, which will be controlled by Paris Orléans.

The Transactions will be accretive in terms of earnings per share and will increase the weighting of banking activities in the Group's assets to approximately 70%.

They will also help stabilise management of the banking group on a sustainable basis and will assure its independence by putting an end to the joint and equal holding between the French and English branches of the family.

Rothschild Concordia SAS will become the main shareholder of Paris Orléans and will ensure the stability of its ownership structure and long-term family control over the banking group.

### **Key characteristics of the Transactions and definitions of terms used in this document**

#### **Agreements**

All the parties to the Transactions entered into a Framework Agreement governing the Transactions on 25 September 2007. On the same date, a Contribution Agreement was signed relating to the various contributions to be made as part of the Second Transaction. The terms and conditions of the shareholders' agreement between the future shareholders of Rothschild Concordia SAS were determined.

#### **Acquisitions**

Paris Orléans's acquisitions for cash of Concordia B.V. shares held as a result of the First Transaction by Sir Evelyn de Rothschild, 1982 Trust, Eranda Foundation, Integritas Investments B.V. and Rothschild Trust (Schweiz) AG.

#### **Contributors**

Eranda Foundation, Integritas Investments B.V. and Rothschild Trust (Schweiz) AG.

#### **Contributions**

Contributions of 938,294 Concordia B.V. shares and 351,581,663 Integritas B.V. shares made by the Contributors to Paris Orléans.

#### **French Branch of the Rothschild Family**

David de Rothschild, his family and affiliated entities ("David de Rothschild branch"), Eric de Rothschild and his affiliated entities ("Eric de Rothschild branch"), Edouard de Rothschild and his affiliated entities, and Philippe de Nicolay.



<b>English Branch of the Rothschild Family</b>	Sir Evelyn de Rothschild, Integritas B.V., Integritas Investments B.V., Eranda Foundation, Rothschild Trust (Schweiz) AG and 1982 Trust (Integritas Investments B.V. and Rothschild Trust are together referred to as "Integritas /Trust branch").
<b>Share Capital Post Contributions</b>	After the Contributions, the share capital of Paris Orléans will be €24,103,644.96 divided into 3,163,208 shares each with a par value of €7.62.
<b>CBV</b>	Concordia B.V.
<b>Conditions Precedent</b>	<p>Under the Contribution Agreement, the Contributions will take place after completion of the First Transaction (completed on 20 November 2007) and the Acquisitions (as defined above) subject to satisfaction of the following conditions precedent:</p> <ul style="list-style-type: none"><li>- Paris Orléans to receive a report with no material qualifications from the independent appraising auditors (<i>commissaires aux apports</i>) on the value of the Concordia B.V. and Integritas B.V. shares contributed to Paris Orléans and the fairness of the consideration paid for the Contributions;</li><li>- Registration of this document by the <i>Autorité des Marchés Financiers</i>;</li><li>- Approval of the Contributions and resulting capital increase at the extraordinary general meeting of Paris Orléans shareholders.</li></ul>
<b>Control of Transactions</b>	The report of the independent appraising auditors ( <i>commissaires aux apports</i> ) appointed by order of the presiding judge of the Paris Commercial Court on 24 July 2007, whose assignment was extended to providing a fairness opinion on the consideration paid for the contributions at the request of

Paris Orléans (see Appendix A).

**Conclusions of the report of the independent appraising auditors**

**On the value of the contributions:** *"In conclusion, we are of the opinion that the value of the contribution, amounting to €221,777,500, is not overvalued and that accordingly the net assets contributed are at least equal to the par value of the new shares to be issued to the contributor company plus the share premium".*

**On the fairness of the consideration for the Contributions:** *"In conclusion, we are of the opinion that the proposed consideration for the contributions of Concordia B.V. and Integritas B.V. share, giving rise to the issuance of 646,308 new Paris Orléans, shares is fair".*

**Date of approval of the Contributions**

A general meeting of Paris Orléans shareholders will take place on 21 January 2008 to approve the Contributions.

**Eranda**

Eranda Foundation

**Group or Paris Orléans Group**

Paris Orléans and its subsidiaries from time to time (excluding CBV and its group)

**CBV Group**

Concordia B.V. and its subsidiaries from time to time

**RCH Group**

Rothschilds Continuation Holdings AG and its subsidiaries from time to time

**Integritas**

Integritas B.V.

**Capital relationships**

At the date of this document, the Contributors did not hold any Paris Orléans shares. After the Contributions, they will hold **646,308** shares representing approximately 20.4% of the share capital and approximately 22.7% of the net voting rights of Paris Orléans. These shares, except for the 118,348 shares issued to Eranda Foundation, will be immediately contributed to Rothschild Concordia SAS by Integritas Investments B.V. and Rothschild Trust (Schweiz) AG.

<b>New Integritas</b>	Integritas Investments B.V.
<b>NMR</b>	NM Rothschild & Sons Limited
<b>Transactions</b>	The First Transaction and the Second Transaction
<b>First Transaction</b>	The unequal capital reduction of €117,937,379.50 made for cash by Concordia B.V. in favour of Sir Evelyn de Rothschild.
<b>Share Premium</b>	€216,852,633.04
<b>Second Transaction</b>	The sale and contribution to Paris Orléans of the Concordia B.V. shares currently held by members of the English branch of the Rothschild family and the contribution to Rothschild Concordia SAS of shares representing 46.3% of the share capital of Paris Orléans.
<b>Company or Contributtee Company</b>	Paris Orléans, a <i>société anonyme</i> with share capital of €19,178,778, registered office at 23bis, avenue de Messine, 75008 Paris, France
<b>Rothschild Trust</b>	Rothschild Trust (Schweiz) AG
<b>RCB</b>	Rothschild & Cie Banque SCS
<b>RCH</b>	Rothschilds Continuation Holdings AG
<b>Rothschild Concordia</b>	Rothschild Concordia, a <i>société par actions simplifiée</i> with share capital of €37,000, registered office at 3, rue de Messine, 75008 Paris, France. Rothschild Concordia SAS is the family holding company which will, after the Transactions, comprise David de Rothschild, his family and affiliated entities, Eric de Rothschild and his affiliated entities, and the Integritas/Trust Branch. After the Transactions, Rothschild Concordia SAS will own 46.3% of the share capital of Paris Orléans.

**Paris Orléans securities to  
be issued**

Type	Shares
Number	646,308
Par value	€7.62
Market	Eurolist by Euronext Paris - Compartment B
Dividend eligibility date	1 April 2007

### **3. DILUTION AND OWNERSHIP STRUCTURE**

Details of the ownership structure and organisation structure of the Paris Orléans Group before the Transactions are provided in sections 1.1.1 and 5.1.2.1.1 of this document.

Details of the ownership structure and organisation structure of the Paris Orléans Group after the Transactions are provided in sections 5.1.2.2.1 and 5.1.2.2.2 of this document.

### **4. PRACTICALITIES**

#### **Expected timetable of the Transactions**

<b>DATE</b>	<b>TRANSACTION/EVENT</b>
17 July 2007	Transactions announced – heads of terms signed
24 July 2007	Independent appraising auditors appointed by the Paris Commercial Court
25 September 2007	Framework Agreement and Contribution Agreements signed
13 November 2007	PO contributes 50% of CBV shares to Paris Orléans Holding Bancaire (subsidiary of Paris Orléans)
20 November 2007	First Transaction completed
14 December 2007	Notice of meeting published in the BALO