Translation for information purposes only

PARIS ORLÉANS

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

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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) and the *Autorité des Marchés Financiers* (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.

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

CONSOLIDATED ASSETS - key data ***(in € 000s)***	**31/03/2007**	**31/03/2006**	**31/03/2005**
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	-
Total assets	**700,588**	**1,125,042**	**971,016**

CONSOLIDATED EQUITY & LIABILITIES - key data ***(in € 000s)***	**31/03/2007**	**31/03/2006**	**31/03/2005**
Equity, Group share	582,993	509,289	389,388
Minority interests	5,314	19,566	15,863
Total equity	588,307	528,855	405,251
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	-
Total equity & liabilities	**700,588**	**1,125,042**	**971,016**

CONSOLIDATED INCOME STATEMENT - key data ***(in € 000s)***	**31/03/2007**	**31/03/2006**	**31/03/2005**
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
Consolidated net income	**53,959**	**40,317**	**26,880**
Net income, group share	54,125	38,641	25,115

CASH FLOW STATEMENT - key data *(in € 000s)*	**2006/2007**	**2005/2006**	**2004/2005**
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)
Change in cash	**(11,540)**	**(2,048)**	**(67,178)**

Selected financial data for the first half of 2007

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

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

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

Net income before income from operations sold, held for sale or discontinued	92,620	20,737
Consolidated net income	**92,620**	**41,848**
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)
Change in cash	**(11,113)**	**(9,857)**

Summary of capitalisation and indebtedness at 30 September 2007

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

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.

English Branch of the Rothschild Family	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").
Share Capital Post Contributions	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.
CBV	Concordia B.V.
Conditions Precedent	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: - Paris Orléans to receive a report with no material qualifications from the independent appraising auditors (*commissaires aux apports*) 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; - Registration of this document by the *Autorité des Marchés Financiers*; - Approval of the Contributions and resulting capital increase at the extraordinary general meeting of Paris Orléans shareholders.
Control of Transactions	The report of the independent appraising auditors (*commissaires aux apports*) 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.

New Integritas	Integritas Investments B.V.
NMR	NM Rothschild & Sons Limited
Transactions	The First Transaction and the Second Transaction
First Transaction	The unequal capital reduction of €117,937,379.50 made for cash by Concordia B.V. in favour of Sir Evelyn de Rothschild.
Share Premium	€216,852,633.04
Second Transaction	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.
Company or Contributee Company	Paris Orléans, a *société anonyme* with share capital of €19,178,778, registered office at 23bis, avenue de Messine, 75008 Paris, France
Rothschild Trust	Rothschild Trust (Schweiz) AG
RCB	Rothschild & Cie Banque SCS
RCH	Rothschilds Continuation Holdings AG
Rothschild Concordia	Rothschild Concordia, a *société par actions simplifiée* 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

DATE	TRANSACTION/EVENT
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

20 December 2007	• AMF registers Document E • Report of the independent appraising auditors filed at the court registry and Paris Orléans's head office
28 December 2007	• Second notice of meeting published in the BALO – documents made available for inspection at the head office and sent to registered shareholders
21 January 2008	• Ordinary and extraordinary general meeting of Paris Orléans shareholders
22 January 2008	• Second Transaction (Acquisitions and Contributions) completed

Availability of the document

This document is available free of charge from Paris Orléans, 23, bis avenue de Messine, 75002 Paris, and from the websites of the *Autorité des Marchés Financiers* (www.amf-france.org) and the issuer (www.paris-orleans.com).

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CONTENTS

CHAPTER I - PERSONS RESPONSIBLE FOR THE DOCUMENT AND AUDITORS

1. FOR PARIS ORLÉANS – THE CONTRIBUTEE COMPANY

1.1 Person responsible for the document

Sylvain Héfès,
Chairman of the Management Board

1.2 Statement by the person responsible for the document

"*I declare that to the best of my knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect its import.*

I have obtained a letter from the auditors stating that they have reviewed the financial and accounting information provided in this document in accordance with the professional doctrine applicable in France and that they have read the document as a whole."

Sylvain Héfès
Chairman of the Management Board

1.3 Auditors

Principal auditors:

- **Caillau Dedouit et Associés, 19 rue Clément Marot, 75008 Paris** (member of the Paris *Compagnie Régionale des Commissaires aux Comptes*),
  represented by Jean Jacques Dedouit.
  First appointed at the annual general meeting of 24 June 2003 and reappointed at the annual general meeting of 29 September 2005 for a term of six years ending at the conclusion of the annual general meeting held to approve the financial statements for the year ended 31 March 2011.

- **KPMG Audit – Department of KPMG SA – 2 bis rue de Villiers, 92309 Levallois Perret cedex** (member of the Versailles *Compagnie Régionale des Commissaires aux Comptes*),
  represented by Fabrice Odent.
  Appointed at the annual general meeting of 29 September 2005 for a term of six years ending at the conclusion of the annual general meeting held to approve the financial statements for the year ended 31 March 2011.

Alternate auditors :

- **Stéphane Lipski, member of the Caillau Dedouit et Associés network, 19 rue Clément Marot, 75008 Paris** (member of the Paris *Compagnie Régionale des Commissaires aux Comptes*)
  First appointed at the annual general meeting of 24 June 2003 and reappointed at the annual general meeting of 29 September 2005 for a term of six years ending at the conclusion of the annual general meeting held to approve the financial statements for the year ended 31 March 2011.

- **SCP de commissaires aux comptes Jean-Claude André et Autres, 2 bis rue de Villiers, 92309 Levallois Perret cedex, member of the KPMG SA network** (member of the Versailles *Compagnie Régionale des Commissaires aux Comptes*)**,**
  represented by Danielle Prut Foulatière
  Appointed at the annual general meeting of 29 September 2005 for a term of six years ending at the conclusion of the annual general meeting held to approve the financial statements for the year ended 31 March 2011.

1.4 Person responsible for information

Michele Mezzarobba
Chief Financial Officer
Telephone: +33 1 53 77 65 10
Email: contact@paris-orleans.com

1.5 Statutory Auditors' fees

	Caillau Dedouit & Associés				KPMG Audit			
	Amount (incl. VAT) in euros		%		Amount (incl. VAT) in euros		%	
	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
AUDIT □ Statutory audit, certification, review of the separate and consolidated financial statements								
o Paris Orléans (parent)	106,444	146,032	83.75%	77.62%	114,480	158,853	89.00%	89.67%
o Fully consolidated subsidiaries	14,472	14,119	11.39%	7.50%	14,472	14,119	11.00%	7.97%
□ Other work and services directly related to the statutory audit assignment								
o Paris Orléans (parent)	6,178	27,986	4.86%	14.88%	0	4,186		2.36%
Sub-total	127,094	188,137	100%	100%	128,952	177,157	100%	100%
Other services provided by the networks to fully consolidated subsidiaries - □ Legal, fiscal, social -								

□ Other								
Sub-total								
TOTAL	**127,094**	**188,137**	**100%**	**100%**	**128,952**	**177,157**	**100%**	**100%**

N.B.:

The amounts shown above are expressed inclusive of VAT as Paris Orléans and its subsidiaries do not recover VAT.

2. FOR CBV, WHOSE SHARES ARE TO BE CONTRIBUTED

2.1 Persons responsible for the document

Anthony Chapman
Director of CBV – Group General Counsel of RCH

2.2 Statement by the persons responsible for the document

"I *declare that to the best of my knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this document about Concordia BV is in accordance with the facts and does not omit anything likely to affect its import.*

I have obtained a letter from the auditors stating that they have reviewed the information on Concordia BV's financial position provided in this document and that they have read the document as a whole."

Anthony Chapman
Director of CBV – Group General Counsel of RCH

3. FOR INTEGRITAS, WHOSE SHARES ARE TO BE CONTRIBUTED

3.1 Person responsible for the document

Muus de Boer
Managing Director

3.2 Statement by the person responsible for the document

"*I declare that to the best of my knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this document about Integritas B.V. is in accordance with the facts and does not omit anything likely to affect its import.*"

Muus de Boer
Managing Director

CHAPTER II - INFORMATION ABOUT THE TRANSACTIONS AND THEIR CONSEQUENCES

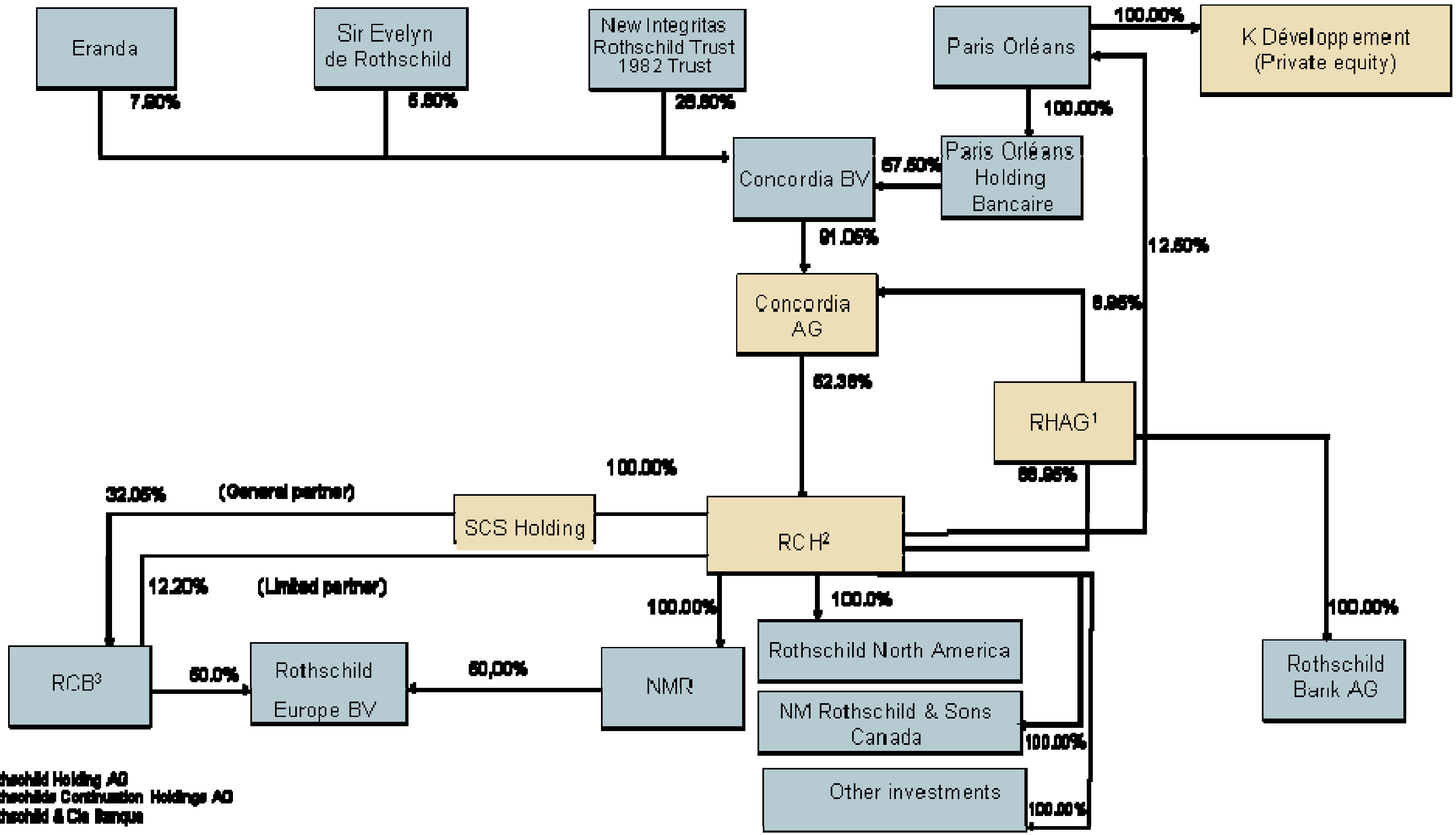
1. BUSINESS ASPECTS OF THE TRANSACTIONS

1.1 Existing relationships between the entities involved

1.1.1 Capital relationships

At the date of this document, Paris Orléans owns directly and outright 2,324,377 shares of CBV, representing 57.5 % of CBV's share capital and voting rights.

SIMPLIFIED ORGANISATION STRUCTURE BEFORE AND AFTER THE CONTRIBUTIONS AND FIRST TRANSACTION
(See organisation structure after the Transactions shown in Chapter II, section 5.1.2.2.2)



Note
1 Rothschild Holding AG
2 Rothschilds Continuation Holdings AG
3 Rothschild & Cie Banque

1.1.2 Guarantees

None.

1.1.3 Common directors

Name	Office held within Paris Orléans	Other directorships or offices
Michele Mezzarobba	Member of the Management Board	Director and Chairman of the Board of Directors of CBV.

1.1.4 Common subsidiaries and extent to which dependent on a same group

See Chapter II, section 1.1.1 above.

1.1.5 Technical and commercial agreements

See Chapter III, section 19 on related-party agreements.

1.2 Purpose of the Transactions

1.2.1 Descriptions and benefits of the Transactions for the Contributee Company and its shareholders

1.2.1.1 Background

Creation of CBV in July 2003

In July 2003, the members of the French branch and the English branch of the Rothschild family combined their banking interests in a Dutch law company called CBV, the share capital of which was 50% owned by Paris Orléans and 50% by members of the English branch of the Rothschild family.

This transaction simplified and combined within CBV the various holding and management companies of all the banking and financial entities of the French and English branches of the Rothschild family in the United Kingdom (including NMR, a leading investment bank in the City of London, which with its related companies also has commercial banking and wealth management operations), in Europe (RCB), in North America (including Rothschild North America), in Switzerland and in the rest of the world.

The creation of CBV completed an international integration initiated several years ago, involving 2,500 employees of the Rothschild banking group in more than thirty different countries. It also established a governance structure – CBV – jointly owned by the French and English branches of the Rothschild family, the purpose of which was to perpetuate the Rothschild group's tradition of independence in the banking field. This was a radical development for Paris Orléans, which then focused its activity on its new core asset, CBV.

At that time, members of the French Branch of the Rothschild Family made a public buyout offer for Paris Orléans shares at a price of €130 per share[1].

Merger of Francarep into Paris Orléans in October 2004

In July 2004, Paris Orléans and Francarep jointly filed a proposal for Paris Orléans's merger absorption of Francarep, its 74.22%-owned subsidiary. The merger absorption was part of the process of simplifying the Group's structure and Paris Orléans absorbed a number of the Group's unlisted subsidiaries at the same time.

Paris Orléans and Francarep were both involved in the activity of holding long-term investments, mainly in the banking sector for Paris Orléans, and in the private equity sector for Francarep.

The merger was completed in October 2004 and led to:

- an increase in the free float, which was in the interests of the shareholders of both companies;

- operational management synergies;

- access for shareholders of the new entity to the activities of an international banking group and the long-term returns provided by a private equity business.

Paris Orléans's share price, which has almost doubled since July 2003, reflects the positive impact of the transactions described above.

The transactions described in this document announced publicly on 17 July 2007

The Transactions comprise:

- the exit of Sir Evelyn de Rothschild from CBV's share capital through an unequal capital reduction for cash;

- the acquisition by Paris Orléans of the remaining CBV shares held by members of the English branch of the Rothschild family such that Paris Orléans will own 100% of the share capital of CBV;

- the creation of a family holding company called Rothschild Concordia to control Paris Orléans, the owners of which will be some members of the family concert party that currently controls Paris Orléans, together with New Integritas and Rothschild Trust (members of the English branch of the Rothschild family).

These Transactions will simplify the chain of control over the banking interests through their combination within RCH, in which Paris Orléans will hold the majority of the share capital via CBV.

[1] AMF visa no. 03-739 dated 5 August 2003.

The Transactions will also help centralize strategic management of the new banking group unified within Paris Orléans.

1.2.1.2 Description of the Transactions

The main aim of the Transactions for Paris Orléans is to own 100% of the share capital of CBV.

The First Transaction consisted of offering Sir Evelyn de Rothschild a partial exit from CBV through an unequal capital reduction for cash. This Transaction was completed on 20 November 2007 and resulted in Paris Orléans owning 57.5% of the share capital of CBV.

The Second Transaction will consist of contributing and transferring the CBV shares currently held by members of the English branch of the Rothschild family to Paris Orléans and contributing shares representing 46.3% of the share capital of Paris Orléans to Rothschild Concordia.

The Transactions are governed by a Framework Agreement which was entered into on 25 September 2007 by all the parties.

- First Transaction: capital reduction made by CBV in favour of Sir Evelyn de Rothschild

The First Transaction consisted of CBV making an unequal capital reduction for cash in favour of Sir Evelyn de Rothschild for a proportion of his shares.

The capital reduction for an amount of €117,937,379.50 was approved by CBV's shareholders on 5 September 2007 and was completed on 20 November 2007. In this context, CBV sold to RCH (which is controlled by CBV) almost 100% of the share capital of SCS Holding SAS, a general partner (*associé commandité*) of RCB which owns 32.1% of RCB's share capital. The proceeds of the sale were used to finance the capital reduction in its entirety

RCH, which was already a limited partner (*associé commanditaire*) of RCB with a 12.2% holding, then owned 44.3% of the share capital of RCB directly and indirectly (through SCS Holding).

As a result of the First Transaction, which had the effect of increasing the holding of all CBV shareholders other than Sir Evelyn de Rothschild, Paris Orléans's holding in CBV was increased from **50% to 57.5%**.

For this purpose, and with a view to completing the Second Transaction, the Board of Directors of CBV was restructured on 21 September 2007 to reflect Paris Orléans's increased holding in CBV (see Chapter V, section 1.1.6).

Prior to completion of the First Transaction, Paris Orléans had contributed (at its net book value) its holding in CBV to its subsidiary Paris Orléans Holding Bancaire, a holding company which is intended to hold all the Group's banking interests on a long-term basis.

Prior to completion of the Transactions, New Integritas (which is 95% owned by Rothschild Trust) acquired 75% of the share capital of Integritas (25% owned by Rothschild Trust). Integritas subsequently transferred all its assets, with the exception of 228,956 CBV shares, and all its liabilities to New Integritas. On the date of completion of the Second Transaction, the Integritas shares owned by New Integritas will have been cancelled by way of a capital reduction. Consequently, on the date of completion of the Second Transaction, the share capital of

Integritas will be 100% owned by Rothschild Trust and will be transferred to Paris Orléans by way of a contribution in kind as Integritas's only asset is 228,956 CBV shares and it has no liabilities.

- Second Transaction: sale and contribution to Paris Orléans of the balance of CBV shares held by members of the English branch of the Rothschild family and contribution of Paris Orléans shares to Rothschild Concordia

(i) Sale to Paris Orléans of all the CBV shares held by the English branch of the Rothschild family

- The balance of CBV shares held by Sir Evelyn de Rothschild and the CBV shares held by 1982 Trust will be sold to Paris Orléans for cash;

- The CBV shares held by Eranda will be partially contributed to Paris Orléans for shares and partially sold to Paris Orléans for cash;

- The majority of the CBV shares held by New Integritas and Rothschild Trust will be contributed to Paris Orléans (directly and via the contribution by Rothschild Trust of 100% of Integritas which owns 228,956 CBV shares), and the balance will be sold to Paris Orléans for cash.

Following the Contributions and Acquisitions, Paris Orléans will directly and indirectly (via Paris Orléans Holding Bancaire and Integritas) own 100% of the share capital and voting rights of CBV.

Furthermore, once the Second Transaction has been completed, it is intended that:

- Paris Orléans will promptly contribute the entire holding it will just have acquired in CBV and Integritas to Paris Orléans Holding Bancaire;

- Paris Orléans Holding Bancaire will liquidate (or absorb) Integritas as quickly as possible, such that after these transactions, Paris Orléans Holding Bancaire will directly own the entire share capital of CBV.

Under the Framework Agreement, Rothschild Concordia will also, under certain conditions, pay Sir Evelyn de Rothschild a specified consideration if it sells control of Paris Orléans or loses control of one of its material subsidiaries within seven years of completion of the Second Transaction.

(ii) Contributions of Paris Orléans shares to Rothschild Concordia

David de Rothschild, his family and affiliated entities[2], Eric de Rothschild and his affiliated entities[3], New Integritas and Rothschild Trust will contribute their Paris Orléans shares to Rothschild Concordia immediately after completion of the Contributions and Acquisitions.

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[2] David de Rothschild, Louise de Rothschild, Alexandre de Rothschild, Stéphanie de Rothschild and the companies Financière de Reux and Financière de Tournon.

[3] Eric de Rothschild and the companies Bero and Ponthieu Rabelais.

Rothschild Concordia will thus become the controlling holding company of Paris Orléans. New Integritas and Rothschild Trust will act in concert with members of the current concert party, with whom they will control Rothschild Concordia. After the Transactions, ownership of Rothschild Concordia will be as follows:

- Eric de Rothschild and his affiliated entities will own **38.56%** of the share capital and voting rights;

- David de Rothschild, his family and affiliated entities will own **25.41%** of the share capital and voting rights;

- New Integritas and Rothschild Trust will own **36.03%** of the share capital and voting rights.

1.2.1.3 Conditions precedent to the Transactions

Under the Framework Agreement, the Transactions are subject to various conditions precedent.

- <u>Conditions precedent to the First Transaction</u>

The conditions precedent to the First Transaction, which have already been satisfied, were:

- *Autorité des Marchés Financiers* to grant a waiver from the requirement to file a public offer for Paris Orléans shares[4];

- Authorisation from the banking and regulatory authorities (particularly the *Comité des Etablissements de Crédit et des Entreprises d'Investissement* and the Financial Services Authority)[5] required for the Transactions;

- No objection to the capital reduction from CBV's creditors within two months of publication of the resolution passed by CBV shareholders on 5 September 2007; and

- Confirmation of the fiscal consequences of the Transactions from the tax authorities.

The First Transaction was completed on 20 November 2007.

- <u>Conditions precedent to the Second Transaction</u>

The conditions precedent to the Second Transaction are:

- First Transaction to be completed;

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[4] Decision no. 207C2252 of 8 October 2007 published in BALO no. 122 of 10 October 2007. The threshold of one third of the share capital and voting rights of Paris Orléans will not be breached until after the Second Transaction. However, the parties agreed in the Framework Agreement that this waiver would be a condition precedent to the First Transaction.

[5] Favourable decisions by the Federal Trade Commission on 12 October 2007 with respect to authorisation from the US anti-trust authorities and by the Financial Services Authority on 16 October 2007 with respect to authorisation from the British banking authorities.

- Paris Orléans to receive a report with no material qualifications from the independent appraising auditors (*commissaires aux apports*) on the value of CBV and Integritas shares contributed to Paris Orléans and the fairness of the consideration paid for the Contributions;

- Registration of this document by the *Autorité des Marchés Financiers*;

- Approval of the Contributions and resulting capital increase at the extraordinary general meeting of Paris Orléans shareholders.

Under the Framework Agreement, non-completion of the Second Transaction would not affect the final and binding nature of the First Transaction.

1.2.1.4 Positive effects of the Transactions

The Transactions are a natural extension to the previous transactions described in Chapter II, section 1.2.1.1 and will bring the following benefits for Paris Orléans:

i) Simplification of the Rothschild group holding structure;

ii) Simplification of the Rothschild group's governance structure;

iii) Strengthening of the Rothschild group's independence;

iv) Positive expected financial impacts.

(i) Simplification of the Rothschild group holding structure

The chain of control over the banking assets will be simplified by the fact that 44.3% of RCB's share capital will be grouped under RCH (of which Paris Orléans indirectly owns the majority of the share capital following the First Transaction) after RCH's acquisition from CBV of 32.1% of RCB in addition to the 12.2% it already owns. RCH will therefore hold all the banking interests and become the parent company of the Rothschild banking group. The financial statements of RCH will thereafter be fully consolidated by Paris Orléans.

(ii) Simplification of the Rothschild group's governance structure

The Transactions will centralize the strategic management of a totally unified Rothschild banking group in Paris within Paris Orléans and will durably stabilise its strategic management by putting an end to the joint and equal holding between the French and English branches of the Rothschild family, a structure that was inherently exposed to the risk of potential stalemate.

However, the Transactions will have no impact on the operational management of Paris Orléans or of the various entities within the Rothschild banking group.

(iii) Strengthening of the Rothschild group's independence

Paris Orléans will be controlled by the Rothschild Family via the newly-created Rothschild Concordia. This family company will be the main shareholder of Paris Orléans with a 46.3% holding. It will therefore ensure a more stable ownership structure of Paris Orléans in the long term and ongoing control by the Rothschild family of the banking group that bears its name (see organisation structure provided in Chapter II, section 5.1.2.2.2 below).

(iv) Positive expected financial impacts

The Transactions will be accretive for Paris Orléans in terms of net earnings per share (from 1% to 5% depending on the estimated average earnings generated by the private equity business) and will increase the weighting of the banking business in the Group's assets to about 70%.

1.2.2 Benefits of the Transactions for the Contributors

New Integritas and Rothschild Trust, whose ultimate beneficiaries are mainly Sir Evelyn de Rothschild's children and sister, will contribute the shares issued in consideration for the Contributions to Rothschild Concordia. New Integritas and Rothschild Trust will therefore become members of the concert party that will control Rothschild Concordia and will take part in controlling the Group through Rothschild Concordia.

Eranda, a charitable trust whose trustees include Sir Evelyn de Rothschild and his children, which will own 3.7% of the share capital of Paris Orléans after the Contributions, wishes to retain a direct holding in Paris Orléans and will not transfer the shares issued in consideration for the Contributions to Rothschild Concordia.

2. LEGAL ASPECTS OF THE TRANSACTIONS

2.1 The Transactions themselves

2.1.1 Date of proposed contribution agreement

The proposed contribution agreement was signed on 25 September 2007.

2.1.2 Date of financial statements used to determine the consideration for the Contributions

The independent appraising auditors prepared their report on the fairness of the exchange ratio (consideration for the Contributions) on the basis of Paris Orléans's financial statements for the year ended 30 September 2007.

The independent appraising auditors prepared their report on the valuation of the Contributions on the basis of CBV's financial statements for the year ended 30 September 2007.

2.1.3 Effective date of the Contributions

The Contributions will be completed once all of the following non-retrospective conditions precedent have been satisfied:

(i) Approval of the Contributions and corresponding new share issue and capital increase at an extraordinary general meeting of Paris Orléans shareholders, which will be called to this effect on 21 January 2008;

(ii) Paris Orléans to receive a report with no material qualifications from the independent appraising auditors on the value of the Contributions and the fairness of the consideration paid for the Contributions;

(iii) registration of this document by the *Autorité des Marchés Financiers*;

(iv) completion of the Acquisitions (as defined in Chapter II, section 1.2 above).

2.1.4 Date of resolutions of the governing bodies that approved the Transactions

The Supervisory Board of Paris Orléans approved the Transactions at its meeting of 25 September 2007.

No formal approval of the Transactions is required from Rothschild Trust and New Integritas.

The trustees of Eranda approved the Transactions on 30 July 2007.

2.1.5 Tax regulations applicable to the Transactions

The Contributions will be liable for registration duty of €500 as provided for in article 810-I of the French General Tax Code.

2.2 Control of Transactions

2.2.1 Date of general meeting called to approve the Transactions

A general meeting of Paris Orléans shareholders will be called on 21 January 2008 to approve the Transactions.

2.2.2 Independent appraising auditors

By order dated 24 July 2007, the presiding judge of the Paris commercial court appointed the following persons as independent appraising auditors:

- Dominique Ledouble, 99 boulevard Haussmann, 75008 Paris;
- Didier Faury, 140 boulevard Haussmann, 75008 Paris.

The independent appraising auditors drew up their report on 19 December 2007. It is provided in Chapter II, section 3.3 below and in Appendix A to this document.

2.2.3 Experts appointed by the commercial court

No experts have been appointed by the commercial court in connection with the Transactions described in this document.

2.2.4 Special assignments conferred on the independent appraising auditors by the AMF

The AMF has not conferred any special assignments on the independent appraising auditors referred to above.

However, in a letter dated 27 July 2007, Paris Orléans asked the independent appraising auditors to extend their work to cover:

(i) an opinion on the fairness of the exchange ratio set out in the Contribution Agreement for Paris Orléans shareholders;

(ii) an opinion on the fairness of the valuation of RCB used in connection with CBV's sale to RCH of its entire holding in French company SCS Holding (which itself owns 32.1% of RCB), completed on 20 November 2007.

2.3 Consideration for the Contributions

2.3.1 New share issue

In consideration for the Contributions, Paris Orléans will issue and allot a total of 646,308 new shares to the Contributors at a price of €343.15 per share (as set out in Chapter II, section 5.2 below), representing a total capital increase of €4,924,866.96. The share capital of Paris Orléans will therefore be increased from €19,178,778 to €24,103,644.96 divided into 3,163,208 shares each with a par value of €7.62.

The difference between the value of the Contributions, i.e. €221,777,500 and the amount of the capital increase, i.e. €4,924,866.96 will constitute a share premium of €216,852,633.04, which will be recognized in a special equity account attributable to both old and new shareholders.

The value of the Contributions referred to above (€221,777,500) has been determined on the basis of fair value not book value.

2.3.2 Date of dividend eligibility

The 646,308 shares issued in consideration for the Contributions will be entitled to a dividend as of 1 April 2007 and will therefore not be entitled to the dividend paid in 2007 in respect of the 2006 financial year. They will otherwise be entirely and immediately identical in all respects to the existing shares and will be entitled to all dividend payments voted after their issuance.

2.3.3 Negotiability date

The 646,308 shares issued in consideration for the Contributions will be negotiable as of the completion date of the Contributions in accordance with article L. 228-10 of the French Commercial Code.

2.3.4 Date of admission to trading

Application for the 646,308 shares issued in consideration for the Contributions to be admitted to trading on Eurolist by Euronext Paris S.A. will be made promptly and admission will, subject to the Contributions being completed, take place in the days immediately following completion of the Contributions on the terms and conditions to be set out in a notice published by Euronext Paris S.A.

3. ACCOUNTING FOR THE CONTRIBUTIONS

3.1 Designation and value of the contributed assets

3.1.1 Contributions of CBV shares

New Integritas will contribute, on the terms and conditions set out in the Contribution Agreement, 616,883 CBV shares representing approximately 15.26% of the issued share capital and voting rights of CBV on the date of completion of the Contributions. These shares will be contributed at a total value of €117,207,770 based on a price of €190 per CBV share.

Eranda will contribute, on the terms and conditions set out in the Contribution Agreement, 213,739 CBV shares representing approximately 5.29% of the issued share capital and voting rights of CBV on the date of completion of the Contributions. These shares will be contributed at a total value of €40,610,410 based on a price of €190 per CBV share.

Rothschild Trust will contribute, on the terms and conditions set out in the Contribution Agreement, 107,672 CBV shares representing approximately 2.66% of the issued share capital and voting rights of CBV on the date of completion of the Contributions. These shares will be contributed at a total value of €20,457,680 based on a price of €190 per CBV share.

The Contributions will be made in accordance with *Comité de la Réglementation Comptable* Regulation no. 2004-01 of 4 May 2004 on the accounting treatment of mergers and similar transactions.

The total value of all contributions of CBV shares is €178,275,860. It has been determined on the basis of fair value not book value.

3.1.2 Contributions of Integritas shares

Rothschild Trust will contribute, on the terms and conditions set out in the Contribution Agreement, 351,581,663 Integritas shares representing 100% of the issued share capital and voting rights of Integritas. Integritas has only one asset, being 228,956 CBV shares valued at €190 per share. It has no liabilities. Accordingly and by transparency, the 351,581,663 Integritas shares will be contributed at a total value of €43,501,640 based on a price of approximately €0.124 per Integritas share.

The value of the contributions of Integritas shares referred to above (€43,501,640) has been determined on the basis of fair value not book value.

3.1.3 Total value of the Contributions

The total value of the Contributions of CBV shares and Integritas shares is €221,777,500.

3.2 Revaluations and adjustments between the contribution value and the net book value

None

3.3 Appraisal of the contribution values

The independent appraising auditors have prepared a report on the contribution values and the fairness of the exchange ratio on 19 December 2007, which is provided in Appendix A. The main conclusions of the report are set out below:

Opinion on contribution values:

"*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*".

Fairness of exchange ratio:

"*In conclusion, we are of the opinion that the proposed consideration for the contributions of Concordia B.V. and Integritas B.V. shares, leading to the issuance of 646,308 new Paris Orléans, shares is fair*".

3.4 Calculation of the share premium arising on the Contributions

The difference between the value of the Contributions (i.e. €221,777,500) and the amount of the capital increase (i.e. €4,924,866.96), will be recognised as a share premium of €216,852,633.04.

4. CONSIDERATION FOR THE CONTRIBUTIONS

4.1 Description and justification of the criteria used to compare CBV and Paris Orléans

By mutual agreement of the parties concerned, the exchange ratio has been set at 0.5537 Paris Orléans shares for 1 CBV share.

This ratio has been established on the basis of net asset value (determined on a going concern basis), share price (in CBV's case based on the price used to value the Contributions), yield (based on net dividends paid by both companies) and earnings per share (based on pro forma net earnings).

4.1.1 Method

Criteria used:

The ratio was determined on the basis of the four criteria described below:

i) Net asset value determined on a going concern basis. Net asset value is a fundamental criterion given the nature of the companies involved (portfolio company holding strategic interests and, in Paris Orléans's case, a financial investment business);
ii) Share price, assessed over the short, medium and long term for Paris Orléans and compared to CBV's intrinsic value;
iii) Yield, determined on the basis of net dividends paid by both companies;
iv) Earnings per share, based on each company's pro forma net earnings over a long period.

Criteria rejected

Given the nature of Paris Orléans and CBV, several comparison-based valuation criteria were rejected, such as comparable company multiples and comparable transaction multiples. The reason for rejecting these methods is the difficulty in identifying any comparable holding companies in terms of business and assets held.

Similarly, discounted cash flow methods have not been used. Neither company has an ongoing investment policy and most of their cash flows are used to develop their portfolios and pay dividends to shareholders.

4.1.2 Net asset value

Net asset value (NAV) is a fundamental criterion for determining the intrinsic value of CBV and Paris Orléans, given the business activities of the two companies and the nature of their assets.

Deferred taxes have been taken into account when calculating NAVs.

4.1.2.1 CBV's NAV

4.1.2.1.1 Method

CBV's main assets are indirect holdings in RCH and RCB. Those two companies have been valued using the following traditional methods of valuing banking groups:

i) Comparable company P/E multiples;
ii) Comparable transaction P/E multiples.

In case of RCH, which is engaged in traditional lending activities and therefore has a substantial equity base (unlike RCB which is mainly involved in mergers & acquisitions advisory and asset management and, to a lesser degree, capital markets activities), a third method has been used: equity multiples resulting from a regression analysis with RoEs of comparable listed companies.

Financial data used

The valuation of RCH is based on the following financial data:

i) *Adjusted net earnings*: RCH's net earnings amounted to €89.1 million in 2006 (year ended 31 March 2007) and to €79.5 million restated for non-recurring items and interest on excess capital. The valuation of RCH is also based on the company's budget for the current year.

ii) *Adjusted equity:* Equity amounted to €952.8 million at 31 March 2007 and is estimated at €1,001.7 million at 31 March 2008. Adjusted equity (after elimination of estimated excess capital at June 2007) is €634.6 million and €696.0 million respectively.

The valuation of RCB is based on pro forma net earnings (attributable to "capital") in 2006 (€28.3m) and budgeted net earnings for 2007.

Comparable company P/E multiples (RCH and RCB)

This method consists of calculating the average P/E multiples observed across a sample of comparable companies and applying them to the net earnings of the target companies. Three samples were used: i) a sample of European banks with a significant investment banking business (BNP Paribas, Société Générale, Crédit Agricole, Natixis, Deutsche Bank, UBS and Crédit Switzerland), ii) a sample of US investment banks (Goldman Sachs, Morgan Stanley, Merrill Lynch, Lehman Brothers and Bear Stearns) and iii) a sample of mergers & acquisitions specialists (Lazard, Greenhill, Close Brothers, Evercore, Thomas Weisel and Cowen).

The analysis was based on historical (2006) and projected (2007) net earnings based on a consensus of estimates taken from the IBES database where available and otherwise a consensus from published equity research reports.

Comparable transaction P/E multiples (RCH and RCB)

This method consists of calculating the average historical P/E multiples of transactions among European financial institutions from 2004 to 2007 and applying them to the net earnings of the target companies. A sample of 27 comparable deals was selected.

The analysis was based on historical net earnings based on financial statements published by the sample companies.

Equity multiples (RCH)

An analysis of market multiples for European banks reveals a strong correlation between i) return on average equity (RoE), calculated as the ratio between 2007 projected net earnings and average 2006 and 2007 equity post dividends, and ii) the 2007 equity multiple post dividends. This analysis enables the equity multiple to be adjusted to take account of RCH's expected return on equity.

It is based on the 2007 projected net earnings of European banks according to the consensus of estimates provided by IBES. 2007 projected equity is estimated on the basis of 2006 historical equity post dividends published by the companies in question, plus the difference between 2007 projected net earnings and projected dividends according the consensus of estimates provided by IBES.

The sample includes the following banks: KBC, Dexia, BNP Paribas, Société Générale, Crédit Agricole, Natixis, Deutsche Bank, Commerzbank, BBVA, Banco Popular, BES, BCP, Intesa, MPS, Nordea, SHB, SEB, Swedbank, DnB Nor, Danske Bank, UBS, Crédit Switzerland, HBOS, Lloyds TSB, Allied Irish Bank, Bank of Ireland.

4.1.2.1.2 Results

Valuation of RCH

The following table shows a summary of the valuations of RCH using the methods described above.

Summary of RCH's valuation at 16 July 2007			
	Range		
Method	**Low (€m)**	**High (€m)**	**Mid (€m)**
Regression	1,192	1,297	1,245
P/E European banks with investment banking business	1,047	1,196	1,121
P/E US investment banks	989	1,142	1,066
P/E M&A specialists	1 401	1,909	1,655
Transactions (European banks) - after 20% discount	1,415	1,556	1,485

The valuation used for the transaction between the parties amounts to €1,579 million for 100% of RCH's share capital. This valuation is the result of negotiation between the parties. It is at the low end of valuation range based on the P/E of M&A specialists, which is the closest proxy for RCH.

Valuation of RCB

The following table shows a summary of the valuations of RCB using the methods described above:

Summary of RCB's valuation at 16 July 2007			
	Range		
Method	**Low (€m)**	**High (€m)**	**Mid (€m)**
Transactions (European banks) - after 20% discount	413	463	438
P/E M&A specialists	402	566	484
P/E US investment banks	251	293	272
P/E European banks with investment banking business	272	312	293

The valuation used for the transaction amounts to €368 million for 100% of RCB's share capital. This valuation is the result of negotiation between the parties. It is slightly below the valuation range based on the P/E of M&A specialists, which is the closest proxy for RCB.

CBV's NAV

The table below shows the calculation of CBV's NAV based on the valuations of RCH and RCB.

€m	Transaction value	% interest	Implied value

RCH	1,579	49.2%	777
RCB	368	32.1%	118
Other Concordia AG assets and adjustments	(14)	94.0%	(13)
Other Concordia BV assets			1
Total			**883**

CBV's value comes to €883 million for 100% of the share capital, or €190 per share, on the basis of 4,648,754 shares.

Valuation of CBV after the First Transaction

After the First Transaction (completed on 20 November 2007), RCH acquired from CBV 100% of the share capital of SCS Holding, whose only asset is a 32.1% interest in RCB. The transaction was completed at a price of €368 million for 100% of RCB, or €118 million for 32.1%.

Following the sale of this asset, CBV made an unequal capital reduction in favour of Sir Evelyn de Rothschild covering 606,050 of his shares for a total sum of €118 million, equating to the proceeds of the sale of SCS Holding. The buyback price of Sir Evelyn de Rothschild's shares amounted to €194.6 per share (his shares will be acquired at the same price under the Second Transaction). The transactions with other parties (Eranda, New Integritas and Rothschild Trust) will be based on a value of €190 per share.

The difference of €4.6 per share between the parties has arisen because Paris Orléans negotiated separately with the various members of the English branch. The higher buyback price offered to Sir Evelyn de Rothschild reflects the fact that he will sell all his shares for cash and will therefore not benefit from the expected growth in the Group's value over the coming years. In addition, the price of €194.6 also includes €1.6 per CBV share representing a portion of CBV's anticipated dividend for the current year, bearing in mind that Sir Evelyn de Rothschild, unlike other members of the English branch of the Rothschild family, will not receive the dividend paid by Paris Orléans in respect of the 2007/08 financial year.

Given the difference between the buyback price (€194.6) and the real value of CBV shares (€190), the Transactions have had the effect of slightly reducing the real value of CBV shares, which amounted to €189.3 after the First Transaction.

This value, rounded to €190 per share, is the value that has been used in connection with the Contributions. The value used for CBV is therefore €883 million for 100% of the share capital.

4.1.2.2 Paris Orléans's NAV

4.1.2.2.1 Method

Paris Orléans publishes its NAV quarterly. The following table shows trends in NAV over the past two years:

Paris Orléans's NAV

Date	PO's NAV in € per share
30/06/2007	316.6
31/03/2007	295.4
31/12/2006	282.2
30/09/2006	278.1
30/06/2006	262.1
31/03/2006	247.5
31/12/2005	232.7
30/09/2005	222.5

For calculating the exchange ratio, the net asset value of Paris Orléans has been determined using the following methods:

- CBV: the value of the CBV shares owned by PO is that calculated using the NAV method described above, i.e. €190 per share;

- Other assets and liabilities: the value of other assets and liabilities is estimated by Paris Orléans at 30 April 2007 (NAV not published) using the following method: the closing price for the month for listed stocks and for unlisted stocks, latest transactions in the shares or acquisition cost in the absence of any revaluation. This method is the same as that used by Paris Orléans to determine its NAV which is published regularly.

4.1.2.2.2 Results

The table below shows the net asset value of Paris Orléans based on the valuation used for CBV.

Paris-Orléans's NAV (based on NAV at 30 April 2007)

	€m	% of total	Valuation method
Concordia BV	441.6	48.8%	Value implied by the transaction
Long-term investments	20.9	2.3%	Transaction
Listed holdings	89.3	9.9%	Market value
Funds	62.5	6.9%	Net assets
Buy-out	58.8	6.5%	Transaction and acquisition price
Property	56.1	6.2%	Transaction and acquisition price
Expansion capital	11.5	1.3%	Discounted dividends or acquisition price
Mezzanine	56.0	6.2%	Acquisition price
Other	32.2	3.6%	NAV
Cash	75.5	8.3%	Acquisition price
Total	**904.4**	**100.0%**	
Net debt	0.0		
Hedging	(16.2)		
Tax liabilities/assets	(0.6)		
Tax on unrealised capital gains	(23.9)		
NAV	**863.7**		
Number of PO shares	*2,516,900*		
NAV per share (€)	**343.17**		

The value of Paris Orléans therefore amounts to €864 million for 100%, or approximately €343.17 per share.

4.1.2.3 Implied exchange ratio

The exchange ratio implied by the net asset value method therefore comes to 0.5537 Paris Orléans shares for 1 CBV share.

4.1.3 Share price method

The share price method consisted of comparing Paris Orléans's share price with the intrinsic value of CBV shares (€190).

Paris Orléans shares are listed on compartment B of Eurolist by Euronext Paris SA. The free float represents 46.51% of the share capital and liquidity is relatively tight with weak average trading volumes. At the date of this document, Paris Orléans shares are not quoted continuously.

The table below shows the exchange ratios implied by CBV's contribution value and Paris Orléans's share price in the short, medium and long term.

Analysis of share price at 16 July 2007

€	Value of PO	Value of CBV	Implied exchange ratio
PO NAV – Transaction	343.2	190.0	0.55x
Spot at 16/07/2007	375.0	190.0	0.51x
1 month average VWAP)	378.0	190.0	0.50x
3 month average (VWAP)	345.0	190.0	0.55x
6 month average (VWAP)	334.3	190.0	0.57x
12 month average (VWAP)	292.7	190.0	0.65x
Max 12 months	395.0	190.0	0.48x
Min 12 months	253.6	190.0	0.75x
Mid	**339.59**	**190.0**	**0.57x**
High	**395.00**	**190.0**	**0.75x**
Low	**253.58**	**190.0**	**0.48x**

N.B.
1. Source Bloomberg (VWAP: volume weighted average price)
2. Value of contributions (CBV is not listed)

The average exchange ratio implied by the share price method is 0.57 Paris Orléans shares for 1 CBV share. The exchange ratio calculated on the basis of the spot price on 16 July 2007 is 0.51 Paris Orléans shares for 1 CBV share.

4.1.4 Yield method

The yield method consists of comparing the dividends paid by Paris Orléans and CBV in respect of 2005, 2006 and 2007 and determining an implied exchange ratio.

Yield analysis

€	Paris Orléans	CBV	Implied exchange ratio
Dividend per share at 31/03/2005	3.50	2.50	0.71x
Dividend per share at 31/03/2006	3.80	3.45	0.91x

Dividend per share at 31/03/2007	5.00	4.15	0.83x
Mid			**0.82x**
High			**0.91x**
Low			**0.71x**

The average exchange ratio implied by the yield method comes to 0.86 Paris Orléans shares for 1 CBV share. The exchange ratio based on dividends in respect of 2007 is 0.96 Paris Orléans shares for 1 CBV share.

4.1.5 Earnings per share method

This method consists of comparing net earnings per share achieved by Paris Orléans and CBV in 2005, 2006 and 2007 and determining an implied exchange ratio.

Earnings per share analysis

€	Paris Orléans	CBV	Implied exchange ratio
Earnings per share at 31/03/2005	8.58	6.36	0.74x
Earnings per share at 31/03/2006	15.35	4.93	0.32x
Earnings per share at 31/03/2007	21.51	10.40	0.48x
Mid			**0.52x**
High			**0.74x**
Low			**0.32x**

The average exchange ratio implied by the earnings per share method comes to 0.52 Paris Orléans shares for 1 CBV share. The exchange ratio based on net earnings for 2007 is 1.24 Paris Orléans shares for 1 CBV share.

4.2 Summary of Paris Orléans/CBV exchange ratios obtained

The table below shows the implied number of Paris Orléans shares for 1 CBV share based on the criteria analysed:

Summary of exchange ratios obtained

	Range	
Criterion	Low	High
NAV (after revaluation of CBV)	0.55x	0.55x
Share price	0.50x	0.65x
Yield	0.71x	0.91x
Earnings per share	0.32x	0.74x

Conclusions of multicriteria analysis

The selected exchange ratio of 0.5537 Paris Orléans shares for 1 CBV share is the result of negotiation. It is the ratio between the selected value per CBV share (€190) and the implied NAV per Paris Orléans share (€343.17), rounded to four decimal places.

The main criteria used are NAV and share price, which respectively reflect the intrinsic value of the companies and the market value of Paris Orléans.

The selected exchange ratio is in line with the exchange ratios resulting from an analysis of NAV and share price.

The exchange ratios calculated on the basis of earnings per share are less relevant because of the relative volatility of earnings generated by Paris Orléans, an active diversified holding company that realises capital gains according to opportunities offered by its investment portfolio.

The selected exchange ratio is less favourable to CBV shareholders than the ratio calculated on the basis of historical net dividends. It should be noted that the yield criterion is not especially relevant in that CBV distributes all the dividends it receives from its banking subsidiaries whilst Paris Orléans focuses on maximising its NAV. However, business trends permitting, Paris Orléans intends to propose an increased dividend for the current and future years.

4.3 Implied Paris Orléans/Integritas B.V. exchange ratio

The share capital of Integritas comprises 351,581,663 shares. Its only asset is 228,956 CBV shares and it has no liabilities. The exchange ratio of 0.5537 Paris Orléans shares for 1 CBV share therefore implies an exchange ratio of 0.0003606 Paris Orléans shares for 1 Integritas share.

4.4 Reports of the independent appraising auditors

4.4.1 Opinion on the consideration for the Contributions

The independent appraising auditors' report on the consideration for the Contributions is provided in Appendix A to this document.

Conclusion of the independent appraising auditors' report on the consideration for 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*".

4.4.2 Opinion on the Contribution value

The independent appraising auditors' report on the Contribution value is provided in Appendix A to this document.

Conclusion of the independent appraising auditors' report on the Contribution value:

"*In conclusion, we are of the opinion that the proposed consideration for the contributions of Concordia B.V. and Integritas B.V., leading to the issuance of 646,308 new Paris Orléans shares, is fair*".

5. CONSEQUENCES OF THE TRANSACTIONS

5.1 Consequences for Paris Orléans and its shareholders

5.1.1 Impact of the Transactions on equity

	Number of shares [1]	**Share capital**	**Share premium**
Opening position	2,516,900	19,178,778	317,644,229.60 [2]
Effect of the Contributions	646,308	4,924,866.96	216,852,633.04
Position after the Contributions	3,163,208	24,103,644.96	534,496,862.64 [3]

(1) Including the 66,672 investment certificates (certificats d'investissement).
(2) Total share premiums at 30 September 2007.
(3) Before the deduction of any Transaction-related costs from the share premium arising on the Contributions.

5.1.2 Ownership of Paris Orléans before and after the Contributions

5.1.2.1 Ownership of Paris Orléans before the Contributions

5.1.2.1.1 List of Paris Orléans shareholders before the Contributions

Shareholders	Shares	ICs	% of share capital	Voting rights (excl. voting certificates)	Voting certificates	Voting rights (incl. voting certificates)	% voting rights, gross	% voting rights, net
David de Rothschild branch	372,323	0	14.79	372,323	0	372,323	14.79	16.91
Eric de Rothschild branch	564,965	0	22.45	564,965	0	564,965	22.45	25.66
Edouard de Rothschild and affiliates (Financière Jean Goujon)	27,331	0	1.09	27,331	34,019	61,350	2.44	2.79
Philippe de Nicolay	0	0	0	0	18,149	18,149	0.72	0.82
RCH	315,000	0	12.52	0	0	0	0	0
TOTAL FAMILY CONCERT PARTY (AND RCH)	**1,279,619**	**0**	**50.84**	**964,619**	**52,168**	**1,016,787**	**40.40**	**46.18**
Paris Orléans	**0**	**66,672**	**2.65**	**0**	**0**	**0**	**0**	**0**
Free float	1,170,609	**0**	46.51	1,170,609	14,504	**1,185,113**	**47.08**	**53.82**
TOTAL	**2,450,228**	**66,672**	**100**	**2,135,228**	**66,672**	**2,201,900**	**87.48** *(1)*	**100**

(1) Due to the temporary cancellation of the voting rights attached to the Paris Orléans shares held by RCH and theoretically representing 12.52% of the voting rights.

Based on a total of 2,201,900 voting rights (excluding those attached to the 315,000 shares owned by RCH stripped of their voting rights), the family concert party holds **46.18%** of the voting rights of Paris Orléans.

5.1.2.1.2 Group organisation structure before the Contributions

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

5.1.2.2 Ownership and organisation structure after the Contributions

5.1.2.2.1 List of Paris Orléans shareholders after the Contributions

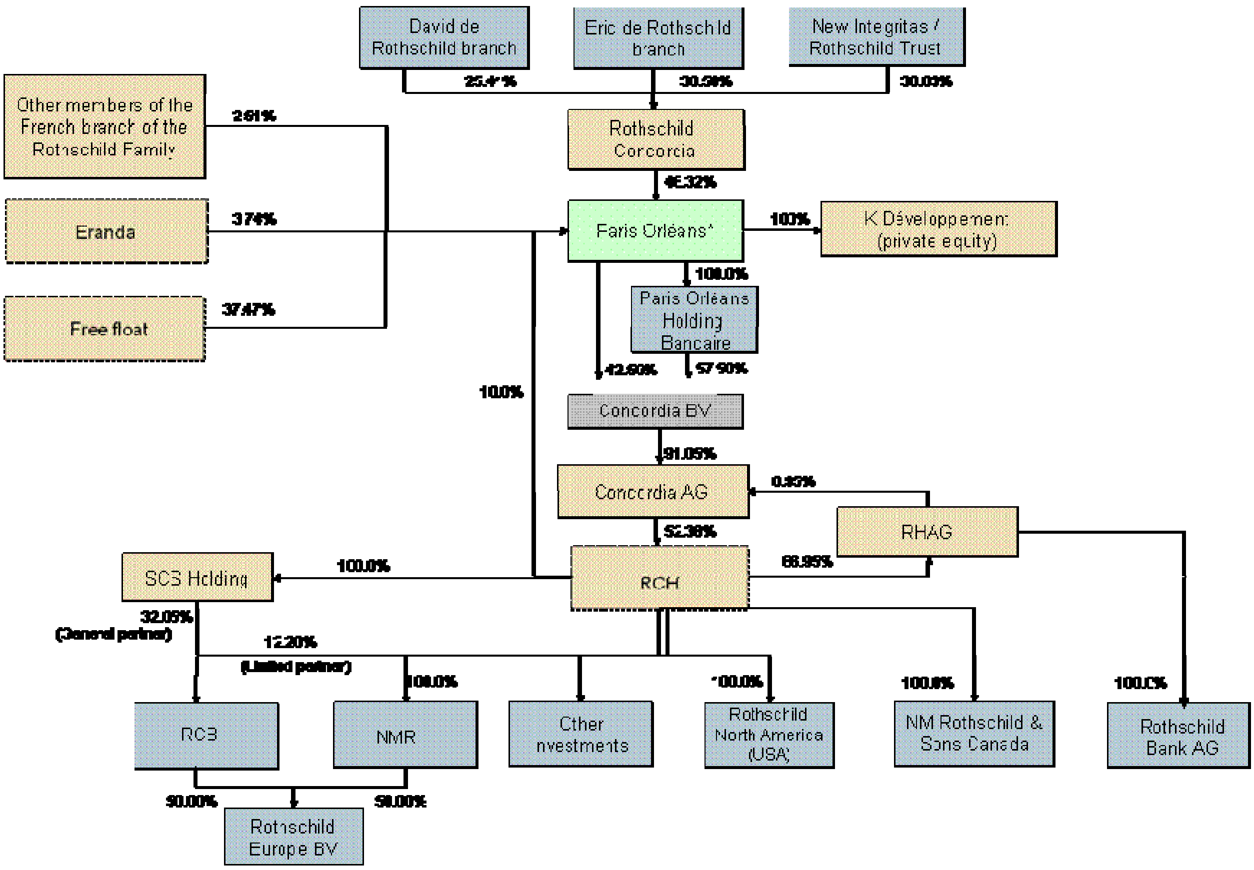
The table below shows the ownership of the share capital and voting rights of Paris Orléans after the Contributions:

Shareholders	Shares	ICs	% of share capital	Voting rights (excl. voting certificates)	Voting certificates	Voting rights (incl. voting certificates)	% voting rights, net	% voting rights, net
Rothschild Concordia	**1,465,248**	**0**	**46.32**	**1,465,248**	**0**	**1,465,248**	**46.32**	**51.44**
Edouard de Rothschild and affiliates (Financière Jean Goujon)	27,331	0	0.86	27,331	34,019	61,350	1.94	2.15
Philippe de Nicolay	0	0	0	0	18,149	18,149	0.57	0.64
RCH	315,000	0	9.96	0	0	0	0	0
TOTAL FAMILY CONCERT PARTY	**1,807,579**	**0**	**57.14**	**1,492,579**	**52,168**	**1,544,747**	**48.83**	**54.23**
Eranda	118,348	0	3.74	118,348	0	118,348	3.74	4.16
TOTAL CONCERT PARTY	**1,925,927**	**0**	**60.89**	**1,610,927**	**52,168**	**1,663,095**	**52.58**	**58.39**
Paris Orléans	0	66,672	2.11	0	0	0	0	0
Free float	1,170,609	0	37.01	1 170,609	14,504	1,185,113	37.47	41.61
TOTAL	**3,096,536**	**66,672**	**100.00**	**2,781,536**	**66,672**	**2,848,208**	**90.04** *(1)*	**100**

(1) Due to the temporary cancellation of the voting rights attached to the Paris Orléans shares held by RCH and theoretically representing 10% of the voting rights.

Based on a total of 2,848,208 voting rights (excluding those attached to the 315,000 shares owned by RCH stripped of their voting rights), Rothschild Concordia will hold **51.44**% of the voting rights of Paris Orléans. The family concert party will therefore hold **54.24%** of the voting rights of Paris Orléans and the concert party as a whole (with Eranda) will hold 58.39%.

5.1.2.2.2 Organisation structure of the Paris Orléans Group after the Contributions and the Second Transaction[6]



* RCH will hold almost 10% of Paris Orléans (treasury stock loop).

As mentioned above, after completion of the Transactions, Paris Orléans will promptly contribute the entire interests it will have acquired in CBV and Integritas to Paris Orléans Holding Bancaire.

5.1.3 Proposed changes to the administrative, management and supervisory bodies

At the date of this document, no change to the Management Board of Paris Orléans is envisaged.

At their meeting of 7 December 2007, the Supervisory Board decided to co-opt two new members, Messrs Martin Bouygues and Philippe de Nicolay, to replace Messrs Gérard Worms and Edouard de Rothschild, both of whom have resigned, for the remainder of their predecessors' term of office. The shareholders of Paris Orléans will be asked to ratify these co-optations at the Ordinary and Extraordinary General Meeting of Paris Orléans shareholders to be held on 21 January 2008.

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[6] Including the liquidation of Integritas which is due to take place immediately after completion of the Second Transaction.

5.1.4 Trends in market capitalisation

The table below shows the change in market capitalisation of Paris Orléans before and after the Transactions were announced:

	Before announcement	After announcement
Number of shares *	2,516,900	2,516,900
Reference value (€)**	378	406
Market capitalisation (€m)	951	1,023
Free float (€m) ***	468	502

** Including 66,672 investment certificates which are not listed.*
*** 1-month average (VWAP – source Bloomberg) on 16 July 2007 before the announcement and closing price (source Bloomberg) on 18 July 2007.*
**** 49.16% of the share capital.*

The table below shows the theoretical change in market capitalisation of Paris Orléans after the Contributions:

	Before Contributions	After Contributions
Number of shares *	2,516,900	3,163,208
Reference value (€) **	378	378
Capitalisation (€m)	951	1,196
Free float (€m) ***	468	468

** Including 66,672 investment certificates which are not listed.*
*** 1 month average (VWAP – source Bloomberg) at 16 July 2007 before announcement of the Transactions.*
**** 49.16% of the share capital before the Contributions and 39.12% after the Contributions.*

For guidance, the closing price of Paris Orléans shares was €375 on 16 July 2007 before the Transactions were announced and €336.10 on 21 November 2007 after completion of the First Transaction was announced.

5.1.5 Impact on earnings per share

The table below shows the impact of the Contributions on Paris Orléans's earnings per share:

	Before Contributions	After Contributions (pro forma)
2007 net earnings (€000s)	92,620	147,595
Number of shares *	2,516,900	3,163,208
EPS (€)	36.80	46.66

** Including 66,672 investment certificates*

5.1.6 New strategic directions

The private equity business of Paris Orléans will not be affected by the Transactions. Consequently, the Group does not intend to change its strategy of expanding in this business, initiated a few years ago. However, the greater weighting towards banking activities will oblige Paris Orléans to strengthen the risk management and reporting procedures of its banking arm.

5.1.7 Short and medium term business forecasts, potential restructurings, results and dividend policy

Apart from the Transactions subject of this document, the Group does not intend to carry out any other restructuring operations in the short or medium term. Moreover, Paris Orléans does not publish short or medium term forecasts as earnings in the private equity business tend to be volatile.

A description of the dividend policy is provided in Chapter III, section 20.7 below.

5.2 Consequences for the Contributors and their shareholders

In exchange for their Contributions, the Contributors will receive 646,308 new Paris Orléans shares with a par value of €7.62 each, representing a total capital increase of €4,924,866.96 or 20.4% of its share capital after the Contributions.

The new shares will be allotted as follows:

- **Eranda** will receive 118,348 new Paris Orléans shares;
- **New Integritas** will receive 341,569 new Paris Orléans shares;
- **Rothschild Trust** will receive 186,391 new Paris Orléans shares.

As indicated above, New Integritas and Rothschild Trust will contribute all their Paris Orléans shares to Rothschild Concordia, the holding company that will control Paris Orléans.

CHAPTER III - PRESENTATION OF THE CONTRIBUTEE COMPANY

1. PERSONS RESPONSIBLE

See Chapter I, section 1 above.

2. AUDITORS

See Chapter I, section 1.3 above.

3. SELECTED FINANCIAL INFORMATION

3.1 Selected historical financial information

CONSOLIDATED ASSETS - key data *(in € 000s)*	**31/03/2007**	**31/03/2006**	**31/03/2005**

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	-
Total assets	**700,588**	**1,125,042**	**971,016**

CONSOLIDATED EQUITY & LIABILITIES - key data *(in € 000s)*	**31/03/2007**	**31/03/2006**	**31/03/2005**
Equity, Group share	582,993	509,289	389,388
Minority interests	5,314	19,566	15,863
Total equity	588,307	528,855	405,251
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	45,351	497,090	-
Total equity & liabilities	**700,588**	**1,125,042**	**971,016**

CONSOLIDATED INCOME STATEMENT - Key data *(in € 000s)*	**31/03/2007**	**31/03/2006**	**31/03/2005**
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
Consolidated net income	**53,959**	**40,317**	**26,880**
Net income, group share	54,125	38,641	25,115

CASH FLOW STATEMENT - key data *in € 000s)*	**2006/2007**	**2005/2006**	**2004/2005**
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)

Change in cash	**(11,540)**	**(2,048)**	**(67,178)**

3.2 Interim financial information

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

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

CONSOLIDATED INCOME STATEMENT - Key data *(in € 000s)*	**30/09/2007**	**30/09/2006**
Operating income	84,772	12,736
Net income before income from operations sold, held for sale or discontinued	92,620	20,737
Consolidated net income	**92,620**	**41,848**
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)
Change in cash	**(11,113)**	**(9,857)**

4. RISK FACTORS

This section describes the risk factors related to Paris Orléans and its group. A description of the risk factors related to CBV and its group is provided in Chapter V, section 1.3.1 below.

4.1 Risks related to the Company's business

Paris Orléans has no industrial or commercial operations. Its activity consists of holding financial investments and it is not exposed to any specific industrial or human risks. Its business activities expose it to the risks inherent in any equity investment business. The Company observes the strictest ethical rules and when necessary or useful calls upon the services of various experts and advisors.

When reviewing investment proposals, the Company takes into account any specific risk that may be related to the target company's activities.

4.2 Market risk

4.2.1 Interest rate risk

Paris Orléans has established strict procedures and rules for managing and monitoring interest-rate risks.

As part of its cash management process, Paris Orléans maintains a policy of risk diversification. Under a cash pooling agreement between the main Group companies, the Treasury department manages the cash of the various entities in accordance with their forecast requirements.

The Paris Orléans Group's overall strategy is to invest its cash:

- according to the group's short, medium and long term forecast needs. The investment horizon is therefore variable;
- in products offered by well-known institutions and which have a track record;

- in products with a low capital risk and a volatility of less than about 3%.

The purpose of this policy is to preserve the portfolio's liquidity while generating a return in excess of the risk-free rate. Investments are mainly in mutual funds (pure money market, dynamic money market and alternative multimanager).

Paris Orléans does not directly use derivatives or options for interest-rate management purposes.

For all its financing facilities, Paris Orléans fully or partly hedges its interest rate exposure where necessary and on a case by case basis.

Maturity of financial assets and liabilities

(in thousands of euros)

At 30 September 2007	Under 1 year	1 to 5 years	Over 5 years
Financial liabilities	(985)	(5,428)	(30,300)
Financial assets	725,890		
Net position before hedging	724,905	(5,428)	(30,300)
Hedging	(30,928)	0	0
Net position after hedging	693,977	(5,428)	(30,300)

Analysis of sensitivity to changes in interest rates

The net variable rate position at under one year, based on the consolidated financial statements at 30 September 2007, is €47,823 thousand.

(in thousands of euros)

At 30 September 2007	Under 1 year
Financial liabilities	(1,474)
Financial assets	49,297
Net position after hedging	47,823
Hedging	0
Net position after hedging	47,823

A 1% change in short-term rates would have an impact of about €239 thousand on interest expenses.

47,823 x 0.01 x 183/365 = €239 thousand

The impact of interest rates on interest expenses, which amounted to €972 thousand at 30 September 2007, is therefore not material.

4.2.2 Exchange rate risk

Holding equity interests abroad, whose trading or listing currency is not the euro, exposes the Company to a risk of decline in its asset values.

The main exposure to this risk lies in investments in USD or GBP denominated funds. The dollar risk only is partially hedged through debt denominated in the same currency.

Summary table

Most of the Paris Orléans Group's holdings are denominated in euros. The table below shows a breakdown of its holdings by currency at 30 September 2007:

Currency	As a % of financial assets
Euros	94.57%
USD	5.41%
GBP	0.02%

At 30 September 2007	In thousands of USD	In thousands of GBP
Assets	54,676	118
Liabilities	(7,712)	0
Net position before hedging	46,964	118
Hedging	11,712	0
Net position after hedging	58,676	118

Paris Orléans has hedged the exchange rate exposure on USD investments held by it and its subsidiaries through debt denominated in USD. Other than rare exceptions, a subsidiary does not hedge the exchange rate risk arising on its business activities.

The Group has no specific exchange rate risk management system.

4.2.3 Equity market risk

Paris Orléans is exposed to equity market risk to the extent of the cost price of its portfolio of listed holdings. It may use options to mitigate the risk of a fall in value of some listed holdings.

Summary table
(in thousands of euros)

At 30 September 2007	Equity portfolio	Treasury shares
Assets		
Finatis	40,288	
Rallye	26,989	
Foncière Inéa	5,075	
Publicis	2,884	
DAB	1,594	

IDI Other listed companies	2,175 306	
Total assets	79,311	0
Hedging	0	
Net position	79,311	0

Paris Orléans's assets mainly comprise investments in unlisted companies and the risks involved are those inherent in the private equity business.

The investment teams are highly experienced in private equity type investments and they comply with strict selection criteria and investment procedures. These assets are actively managed through regular monitoring of their individual performance. Growth in Paris Orléans's net asset value is dictated by the ability of its teams to select, purchase, develop and exit holdings in companies with the potential to achieve excellent results. Their operational and financial performance is monitored and analysed regularly with the investee company's management team in order to anticipate trends in each holding and take the appropriate decisions. However, there is a risk that the investee company will not perform in line with expectations. This specific company by company approach is supported at Paris Orléans level by an overall analysis of asset allocation by business sector to ensure an appropriate level of diversification.

4.3 Liquidity risk

Paris Orléans had consolidated financial liabilities of €35.7 million at 30 September 2007 (excluding accrued interest).

- Short and long term borrowings amounted to €30.3 million at 30 September 2007.

- Short and long term borrowings in dollars are used to hedge the exchange rate risk inherent in dollar denominated investments; at 30 September 2007, these borrowings amounted to €5.4 million.

Cash and cash equivalents amounted to €60.2 million at that date.

Paris Orléans has a euro denominated confirmed revolving credit line of €25 million maturing at end 2007, which may be converted into a five-year repayment loan. The line was undrawn at 30 September 2007. It also has a dollar denominated confirmed credit line of USD30 million maturing in early 2012.

The covenants for these credit lines are as follows:

- **€25 million revolving credit line**
  Financial ratios to be observed:
  Net assets > €200m
  Debt to equity < 0.50

- **USD30 million credit line**
  Financial ratios to be observed:
  Net assets > €250m

Debt to equity < 0.50

These covenants are tested half-yearly on the basis of Paris Orléans's separate financial statements. At 30 September 2007, all covenants were observed.

Loan contracts include the customary legal and financial covenants and provide for early repayment in the case of default. At the date of this document, all these covenants were met.

The current banking liquidity crisis caused by losses in the US subprime market has not had any impact on Paris Orléans and its Group. Paris Orléans has no positions in risky products (e.g. ABS, subprime loans, etc.). Nonetheless, as there seems to be little prospect of a return to normal liquidity conditions in the short term and given its financing needs for the Transactions, Paris Orléans has liquidated all its positions in credit-driven dynamic money market funds without incurring any capital losses.

In addition, the Transactions will be partially financed by a long-term bank loan of €125 million (see Chapter III, section 10.5 below).

An analysis of the impact of the current liquidity crisis on the banking group is provided in Chapter V, section 1.4.4.5 below.

4.4 Legal risks

To the Company's knowledge, there are no exceptional events or legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company and/or Group's financial position, business operations or profitability.

4.5 Labour-related risks

The Company has not experienced any labour-related conflicts or disputes to date.

4.6 Environmental risks

Given the nature of its business, the Company is not directly concerned by any material requirements in terms of environmental protection, pollution or recycling. However, when reviewing investment proposals, the Company conducts comprehensive due diligence on these issues, which may lead it to decline an investment proposal.

4.7 Insurance and risk coverage

The main insurance policies taken out by Paris Orléans cover the following risks:

- Directors' and officers' liability
  This policy covers the liability of the executive officers of Paris Orléans SA and its representatives within the governing bodies of its subsidiaries and investee companies. The sum insured is €7.5 million.

- Civil liability
  This policy covers third party bodily injury, damage to property and environmental damage.

- Professional liability
  This policy covers the company's potential professional liability in the conduct of certain of its business activities.

- Property damage and bodily injury
  These policies cover damage to the Company's nine vehicles, injury to drivers or passengers and all travel for business purposes using vehicles not owned by the Company.

  - Business premises
    The sum insured is €0.2 million.

  - Car fleet and travel by Paris Orléans employees.

Each controlled subsidiary has insurance cover tailored to its business activity and is directly responsible for managing its own policy with regard to insurance.

Paris Orléans has set out formal emergency procedures (information systems backup, alternative premises, etc.) to ensure business continuity as far as possible in the event its premises and equipment become partially or wholly out of action.

5. INFORMATION ABOUT THE ISSUER

5.1 History and development of the Company

5.1.1 Legal and commercial name

Name: Paris Orléans

5.1.2 Place of registration

The Company is registered at the Paris Trade and Companies Registry under registration number B 302 519 228.

Its NAF business code is 652 F, which is the category for holding companies.

5.1.3 Date of incorporation and term of the Company

The Company was incorporated on 11 August 1838.

By extraordinary resolution of the shareholders, its term has been extended until 31 December 2055.

5.1.4 Registered office, legal form and governing law

Paris Orléans is a *société anonyme* with a separate Management Board and Supervisory Board, governed by the laws of France.

Its registered office is at 23 bis, avenue de Messine, 75008 Paris

5.1.5 History of the Company and important events in its development

Originally a railway company created in 1838, listed continuously since then and nationalised in 1937, Paris Orléans fell into disuse until it was taken over by the Rothschild group after the second world war.

Paris Orléans was transformed into a diversified holding company and in 1983 served as the focal point for the Rothschild group's strategic redeployment following the nationalisation of Banque Rothschild in 1982.

At that time, it held majority interests in Paris Orléans Gestion (now Rothschild & Cie Banque) and SGIM (Société de Gérance d'Immeubles Municipaux) and minority interests in Francarep (then an oil exploration company), insurance broking through Siaci, and winegrowing through SGDBR (now Domaines Barons de Rothschild or DBR).

During the 1990s and following Francarep's gradual withdrawal from the oil business to refocus on private equity, Paris Orléans increased its interest in Francarep by contributing its holdings in SGIM, then Siaci and lastly DBR to Francarep. Meanwhile, Paris Orléans acquired a minority interest in Rothschild Concordia AG (banking group with operations in the United Kingdom and the rest of the world). It subsequently increased its interest in 2000 and 2001.

In July 2003, Paris Orléans created CBV, a company owned jointly with the English branch of the Rothschild family, to house all the banking activities of both Paris Orléans and the English branch of the Rothschild family in France, the United Kingdom, Europe, North America, Switzerland and the rest of the world.

In October 2004, Francarep was merged into its parent company Paris Orléans by way of absorption[7].

These two transactions are described in more detail in Chapter II, section 1.2.1.1.1 above.

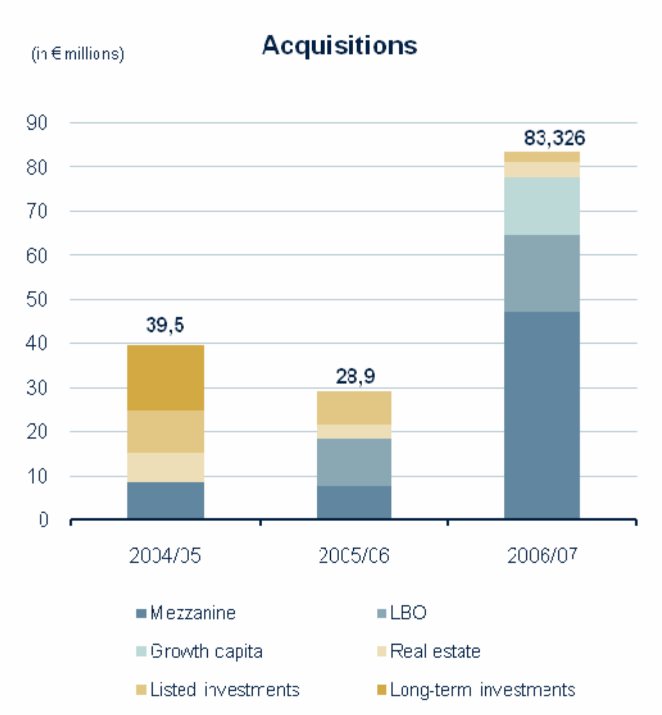
Today, Paris Orléans has two core business activities:

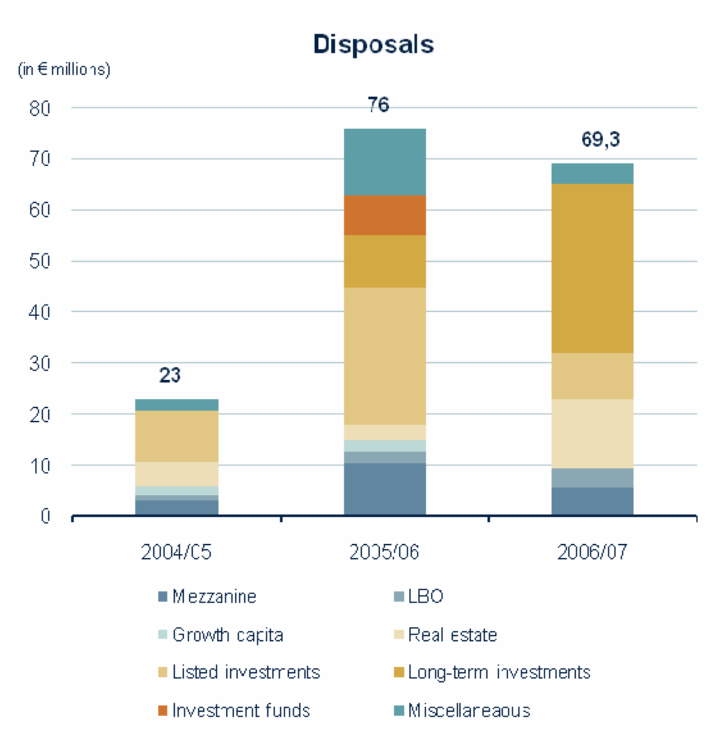
- banking and finance worldwide, through its holding in CBV; and
- private equity.

5.2 Investments

5.2.1 Principal investments made by the issuer in the last three financial years and up to the date of this document

[7] AMF visa no. E.04-183 dated 29 September 2004





Paris Orléans's investment policy mainly involves acquiring private equity interests.

Since 31 March 2007 and up to the date of this document, Paris Orléans has made fifteen new investments. The total cost amounted to €74.6 million, comprising €41.7 million in LBOs, €21.3 million in mezzanine debt, €7.3 million in expansion capital and €4.3 million in property and listed holdings.

<u>Investments in the first half of 2007/08</u>

Seven new investments were made in the first half of 2007/08:

- €26.9 million in the LBO of Newstone Courtage, now the 6th largest French insurance broker following its merger with Siaci and ACSH;
- €5.3 million in mezzanine debt for Milestone's acquisition of Cadum SA, a leading French soap manufacturer;
- €5 million in mezzanine debt for Argos Soditic's LBO of Allkan, a French component manufacturer for military aircraft and helicopters;
- €5 million in mezzanine debt for ABN Amro Capital's LBO of Findis, a leading French retailer of household electrical appliances and tableware;
- €5 million investment in Acto's LBO of Ubiqus, a French leader in facilities management;
- €5 million investment in Apax's LBO of Infopro, a leading French provider of business information services;

- €5 million in mezzanine debt for Noonday and Bayside's acquisition of Diam Europe (French), the European leader in prestige merchandising displays for cosmetics.

Investments made in 2006/07

In the year ended 31 March 2007, Paris Orléans made 31 direct new investments. The total cost was €83 million, comprising mainly €47 million in mezzanine debt and €30.5 million in LBOs and expansion capital.

The main acquisitions in 2006/07 were:

- €10 million in mezzanine debt for Sagard's acquisition of Olympia, a fund of hedge funds;

- €5 million in mezzanine debt alongside the IDI Group for AOS, one of the major European groups in office outfitting and tenant representation;

- €4.75 million in mezzanine debt for the buy-in management buyout of the Bouhyer group, a manufacturer of counterweights for civil engineering machinery;

- €4 million equity investment with LBO France in Consolis, European leader in pre-mixed concrete.

Several divestments were made for a total of €69 million, the main ones being the sale of SGIM for €33 million and repayment of the equity invested in the Manufaktura shopping centre for €13.5 million.

Investments made in 2005/06

During 2005/06, Paris Orléans made investments totalling €29 million, mainly comprising €11 million in LBOs, €7.5 million in mezzanine debt, €7.5 million in listed investments and €3 million in property deals.

The four main acquisitions were:

- €7.5 million acquisition on the market, equally with AGF, of a 6.6% block of shares in Onet, leading French provider of corporate cleaning and waste management services;

- €4.4 million co-investment with Five Arrows Capital in the LBO of Ono/Auna, leading Spanish cable operator;

- €3 million acquisition of a pre-IPO holding in a new property investment company called Inéa, which specialises in regional office property;

- €3 million co-investment with LBO France in the LBO of Cegelec, a leading European electrical contractor.

Paris Orléans made several divestments totalling €76 million, the main ones being:

- sale of two thirds of its Publicis shares, generating a pre-tax capital gain of €14 million on a sale price of €20 million;

- €10 million capital reduction made by DBR following its sale of the Chalone Wine Group;

- sale of the beneficial interest in 310,000 Paris Orléans shares for €13.2 million.

Investments made in 2004/05

From January 2004 to March 2005, Paris Orléans made new investments totalling €39.5 million, comprising €14.7 million in long-term investments, €9.8 million in listed holdings and €15 million in mezzanine and property deals.

The three main acquisitions were:

- o acquisition of 1% of Suez's placement of M6 shares (€9.4 million);
- o €4.7 million investment alongside Sonae and Euris in AlexanderPlatz, a new shopping centre in Berlin;
- o €4 million in mezzanine debt alongside Barclays and IDI for Comptoir des Cotonniers.

Divestments totalled €23 million, the main ones being listed holdings (M6 for €40.6 million and ISG Mittal for €4.4 million).

5.2.2 Principal investments in progress

To date, there are no investments in progress that have already been made public.

5.2.3 Principal future investments for which the management bodies have already made firm commitments

The investment teams regularly review investment opportunities.

To date, no new material investments have been decided and approved by the Management Board.

6. BUSINESS OVERVIEW

6.1 Principal activities

The group has made a strategic decision to scale up its private equity business.

Deals are becoming more expensive, due particularly to the abundance of financial resources on the market, which is forcing private equity investors make greater use of leverage than in the past to maintain their return on invested capital.

Mezzanine debt, an asset class midway between debt and equity, mainly comprising bonds with share warrants, fulfils this need. Paris Orléans focuses on companies with an enterprise value of €20 to 100 million, a sector in which the number of LBO deals is increasing and for which mezzanine financing is particularly suitable. Mezzanine financing is less profitable than direct equity investment, but also less risky. Mezzanine deals can themselves be refinanced in the banking market to reduce Paris Orléans's equity exposure and improve the return they generate. In addition, the bond component provides an immediate income stream that contributes to the stability of the Company's results.

In 2006/07, Paris Orléans invested €47 million in mezzanine debt compared to €7.5 million in 2005/06.

CBV's business activities are described in Chapter V below.

6.2 Principal markets

Paris Orléans is principally involved in the private equity market.

Since 2002, capital raised has grown by an average of 45% a year in Europe from €28 billion to €90 billion, and by an average of 29% a year in France from €4 billion to €10 billion. The main historical private equity providers in Europe are pension funds and banks. Funds of funds are increasing in strength and now represent the second largest source of private equity after pension funds. This trend was also apparent in France in 2005 and 2006. France has also seen an increase in the number of family investment companies, which now take 18% of the market, as do funds of funds and banks. Insurance companies make a limited contribution to the private equity market and the state retirement funds have reduced their investments by a half.

These private equity funds have a significant impact on the economy. Investments have grown by an average of 36% a year in Europe from €28 billion to €50 billion and 35% in France from €6 billion to €10 billion. They have financed some 8,600 companies in Europe including 1,400 in France, mainly SMEs.

Since 1980, private equity funds in Europe have generated an average net return of 10.3% and LBO funds 13.7%.

6.3 Exceptional factors that have influenced the information provided in 6.1 and 6.2

None.

6.4 Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes

Paris Orléans constantly seeks to diversify its assets to avoid being over-dependent on certain assets. Accordingly, Paris Orléans and its group are not significantly dependent on any patents or licences, industrial, commercial or financial contracts or new manufacturing processes.

6.5 Basis for any statements made by the issuer regarding its competitive position

Paris Orléans's competitors are French, European and 'Anglo-Saxon' investment companies, investment funds, listed and unlisted holding companies.

Nonetheless, Paris Orléans does not disclose information about its competitive position.

7. ORGANISATIONAL STRUCTURE

7.1 Description of the issuer's group

At 30 September 2007, the Paris Orléans Group comprised 30 companies including 22 which are fully consolidated and 8 which are accounting for using the equity method. The legal structure of the Group (before and after the Transactions) is provided in Chapter II, sections 1.1.1 and 5.1.2.2.2 above.

Paris Orléans simply acts as a holding companies for its subsidiaries and in that capacity it grants is subsidiaries short-term advances and loans in the form of current accounts.

In the separate financial statements of Paris Orléans, these current accounts are treated as current assets, other financial liabilities and other liabilities.

At 30 September 2007, in the separate financial statements of Paris Orléans, the total amount of current assets comprised mainly of group and shareholders' advances and current accounts was €151,487 thousand against €153,777 thousand at 31 March 2007.

The following table shows a breakdown of the main current account assets at 30 September 2007:

(€ 000s)	**Current accounts**	**Accrued interest**	**Total**
PO Mezzanine	30,114	336	30,450
PO Fonds	35,451	416	35,867
K Développement	52,295	518	52,813
Manufaktura	3,941	88	4,029
Verseau	3,653	78	3,731
Narcisse Investissement	2,976	23	2,999
PO Capinvest 1	4,760	53	4,813
PO Capinvest 2	13,550	123	13,673

At 30 September 2007, in the separate financial statements of Paris Orléans, the total amount of other financial liabilities comprised mainly of advances made to Paris Orléans by its subsidiary Francarep Inc was €10,154 thousand including accrued interest against €6,301 thousand at 31 March 2007.

At 30 September 2007, in the separate financial statements of Paris Orléans, the total amount of other liabilities comprised mainly of current accounts with related companies amounted to €22,104 thousand against €15,981 thousand at 31 March 2007.

The following table shows a breakdown of the main current account liabilities at 30 September 2007:

(€ 000s)	**Current account**	**Accrued interest**	**Total**
Ponthieu Ventures	6,216	64	6,280
SFIR	5,219	100	5,319
SPCA deux	8,390	159	8,549

The executive officers of Paris Orléans are also executive officers of the Group's main subsidiaries.

7.2 List of the issuer's significant subsidiaries

At the date of this document, Paris Orléans controls the following companies within the meaning of article L. 233-3 of the French Commercial Code:
See also Note 1 "Scope of Consolidation" in the notes to the consolidated financial statements of Paris Orléans at 30 September 2007 provided in Appendix E to this document.

Name	Country /Reg. no.	Business	Percentage interest (30/09/07)		Total assets	Equity	Net profit for period
			Direct	Indirect			
Centrum Jonquille	Luxembourg B 132 703	Investment company, 10% owned by Centrum Narcisse. It holds 20% of Gutenbergstrasse BAB5 GmbH (investment in a shopping centre in Frankfurt)		100%			
Centrum Narcisse	Luxembourg B 132 693	Holding company of Centrum Jonquille, 100% owned by Narcisse Investissements		100%			
Chaptal Investissements	France Siren: 349 622 506	Investment company created in 1989 specialising in property development, 10% owned by K Développement	-	99.99%	€3,305K (30/09/07)	€2,608K (30/09/07)	€245K (30/09/07) (6 months)
Concordia BV	Netherlands	See Chapter V below		57.5%			
Fin PO	Luxembourg B 117 676	A Luxembourg SOPARFI created in 2006, 100% owned by K Développement. It owns investment funds in France and Eastern Europe.	-	100%	€1,598K (30/09/07)	€16,496K (30/09/07)	€(370)K (30/09/07)
Five Arrows Investments	Luxembourg	Investment company created in September 2007, 50% owned by PO Participations.	-	50%	N/A	N/A	N/A
Francarep, Inc. (USA)	USA Tax ID Number: 13 29 15 594	US investment company, 100% owned by Paris Orleans SA. It owns 12 investment funds.	100%	-	USD25,606K (30/06/07)	USD25,449K (30/06/07)	USD572K (30/06/07) (6 months)
Paris Orléans Holding Bancaire (ex. SFIR)	France Siren: 342 579 265	Created in 1987, 99.97% owned by Paris Orleans SA. It owned the Group's head office until June 2007. It will become the new head holding company of the Group's banking arm.	99,97%	-	€5,372K (30/09/07)	€5,050K (30/09/07)	€805K (30/09/07) (6 months)
Hi Trois	France Siren: 431 704 162	Created in 2000, 99.6% owned by K Développement. It previously invested in business stimulation but was no longer active at 30/09/07.	-	99.6%	€1,179K (30/06/07)	€(113)K (30/06/07)	€(25)K (30/06/07) (6 months)
K Développement	France Siren: 447 882 002	Created in 2003, 100% owned by Paris Orleans. It is the intermediate holding company for the private equity business.	100%	-	€77,960K (30/09/07)	€24,792K (30/09/07)	€3,634K (30/09/07) (6 months)
Manufaktura	France Siren: 451 361 166	Investment company created in 2003, 95% owned by K Développement. It owns 40% of a shopping centre in Poland (Lodz).	-	95%	€4,791K (30/09/07)	€688K (30/09/07)	€(129)K (30/09/07) (6 months)

Narcisse Investissements	France Siren: 493 726 137	Investment company created on 20 December 2006, 100% owned by K Développement. It owns a 10% holding in a shopping centre in Frankfurt via Centrum Narcisse and Centrum Jonquille.	-	100%	€5,053K (30/09/07)	€2,036K (30/09/07)	€36K (30/09/07) (9 months)
PO Capinvest 1	France Siren: 490 886 777	Venture capital company created in 2006, 100% owned by K Développement.	-	100%	€4,792K (30/09/07)	€(38)K (30/09/07)	€(69)K (30/09/07) (9 months)
PO Capinvest 2	France Siren: 491 590 972	Diversified investment company created in 2006, 100% owned by K Développement.	-	100%	€13,597K (31/03/07)	€(94)K (31/03/07)	€(118)K (31/03/07) (9 months)
PO Fonds (ex Colisée Investissements)	France Siren: 349 025 049	Investment company created in 1989, 100% owned by K Développement.	-	100%	€34,394K (30/09/07)	€(2,018)K (30/09/07)	€(1,085)K (30/09/07) (6 months)
PO Invest 1	Luxembourg B 115 493	Investment SOPARFI created in 2006, 62.86% owned by K Développement. It holds an interest in Spanish cable company, Ono Auna.	-	62.86%	€7,011K (30/06/07)	€7,009K (30/06/07)	€9K (30/06/07)
PO Invest 2	Luxembourg B 124 799	Investment SOPARFI created in 2006, 46.15% subsidiary of K Développement. It holds an interest in the buyout vehicle of the Delsey Group.	-	46.15%	€13,688K (30/06/07)	€13,673K (30/06/07)	€283K (30/06/07)
PO Mezzanine (ex Franoption)	France Siren: 383 702 081	Mezzanine investment company created in 1991, 99.80% owned by K Développement	-	99.80%	€63,944K (30/09/07)	€2,045K (30/09/07)	€1,638K (30/09/07) (9 months)
PO NRJ	Luxembourg	Investment SOPARFI, 100% owned by K Développement.	-	100%	€5,439K (30/09/07)	€5,371K (30/09/07)	€(42)K (30/09/07) (6 months)
PO Participations	Luxembourg	Investment company, 100% owned by K Développement. It owns 50% of the share capital of Five Arrows Investments.	-	100%	€5,353K (30/09/07)	€5,289K (30/09/07)	€(63)K (30/09/07) (1 month)
Ponthieu Ventures	France Siren: 382 304 350	Venture capital company created in 1991, 99.99% owned by K Développement.	-	99.99%	€22,563K (30/09/07)	€17,647K (30/09/07)	€1,389K (30/09/07) (6 months)
SPCA Deux	France Siren: 431 883 628	Investment company created in 2000, 99.99% owned by K Développement. It owns holdings in insurance broker Newstone Courtage	-	99.99%	€34,484K (31/03/07)	€33,992K (31/03/07)	€34,148K (30/09/07) (6 months)
Verseau	France Siren: 451 361 083	Investment company, 95% owned by K Développement. It holds a 14% interest in the Beaugrenelle shopping centre (Paris XV).	-	95%	€2,445K (30/09/07)	€(1,307)K (30/09/07)	€(28)K (30/09/07) (6 months)

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Existing or planned material tangible fixed assets

The Group has several residual investment properties (an apartment in Boulogne near Paris, currently being sold, and archive premises and car parks in Paris). It does not have any owner-occupied property. The registered office of Paris Orléans at 23 bis, avenue de Messine, 75008 Paris, is sub-let to RCB. Moreover, the tangible assets required to conduct its business operations have a limited net book value of €245 thousand at 31 March 2007.

8.2 Environmental issues that may affect the issuer's utilisation of the tangible fixed assets

None.

9. OPERATING AND FINANCIAL REVIEW

9.1 Financial condition

9.1.1 Year ended 31 March 2007

CONSOLIDATED ASSETS - key data

(in € 000s)	31/03/2007	31/03/2006	*Change 2006/2007*
Non-current assets	586,023	523,304	*62,719*
Current assets	63,506	63,917	*(411)*
Non-current assets held for sale	51,059	537,821	*(486,762)*
Total assets	**700,588**	**1,125,042**	***(424,454)***

CONSOLIDATED EQUITY & LIABILITIES - key data

(in € 000s)	31/03/2007	31/03/2006	*Change 2006/2007*
Equity, Group share	582,993	509,289	*73,704*
Minority interests	5,314	19,566	*(14,252)*
Total equity	588,307	528,855	*59,452*

Non-current liabilities	42,088	71,324	*(29,236)*
Current liabilities	24,862	27,773	*(2,911)*
Liabilities associated with non-current assets held for sale	45,331	497,010	*(451,759)*
Total equity & liabilities	**700,588**	**1,125,042**	***(424,454)***

The Group's balance sheet was significantly reduced in size following the July 2006 divestment of the long-standing investment in SGIM (Société de Gérance d'Immeubles Municipaux). Total consolidated assets amounted to €700.6 million at 31 March 2007 compared to €1,125 million one year earlier. At 31 March 2007, other non-current assets held for sale amounted to €51 million, mainly comprising interests in Courcelles Participations (holding company of insurance broker Siaci). Equity, Group share, rose by €73.7 million in the year ended 31 March 2007 to stand at €583 million. Apart from €54.1 million in net earnings, the increase in equity was mainly due to changes in fair value of available-for-sale financial assets. At that date, liabilities associated with non-current assets held for sale amounted to €45.3 million, almost entirely comprising a capital gain realised in 2003 on Siaci's secondary LBO.

NET INCOME *(in € 000S)*	**31/03/2007**	**31/03/2006**	**Change 2006/2007**
Operating income	28,090	33,776	(16.8%)
Share of income from investments in associates	21,586	14,346	50.5%
Net income before income from operations sold, held for sale or discontinued	41,714	35,984	15.9%
Net income from operations sold, held for sale or discontinued	12,245	4,333	182.6%
Net income, group share	**54,125**	**38,641**	**40.1%**

Net income, Group share, rose by 40% in 2006/07 to €54.1 million, driven by two main factors: first, the €10.3 million contribution from SGIM which was deconsolidated in the year, and secondly, an improvement in the contribution from associated companies, particularly CBV which contributed €20.1 million in 2006/07 compared to €13.4 million the previous year.

9.1.2 Year ended 31 March 2006

CONSOLIDATED ASSETS - key data

(in € 000s)	**31/03/2006**	**31/03/2005**	***Change 2005/2006***
Non-current assets	523,304	863,922	*(340,618)*
Current assets	63,917	107,094	*(43,177)*
Non-current assets held for sale	537,821	-	*537,821*

Total assets	**1,125,042**	**971,016**	***154,026***

CONSOLIDATED EQUITY & LIABILITIES - key data

(in € 000s)	31/03/2006	31/03/2005	*Change 2005/2006*
Equity, Group share	509,289	389,388	*119,901*
Minority interests	19,566	15,863	*3,703*
Total equity	528,855	405,251	*123,604*
Non-current liabilities	71,324	502,972	*(431,648)*
Current liabilities	27,773	62,793	*(35,020)*
	497,090	-	497,090
Total equity & liabilities	**1,125,042**	**971,016**	***154,026***

The Group's financial statements for the year ended 31 March 2006 were the first to be prepared in accordance with IFRS. The main effect of adopting IFRS as of 1 April 2004 (1 April 2005 for IAS 32 and 39 concerning financial assets) was an increase in consolidated equity, Group share, which includes net of tax unrealised capital gains.

During 2005/06, following the Group's decision to sell SGIM, the assets and liabilities of this subsidiary were reclassified as non-current assets held for sale and associated liabilities. Excluding these factors, the main changes in the balance sheet compared to the previous year concerned the line items "investments in associates" and "financial assets available for sale". Apart from the share of income from investments in associates (€14.3 million), opening investments in associates were restated by €15.5 million following the first-time adoption of IAS 32 and 39 and by €15.7 million in respect of fair value adjustments following the adoption of those standards during 2005/06. First-time adoption of IAS 32 and 39 at 1 April 2005 also had a positive impact of €68.5 million on "non-current financial assets available for sale".

NET INCOME *(in € 000S)*	**31/03/2006**	**31/03/2005**	**Change 2005/2006**
Operating income	33,776	18,968	78.1%
Share of income from investments in associates	14,346	21,550	(33.4%)
Net income before income from operations sold, held for sale or discontinued	35,984	26,880	33.9%
Net income from operations sold, held for sale or discontinued	4,333	-	-
Net income, group share	**38,641**	**25,115**	**53.9%**

The increase in net income, Group share, in 2005/06 compared to the previous year was principally due to three transactions which generated significant capital gains (€24.4 million pre-tax of a total €40 million) and in parallel significant cash flow. During the year, the Group progressively sold two thirds of its shares in Publicis, generating a capital gain of €14 million. In late December 2005, as part of a buyback of shares and corresponding capital reduction, Les Domaines Barons de Rothschild (DBR) acquired €10.2 million of its own shares from Paris Orléans. This transaction reduced Paris Orléans's interest in DBR from 24.79% to 20.59%, which was reflected at Group level by a pre-tax dilution gain of €6 million. Lastly, in mid-February 2006, Paris Orléans sold a temporary beneficial interest in 310,000 of its treasury shares, generating a consolidated capital gain of €4.4 million.

9.1.3 Year ended 31 March 2005

CONSOLIDATED ASSETS - key data

(in € 000s)	31/03/2005	31/03/2004	Change 2004/2005
Tangible fixed assets associated with activities under concession	400,300	392,884	7,416
Portfolio holdings & other long-term investments	141,773	136,650	5,123
Investments accounted for by the equity method	249,511	219,639	29,872
Current assets	101,624	172,384	(70,760)
Other assets	75,529	82,941	7,412
Total assets	**968,737**	**1,004,498**	**(35,761)**

** French GAAP, before transition to IFRS*

CONSOLIDATED EQUITY & LIABILITIES - key data

(in € 000s)	31/03/2005	31/03/2004	Change 2004/2005
Equity, Group share	394,644	319,652	74,992
Minority interests	11,218	72,426	(61,208)
Total equity	405,862	392,078	13,784
Borrowing and financial liabilities associated with activities under concession	352,746	358,631	(5,885)
Other liabilities	210,129	153,789	(43,660)
Total equity & liabilities	**968,737**	**1,004,498**	**(35,761)**

** French GAAP, before transition to IFRS*

The main event of the year ended 31 March 2005 was a major legal simplification of the Group, which involved the merger of the Group's two listed entities, namely Paris Orléans and Francarep, as well as a significant reduction of the treasury shares held within the Group. The main effect of these transactions on the consolidated financial statements was an increase in equity, Group share, and a corresponding significant decrease in minority interests.

NET INCOME ***(French GAAP before transition to IFRS)*** ***(in € 000S)***	**31/03/2005**	**31/03/2004 (1)**	**Change 2004/2005**
Current income from income transactions before tax	9,852	1,571	527.1%
Income from capital transactions	783	61,920	(98.7%)
Income from companies accounted for by the equity method	19,538	20,297	(3.7%)
Net income, group share	**21,601**	**69,232**	**(68.8%)**

(1) Financial year from 01/01/2003 to 31/03/2004

The sharp decrease in net income, Group share, during 2004/05 compared to the previous year (which had an exceptional term of 15 months), was mainly due to the sharp decrease in capital gains, which in 2003/04 had included €47 million in non-recurring dilution gains generated by the reorganisation of the banking division in July 2003.

9.2 Operating results

9.2.1 Significant factors materially affecting the issuer's income from operations

The income generated by Paris Orléans's private equity business comes predominantly from capital gains. As these gains vary in frequency and regularity, they can significantly affect operating results from one year to the next.

9.2.2 Material changes in net sales or revenues and reasons for such changes

Net sales are insignificant and this is therefore not a relevant indicator for the Group. Operating income comprises mainly capital gains and losses which are by definition non-recurring in nature and their amount and timing cannot be projected or forecast.

9.3 Governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations

See Chapter III, section 4 above on "Risk Factors".

10. CAPITAL RESOURCES

10.1 Issuer's short and long term capital resources

At 31 March 2007, consolidated equity, Group share, came to €583.0 million, an increase of 14.45% compared to the previous year (after a €9.3 million dividend payout). The increase was due to net income (Group share) generated in 2006/07 (€54.1 million) and changes in fair value of available-for-sale financial assets (€31 million).

At 30 September 2007, consolidated equity, Group share, came to €655.4 million, an increase of 12.43% compared to the previous year (after a €12.9 million dividend payout). The increase was mainly due to net income (Group share) generated in the first half of 2007 (€92.4 million).

10.2 Sources and amounts of the issuer's cash flows

CASH FLOW STATEMENT ***(in € 000s)***	**2006/2007**	**2005/2006**	**2004/2005**
Net income from consolidated companies	**19,743**	**21,639**	**7,196**
Depreciation, amortisation, impairment and recoveries	1,375	5,590	8,116
Capital gains (losses) after tax on disposals of assets	(27,280)	(25,003)	2,257
Changes in deferred income taxes	(666)	1,226	(1,579)
Current income tax	7,976	9,826	6,559
Dividends received from associates or from companies held for sale	9,884	10,053	5,781
Gross interest expense	3,148	1,611	11,518
Other adjustments	(1,563)	(520)	(3,205)
Cash from operating activities before net interest expense and income tax	**12,617**	**24,422**	**28,515**
Change in working capital	(15,195)	6,820	(24,934)
Current income tax	(7,976)	(9,826)	(6,559)
Net cash provided/(used) by operating activities	**(10,554)**	**21,416**	**(2,978)**
Purchases of fixed assets	(132,990)	(77,383)	(73,518)
Disposal of fixed assets	131,668	86,429	52,270
Impact of changes in percentage ownership	(3,475)	-	-
Net cash provided/(used) by investing activities	**(4,797)**	**9,046**	**(21,248)**
Dividends paid to minority shareholders of consolidated companies	(1,450)	-	(2,958)
Acquisitions of minority interests	(1,159)	-	-
Dividends paid by the parent company	(9,311)	(7,491)	(4,383)
Gross interest expense	(3,148)	(1,611)	(11,518)
Increases/redemptions of borrowings	18,987	(23,481)	54,081

Net cash provided/(used) by financing activities	**3,919**	**(32,583)**	**(42,940)**
Impact of changes in foreign exchange rates	(108)	73	(12)
Change in cash and cash equivalents	**(11,540)**	**(2,048)**	**(67,178)**
Opening balance	13,233	66,434	133,612
Impact of changes in percentage ownership	386	(51,153)	-
Restated opening balance	**13,619**	**15,281**	**133,612**
Closing balance	2,079	13,254	66,434
Impact of accounting for highly liquid assets at fair value	-	(21)	-
Restated closing balance	2,079	13,233	66,434
Change in cash and cash equivalents	**(11,540)**	**(2,048)**	**(67,178)**

The cash flow statements are not easily comparable for the three financial years ended 31 March 2005, 31 March 2006 and 31 March 2007.

During this period, the Group underwent a major change of scope with the disposal of Société de Gérance des Immeubles Municipaux (SGIM). Each year, SGIM made significant property investments financed largely by loans from the Municipality of Paris. This is reflected in the cash flow statement for the year ended 31 March 2005. SGIM also held a large part of the Group's cash.

The cash flow statement for the year ended 31 March 2006 highlights the cash flows connected with the private equity business and the impact of SGIM (activities under concession) being reclassified as an asset held for sale, identified on a separate line at the bottom of the statement. Excluding the impact of changes in the scope of consolidation, the change in cash and cash equivalents was limited during that year. However, this masked a sharp increase in investments and divestments made by the private equity business.

The tendency towards a higher level of investments and divestments continued in the year ended 31 March 2007. Consolidated cash was boosted by the disposal of SGIM. Conversely, the consumption of capital connected with buoyant activity in private equity and mezzanine financing was high.

10.3 Borrowing requirements and funding structure of the issuer

Paris Orléans had financial liabilities of €41.2 million at 31 March 2007 (excluding accrued interest) after €8.5 million of debt repayments during the year.

The Company's net debt to equity ratio decreased from -3.6% at 31 March 2006 to -0.01% at 31 March 2007.

The following table shows a breakdown of Paris Orléans's financial liabilities at 31 March 2007.

Type of financing	Amount authorised (€m)	Amount used (€m)	Variable rate	Fixed rate	Hedges	Maturity
Revolving credit line Transformable into a 5-year facility	25.0	18.0	18.0			November 2007 November 2012
TOTAL EUR	**25.0**	**18.0**	**18.0**	**0.0**		

Type of financing	Amount authorised ($m)	Amount used ($m)	Variable rate	Fixed rate	Hedges	Maturity
USD credit line	30.0	22.1	22.1			January 2012
TOTAL USD	**30.0**	**22.1**	**22.1**	**0.0**		

At 30 September 2007, financial liabilities amounted to €5.4 million, broken down as follows:

Type of financing	Amount authorised (€m)	Amount used (€m)	Variable rate	Fixed rate	Hedges	Maturity
Revolving credit line Transformable into a 5-year facility	25.0	0.0	18.0			November 2007 November 2012
TOTAL EUR	**25.0**	**0.0**	**18.0**	**0.0**		

Type of financing	Amount authorised ($m)	Amount used ($m)	Variable rate	Fixed rate	Hedges	Maturity
USD credit line	30.0	7.7	7.7			January 2012
TOTAL USD	**30.0**	**7.7**	**7.7**	**0.0**		

10.4 Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations

At 31 March 2007, Paris Orléans had a total of €13 million in undrawn confirmed credit lines.

Its loan agreements contain various legal and financial covenants. These covenants, together with financial ratios, are determined in agreement with Paris Orléans and may be revised during the life of the loan.

At 31 March 2007, Paris Orléans complied with all the covenants included in its loan agreements.

At 30 September 2007, undrawn confirmed credit lines for Paris Orléans amounted to €41 million and all covenants included in the loan agreements were met.

(See statement on working capital in Chapter III, section 26.2 below).

10.5 Anticipated sources of funds needed to fulfil the issuer's commitments

The Transactions, totalling €446 million, will be financed as follows:

- €221 million via the issuance of 646,308 new Paris Orléans shares at a price of €343 per share in consideration for the Contributions made by the English branch;
- €118 million via the capital reduction to be made by CBV (financed through its own resources) as described above; and
- €125 million via long-term bank financing comprising repayment loans of €60 million and credit lines of €65 million that can be converted into repayment loans.

The Transactions will therefore initially be financed by the €60 million repayment loans and Paris Orléans's available cash. Future growth in the private equity business will be financed through the €65 million credit lines.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Group is not significantly dependent on any patents, licences, industrial, commercial or financial contracts.

12. TREND INFORMATION

In the last four years, Paris Orléans has substantially strengthened its private equity teams. Investments in which Paris Orléans plays an active role have therefore risen from €23.3 million in 2004/05 to €83.3 million in 2006/07. In the first half of 2007/08, investments totalled €74.6 million. The Group intends to pursue this policy on an attentive and opportunistic basis, both on its own and in co-operation with other Rothschild group entities.

13. PROFIT FORECASTS OR ESTIMATES

Paris Orléans does not make profit forecasts or estimates.

14. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

14.1 Composition and practices of the administrative, management and supervisory bodies

14.1.1 Board practices

- Management Board

Paris Orléans has a separate Management Board and Supervisory Board.

The Management Board has four members including a Chairman. The Management Board meets as often as required in the best interests of Paris Orléans. For guidance, the Management Board met five times in the financial year just ended.

The Management Board is controlled by a Supervisory Board.

- Supervisory Board

The Supervisory Board exercises permanent control over the Management Board's running of the Company. It has eleven members, including ten individuals of whom three are independent, and one company.

The criteria for being considered independent are those set out in the Viénot and Bouton reports. They include the absence of any potential conflict of interest with the Company and the absence of any directorships or capital relationships with Group companies. In other words, Supervisory Board members are considered to be independent if they have no relationship of any kind either with the Company or its Group which might compromise their freedom of judgement.

Each member of the Supervisory Board is required to hold at least 10 Paris Orléans shares.

Except for some independent directors, members of the Supervisory Board hold directorships in other companies in the Paris Orléans Group or other major groups (Bouygues). Supervisory Board members are therefore selected partly on the basis of their performance and experience within other companies.

In addition, the Supervisory Board intends to discuss and assess its practices once a year, notably to ensure that major issues are properly prepared and to measure the effective contribution of each member of the Supervisory Board to its work through their expertise and involvement in the debates.

The Supervisory Board must approve certain major decisions before their implementation by the Management Board. At the general meeting to be held on 21 January 2008, shareholders will be asked to strengthen the powers of the Supervisory Board and the scope of decisions requiring its prior authorisation (see Chapter III, section 21.2.2 below).

Each year, the Supervisory Board determines a schedule of its meetings for the coming year, at the proposal of its Chairman.

For guidance, the Supervisory Board met four times during the year just ended.

On 5 July 2006, the Supervisory Board adopted an internal charter setting out the obligations of its members and its practices.

The charter not only describes the role and practices of the Supervisory Board and its special committees but also sets out a number of obligations and duties that apply to its members.

Members of the Supervisory Board are given a copy of the articles of association and the internal charter upon taking up office. They are required to acquaint themselves with the laws and regulations governing their office and are subject to a duty of confidentiality.

In addition, the internal charter states that "*members of the Supervisory Board and other persons invited to attend Supervisory Board meetings may not deal in shares of the Company either personally or through an intermediary if, as a result of their office or their presence at a Board meeting, they are in possession of information which has not yet been made public and which could influence the share price in the market. This requirement applies without the Company having to specify the information concerned*".

In this respect, the following procedures must be observed by all members of the Supervisory Board:

A. All shares of the Company owned by members of the Board, their non-separated spouse or dependent children either personally or through an intermediary must be registered shares: either "pure registered" shares held by the Company's custodian (Société Générale) or "administered registered" shares held by a French financial intermediary whose name and address should be given to the Secretary of the Board;

B. Members of the Board may not short sell or forward sell any financial instruments related to shares issued by the Company (futures and options, warrants, convertible bonds, etc.);

C. Members of the Board or other persons who have attended a Board meeting held to review the Company's annual, interim or quarterly financial statements may not deal in Paris Orléans shares, even for hedging purposes, for a period of twenty days before the annual, interim or quarterly results are announced or on the day of the announcement. The same rule shall apply to announcements of estimated annual and interim results.

Lastly, the internal charter prohibits members of the Supervisory Board from using their title or position to obtain a financial or non-financial gain either for themselves or for another person.

Members of the Supervisory Board are therefore required to report any conflicts of interest or potential conflicts of interest with the Company or the Group and must abstain from discussing or voting on the issue in question.

The Supervisory Board had appointed three non-voting members to take part in its meetings in a consultative capacity. Their number was reduced to two on 7 December following a resignation.

It has also created an Audit Committee responsible for internal control. The Audit Committee has three members appointed by the Supervisory Board.

Business addresses of members of the governing bodies of Paris Orléans

Name	Business/personal address

Éric de Rothschild	Rothschild & Cie Banque, 3, rue de Messine, 75008 Paris
David de Rothschild	Rothschild & Cie Banque, 3, rue de Messine, 75008 Paris
Claude Chouraqui	SIACI, 18, rue de Courcelles, 75008 Paris
Russell Edey	NM Rothschild & Sons, New Court, St Swithin's Lane, London EC4P 4DU
Christian de Labriffe	Rothschild & Cie Banque, 3, rue de Messine, 75008 Paris
André Lévy-Lang (independent)	23, bd Jules Sandeau, 75116 Paris
Philippe de Nicolay	Rothschild & Cie Banque, 3, rue de Messine, 75008 Paris
Robert de Rothschild	Rothschild Inc., 1251, Avenue of the Americas, New-York, NY 10020 (USA)
Philippe Sereys (independent)	Nem-Partners, 5-7, rue de Monttessuy, 75007 Paris
Martin Bouygues (independent)	Bouygues, 32, avenue Hoche, 75008 Paris
Marc-Olivier Laurent	Rothschild & Cie, 23 bis, avenue de Messine, 75008 Paris
Michel Cicurel	La Compagnie Financière E. de Rothschild Banque, 47, rue du Faubourg Saint-Honoré, 75008 Paris
Jean-Philippe Thierry	AGF France, 87, rue de Richelieu, 75002 Paris
Michele Mezzarobba	Paris Orléans, 23bis Avenue de Messine, 75008 Paris
Emmanuel Roth	Paris Orléans, 23bis Avenue de Messine, 75008 Paris
Georges Babinet	Paris Orléans, 23bis Avenue de Messine, 75008 Paris
Sylvain Héfès	NM Rothschild & Sons, New Court, St Swithin's Lane, London EC4P 4DU

14.1.2 Composition of Paris Orléans's governing bodies

Supervisory board

Chairman
Eric de Rothschild

Vice-Chairman

David de Rothschild

Members of the Supervisory Board
Claude Chouraqui
Russell Edey
Christian de Labriffe
André Lévy-Lang (independent)
Philippe de Nicolay (replacing Édouard de Rothschild as of 7 December 2007)

Robert de Rothschild

Philippe Sereys (independent)
Martin Bouygues (independent) (replacing Gérard Worms as of 7 December 2007)
Rothschild & Cie Banque
represented by Marc-Olivier Laurent (replacing Bernard Fraigneau as of 7 December 2007)

Non-voting members
Michel Cicurel
Jacques Getten (resigned on 7 December 2007)
Jean-Philippe Thierry

Management Board

Chairman
Sylvain Héfès

Member of the Management Board and Executive Officer
Georges Babinet

Members of the Management Board
Michele Mezzarobba
Emmanuel Roth

Audit Committee
Christian de Labriffe
Philippe Sereys
André Lévy-Lang (replacing Bernard Fraigneau as of 7 December 2007)

14.1.3 Other directorships or offices held outside the issuer's group in the previous five years

See Chapter III, section 16.1.1 below.

14.1.4 Executive profiles of the Management and Supervisory Board members

- Sylvain Héfès has been Chairman of the Management Board of Paris Orléans since 2005. He was previously a general partner at Goldman Sachs & Co and Chairman of the Board of Directors of Goldman Sachs Bank AG. He is a Director of Rothschilds Continuation Holdings AG and Senior Advisor at NM Rothschild & Sons Limited in London. He is also a Director of NYSE-Euronext. He is graduate of the Hautes Etudes Commerciales (HEC).

- Georges Babinet joined the Paris Orléans Group in 1980 as head of Francarep's oil associations, and was appointed member of the Management Board and Chief Executive Officer in 1994. When Francarep was merged into Paris Orléans in October 2004, he became a member of the Management Board and Chief Executive Officer of Paris Orléans. He has a law degree from the University of Paris.

- Michele Mezzarobba, member of the Management Board, first joined the Paris Orléans Group in 2004 as Chief Financial Officer. He was previously a senior manager in the mergers & acquisitions department of Rothschild & Cie Banque. He is a graduate of Milan Bocconi University and has an MBA from Wharton School of the University of Pennsylvania (USA).

- Emmanuel Roth, member of the Management Board, first joined the Paris Orléans Group in 2005. He was previously Chief Financial Officer of Domaines Barons de Rothschild (Lafite) since 2003. Before that, he was a manager in the financial affairs department of Rothschild & Cie Banque, which he joined in 1993. He is a graduate of the Ecole Supérieure des Sciences Economiques and Commerciales (ESSEC).

- Eric de Rothschild was appointed Chairman of the Board of Paris Orléans in 1974. He became Chairman of the Supervisory Board in 2004 upon the Company's change of legal form to a company with a separate Supervisory Board and Management Board. He is also a director of many other companies in the Rothschild Group and a managing partner of RCB. He is a graduate of the Ecole Polytechnique Fédérale de Zurich (Switzerland).

- David de Rothschild has been a Director of Paris Orléans since 1972 and Vice-Chairman of the Supervisory Board since 2005. He holds many other executive positions in other Rothschild Group companies and is also senior managing partner of RCB. He is a graduate of the Institut d'Etudes Politiques de Paris.

- Claude Chouraqui has been a member of the Supervisory Board of Paris Orléans since 2004 following the merger with Francarep. Prior to that, he was Vice-Chairman of the Supervisory Board of Francarep. He is Chairman of the Supervisory Board of Siaci, where he was Chairman and Chief Executive Officer until 2001. He has a doctorate in economics from the University of Paris.

- Russell Edey has been a member of the Supervisory Board of Paris Orléans since 2004. He began his career with Anglo American Corporation in South Africa and joined N.M. Rothschild & Sons Limited in London in 1977, where he was head of corporate finance from 1990 to 1996. He is currently Chairman of AngloGold Ashanti Limited and Director of Old Mutual plc. He a member of the Institute of Chartered Accountants in England and Wales.

- Christian de Labriffe is a managing partner of Rothschild & Cie Banque. He was a Director of Paris Orléans from 1996 and became a member of the Supervisory Board in 2004 upon the Company's change of legal form to a company with a separate Supervisory Board and Management Board. He is a graduate of the Institut Supérieur du Commerce de Paris.

- André Lévy-Lang has been a member of the Supervisory Board of Paris Orléans since 2004. He was Chairman of the Management Board of Paribas until 1999 and is currently a Director of Dexia, Scor and several Foundations. He is graduate of the Ecole Polytechnique and has a Ph.D. from Stanford University.

- Edouard de Rothschild was a Director of Paris Orléans from 1987 to 2004 when he became a member of the Supervisory Board. He has a law degree and an MBA (Finance) from New York University.

- Robert de Rothschild was a Director of Paris Orléans from 1984 to 2004 when he became a member of the Supervisory Board. He has a B.A. Business Administration from Pace University (New-York).

- Philippe Sereys de Rothschild was a Director of Paris Orléans from 1999 to 2004 when he became a member of the Supervisory Board upon the Company's change of legal form to a company with a separate Supervisory Board and Management Board. He began his career in 1987 in the mergers & acquisitions department of Lazard Frères in New York. He joined Compagnie Générale des Eaux in 1991 as adviser to the management and in 1995 became Chief Financial Officer of Dalkia Italy. In 1998 he joined SLP Infoware as Chief Financial Officer and became Chief Executive Officer in 1999. He joined Natexis Private Equity in 2004. He has an MBA from Harvard Business School.

- Gérard Worms has been a member of the Supervisory Board of Paris Orléans since 2004 and was Vice-Chairman until 2005. He is a former Chairman of Compagnie de Suez and Banque Indosuez and chairs the French National Committee of the International Chamber of Commerce. He is a graduate of the Ecole Polytechnique and has a postgraduate degree in engineering from the Ecole des Mines.

- Bernard Fraigneau was appointed Director of Paris Orléans representing RCB in 1986. He was Chief Executive Officer of Rothschild et Associés Banque until 1986. He is a graduate of the Institut d'Etudes Politiques de Paris, has a degree in law and a postgraduate diploma in public law.

- Martin Bouygues was co-opted to the Supervisory Board at its meeting of 7 December 2007 to replace Gérard Worms. He has been the Chairman and Chief Executive Officer of Bouygues since 1989 and a Director of TF1 since 1987. He is a *Chevalier de la Légion d'Honneur* and an *Officier de l'Ordre National du Mérite*.

- Philippe de Nicolay was co-opted to the Supervisory Board at its meeting of 7 December 2007 to replace Edouard de Rothschild. He is a Managing Partner of Rothschild & Cie Banque, Chairman of the Supervisory Board of Rothschild & Cie Gestion, Chairman of Rothschild Japan KK and Director of Rothschild Bank AG Zurich. He studied at the University of Southern California in Los Angeles. He is a *Chevalier de la Légion d'Honneur*.

- Marc-Olivier Laurent has been RCB's representative on the Supervisory Board of Paris Orléans since 7 December 2007 (replacing Bernard Fraigneau). He is a Managing Partner of Rothschild et Cie Banque, Director of Nord Est and Caravelle and member of the Supervisory Boards of Manutan and Inea. He is a graduate of the Hautes Ecoles

Commerciales (HEC) and has a doctorate in African anthropology from the Sorbonne University in Paris.

14.1.5 Statement regarding the senior managers and directors of the issuer

To the Company's knowledge, there are family relationships between members of the Supervisory Board but not between the senior managers.

David and Edouard de Rothschild are brothers. Eric and Robert de Rothschild are brothers.

Edouard de Rothschild and Philippe de Nicolay are half-brothers.

David de Rothschild, Edouard de Rothschild, Eric de Rothschild, Robert de Rothschild and Philippe de Nicolay are first cousins.

David de Rothschild, Edouard de Rothschild, Eric de Rothschild, Robert de Rothschild and Philippe de Nicolay are cousins several times removed to Philippe Sereys de Rothschild.

To the best of the Company's knowledge, in the past five years: (i) none of the members of the Supervisory Board or Management Board has been convicted of fraud, (ii) none of the members of the Supervisory Board or Management Board has been implicated in a bankruptcy, receivership or liquidation, (iii) none of the members of the Supervisory Board or Management Board has had any official public incrimination and/or sanctions taken against them by statutory or regulatory authorities (including designated professional bodies) and (iv) none of the members of the Supervisory Board or Management Board has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

14.2 Conflicts of interest

To the best of the Company's knowledge, as of the date of this document, there were no conflicts of interest between the duties of the members of the Supervisory Board and/or Management Board and their own personal interests and/or other duties.

15. REMUNERATION AND BENEFITS PAID BY THE GROUP TO MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF PARIS ORLÉANS

15.1 Interests and gross remuneration of Management Board members

Name	Office	*Notes*	2006/2007 Remuneration (€000s)		Benefits (€000s)	Directors' fees (€000s)	*Notes*	2005/2006 Remuneration (€000s)		Benefits (€000s)	Directors' fees (€000s)
			Fixed	*Variable*				*Fixed*	*Variable*		
Sylvain Héfès	Chairman of the Management Board	*(1)*	309	1,471	-	-	*(1)*	129	-	-	-
Georges Babinet	Chief Executive Officer and member of the Management Board	*(2)*	210	293	7	-	*(2) & (4)*	192	333	5	-
Michele Mezzarobba	Member of the Management Board	*(3)*	180	251	4	-		-	-	-	-
Emmanuel Roth	Member of the Management Board	*(3)*	90	258	4	-		-	-	-	-

(1) Remuneration converted at the €/£ rate on 31 March 2007.
(2) In addition to the amounts shown, Georges Babinet will upon his retirement receive a supplementary annual pension (Art. 39 of the French General Tax Code) equal to 20% of the average annual salary paid during his last three years of employment (see section 1.5.3 above).
(3) As of 1 April 2006, date of their appointment.
(4) The variable amount for 2005/06 included an exceptional sum of €49,000.

The variable component of the remuneration paid to members of the Management Board, with the exception of its Chairman, is fixed by the Chairman of the Management Board based on the company's results and the individual performance of each member.

The Chairman of the Management Board does not receive any fixed or variable remuneration from Paris Orléans as his entire remuneration is paid by NM Rothschild & Sons. The variable component is fixed by the Remuneration Committee of NM Rothschild & Sons.

15.2 Interests and gross remuneration of Supervisory Board members

Name	Office	*Notes*	2006/2007 Remuneration (€000s)		Benefits (€000s)	Directors' fees (€000s)	*Notes*	2005/2006 Remuneration (€000s)		Benefits (€000s)	Directors' fees (€000s)
			Fixed	*Variable*				*Fixed*	*Variable*		
Eric de Rothschild	Chairman of the Supervisory Board (SB)	*(1)*	-	-	-	6.9	*(1)*		-	-	13.9
David de Rothschild	Vice-Chairman of the SB	*(1) & (2)*	471	1,030	-	6.9	*(1) & (2)*	750	-	-	11.1
Claude Chouraqui	Member of the SB	*(1)*	-	-	-	6.9		-	-	-	7.5
Russell Edey	Member of the SB	*(1) & (2)*	515	269		4.1		-	-	-	4.8
Christian de Labriffe	Member of the SB	*(1) & (3)*				14.0	*(1) & (3)*				17.0
André Lévy-Lang	Member of the SB					8.2					4.8
Édouard de Rothschild	Member of the SB	*(1)*				5.5	*(1)*				8.4
Robert de Rothschild	Member of the SB	*(1)*				2.8	*(1)*				8.4
Philippe Sereys	Member of the SB	*(1) & (3)*				8.0	*(1) & (3)*				17.0
Gérard Worms	Member of the SB	*(1) & (4)*				12.8	*(1) & (4)*				21.6
Bernard Fraigneau for Rothschild & Cie Banque	Member of the SB	*(1) & (3)*				14.0	*(1) & (3)*				17.0
Michel Cicurel	Non-voting member	*(5)*				4.1	*(1) & (5)*				7.5

Jacques Getten	Non-voting member	*(5)*	6.9	*(5)*	13.9
Jean-Philippe Thierry	Non-voting member	*(5)*	5.5	*(5)*	8.4

(1) Directors' fees received from Paris Orléans as member of the Supervisory Board.
(2) Remuneration converted at the €/£ rate on 31 March 2007.
(3) Directors' fees received from Paris Orléans as member of the Audit Committee.
(4) Directors fees received from SGIM.
(5) Fees as non-voting members.

The Company has not granted any of the Supervisory or Management Board members securities giving immediate or deferred access to the Company's shares.

15.3 Total amounts set aside or accrued to provide pension, retirement or similar benefits

Paris Orléans has two supplementary pension schemes for its senior executives, a historical one and the second dating from 1 January 2005. Both schemes are managed by outside insurance companies.

The first is a defined benefits scheme which provides participants with a supplementary annual pension equal to 20% of their average annual salary in the last three full years' of employment with the company. Rights only vest if the participant stays with the company until retirement and fulfils the following conditions: has a reference salary of more than four times the Social Security ceiling, has at least 5 years' service with the company and is at least 60 years old. Senior executives who had not reached the age of 50 by 1 January 2005 are no longer eligible for this scheme. The sum set aside in the financial statements of Paris Orléans at 30 September 2007 for members of the Management Board eligible for this scheme amounts to €1,847,000 based on the net present value of the obligation.

The second scheme for senior executives (Article 83) was established on 1 January 2005 and is only for senior executives who had not reached the age of 50 by that date. Senior executives who were over the age of 50 on 1 January 2005 and are participants in the existing defined benefits scheme described above are not eligible for the new scheme. Participants must have a reference salary (annual gross salary plus bonus or annual gratification excluding any other exceptional component) more than four times the Social Security ceiling. This scheme is a defined contributions scheme managed on a capitalisation basis. It will provide participants with an additional pension upon retirement. Rights arising from contributions paid will vest even if the employee leaves the company before retirement. Contributions paid for the 2005 and 2006 calendar years were €15,400 and €22,400.

15.4 Termination benefits due to Supervisory or Management Board members

None.

15.5 Stock options granted to Supervisory or Management Board members

None.

15.6 Other benefits granted to Supervisory or Management Board members

None.

16. BOARD PRACTICES

16.1 Supervisory Board

Name Position Last elected Term expires Date of birth	Other directorships and offices held by members of the Supervisory Board	
Eric de Rothschild Chairman of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 03/10/1940 Number of Paris Orléans shares held: 226	**Chairman of the Board of Directors:** Courcelles Participations (SAS – Paris) **Chairman:** Rothschild Private Management Limited (UK) Rothschild Bank AG (Switzerland) Rothschild Holding AG (Switzerland) Société du Château Rieussec (SAS – Paris) **Managing Director:** Continuation Investments NV (Netherlands) **General partner:** Rothschild & Cie Banque (SCS – Paris) Rothschild & Cie Gestion (SCS – Paris) **Managing Partner:** Société Viticole de Participation (SCA – Paris) Béro (SCA – Paris) Financière-Rabelais (SCA – Paris) **Legal Manager:** Société civile du Château Duhart Milon Rothschild Société civile Rothschild Conservation **Director:** Christie's France (SA – Paris) Fédération Continentale (SA – Paris) NM Rothschild & Sons Limited (UK)	Rothschild North America Inc. (USA) Rothschilds Continuation Holdings AG (Switzerland) Rothschild Concordia AG (Switzerland) Sociedade Agricola Quinta do Carmo (Portugal) SIACI (SA – Paris) Los Vascos (Chile) **Financial Controller:** Five Arrows Messieurs de Rothschild Frères (GIE – Paris) Sagitas (GIE – Paris) Offices held in the past 5 years: **Chairman of the Supervisory Board:** Francarep (SA – Paris) **Chairman of the Board of Directors and Chief Executive Officer:** PO Participations Bancaires (SA – Paris) **Chairman:** Ponthieu-Rabelais (SAS – Paris) **Legal Manager:** Société civile de Château Lafite Rothschild **Director:** Marot Participations (SAS – Paris) Chalone Inc. (USA) Concordia BV (Netherlands)

Name Position Last elected Term expires Date of birth	Other directorships and offices held by members of the Supervisory Board	
David de Rothschild		
Vice Chairman of the Supervisory Board 31/01/2005 AGM held to approve the financial statements for the year ended 31 March 2010 15/12/1942 Number of Paris Orléans shares held: 7,472	**Managing partner:** Rothschild & Cie Banque (SCS – Paris) Rothschild & Cie (SCS – Paris) Rothschild Gestion Partenaires (SNC – Paris) Financière-Rabelais (SCA – Paris) **Chairman:** Financière de Reux (SAS – Paris) Financière de Tournon (SAS – Paris) Rothschild Concordia (SAS - Paris) Rothschilds Continuation Holdings AG (Switzerland) N.M. Rothschild & Sons Ltd (UK) SCS Holding (SAS – Paris) Rothschild Holding AG (Switzerland) Rothschild Concordia AG (Switzerland) **Managing Director:** Continuation Investment NV (Netherlands) Rothschild Europe BV (Netherlands) **Director:** Rothschild North America (USA) Casino (SA – St-Étienne) La Compagnie Financière Martin-Maurel (SA – Marseille) De Beers SA (South Africa) **Sole Director:** Five Arrows Messieurs de Rothschild Frères (GIE - Paris) Sagitas (GIE – Paris)	**Member of the Supervisory Board:** ABN Amro (Netherlands) Compagnie Financière Saint-Honoré (SA – Paris) **Non-voting Director:** Euris (SA – Paris) Offices held in the past 5 years: **Chairman of the Management Board:** Francarep (SA – Paris) Chairman of the Board of Directors of: NM Rothschild Corporate Finance Ltd (UK) **Chairman:** Financière Viticole (SA – Paris) **Director:** AFEP (Association Française des Entreprises Privées) (Association loi de 1901 – Paris) PO Participations Bancaires (SA – Paris) Concordia BV (Netherlands) **Managing partner:** Rothschild Ferrières (SC – Paris) Anjou-Rabelais (SNC – Paris) **Permanent representative of:** Rothschild & Cie Banque on the Board of IDI

Name Position Last elected Term expires Date of birth	Other directorships and offices held by members of the Supervisory Board	
Claude Chouraqui Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 12/02/1937 Number of Paris Orléans shares held: 10	**Member of the Supervisory Board:** SIACI (SA – Paris) **Chairman:** French American Risk Advisors - FARA Inc. (USA) **Director:** A.R.T. (Assurances and Réassurances Techniques) (SA – Paris) Courcelles Participations (SAS – Paris)	Offices held in the past 5 years: **Chairman:** Marot Participations (SAS – Paris) **Vice-Chairman of the Supervisory Board:** Francarep (SA – Paris) **Director:** Jardine Lloyd Thompson Group plc (United Kingdom)
Russell Edey Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 02/08/1942 Number of Paris Orléans shares held: 10	**Chairman:** NM Rothschild & Sons (Hong-Kong) Limited (China) Anglogold Ashanti Limited (South Africa) **Vice-Chairman:** NM Rothschild Corporate Finance Limited (UK) **Director:** NM Rothschild & Sons (Singapore) Limited NM Rothschild & Sons (South Africa) Pty Ltd NM Rothschild China Holding AG (Switzerland) Rothschild Australia Limited Rothschilds Continuation Limited (UK) Shield MBCA Limited (UK) Shield Trust Limited (UK) Southern Arrows (Proprietary) Limited (South Africa) Old Mutual PLC (UK)	Offices held in the past 5 years: **Chairman:** Anglogold International Holdings SA **Vice-Chairman:** NM Rothschild & Australia Holdings Pty (Australia) The South African Business Initiative **Director:** NM Rothschild & Sons (Australia) Limited NM Rothschild & Sons Limited (UK) NM Rothschild & Sons (Washington) LLC RNR Holdings Inc. FKI plc (UK)

Name Position Last elected Term expires Date of birth	Other directorships and offices held by members of the Supervisory Board	
Christian de Labriffe Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 13/03/1947 Number of Paris Orléans shares held: 30	**Chairman:** Transaction R (SAS – Paris) **General Partner:** Rothschild & Cie Banque (SCS – Paris) **Managing partner:** Rothschild & Cie (SCS – Paris) **Member of the Supervisory Board:** Financière-Rabelais (SCA – Paris) Beneteau Group (SA – Saint-Gilles-Croix-de-Vie) **Director:** Christian Dior SA Paris (SA – Paris)	Christian Dior Couture Paris (SA – Paris) Offices held in the past 5 years: **Director:** Rothschild Conseil International (SA – Paris) Nexity (SA – Paris la Défense)
André Lévy-Lang Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 26/11/1937 Number of Paris Orléans shares held: 390	**Director:** AGF (SA – Paris) Scor (SA – Paris La Défense) Dexia SA (Belgium) Schlumberger Limited (Curaçao) Hôpital Américain de Paris (Association – Neuilly)	Institut Europlace de Finance (Association Paris) Institut des Hautes Études Scientifiques (Association)
Édouard de Rothschild Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 (resigned on 7 December 2007 and replaced by Philippe de Nicolay) 27/12/1957 Number of Paris Orléans shares held: 24,510	**Chairman of the Supervisory and Strategic Board:** Rothschild & Cie Banque (SCS – Paris) **Chairman:** Holding Financier Jean Goujon (SEP – Paris) France Galop (association loi de 1901 – Boulogne) **Director:** Rothschilds Continuation Holdings AG (Switzerland) SA Investissements Presse (holding company of Libération)	**Director:** Concordia BV (Netherlands) Rothschild Conseil International (SA – Paris) Rothschild North America (USA) Global Asset Management (UK) New-York University (USA) **Member of the Supervisory Board:** Imérys (SA – Paris) **Permanent representative of Rothschild & Cie Banque on the Board of:** Francarep (SA – Paris) PO Participations Bancaires (SA – Paris) **Member:**

Name Position Last elected Term expires Date of birth	Other directorships and offices held by members of the Supervisory Board	
	Offices held in the past 5 years: **Managing Partner:** Rothschild & Cie Banque (SCS – Paris) Rothschild & Cie (SCS – Paris)	Sagitas (GIE) Member of the Finance Committee of: MEDEF (France)
Robert de Rothschild Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 14/04/1947 Number of Paris Orléans shares held: 15	None	
Philippe Sereys Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 28/05/1963 Number of Paris Orléans shares held: 10	**Member of the Management Board:** NEM Partners (SA – Paris) **Member of the Supervisory Board:** Baron Philippe de Rothschild (SA) GT Finances (SA – Paris) **Legal Manager:** Baronne Philippine de Rothschild GFA	Offices held in the past 5 years: **Member of the Board of Directors:** Rothschild France Distribution (SA) **Chief Executive Officer and member of the Management Board:** Natexis Investissement (SCR – Paris)
Gérard Worms Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 (resigned on 7 December 2007 and replaced by Martin Bouygues) 01/08/1936	**Director:** Éditions Atlas (SAS – Paris) **Member of the Supervisory Board:** Métropole Télévision (SA – Neuilly) Médias and Régies Europe (SA – Paris) Publicis (SA – Paris) **Non-voting Director:** Newstone Courtage	Offices held in the past 5 years: **Chairman:** Société de Gérance des Immeubles Municipaux (SGIM) (SA – Paris) **Director:** Cofide (SA – Italy) **Member of the Supervisory Board:** Siaci (SA – Paris)

Name Position Last elected Term expires Date of birth Number of Paris Orléans shares held: 305	Other directorships and offices held by members of the Supervisory Board	
Company		
Rothschild & Cie Banque Registered office: 29 avenue de Messine, 75008 Paris Member of the Supervisory Board 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 Number of Paris Orléans shares held: 10		**Chairman:** Bastia-Rabelais (SASU – Paris) **Chairman and member of the Board of Directors:** Montaigne-Rabelais (SAS – Paris)
Name of Rothschild & Cie Banque's permanent representative **Bernard Fraigneau** 29/10/2004 AGM held to approve the financial statements for the year ended 31 March 2010 (replaced by Marc-Olivier Laurent on 7 December 2007) 01/02/1935 Number of Paris Orléans shares held: 0	**Legal manager:** Colignon (SC – Paris) **Director and Chairman of the Audit Committee:** Foncière Euris (SA – Paris) **Director:** Mongoual (SA – Paris) **Member of the Supervisory Board and Audit Committee:** Foncière Inéa (SA – Paris) **Vice Chairman:** La Fondation Zellidja (Paris) **Non-voting Director:** Prodware (SA – Paris)	Offices held in the past 5 years: **Honorary Chairman:** Sophia (SA – Paris) **Director:** Sage France (SA – Paris) Valoris (SA – Paris) **Member of the Supervisory Board:** Francarep (SA – Paris) Les Domaines Barons de Rothschild (Lafite) (SCA – Paris) XRT (SA – Paris) **Member of the Board of Limited Partners:** Rothschild & Cie Banque (SCS – Paris)

Marc-Olivier Laurent 07/12/2007 AGM held to approve the financial statements for the year ended 31 March 2010 04/03/1952 Number of Paris Orléans shares held: 0	**Director:** Nord Est Caravelle **Member of the Supervisory Board:** Manutan Inea **Managing Partner:** Rothschild & Cie Banque Member of the Remuneration Committee of: Nord Est **Member of the Audit Committee:** Manutan (Guernsey) Rothschild Holding AG (Switzerland) Wichford plc (Isle of Man) **Member of Supervisory Board**: Financière Rabelais (SCA - Paris) Les Domaines Barons de Rothschild (Lafite) (SCA- Paris)	
Philippe de Nicolay Member of the Supervisory Board 7/12/2007 AGM held to approve the financial statements for the year ended 31 March 2010 01/08/1955 Number of Paris Orléans shares held: 0	**Chairman and Chief Executive:** Rothschild & Cie Gestion (SCS - Paris) **Chairman:** Rothschild Japan KK (Japan) **Managing Partner:** Rothschild & Cie Banque (SCS - Paris) **Director:** Elan R (SICAV - Paris) Financière de Reux (SAS – Paris) Blackpoint Management	Offices held in the past 5 years: None
Martin Bouygues Member of the Supervisory Board 7/12/2007 AGM held to approve the financial statements for the year ended 31 March 2010 03/05/1952 Number of Paris Orléans shares held: 0	**Chairman and Chief Executive:** Bouygues (SA– Paris) **Chairman:** SCDM (SAS – Paris) **Director:** TF1 (SA – Boulogne Billancourt) SODECI (Ivory Coast) CIE (SA Ivory Coast)	Offices held in the past 5 years: **Chairman, Chief Executive and Director:** SCDM (SAS – Paris) **Director:** HSBC France

16.2 Management Board

Name Position Last elected Term expires Date of birth	Other main directorships and offices held by members of the Management Board	
Sylvain Héfès Chairman of the Management Board 31/01/2005 At the Supervisory Board meeting to be held to approve the financial statements for the year ended 31 March 2008 28/03/1952	**Senior advisor:** NM Rothschild & Sons Limited (UK) **Chairman:** Francarep, Inc. (USA) **Director:** Five Arrows Capital Limited (British Virgin Islands) Rothschild Holding AG (Switzerland) Rothschilds Continuation Holdings AG (Switzerland) NYSE Euronext Inc (USA)	Offices held in the past 5 years: **Chairman of the Board of Directors**: Goldman Sachs AG (Switzerland)
Georges Babinet Member of the Management Board and Chief Executive Officer 29/10/2004 At the Supervisory Board meeting to be held to approve the financial statements for the year ended 31 March 2008 11/03/1947	**Member of the Supervisory Board:** Les Domaines Barons de Rothschild (Lafite) (SCA - Paris) Assurances & Conseils Saint-Honoré (SA – Paris) Newstone Courtage (SA – Paris) Siaci (SA – Paris) **Director:** Five Arrows Capital AG (Switzerland) **Chairman and Chief Executive Officer:** K Développement (SA – Paris) **Legal representative of K développement, Chairman of the Board of Directors:** Chaptal Investissements (SAS – Paris) **Legal representative of K Développement, Chairman:** Alexanderplatz Investissement (SAS – Paris) Clarifilter (SAS – Paris) Franinvest (SAS – Paris)	PO Capinvest 1 (SAS – Paris) PO Capinvest 2 (SAS – Paris) PO Capinvest 3 PO Fonds (SAS – Paris) PO Mezzanine (SAS – Paris) Paris Orléans Holding Bancaire (ex Société Financière and Immobilière de la Rochefoucauld) (SAS – Paris) SPCA Deux (SAS – Paris) Verseau (SAS – Paris) **Chairman and Director:** Francarep Inc. (USA) **Permanent representative of:** PO (SA – Paris) on the Board of: . Total E & P Cameroun (Cameroon) SPCA Deux (SAS – Paris) on the Board of: . Courcelles Participations (SAS – Paris) Offices held in the past 5 years: **Permanent representative of:**

Name Position Last elected Term expires Date of birth	Other main directorships and offices held by members of the Management Board	
	HI Trois (SAS – Paris) Manufaktura (SAS – Paris) Narcisse Investissements (SAS – Paris)	SPCA Deux (SAS – Paris) on the Board of: . SIACI (SA – Paris) **Legal representative of SFIR, Legal Manager:** SCI Belfort Maison Carrée (SCI – Paris) **Chairman and Director:** Francarep Canada Ltd (Canada) **Director:** Brukrohold BV (Netherlands) **Legal representative of K Développement, Chairman:** Ponthieu Ventures (SAS – Paris) **Member of the Management Board and Chief Executive Officer:** Francarep (SA – Paris)
Michele Mezzarobba Member of the Management Board 01/04/2006 At the Supervisory Board meeting to be held to approve the financial statements for the year ended 31 March 2008 25/09/1967	**Chairman:** Ponthieu Ventures (SAS – Paris) **Director and Deputy Chief Executive Officer:** K Développement (SA – Paris) **Member of the Supervisory Board:** Europa Corp. (SA – Paris) **Director and Vice-Chairman:** Francarep, Inc. (USA) **Director:**	**Permanent representative of:** Rivoli Participation on the Board of: . Affiches Parisiennes (SA – Paris) . Claude et Goy (SA – Paris) **Chief Executive Officer:** Narcisse Investissements (SAS – Paris) PO Capinvest 1 (SAS – Paris) PO Capinvest 2 (SAS – Paris) Alexanderplatz Investissement (SAS –

Name
Position
Last elected
Term expires
Date of birth

Other main directorships and offices held by members of the Management Board

Chaptal Investissements (SAS – Paris)
PO Invest 1 (SA – Luxembourg)
Concordia BV (Netherlands)
Legal representative of Ponthieu Ventures, Chairman:
Rivoli Participation (SAS – Paris)

Paris)
Paris Orléans Holding Bancaire (ex-SFIR) (SAS - Paris)
PO Capinvest 3 (SAS – Paris)
PO Fonds (SAS – Paris)
PO Mezzanine (SAS – Paris)
Managing partner:
PO Gestion (société civile – Paris)
PO Gestion 2 (société civile – Paris)
Legal Manager:
Central Call International (SARL – Paris)
Offices held in the past 5 years:
Director and Vice-Chairman:
Francarep Canada Ltd (Canada)
Permanent representative of:
Paris Orléans on the Board of:
. Marco Polo Investissements (SA – Paris)

Name Position Last elected Term expires Date of birth	Other main directorships and offices held by members of the Management Board	
Emmanuel Roth Member of the Management Board 01/04/2006 At the Supervisory Board meeting to be held to approve the financial statements for the year ended 31 March 2008 30/10/1968	**Chairman and Chief Executive Officer:** Treilhard Investissements (ex- PJP Radio) (SA – Paris) **Director and Deputy Chief Executive Officer:** K Développement. (SA – Paris) **Director:** PO Invest 1 (SA – Luxembourg) PO Invest 2 (SA – Luxembourg) **Director:** Francarep, Inc. (USA)	**Chief Executive Officer:** Alexanderplatz Investissement (SAS – Paris) Narcisse Investissements (SAS – Paris) Paris Orléans Holding Bancaire (ex-SFIR) (SAS - Paris) PO Capinvest 1 (SAS – Paris) PO Capinvest 2 (SAS – Paris) PO Capinvest 3 (SAS – Paris) PO Fonds (SAS – Paris) PO Mezzanine (SAS – Paris) Ponthieu Ventures (SAS – Paris) PO Gestion (société civile – Paris) **Managing partner:** PO Gestion (société civile – Paris) PO Gestion 2 (société civile – Paris)

16.3 Information about service contracts between members of the Supervisory Board or Management Board with Company or one of its subsidiaries

There are four agreements between members of the Supervisory Board or Management Board and the Company or one of its subsidiaries:

1° Sub-lease to Rothschild & Compagnie of the premises at 23 bis avenue de Messine - persons concerned: David de Rothschild and Christian de Labriffe.

2° Carried interest agreement for members of the investment teams in capital gains made by the private equity business of Paris Orléans - persons concerned: Sylvain Héfès, Georges Babinet, Michele Mezzarobba and Emmanuel Roth.

3° Assistance agreement between Paris Orléans and Bero - person concerned: Eric de Rothschild.

4° Information systems services agreement between Paris Orléans and Rothschild & Cie Banque - persons concerned: Eric de Rothschild, David de Rothschild, Edouard de Rothschild and Christian de Labriffe.

16.4 Supervisory Board Committees

On 29 October 2004, the Supervisory Board established an Audit Committee comprising three members working under its supervision.

16.5 Corporate governance

16.5.1 Statement regarding corporate governance

Paris Orléans has implemented certain recommendations made in the Viénot and Bouton reports and has taken a number of measures to strengthen its internal control. For example, the Supervisory Board now has:

- an Audit Committee responsible for internal control
- three independent directors.

On 5 July 2006, the Supervisory Board also adopted an internal charter setting out its practices.

16.5.2 Chairman of the Supervisory Board's report on internal control

1. Corporate governance

On 29 October 2004, following the merger absorption of its subsidiary Francarep, Paris Orléans elected to have a separate Management Board and Supervisory Board as provided for in articles L. 225-57 to L. 225-93 of the French Commercial Code.

The Management Board and Supervisory Board are assisted by an Audit Committee whose members are appointed by the Supervisory Board.

1.1. Management Board

Composition

Since 1 April 2006, the Management Board of Paris Orléans has had four members elected by the Supervisory Board. A Chairman and a Chief Executive Officer have been appointed from among these members by the Supervisory Board.

Sylvain Héfès is Chairman of the Management Board and Georges Babinet is Chief Executive Officer. The other two members are Michele Mezzarobba and Emmanuel Roth.

In accordance with the resolution electing them and the provisions of the articles of association, members of the Management Board are elected for a term of two years.

Board organisation and practices

The rules governing the organisation and practices of the Management Board are set out by law and by the Company's articles of association.

The Management Board meets as often as required in the best interests of the Company. Meetings are called verbally or in writing by the Chairman or at least half of the members and held at the registered office or at any other place.

Powers

The Management Board is responsible for running and managing the Company. It approves the annual and interim separate and consolidated financial statements and determines the Company's broad operational and development guidelines. The Management Board takes all decisions regarding investments and divestments. Decisions are taken by unanimous approval of its members.

The Management Board has the fullest powers to act at all times and in all circumstances in the name of the Company with respect to its dealings with third parties, subject to those powers expressly vested by law in the Supervisory Board and the collective body of shareholders.

The Management Board may delegate any of its powers as it sees fit.

Activity of the Management Board in 2006/07

In the year to 31 March 2007, the Management Board met many times to review the interim and annual financial statements and to take decisions on new investments or divestments.

At least forty-eight hours before each Management Board meeting, the members receive information on the agenda items and, more particularly, a detailed report on each proposed divestment or new investment and, where applicable, the separate and consolidated financial statements for review.

1.2. Supervisory Board

Composition

The Supervisory Board of Paris Orléans has eleven members.

From among these members, it has appointed Éric de Rothschild as Chairman and David de Rothschild as Vice-Chairman.

In accordance with the provisions of the articles of association, members of the Supervisory Board are elected for a term of three years.

Each member of the Supervisory Board must hold at least ten shares.

At 31 March 2007, two of the eleven members are considered by the Supervisory Board to be independent with respect to the criteria set out in the recommendations of the Bouton report.

Board organisation and practices

The rules governing the organisation and practices of the Supervisory Board are set out by law and by the Company's articles of association.

The Supervisory Board may create committees comprising certain of its members and determine their responsibilities and composition.

On 5 July 2006, the Supervisory Board adopted an internal charter governing its practices.

Role of the Supervisory Board

The Supervisory Board is responsible for exercising ongoing control over the Management Board's running of the Company and confers authority on the Management Board to enter into all transactions which require its prior authorisation.

It may at any time undertake the controls and verifications it deems fit and obtain all the information it deems necessary to fulfil its duties.

It may appoint one or more of its members to undertake special assignments for one or more specific purposes.

Activity of the Supervisory Board during 2006/07

The Supervisory Board met four times in the year ended 31 March 2007. The average attendance rate was 68%.

At least forty-eight hours before each meeting, members received a detailed information pack containing at least the following:
- *the draft minutes of the previous meeting;*
- *a detailed analysis of the latest known NAV and its change since the last calculation date;*
- *a description of the Company's business operations (trends since the last Board meeting and since the start of the financial year, new investments since the start of the financial year);*
- *financial statements with explanatory notes;*
- *proposed budgets (if applicable) with explanatory notes;*
- *draft press releases.*

The Supervisory Board ensured that the relevant information was properly disclosed to the market, mainly through press releases.

Remuneration of Supervisory Board members
The shareholders may allocate an annual fixed amount of directors' fees to members of the Supervisory Board, which are recognised by the Company as operating expenses.

The Supervisory Board allocates the fees among its members as it deems fit. It also determines the remuneration of the Chairman and Vice-Chairman.

The Supervisory Board may also allocate exceptional fees to its members for any special assignments conferred on them.
During the financial year just ended, fees received by members of the Supervisory Board totalled €102,000.

Members of the Supervisory Board directly and personally held 1.31% of the share capital and 3.07% of voting rights at 31 March 2007.

1.3 Audit Committee

Composition
The Audit Committee has three members.

Role of the Audit Committee
The Supervisory Board determines the role and responsibilities of the Audit Committee, which includes one or more members with specific accounting and finance expertise.
Its main responsibilities are:
- *Reviewing the financial statements approved by the Management Board, and particularly the valuations and accounting elections made and their appropriateness for the operations concerned;*
- *Assessing the quality of internal control;*
- *Ensuring the independence and impartiality of the auditors belonging to groups that provide both audit and advisory services.*

Activity of the Audit Committee
The Audit Committee met on 8 January 2007 to review the interim financial statements and on 28 June 2007 to review the separate and consolidated financial statements for the year ended 31 March 2007.

The Audit Committee reported to the Supervisory Board on its work and proposals.

1.4 Remuneration of the Management Board

Members of the Management Board receive a fixed and variable remuneration. The variable component is determined each year by the Chairman of the Management Board according to the Group's performance and the performance of each of its members.

As the Chairman of the Management Board holds many positions within the Rothschilds Continuation Holdings (RCH) sub-group and its subsidiaries, his remuneration is paid in full by the RCH group.

2. Internal control

The purpose of the Company's internal control procedures is to:

• ensure that management, operations and employee conduct comply with the guidance issued by the company's governing bodies, with applicable legislation and regulations and with the company's own values, standards and internal rules;
• ensure that accounting, financial and management information reported to the Company's governing bodies gives a true and fair view of the Company's operations and position.

One of the key objectives of the internal control system is to prevent and manage risks arising from the Company's business operations and shareholdings, as well as the risk of error or fraud, particularly in the areas of banking, accounting and finance. However, no control system can provide absolute assurance that all risk will be eliminated.

Internal control is the responsibility of the Audit Committee, assisted by an internal control officer.

At present, in addition to the risk management committees established by the subsidiaries of the Rothschild banking group at world level, there are also internal control procedures over the investment business conducted by Paris Orléans.

A monthly report is produced showing trends in the Company's assets and liabilities, their value (NAV), and year-on-year cash flow trends and cash forecasts.

2.1. Control over accounting and financial risks in the banking group's banking subsidiaries

Paris Orléans has no direct operational involvement in the Rothschild group's banking operations. All the main banking subsidiaries have therefore been asked to provide Paris Orléans with a representation letter in which the representative of the banking subsidiaries expresses an opinion on compliance with local and group accounting procedures and certifies that the company's financial statements include all known events likely to have an impact on the subsidiary's results at the time the financial statements are prepared.

The main subsidiaries concerned by this procedure are:
Concordia BV (Amsterdam),
Rothschilds Continuation Holdings AG (Zug),
Rothschild Concordia AG (Zug),
Rothschilds Continuation Limited (London),
Rothschild Holding AG (Zurich),
N M Rothschild Australia Holdings Pty Limited (Sydney),
Rothschild North America Inc. (New York),
N M Rothschild & Sons (Hong Kong) Limited,
N M Rothschild & Sons (Singapore) Limited.

2.2. Internal control procedures for the investment business

Apart from its holding in the Rothschild group through a 50% stake in holding company Concordia BV, the Paris Orléans Group invests in listed and unlisted companies (private equity) and in expansion capital funds.

Each proposed new investment or divestment in the private equity business is prepared, discussed and approved by the Investment Committee. When positive, its decisions are put to the Management Board for final approval.

At Investment Committee level

The Investment Committee includes the Chief Executive Officer, Head of Business Development, Chief Financial Officer, Head of Accounting and members of the Paris Orléans Group investment team. The Committee meets twice a month on average and meetings may be called at any time if needed.

Its role is to:

- *review new deals already analysed by the investment team;*
- *monitor existing investments;*
- *discuss any potential follow-on investments,*
- *propose a partial or full exit from portfolio investments.*

Committee meetings are organised by the investment team which prepares an information pack based on the agenda and sends it out to Committee members before each meeting. New investment opportunities are presented to the Committee by the investment team member handling the deal and the Committee approves or rejects the deal on a collegial basis.

Decisions are set out in minutes of the meeting.

At Management Board level

The Management Board meets at the request of its Chairman as and when required and when new deals are submitted to it.

All investment and divestment proposals approved by the Investment Committee are put to the Management Board for final approval. The Management Board may unilaterally overrule the Investment Committee's decisions. However, the Management Board may not approve an investment or divestment proposal that has not been previously discussed and approved by the Investment Committee.

Decisions on valuing investments are taken by the Management Board.
A member of the Management Board may be appointed executive officer of an investee company where justified.

At the level of the internal control departments responsible for overseeing the investment business

A summary sheet on each investment decision is prepared before any funds are paid out. It is prepared by the person handling the deal and then reviewed by the Treasury department, the Accounting department and lastly the Chief Financial Officer.

The Treasury department is responsible for:

- *making payments arising from investment decisions;*
- *investing and monitoring available cash;*
- *setting up financing where required.*

The Accounting department is responsible for preparing the accounts.

2.3. Control procedures over the Group's general operations

At Supervisory Board level

Some transactions which do not specifically involve either the banking or private equity business but affect the structure of Paris Orléans require prior authorisation from the Supervisory Board.

At Management Board level

All matters concerning the Company's ordinary business affairs are handled on a collegial basis by the Management Board.

At the level of various departments

Control over preparation and processing of financial and accounting data

Accounting and financial procedures

The accounting function is assured by a dedicated team of five people including two qualified accountants, supervised by the Chief Financial Officer.

Other than verifying compliance with the first and second level internal control procedures in place, most accounting controls concern the half-yearly valuation of assets and liabilities.

More particularly, each listed or unlisted investment is valued and documented in co-ordination with the investment managers, and an impairment charge or reversal recognised where appropriate.

The sub-holding subsidiaries of Paris Orléans managed internally are subject to the same controls.

Full consolidated subsidiaries and investee companies are required to provide a full consolidation package twice a year, and those accounted for using the equity method are required to provide a partial package for the purpose of testing and controlling the fair value of the shares held.

Budget control procedure

At the year end, a detailed budget for the following year is prepared in the form of a forecast income statement for each company. The budget is then consolidated and compared with the financial statements for the previous year by the Chief Financial Officer.

The budget is updated by the Chief Financial Officer in October and January.

When the financial statements are prepared, the Accounting department and the Chief Financial Officer compare the income statements against the budget on a company by company basis and complete a variance analysis and report.

Cash management

Under a cash pooling agreement between all companies controlled by the group, the Treasury department manages the cash of the various entities in accordance with their forecast requirements.

The overall strategy of the Paris Orléans Group consists of investing its cash:
• according to the group's short, medium and long term forecast needs. The investment time horizon is therefore variable;
• in products offered by well-known institutions and which have a track record,
• in products with a low capital risk and always with a volatility of less than 3%.

Control over commitments made by the Company

All contracts and documents evidencing a commitment made by the Company must be signed by a member of the Management Board or the Chief Executive Officer of the entity making the commitment.

Expenditure commitments and payments are subject to specific procedures (validation by the person who committed to the expense, verification and approval by the Chief Financial Officer in light of the original).

The Chairman of the Management Board is authorised to sign payments with no upper limit. Other members of the Management Board may sign alone for up to €100,000. Two signatures are required for higher amounts.

Overseeing subsidiaries
All wholly-owned subsidiaries implement the internal control policy defined by Paris Orléans.

Conclusion
The internal control process has been reviewed and revised during the past year, notably to take account of recommendations made by the auditors.
The internal control system is continuously adapted to ensure the best possible management of risks arising from the business activities of Paris Orléans.

16.5.3 Auditors' report on the Chairman of Supervisory Board's report on internal control

For the attention of the shareholders

As auditors to Paris Orléans SA and pursuant to the provisions of article L. 225-235 of the French Commercial Code, we hereby present our report on the report drawn up by the Chairman of the Supervisory Board in accordance with the provisions of article L. 225-68 of the French Commercial Code for the year ended 31 March 2007.

It is the responsibility of the Chairman of the Supervisory Board to report on the Company's corporate governance practices and internal control procedures.

Our role is to express an opinion on the information and statements contained in the Chairman's report relating to internal control over the preparation and processing of accounting and financial information.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we assess the fairness of the information and statements contained in the Chairman's report on internal control over the preparation and processing of accounting and financial information.

Our work consisted principally of:
• obtaining an understanding of the internal control objectives and general organisation, as well as the internal control procedures relating to the preparation and processing of accounting and financial information described in the Chairman's report;
• assessing the adequacy and effectiveness of those procedures and, more particularly, assessing the relevance of the valuation process used and tests conducted;
• in addition to our audit work on the financial statements, conducting other tests we deemed necessary regarding the development and implementation of those procedures to validate the information provided and statements made in this respect in the Chairman's report.

Based on our work, we have no particular matters to report as to the information and statements concerning the Company's internal control procedures over the preparation and processing of accounting and financial information contained in the Chairman of the Supervisory Board's report drawn up in accordance with the provisions of article L. 225-68 of the French Commercial Code.

The Auditors

Paris, 6 July 2007	*Paris-La Défense, 6 July 2007*
Caillau Dedouit & Associés	*KPMG Audit*
	Department of KPMG S.A.
Jean-Jacques Dedouit	*Fabrice Odent*
	Partner

17. EMPLOYEES

17.1 Human resources

At the date of this document, the Paris Orléans Group employed twenty people, including eighteen managers and two employees (excluding banking activities). Their average age was 43.75.

17.2 Interests and stock options

None.

17.3 Employee share ownership and incentive plans

Paris Orléans set up an employee incentive plan on 1 April 2004. The agreement was renewed on 17 September 2007 for the financial years 2007/08, 2008/09 and 2009/10. Under the agreement, the incentive payments are allocated in proportion to the beneficiaries' salaries during the relevant year. The overall entitlement is capped at 5% of total gross salaries paid to all beneficiaries in the relevant year. It comprises two components: the first is based on growth in net asset value between the previous and current financial year and the second is based on the ratio between operating expenses for the year and the average number of employees during that year.

The Company also set up an employee share ownership scheme on 3 June 2005. Sums that may be invested in the scheme are the incentive payment, voluntary contributions and, where applicable, the Company's top-up payment which depends upon the length of service of the participants at the time of payment. The Company only makes top-up payments for amounts invested in the "FCP Paris Orléans" fund invested entirely in Paris Orléans shares. The top-up payment is capped at three time the participant's contribution and by an annual ceiling in 2007 of €4,634 per participant with more than three years' service with the company at the time of payment.

On 9 September 2005, Paris Orléans set up a company retirement savings scheme (PERCO), which was amended on 9 May 2007. Participants may also make voluntary payments to this scheme, including all or part of the incentive entitlement plus a top-up payment made by the Company, where applicable, which may not exceed a maximum of €5,149 per participant for 2007.

18. MAIN SHAREHOLDERS

18.1 Main shareholders

A list of Paris Orléans shareholders at the date of this document is provided in Chapter II, section 5.1.2.1 above.

18.2 Voting rights of main shareholders

See ownership structure of Paris Orléans in Chapter II, section 5.1.2.1 above.

18.3 Control of the Company

The Company is controlled by the family concert party comprising members of the Rothschild family (Eric de Rothschild and his affiliated entities, David de Rothschild, his family and affiliated entities, RCH, Edouard de Rothschild and his affiliated entities, and Philippe de Nicolay).

See ownership structure of Paris Orléans in Chapter II, section 5.1.2.1 above.

After the Transactions, Paris Orléans will be controlled by Rothschild Concordia, which will own 46.3% of the Company's share capital.

18.4 Shareholders' agreement

Based on a total of 2,848,208 voting rights (excluding those attached to the 315,000 shares held by RCH stripped of their voting rights), Rothschild Concordia will own **51.44%** of the voting rights of Paris Orléans.

Rothschild Concordia is intended to provide a forum for its shareholders to discuss broad strategic issues relating to the Rothschild family's interests in Paris Orléans and its subsidiaries, with the objective of achieving consensus on these matters. It is not intended to be a forum for day-to-day decision-making or supervision in relation to the ordinary business affairs of Paris Orléans and its subsidiaries.

A shareholders' agreement[8] will be signed by the future shareholders of Rothschild Concordia after completion of the Second Transaction.

The main objectives of the Shareholders' Agreement are:

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[8] For a more detailed description of the provisions of the Shareholders' Agreement, see the waiver granted by the *Autorité des Marchés Financiers* no. 207C2252 dated 8 October 2007, published in the BALO no. 122 dated 10 October 2007.

- to ensure the long-term independence of the Rothschild banking group and stable Rothschild family control of Paris Orléans and its subsidiaries;

- accordingly, to continue to retain least a majority of the voting rights of Paris Orléans.

The Shareholders' Agreement sets out the governance and management structure of Rothschild Concordia (composition and decisions of the Board of Directors and chairmanship of Rothschild Concordia).

The Board of Directors of Rothschild Concordia will comprise four representatives of the David de Rothschild branch, four representatives of the Eric de Rothschild branch and four representatives of the Integritas/Trust branch.

The first Chairman of Rothschild Concordia will be David de Rothschild who is appointed for an initial three-year term, renewable for one or two further three-year terms by simple majority decision of Rothschild Concordia's Board of Directors. Should David de Rothschild no longer be capable of acting as Chairman during his term of office, he will automatically be replaced by Eric de Rothschild for the remainder of that term. Subsequently, the Board of Directors will elect the Chairman for a three-year term by a 75% majority decision of its members. Should the Board fail to reach the 75% majority required, an Acting Chairman will be appointed for a term not exceeding one year by simple majority decision of the members.

The Board of Directors of Rothschild Concordia will take decisions by simple majority vote except for some material decisions which will require a 75% majority.

The Shareholders' Agreement also contains provisions on the method of appointing members to the Management Board and Supervisory Board of Paris Orléans, the lock-up period of Rothschild Concordia shares (10 years) and partial liquidity.

The Shareholders' Agreement aims to maintain Rothschild Concordia's control of Paris Orléans and Paris Orléans's control of RCH.

Accordingly, during the ten-year lock-up period, the following are not permitted (other than by 90% majority agreement of the shareholders): (i) transfers or acquisitions of shares in Rothschild Concordia or the issuance of new shares if it would result in more than 50% of Rothschild Concordia's share capital being held by a third party; (ii) transfers of the Paris Orléans shares held by Rothschild Concordia or transfers of the Paris Orléans shares held by RCH if it would result in Rothschild Concordia holding less than the majority of the voting rights of Paris Orléans and (iii) any transaction which would lead to Paris Orléans directly or indirectly losing control of RCH.

19. RELATED-PARTY TRANSACTIONS

19.1 Auditors' reports on related-party agreements entered into during the financial years ended 31 March 2005, 31 March 2006 and 31 March 2007

The Auditors' report on related-party agreements entered into during the financial years ended 31 March 2005, 31 March 2006 and 31 March 2007 are provided in Appendix B to this document.

19.2 Other related-party agreements

Apart from the related-party agreements described in the auditors' reports for the years ended 31 March 2005, 31 March 2006 and 31 March 2007 (see Appendix B of this document) and the remuneration paid to members of the Supervisory Board and Management Board (see Chapter III, section 15 above), two related-party agreements were entered into after the year end on 31 March 2007.

Under the first, Paris Orléans sold an apartment in Boulogne Billancourt to Matthieu Babinet (son of Georges Babinet, member of the Management Board and Chief Executive Officer of Paris Orléans) and his wife, for the sum of €400,000.

The second is an agreement between Paris Orléans and RCB governing RCB's advisory activities in respect of the Transactions. The total amount of fees paid to RCB amount to €2.5 million excluding VAT.

In addition, at its meeting of 7 December 2007, the Supervisory Board of Paris Orléans authorised the Company to:

- purchase a maximum of 15,000 of its own shares from RCH with a view to allocating them to a liquidity contract;[9]

- enter into an eighteen-month liquidity contract with RCB for a total amount of €30,000 excluding VAT.

There is also a *de facto* consortium between Paris Orléans and its majority-controlled subsidiaries. This consists of Paris Orléans providing these subsidiaries with administrative and financial services at cost price exempt from VAT pursuant to article 261 B of the French General Tax Code. The table below shows a summary of the amounts billed in this respect in the past three financial years.

[9] The amount of 15,000 shares does not take account of the 10 for 1 stock split of Paris Orléans shares that will also be proposed to Paris Orléans shareholders. Should the shareholders vote in favour of the stock split, the amount will be automatically increased to 150,000 shares.

(in €)	2004-2005 01/04/2004 - 31/03/2005	2005-2006 01/04/2005 - 31/03/2006	2006-2007 01/04/2006 - 31/03/2007
Paris Orléans Holding Bancaire	100,675	57,903	77,775
K Développement	49,771	153,533	178,987
Chaptal Investissements	108,823	91,675	87,806
Ponthieu Ventures	85,615	108,144	80,771
Francarep Inc	154,439	54,691	53,449
Total	**499,323**	**465,946**	**478,798**

In addition, jointly controlled companies or associates billed Paris Orléans the following sums in respect of insurance premiums, fees and miscellaneous expenses in the past three financial years.

Amounts billed to Paris Orléans by jointly controlled or associated companies (in €)	2004/05 01/04/2004 - 31/03/2005	2005/06 01/04/2005 - 31/03/2006	2006/07 01/04/2006 - 31/03/2007
SIACI	103,284	48,808	52,736
Les Domaines Barons de Rothschild (DBR)	2,662		2,853
NM Rothschild & Sons Limited	4,284	4,086	
NM Rothschild & Sons (Australia) Limited	35,071		
NM Rothschild & Sons (C.I.) Limited	9,375		
Rothschilds Continuation Holdings AG (RCH)		3,750	46,883

Lastly, the following table shows sums received by Paris Orléans from its subsidiaries other than dividends. The amounts of €58.6 thousand and €10.230 thousand received from DBR in 2004/05 and 2005/06 correspond respectively to interest on convertible bonds and DBR's buyback of 11,625 treasury shares from Paris Orléans with a view to their cancellation and a capital reduction. The amount of €10.6 thousand received from RCH in 2006/07 concerns RCH's purchase of DBR shares from Paris Orléans.

Amounts received by Paris Orléans from jointly controlled or associated companies In €	2004/05 01/04/2004 - 31/03/2005	2005/06 01/04/2005 - 31/03/2006	2006/07 01/04/2006 - 31/03/2007
SIACI		3,364	590
Les Domaines Barons de Rothschild (DBR)	58,571	10,230,000	
Concordia BV	2,891		
Rothschilds Continuation Holdings AG (RCH)			10,560

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1 Consolidated financial statements and notes for the years ended 31 March 2005, 31 March 2006 and 31 March 2007

The consolidated financial statements and notes for the years ended 31 March 2005, 31 March 2006 and 31 March 2007 are provided in Appendix C to this document.

20.2 Auditors' reports on the consolidated financial statements for the years ended 31 March 2005, 31 March 2006 and 31 March 2007

The auditors' reports on the consolidated financial statements of Paris Orléans for the years ended 31 March 2005, 31 March 2006 and 31 March 2007 are provided in Appendix D to this document.

20.3 Interim consolidated financial statements and notes for the six months ended 30 September 2007

The interim consolidated financial statements and notes for the six months ended 30 September 2007 are provided in Appendix E to this document.

20.4 Auditors' report on the interim consolidated financial statements

The auditors' report on the interim consolidated financial statements for the six months ended 30 September 2007 are provided in Appendix F to this document.

20.5 Pro forma financial information

See Chapter IV below.

20.6 Auditing of historical annual financial information

The historical financial information provided in this document has been audited by the Company's auditors. The auditors' reports on the consolidated financial statements for the years ended 31 March 2005, 31 March 2006 and 31 March 2007 are provided in Appendix D to this document.

The interim financial statements provided in Chapter III, section 20.2 above have been audited by the Company's auditors. Their report is provided in Appendix E to this document.

The pro forma financial information provided in Chapter IV below has also been reviewed by the Company's auditors. Their report is provided in Chapter IV, section 4 below.

20.7 Age of latest financial information

The latest audited financial statements are those for the year ended 31 March 2007.

Audited interim financial information is provided in Chapter III, section 20.3 above.

20.8 Interim and other financial information

See Chapter III, sections 20.3 and 20.6 above.

20.9 Dividend policy

Business trends permitting, Paris Orléans intends to propose an increased dividend for the current and future years.

For guidance, the table below shows the dividend per share paid in the last three financial years:

Financial year	Dividend per share*	Tax credit/allowance
31 March 2007	€5	€2.00 (individuals resident in France)
31 March 2006	€3.80	€1.52 (individuals resident in France)
31 March 2005	€3.50	€1.75 (individuals resident in France)

(*) *Based on a total of 2,516,900 shares in issue on the dividend payment dates.*

20.10 Legal and arbitration proceedings

To the best of the Company's knowledge, at the date of this document there were no legal proceedings or exceptional factors which may have, or have had in the recent past, significant effects on the operations, results, financial position or assets of Paris Orléans.

20.11 No material change in financial or commercial position

To the best of the Company's knowledge, there has been no material change in the Group's financial or commercial position since 30 September 2007.

21. ADDITIONAL INFORMATION

21.1 General information about the share capital

21.1.1 Amount of share capital (Article 6 of the articles of association)

The share capital of Paris Orléans is comprised of ordinary shares and investment certificates each with a voting certificate attached.

At the date of this document, the share capital of Paris Orléans was €19,178,778 divided into:

- 2,450,228 fully-paid ordinary shares all of the same class, each with a par value of €7.62;

- 66,672 fully-paid investment certificates each with a par value of €7.62.

21.1.2 Shares not representing capital

The share capital includes 66,672 investment certificates. Each investment certificate has a voting certificate attached to it, making a total of 66,672 voting rights.

21.1.3 Treasury shares

Paris Orléans holds all of the 66,672 investment certificates issued by the company. The certificates each have a par value of €7.62 making a total par value of €508,040.64 for this class of security. The carrying value of these investment certificates in the separate financial statements is €2,675,944. In the Paris Orléans consolidated financial statements, they have been deducted from equity in the sum of €2,274,000.

21.1.4 Ownership of share capital and voting rights

See table in Chapter II, section 5.1.2.1 above.

21.1.5 Other securities giving access to the share capital

None.

21.1.6 Authorised, unissued share capital

The table below summarises the various currently valid authorities granted to the Management Board at the annual general meeting of 29 September 2006:

Purpose	Resolution no.	Amount	Term	Utilisation during the year
Issuance of securities with pre-emptive rights	8	Maximum limit €50 million	26 months	None
Issuance of securities with a waiver of pre-emptive rights	9	Maximum limit: €50 million	26 months	None
Issuance of securities with a waiver of pre-emptive rights and unrestricted pricing	10	Maximum limit: 10% of the amount of share capital per year	26 months	None
Issuance of securities to employees	11	€1,000,000	18 months	None
Grant of stock options to employees and executive officers of the Company and related companies	12	Maximum limit: 3% of the share capital	38 months	None

The table below summarises the various currently valid authorities granted to the Management Board at the annual general meeting of 25 September 2007:

Purpose	Resolution no.	Amount	Term	Utilisation during the year
Issuance of shares to employees for cash	23	Maximum limit: 381,000	3 years	None

21.1.7 Changes in ownership of the share capital over the last three years

Year	Number of shares issued or cancelled	Number of ICs issued or cancelled	Transaction	Share capital	Total number of shares	Total number of ICs	Par value of the shares
31/03/2005				€19,178,778	2,450,173	66,727	7.62
31/03/2006				€19,178,778	2,450,173	66,727	7.62
31/03/2007	49	-49	Regrouping of investment certificates and voting certificates	€19,178,6778	2,450,222	66,678	7.62
30/09/2007	6	-6	Regrouping of investment certificates and voting certificates	€19,178,778	2,450,228	66,672	7.62

21.2 Memorandum and articles of association

21.2.1 Corporate object (article 2 of the articles of association)

Under article 2 of the articles of association, the original corporate object of Paris Orléans, a company incorporated and authorised in 1838, was the building and operation of railways under concession either now or in the future.

Its corporate object is now to conduct, on its own behalf or on behalf of third parties, in association or in partnership, all business activities whose principal or secondary purpose is to undertake financial, industrial, commercial, agricultural, mining, transportation or transit, moveable or immoveable property transactions in France and all French overseas territories and departments, and in all other countries.

21.2.2 Provisions of the articles of association with respect to the Supervisory Board and Management Board

A summary of the provisions of the articles of association with respect to the Supervisory Board and Management Board is provided below.

PART III – CORPORATE GOVERNANCE

ARTICLE 13 - MANAGEMENT BOARD

The Company is run by a Management Board which exercises its duties under the control of a Supervisory Board, in accordance with articles L. 225-57 et seq. of the French Commercial Code.

The Management Board has at least two members and no more than the maximum number permitted by the French Commercial Code, elected by the Supervisory Board.

Members of the Management Board are elected for a term of two years and may always stand for re-election.

No person over the age of seventy may be elected member of the Management Board. Any member of the Management Board reaching the age of seventy while in office shall stand down at the conclusion of the next Supervisory Board meeting.

Members of the Management Board may be removed from office by the shareholders in general meeting or by the Supervisory Board.

ARTICLE 14 – MANAGEMENT BOARD ORGANISATION AND PRACTICES

The Supervisory Board appoints one of the Management Board members as Chairman. The Supervisory Board may also appoint one or more Chief Executive Officers from among the members of the Management Board, who have the power to represent the Company in its dealings with third parties.

The Management Board meets as often as required in the best interests of the Company. Meetings are called verbally or in writing by the Chairman or at least half of the members and are held at the registered office or at any other place. The agenda may be set at the time the meeting takes place.

Meetings are chaired by the Chairman of the Management Board. The Management Board designates a secretary who need not be one of its members.

In the absence or temporary unavailability of the Chairman, the Management Board designates one of the members present to chair the meeting.

If the Management Board has only two members, the quorum required to transact business is the effective presence of both members and one may not represent the other.

If the Management Board has more than two members, the quorum required to transact business is the effective presence of at least half of the members. Subject to this provision, a member of the Management Board may appoint another member to represent him by written proxy.

Decisions are taken by majority of the votes cast by members present in person or by proxy. Each member has one vote and each member present may only act as proxy for one other member.

In the event of a split vote, the Chairman of the meeting has the casting vote.

Members of the Management Board may take part in meetings by videoconferencing or other electronic means under the conditions permitted by law applicable to Management Board meetings. They are counted as present for the purpose of calculating the quorum and majority.

Decisions of the Management Board are set out in minutes of the meeting kept on a special register and signed by the Management Board members present at the meeting.

ARTICLE 15 – POWERS OF THE MANAGEMENT BOARD

The Management Board has the fullest powers to act at all times and in all circumstances in the name of the Company with respect to its dealings with third parties, subject to those powers expressly vested by law in the Supervisory Board and the collective body of shareholders.

With respect to third parties, the Company is bound by the Management Board's acts even where they are ultra vires the Company's corporate objects, unless the Company can prove that the third party knew the act was ultra vires or could not fail to know given the circumstances. Publication of these articles of association does not in itself constitute sufficient proof.

The Management Board may delegate any of its powers as it sees fit.

ARTICLE 16 – SUPERVISORY BOARD

The Supervisory Board has at least three members and no more than the maximum number permitted by the French Commercial Code.

Members of the Supervisory Board are elected for a term of three years and may always stand for re-election.

The number of Supervisory Board members over the age of seventy may not be more than one third of the total number of members in office. A member who, upon reaching the age of seventy, causes the number of members aged over seventy to exceed the two thirds limit shall stand down at the conclusion of the next Supervisory Board meeting.

Each member of the Supervisory Board must hold at least ten shares.

These shares are in registered form.

ARTICLE 17 – SUPERVISORY BOARD ORGANISATION AND PRACTICES

The Supervisory Board elects a Chairman and a Vice-Chairman from its among its non-corporate members, who are responsible for calling and running Board meetings. They are elected for a term equal to their term of office as member of the Supervisory Board and may always stand for re-election.

The Supervisory Board may designate a Secretary who need not be a shareholder.

Members of the Supervisory Board may appoint another member to represent them at a Board meeting by written proxy.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

The quorum required for a meeting to transact business is the effective presence of at least one half of the members.

Resolutions are taken by majority vote of those members present in person or by proxy. Each member has one vote only and may only act as proxy for one other member.

In the event of a split vote, the Chairman has the casting vote.

Subject to any provisions of the law regarding certain decisions, the internal charter of the Supervisory Board may provide that members of the Supervisory Board attending the meeting by videoconferencing or other electronic means in accordance with the law shall be counted as present for the purpose of calculating the quorum and majority.

The Supervisory Board may create special committees from among its members and determine their assignment and composition.

ARTICLE 18 – POWERS OF THE SUPERVISORY BOARD

The Supervisory Board is responsible for exercising ongoing control over the Management Board's running of the Company and confers authority on the Management Board to enter into all transactions which require its prior authorisation.

It may at any time undertake the controls and verifications it deems fit and obtain all the information it deems necessary to fulfil its duties.

It determines the remuneration of the Management Board members.

It may appoint one or more of its members to undertake special assignments for one or more specific purposes.

ARTICLE 19 – REMUNERATION OF THE SUPERVISORY BOARD MEMBERS

The shareholders may allocate an annual fixed amount of directors' fees to members of the Supervisory Board, which are recognised by the Company as operating expenses.

The Supervisory Board allocates the fees among its members as it deems fit. It also determines the remuneration of the Chairman and Vice-Chairman.

The Supervisory Board may also allocate exceptional fees to its members for any special assignments conferred on them.

ARTICLE 20 - NON-VOTING MEMBERS

The shareholders may elect one or more non-voting members of the Supervisory Board who may but need not be shareholders.

The Supervisory Board may also appoint non-voting members, subject to ratification at the next shareholders' meeting.

The Supervisory Board may allocate fees to the non-voting members and determine their amount.

Non-voting members are elected for a term of three years ending at the conclusion of the shareholders' meetings held in the year in which the non-voting member's term of office expires to approve the financial statements for the previous year.

Non-voting members, whose role is to ensure strict compliance with the provisions of the articles of association, are invited to attend Supervisory Board meetings. They take part in the discussions in a consultative capacity only.

21.2.3 Rights, liens and obligations attached to the shares

ARTICLE 10 - INDIVISIBILITY

The shares are indivisible and the Company only recognises one owner per share. Joint owners of shares must be represented at shareholders' meetings by one of the owners or a single representative.

Beneficial interest owners have the right to vote at ordinary general meetings and legal interest owners at extraordinary general meetings. However, the beneficial interest owner and legal interest owner may decide otherwise provided they jointly advise the Company by recorded delivery mail.

ARTICLE 11 - RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES AND INVESTMENT CERTIFICATES

Each share and each investment certificate gives the holder a right of ownership in the Company's earnings and assets attributable to them in proportion to the total number of shares and investment certificates in issue, taking account of their paid-up amount, where applicable.

Each share and investment certificate entitles the holder, during the term of the company or its liquidation, to payment of the same net sum for an equal par value in any distribution or redemption. Accordingly, where necessary, the total sums shall be divided equally between all the shares and investment certificates regardless of any exemptions from or reductions of tax or of taxes that might be payable by the company to which the distribution or redemption may give rise, taking account where necessary of any redeemed share capital and the rights of different classes of shares.

Rights and obligations attach to the share or investment certificate not to the owner.

Whenever a specific number of shares is required to exercise a particular right, shareholders who do not own the requisite number may at their own initiative group their shares together for the purpose of exercising said right, or buy or sell the requisite number of shares.

21.2.4 Alterations to the share capital and rights attached to the shares (excerpt from article 7 of the articles of association)

ARTICLE 7 - PAYMENT FOR SHARES

A minimum of one quarter of the par value of shares issued for cash upon a capital increase shall be paid on subscription, together with the whole of any share premium. The remainder may be called on one or more occasions at the times and on the conditions determined by the Management Board, within a maximum period of five years.

Shareholders shall be advised of calls on the unpaid portion in accordance with the provisions of the law.

Any shareholder failing to pay a call on the due date shall without further formality or notice be charged interest on the unpaid amount at the rate of one-year Euribor plus 1% a year for each day overdue with *effect from the due date, without prejudice to any legal remedy or enforcement measures available to the Company in law.*

21.2.5 General meetings (excerpt from the articles of association)

PART V - GENERAL MEETINGS

ARTICLE 22 - NOTICE OF MEETING AND PROCEEDINGS

General or special shareholders' meetings are called and take place in accordance with the provisions of the law.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

ARTICLE 23 - ATTENDANCE

The right to attend general meetings of the Company vests in the shareholder of record at midnight, Paris time, three business days before the date of the meeting. The shareholder of record is:

• For registered shares: the shareholder whose name appears on the share register held by the Company;
• For bearer shares: the person in whose name the shares have been booked to a securities account with an authorised intermediary, in accordance with the provisions of the law.

These time periods may be lifted by decision of the Management Board.

ARTICLE 24 - PROXIES

Shareholders may appoint another shareholder, their spouse or their legal representative as proxy to represent them at general meetings.

Shareholders may, in accordance with the provisions of the law, send their proxy form or mail voting form for any general or special meeting either in printed form or, at the decision of the Management Board as published in the notices of meeting, by electronic means.

To be valid, any mail voting form or proxy form must be received at the Company's registered office or the place indicated in the notices of meeting, no later than two days before the date of the meeting.

Voting instructions given by electronic means constituting a proxy or power of attorney must be received by the Company in accordance with the terms and time periods set out by law.

Should a proxy form be returned to the Company with no specifically named representative, the Chairman of the meeting will vote on the shareholder's behalf in favour of those resolutions tabled or approved by the Management Board and against any other proposed resolutions.

Subject to the restrictions and conditions set out by law and in accordance with the terms and conditions determined in advance by the Management Board, shareholders may attend and vote at all general or special meetings by videoconferencing or any other electronic means permitting their identification. Shareholders shall then be deemed to be present at the meeting for the purpose of calculating the quorum and majority.

ARTICLE 25 – PROCEEDINGS OF MEETINGS

Meetings are chaired by the Chairman of the Supervisory Board, or failing that, by another member of the Supervisory Board empowered for the purpose by the Chairman. Failing that, the meeting elects its own chairman. If the meeting has been called by the auditors or a court-ordered representative, it is chaired by one of the people who have called the meeting.

The two shareholders present with the most number of votes and willing to act are appointed as scrutineers.

The officers of the meeting appoint a secretary, who need not be a shareholder.

An attendance register is kept in accordance with the provisions of the law. The register is signed by the shareholders or proxies present at the meeting and certified as true and exact by the officers of the meeting. It is kept at the registered office and will be sent to any shareholder upon request.

The proceedings of the meeting may be broadcast by videoconferencing and/or other electronic means. Where applicable, this shall be indicated in the notices of meeting.

ARTICLE 26 - VOTING - QUORUM - MINUTES

All shareholders are entitled to attend general meetings in person or by proxy in accordance with the provisions of the law and these articles of association.

At all meetings, shareholders or proxies have as many votes as the number of shares or voting certificates they own or represent, subject to any legal restrictions.

The ballot method is determined by the officers of the meeting, subject to approval by the meeting.

Minutes of meetings are drawn up and copies certified in accordance with the law.

ARTICLE 27 - SPECIAL CLASS MEETINGS OF INVESTMENT CERTIFICATE HOLDERS

Special class meetings of investment certificate holders are called in the circumstances required by law.

A special class meeting of investment certificate holders must be called to approve and render definitive any decision made in a general meeting that alters their rights.

The provisions relating to extraordinary general meetings are mutatis mutandis applicable to special class meetings of investment certificate holders.

21.2.6 Provisions of the articles of association or other provision that may have the effect of delaying, deferring or preventing a change of control

None.

21.2.7 Statutory disclosure thresholds (excerpt from article 8 of the articles of association)

Without prejudice to the provisions of the law, any person or legal entity, acting alone or in concert, holding bearer shares registered on an account with an authorised intermediary, who comes to hold a number of shares or voting rights equal to or higher than 2% of the total number of shares or voting rights in issue, is required to notify the Company thereof by recorded delivery mail or by fax with return receipt within the period set out by law in article L.233-7 of the French Commercial Code, indicating whether or not the shares or voting rights are held on behalf of, under the control of or in concert with other persons or legal entities.

This disclosure requirement also applies under the same conditions when the number of shares or voting rights falls below the threshold referred to in the previous paragraph.

The disclosure must also indicate the number of securities held giving deferred access to the share capital and the voting rights attached thereto. Mutual fund management companies are required to provide this information for all voting rights attached to the Company's shares held by funds they manage.

For the purpose of determining the threshold referred to above and making the requisite disclosure, the number of shares or voting rights disclosed shall also include all shares or voting rights held indirectly and any shares or voting rights treated as shares or voting rights held in accordance with the provisions of article L. 233-9 of the French Commercial Code.

Without prejudice to the sanctions provided for by law, any shares that have not been disclosed in accordance with these requirements shall be disqualified for voting purposes under the terms and conditions set out by law, if requested by one or more shareholders separately or together holding at least five percent of the company's share capital and provided such request is duly recorded in the minutes of the general meeting.

21.2.8 Alteration of share capital

None.

21.2.9 Alterations to the articles of association to be proposed at the general meeting

21.2.9.1 Strengthening of Supervisory Board powers

At the general meeting of Paris Orléans shareholders to be held on 21 January 2008, the shareholders will be asked to approve an alteration to the articles of association in order to strengthen the Supervisory Board's powers.

The new wording of the articles of association regarding the Supervisory Board's powers is provided in section 21.2.9.5 below (second resolution).

21.2.9.2 Stock split

At the ordinary and extraordinary general meeting to be held on 21 January 2008, the Company will ask the shareholders to approve a stock split of Paris Orléans shares with a view to facilitating trading and increasing liquidity in the free float. The stock split will bring the price per share of Paris Orléans shares closer to average market levels. After the stock split, Paris Orléans's share capital will be comprised of 30,965,360 shares each with a par value of €2 and 666,720 investment certificates each with a par value of €2 (see section 21.2.9.5 below, fourth and fifth resolutions).

21.2.9.3 Liquidity contract

At the ordinary and extraordinary general meeting to be held on 21 January 2008, the Company will seek approval of a share buyback programme, again to improve liquidity in Paris Orléans shares. The programme will take place within a liquidity contract that complies with a code of practice recognised and approved by the *Autorité des Marchés Financiers*.

The purchase price may not be more than €70, subject to adoption of the resolution on the stock split (see section 21.2.9.5 below, eighth resolution).

21.2.9.4 Disclosure thresholds

At the ordinary and extraordinary general meeting to be held on 21 January 2008, the Company will seek approval of an alteration to the articles of association with a view to adding a 2% disclosure threshold (see section 21.2.9.5 below, third resolution).

21.2.9.5 Text of resolutions to be put to the ordinary and extraordinary general meeting of Paris Orléans shareholders (as published in the *Bulletin des Annonces Légales Obligatoires* on 14 December 2007)

Extraordinary business:

First resolution - ***Approval, subject to conditions precedent, of the contribution to the Company by Integritas Investments B.V, Rothschild Trust (Schweiz) AG and Eranda Foundation of the shares they own in Dutch law companies Concordia B.V. and Integritas B.V. and the valuation thereof; resulting new share issue and capital increase and alteration of article 6 of the Company's articles of association subject to conditions precedent; powers to be conferred on the Management Board***

The shareholders, voting under the quorum and majority conditions required to transact extraordinary business and having considered:

- the contribution agreement entered into on 25 September 2007 by Paris Orléans of the one part and Eranda Foundation, Integritas Investments B.V. and Rothschild Trust (Schweiz) AG of the other part (hereinafter called the "Contributors"), under the terms of which the Contributors have undertaken to contribute to Paris Orléans, subject to certain conditions precedent set out therein, a total of 938,294 shares of the Dutch law company Concordia B.V. as follows:

- 213,739 shares by Eranda Foundation, representing approximately 5.29% of the issued share capital and voting rights of Concordia B.V. at the date hereof;

- 107,672 shares by Rothschild Trust (Schweiz) AG, representing approximately 2.66% of the issued share capital and voting rights of Concordia B.V. at the date hereof;

- 616,883 shares by Integritas Investments B.V., representing approximately 15.26% of the issued share capital and voting rights of Concordia B.V. at the date hereof;

and under the terms of which Rothschild Trust (Schweiz) AG has undertaken to contribute to Paris Orléans, subject to the same conditions precedent, 351,581,663 shares of the Dutch law company Integritas B.V., representing 100% of its share capital;

- the Management Board's report to the general meeting, and the appendix to the Management Board's report (document E registered by the *Autorité des Marchés Financiers*);

- the independent appraising auditors' report on the value of the contributions in kind;

hereby resolve as follows, subject to the proper completion of the following transactions in favour of Paris Orléans in accordance with the provisions of Dutch law (i) the sale of 551,077 Concordia B.V. shares by Sir Evelyn de Rothschild, Integritas Investments B.V., Eranda Foundation and 1982 Trust and (ii) the contribution of 938,294 Concordia B.V. shares and 351,581,663 shares of the Dutch law company Integritas B.V.:

- to approve the aforesaid contributions, their valuations and the consideration to be paid therefor and notably:

  - all the provisions of the contribution agreement and its appendix;

  - the valuation agreed between the parties for all the shares contributed, being a total sum of €221,777,500;

  - contribution of the shares to Paris Orléans with all rights to dividends paid or distributed after the date of this meeting;

  - the consideration for the contributions on the basis of an agreed exchange ratio of (i) 0.5537 Paris Orléans shares for 1 Concordia B.V. share and (ii) 0.0003606 Paris Orléans shares for 1 Integritas B.V. share;

- to increase the share capital accordingly in consideration for the aforesaid contribution by a total amount of €4,924,866,96 via the issuance of 646,308 new fully paid shares of the Company each with a par value of €7.62 to be allotted to the Contributors as follows:

  - 118,348 new shares to Eranda Foundation;
  - 186,391 new shares to Rothschild Trust (Schweiz) AG;
  - 341,569 new shares to Integritas Investments B.V.

  The 646,308 new shares thus issued shall be entitled to all dividends voted in respect of the financial year beginning 1 April 2007 and all subsequent financial years. They shall be negotiable as soon as the capital increase made in consideration for the contribution has been properly completed. They shall be identical in all respects to the existing shares comprising the share capital, shall enjoy the same rights and bear the same obligations;

- to approve the share premium comprising the difference between the value of the contributions, being €221,777,500, and the par value of the capital increase made by Paris Orléans, being €4,924,866.96, which shall be recognised in a share premium account in the sum of €216,852,633.04 to which all shareholders of Paris Orléans, existing and new, shall be entitled;

- to alter article 6 of the Company's articles of association as follows:

  "*Article 6 – Share capital*
  The share capital is comprised of ordinary shares and investment certificates each with a voting certificate attached.
  The share capital is €24,103,644.96, divided into.
  - *3,096,536 fully paid shares each with a par value of €7.62, all of the same class, and*
  - *66,672 fully paid investment certificates each with a par value of €7.62."*

The shareholders confer full powers on the Management Board to:

(i) duly record the fulfilment of the conditions precedent to the adoption of this resolution;

(ii) accordingly duly record the proper completion of the contribution to Paris Orléans of the Concordia B.V. and Integritas B.V. shares subject of this resolution, the resulting capital increase and the corresponding alteration to article 6 of the Company's articles of association;

(iii) subsequently duly record the entry into force of the new articles of association approved by the shareholders at this general meeting;

(iv) more generally, complete all formalities and do all things necessary to that effect.

Second resolution - Alteration of article 18 of the articles of association on the powers of the Supervisory Board, subject to the adoption of the first resolution put to this meeting

The shareholders, voting under the quorum and majority conditions required to transact extraordinary business and having considered the report of the Management Board, hereby resolve, subject to the adoption of the first resolution put to this meeting, to alter article 18 of the articles of association on the powers of the Supervisory Board as follows:

"*Article 18 – Powers of the Supervisory Board*

The Supervisory Board is responsible for exercising ongoing control over the Management Board's running of the Company and confers authority on the Management Board to enter into all transactions which require its prior authorisation.

I. The following transactions require the prior authorisation of the Supervisory Board:

a) By virtue of legal and regulatory provisions in force:

1. *the sale of real property,*
2. *the transfer of shareholdings, in whole or in part,*
3. *the granting of security, as well as pledges to honour notes and guarantees,*
4. *any transactions falling within the scope of article L.225-86 of the French Commercial Code.*

b) By virtue of these articles of association:

1. *any proposals to the shareholders in general meeting to amend the articles of association,*

2. *any transactions which may lead, immediately or in the future, to an increase or reduction in the share capital, by issue or cancellation of securities,*

3. *any implementation of a share option scheme and any grant of options to subscribe for or purchase shares in the company,*

4. *any proposal to the shareholders in general meeting to set up or implement a share buy-back programme**,***

5. *any proposal to the shareholders in general meeting to allocate profit (or loss), and to distribute dividends, including interim dividends,*

6. *any transaction (including strategic alliances, partnerships, joint ventures, acquisitions, disposals, financing transactions) which could have a material impact from a financial or strategic point of view on a Major Subsidiary and/or the companies that this Major Subsidiary controls (considered together as a whole),*

7. *the appointment of one or more representatives of the company on the Board of Directors or similar decision-making body of a Major Subsidiary,*

8. *any acquisition of, or increase in, a shareholding in any entity or company, any purchase, exchange or sale of securities, assets or receivables, representing an investment for the company of more than €25 million and any direct or indirect sale of shares in a Major Subsidiary,*

"Major Subsidiary" *shall mean any French or foreign company in which the company holds a direct or indirect shareholding of a value of at least €200 million.*

For the determination of the €200 million threshold provided for in paragraph 8 and in the definition of "Major Subsidiary", the following shall be taken into account:

- *the value of the shareholding directly or indirectly owned by the company as it will be recorded in its consolidated accounts, whether in the form of capital and associated items or as shareholder loans and associated items;*

- *debts and associated items, if the company grants security or a specific guarantee in respect of this financing. The other debts, contracted at the level of the subsidiary or shareholding concerned or special purpose vehicle, and for which the company has not granted security or a specific guarantee, are not taken into account in the calculation of this threshold.*

II. Within the limit of the amounts it shall determine, and on the conditions and for the duration that it shall fix, the Supervisory Board may authorise, in anticipation, the Management Board to carry out one or more of the transactions referred to in (a) and (b) above.

It may at any time undertake the controls and verifications it deems fit and obtain all the information it deems necessary to fulfil its duties.

It determines the remuneration of the Management Board members. "

Third resolution - Harmonisation with current legislation and regulations of article 8 of the articles of association on the form of shares and other securities, the identification of shareholders and disclosure thresholds, subject to the adoption of the first resolution put to this meeting

The shareholders, voting under the quorum and majority conditions required to transact extraordinary business and having considered the report of the Management Board, hereby resolve, subject to the adoption of the first resolution put to this meeting, to alter article 8 of the articles of association on the form of shares and other securities, the identification of shareholders and disclosure thresholds, as follows:

"Article 8 - Form of shares and other securities – Identification of shareholders – Disclosure thresholds

Shares and other securities issued by the company shall be in registered form until they have been fully paid. Once fully paid, they may be in either registered or bearer form at the holder's option.

The Company may at any time, in accordance with the provisions of the law and at its own expense, ask the central securities depository that holds the Company's issued securities for information on the name and year of birth – or in the case of a legal person, the name and year of incorporation – nationality and address of holders of securities conferring an immediate or deferred right to vote at general meetings, and where applicable, any other financial instruments it has issued, as well as the number of securities held and any restrictions attached thereto.

Failure by the holders of securities or their intermediaries to comply with their obligation to provide the information set out above may, in accordance with the provisions of the law, result in the suspension or disqualification of the right to vote and to the right to payment of the dividends attached to the shares.

Without prejudice to the provisions of the law, any person or legal entity, acting alone or in concert, holding bearer shares registered on an account with an authorised intermediary, who comes to hold a number of shares or voting rights equal to or higher than 2% of the total number of shares or voting rights in issue, or any further multiple thereof, is required to notify the Company thereof by recorded delivery mail or by fax with return receipt within the period required for statutory disclosure thresholds set out by law in article L.233-7 of the French Commercial Code, indicating whether or not the shares or voting rights are held on behalf of, under the control of or in concert with other persons or legal entities.

This disclosure requirement also applies under the same conditions when the number of shares or voting rights falls below the threshold referred to in the previous paragraph or any multiple thereof.

The disclosure must also indicate the number of securities held giving deferred access to the share capital and the voting rights attached thereto. Mutual fund management companies are required to provide this information for all voting rights attached to the Company's shares held by funds they manage.

For the purpose of making the requisite disclosure, percentage holdings of share capital and voting rights shall be determined in the same way as for the statutory disclosures as interpreted by the Autorité des Marchés Financiers.

Without prejudice to the sanctions provided for by law, failure to comply with these requirements will result in the shares that should have been disclosed being disqualified for voting purposes at all general meetings held for a period of two years after the date on which the requisite disclosure is finally made to the Company's registered office by recorded delivery mail, if requested by one or more shareholders separately or together holding at least five percent (5%) of the Company's share capital and voting rights and duly recorded in the minutes of the meeting".

Fourth resolution - Capital increase by way of capitalisation of share premiums and increase in the par value of shares and investment certificates subject to the proper completion of the transaction set out in the first resolution; corresponding alteration to article 6 of the Company's articles of association; powers conferred on the Management Board

The shareholders, transacting extraordinary business but under the quorum and majority conditions required to transact ordinary business pursuant to article L. 225-130 of the French Commercial Code, having considered the report of the Management Board, hereby resolve, subject to the proper completion of the transaction described in the first resolution, to increase the share capital, which after adoption of the preceding resolutions, amounts to €24,103,644.96 divided into 3,096,536 shares each with a par value of €7.62 and 66,672 investment certificates each with a par value of €7.62, by the sum of €39,160,515.04 bringing it to €63,264,160.

The capital increase of €39,160,515.04 shall be made by way of capitalisation of an equivalent sum held on the share premium account, which currently amounts to €534,496,863 (based on the balance sheet for the year ended 31 March 2007 and including the share premium adopted in the first resolution) and shall accordingly be reduced to €495,336,348.

The capital increase by way of capitalisation of share premiums shall take the form of an increase in the par value of the shares comprising the Company's share capital from €7.62 to €20, such that the share capital of the Company shall be comprised of 3,096,536 shares each with a par value of €20 and 66,672 investment certificates each with a par value of €20.

The shareholders resolve, subject to the same condition as set out above, to alter article 6 of the articles of association as follows:

"*Article 6 – Share capital*

The share capital is comprised of ordinary shares and investment certificates each with a voting certificates attached.

The share capital is €63,264,160 divided into:
- *3,096,536 fully paid shares each with a par value of €20, all of the same class, and*
- *66,672 fully paid investment certificates with a par value of €20.*"

The shareholders confer full powers on the Management Board to:

(i) duly record the fulfilment of the condition precedent to the adoption of this resolution;

(ii) subsequently duly record the proper completion of the capital increase by way of capitalisation of share premiums and the increase in the par value of shares and investment certificates, as well as the corresponding alteration to article 6 of the articles of association, approved by this meeting subject to the proper completion of the transaction described in the first resolution;

(iii) more generally, complete all formalities and do all things necessary to that effect.

Fifth resolution - ***Stock split of shares and investment certificates subject to the proper completion of the transaction described in the first resolution and the capital increase provided for in the fourth resolution; powers to be conferred on the Management Board including the corresponding alteration to article 6 of the Company's articles of association***

The shareholders, voting under the quorum and majority conditions required to transact extraordinary business and having considered the report of the Management Board, authorises the Management Board at any time with effect from the date of this meeting, subject to the proper completion of the transaction described in the first resolution and the capital increase provided for in the fourth resolution, to divide the par value of the 3,096,536 shares and 66,672 investment certificates comprising the share capital of the Company by ten, reducing it from €20 to €2, such that the share capital after the ten for one stock split shall comprise 30,965,360 shares each with a par value of €2 and 666,720 investment certificates each with a par value of €2.

Each share and investment certificate with a par value of €20 comprising the share capital of the Company on the date of the stock split shall automatically and without further formality have its par value reduced to €2 and will give rise to the allotment of nine new shares or nine new investment certificates as the case may be each with a par value of €2 which shall enjoy the same rights as all the existing shares prior to the stock split.

This authority is granted for a period of three months with effect from the date of this meeting.

The shareholders confer full powers on the Management Board to take all measures required to execute the ten for one stock split and corresponding reduction in the par value of the shares and investment certificates from €20 to €2, and more particularly, to alter article 6 of the articles of association accordingly as follows:

"Article 6 – Share capital:

The share capital is comprised of ordinary shares and investment certificates each with a voting certificate attached.

The share capital is €63,264,160 divided into:
- 30,965,360 fully paid shares each with a par value of €2, all of the same class, and

- *666,720 fully paid investment certificates with a par value of €2."*

The shareholders confer full powers on the Management Board to:

(i) duly record the fulfilment of the conditions precedent to the adoption of this resolution;

(ii) subsequently duly record the entry into force of the authority granted to the Management Board to carry out a ten for one split of the shares and investment certificates comprising the share capital of the Company approved by the shareholders at this meeting subject to the proper completion of the transaction described in the first resolution and the capital increase provided for in the fourth resolution;

(iii) more generally, complete all formalities and do all things necessary to that effect.

<u>Ordinary business</u>:

Sixth resolution - Ratification of the co-optation of Martin Bouygues as member of the Supervisory Board

The shareholders, voting under the quorum and majority conditions required to transact ordinary business and having considered the report of the Management Board, hereby ratify the co-optation by the Supervisory Board at its meeting of 7 December 2007 of Martin Bouygues as a member of the Supervisory Board to replace Gérard Worms for the remainder of his predecessor's term of office, that is until the conclusion of the annual general meeting held in 2010 to approve the financial statements for the year ended 31 March 2010.

Seventh resolution – Ratification of the co-optation of Philippe de Nicolay as member of the Supervisory Board

The shareholders, voting under the quorum and majority conditions required to transact ordinary business and having considered the report of the Management Board, hereby ratify the co-optation by the Supervisory Board at its meeting of 7 December 2007 of Philippe de Nicolay as a member of the Supervisory Board to replace Edouard de Rothschild for the remainder of his predecessor's term of office, that is until the conclusion of the annual general meeting held in 2010 to approve the financial statements for the year ended 31 March 2010.

Eighth resolution - Authority to the Management Board to buy and sell shares of the Company under a liquidity contract

The shareholders, voting under the quorum and majority conditions required to transact ordinary business and having considered the report of the Management Board, hereby resolve as follows, subject to the adoption of the first, fourth and fifth resolutions above:

To authorise the Management Board to buy shares of the Company or cause them to be bought, up to a maximum limit of the number of shares representing 10% of the share capital on the date of purchase in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, to the extent that the number of shares held either directly or indirectly after such purchases, may at no time exceed 10% of the share capital.

The purchase price may not be more than €70 per share (after the stock split provided for in the fourth and fifth resolutions above), provided that in the case of a transaction involving the Company's share capital, and particularly a capitalisation of reserves and allotment of bonus shares, stock split or stock consolidation, the price referred to above may be adjusted accordingly.

The maximum number of shares that may be purchased pursuant to this resolution is 3,163,208 representing a maximum amount of €221,424,560.

The shares may be bought, sold or otherwise transferred on one or more occasions by any means, notably on the over-the-counter market, including by way of block trades, public offers, the use of derivative financial instruments or warrants or securities giving rights to shares of the Company, or by means of option strategies under the terms and conditions set out by law and the regulations of the stock market authorities.

This authority may only be used, subject to the provisions of the law and market practices accepted by the *Autorité des Marchés Financiers*, for the purpose of making a market in the shares under a liquidity contract entered into with an independent investment services provider in accordance with a code of practice recognised and approved by the *Autorité des Marchés Financiers*.

This authority is valid for eighteen months with effect from the date of this meeting.

Shares of the Company may be bought, sold or otherwise transferred by the Management Board at any time subject to the provisions of the law and regulations, including during a public cash or exchange offer made by the Company or made for the Company's shares.

The Management Board shall inform the shareholders in general meeting of all transactions executed pursuant to this resolution in accordance with the applicable regulations.

The Company shall, in accordance with the applicable regulations, inform the *Autorité des Marchés Financiers* of all shares bought, sold or otherwise transferred and, more generally, fulfil all the necessary formalities and disclosures.

The shareholders confer full powers on the Management Board, which may be sub-delegated as defined in article L. 225-209 of the French Commercial Code, to implement this authority and determine the terms thereof, and more particularly to adjust the purchase price in the event of transactions involving the Company's equity, share capital or par value of its shares, place all stock market orders, enter into all agreements, make all disclosures and fulfil all formalities and, more generally, do all things necessary.

Ninth resolution - Powers for formalities

The shareholders confer full powers on the Chairman of the Management Board or his representative(s) and the bearer of an original, copy or excerpt of the minutes of this meeting to fulfil all necessary filing and publication formalities.

22. MATERIAL CONTRACTS

None.

23. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

None

24. DOCUMENTS ON DISPLAY

This document and the Company's press releases, annual reports including historical financial information about the Company, and the annual business review are available on the Company's website at: www.paris-orleans.com. Copies may also be obtained free of charge from Paris Orléans's head office at 23 bis avenue de Messine, 75008 Paris.

The Company's articles of association, minutes of general meetings, auditors' reports, list of subsidiaries, separate financial statements and all other documents concerning the Company may be inspected at its registered office.

25. INFORMATION ON HOLDINGS

Apart from its holding in CBV, the private equity business of Paris Orléans is relatively diversified. At present, Paris Orléans does not own any holdings with a value in excess of 5% of the Group's total gross assets. None of these holdings is likely to have a significant impact on the valuation of its assets (net asset value), or on its financial position or results.

A list of subsidiaries and holdings is provided in Chapter III, section 7.2 above.

26. ADDITIONAL INFORMATION

26.1 Risk factors (related to the Transactions)

After the Transactions, the weighting of banking activities in the Group's gross assets will increase significantly. Consequently, the consolidated results of Paris Orléans will be more dependent on the performance of the Rothschild group and on short and medium term trends in its core businesses.

26.2 Statement on working capital

Paris Orléans is of the opinion that it has sufficient working capital (that is sufficient cash and liquidity resources) for its present requirements and for the next 12 months following the date of this document, without the capital increase resulting from the Contributions. This statement applies to the Group's future requirements including the contributed entities.

26.3 Capitalisation and indebtedness

Summary of capitalisation and indebtedness at 30 September 2007

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

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

To the best of the Company's knowledge, there has been no material change likely to affect the level of capitalisation excluding earnings or any of the items of indebtedness in the summary provide above since 30 September 2007.

26.4 Interests of natural and legal persons involved in the offer

None.

26.5 Expenses related to the issue

The expenses related to the Transactions are estimated at approximately €6.3 million.

26.6 Dilution

A shareholder owning 1% of the share capital of Paris Orléans on the date of registration of this document (based on share capital of 2,450,228 shares and 66,672 investment certificates) will be diluted to 0.80% of the share capital after the Contributions (based on share capital of 3,096,536 shares and 66,672 investment certificates).

CHAPTER IV - PRO FORMA FINANCIAL INFORMATION

1. PRO FORMA CONSOLIDATED BALANCE SHEET OF THE PARIS ORLÉANS GROUP AT 30 SEPTEMBER 2007

In thousands of euros	Paris Orléans banking presentation (see Note 2A)	Concordia BV IFRS	Total pro forma adjustments	Paris Orléans pro forma IFRS balance sheet
Cash and balances with central banks	-	469,930	(106,780)	363,150
Financial assets at fair value through profit or loss	60,336	36,940	-	97,276
Hedging instruments	-	19,003	-	19,003
Available-for-sale financial assets	352,458	4,735,830	(108,675)	4,979,613
Loans and advances to banks	5,588	815,774	-	821,362
Loans and advances to customers	-	3,012,421	-	3,012,421
Deferred tax assets	10	64,135	-	64,145
Current tax assets	646	19,511	-	20,157
Prepayments, accrued income and other assets	2,372	382,310	-	384,682
Non-current assets held for sale	-	51,571	-	51,571
Investments in associates	307,318	93,696	(272,579)	128,435
Investment property	126	-	-	126
Property, plant & equipment	402	116,972	-	117,374
Intangible assets	17	1,457	175,375	176,849
Goodwill	-	225,046	(160,134)	64,912
TOTAL ASSETS	**729,273**	**10,044,596**	**(472,794)**	**10,301,075**
Financial liabilities at fair value through profit or loss	519	58,451	-	58,970
Hedging instruments	-	27,919	-	27,919
Deposits from banks	36,714	2,987,631	106,288	3,130,633
Due to customers	-	2,824,602	-	2,824,602
Debt securities in issue	-	1,517,831	-	1,517,831
Current tax liabilities	670	12,727	-	13,397
Deferred tax liabilities	16,184	29,903	11,663	57,750
Accrued expenses, deferred income and other liabilities	5,416	629,481	-	634,897
Liabilities associated with non-current assets held for sale	-	36,053	-	36,053
Provisions for liabilities and charges	4,720	66,630	2,842	74,192
Subordinated debt	-	265,784	-	265,784
Share capital	19,179	464,875	(459,950)	24,104
Share premiums	317,644	149,776	67,077	534,497
Consolidated reserves	124,791	31,622	(287,568)	(131,155)
Unrealised or deferred gains or losses	101,436	64,623	11,667	177,726
Net profit attributable to equity holders of the parent	92,411	33,018	(23,413)	102,016
Equity attributable to equity holders of the parent	**655,461**	**743,914**	**(692,187)**	**707,188**
Minority interests	9,589	843,670	98,601	951,860
TOTAL EQUITY AND LIABILITIES	**729,273**	**10,044,596**	**(472,794)**	**10,301,075**

2. BREAKDOWN OF THE PRO FORMA ADJUSTMENTS MADE TO COMPILE THE PRO FORMA CONSOLIDATED BALANCE SHEET OF THE PARIS ORLÉANS GROUP AT 30 SEPTEMBER 2007

In thousands of euros	Purchase price allocation (see Note 3)	CBV capital reduction, purchase of CBV shares and Paris Orléans new share issue (see Note 4)	Other pro forma adjustments (see Note 5)	Total pro forma adjustments
Cash and balances with central banks	-	(117,937)	11,157	(106,780)
Financial assets at fair value through profit or loss	-	-	-	-
Hedging instruments	-	-	-	-
Available-for-sale financial assets	-	328,066	(436,741)	(108,675)
Loans and advances to banks	-	-	-	-
Loans and advances to customers	-	-	-	-
Deferred tax assets	-	-	-	-
Current tax assets	-	-	-	-
Prepayments, accrued income and other assets	-	-	-	-
Non-current assets held for sale	-	-	-	-
Investments in associates	-	-	(272,579)	(272,579)
Investment property	-	-	-	-
Property, plant & equipment	-	-	-	-
Intangible assets	175,375	-	-	175,375
Goodwill	-	-	(160,134)	(160,134)
TOTAL ASSETS	**175,375**	**210,128**	**(858,297)**	**(472,794)**
Financial liabilities at fair value through profit or loss	-	-	-	-
Hedging instruments	-	-	-	-
Deposits from banks	-	106,288	-	106,288
Due to customers	-	-	-	-
Debt securities in issue	-	-	-	-
Current tax liabilities	-	-	-	-
Deferred tax liabilities	19,151	-	(7,488)	11,663
Accrued expenses, deferred income and other liabilities	-	-	-	-
Liabilities associated with non-current assets held for sale	-	-	-	-
Provisions for liabilities and charges	-	-	2,842	2,842
Subordinated debt	-	-	-	-
Share capital	-	(55,680)	(404,270)	(459,950)
Share premiums	-	159,520	(92,444)	67,077
Consolidated reserves	83,852	-	(371,420)	(287,568)
Unrealised or deferred gains or losses	-	-	11,667	11,667
Net profit for the period	(2,621)	-	(20,792)	(23,413)
Equity attributable to equity holders of the parent	**81,231**	**103,840**	**(877,259)**	**(692,187)**
Minority interests	74,993	-	23,608	98,601
TOTAL EQUITY AND LIABILITIES	**175,375**	**210,128**	**(858,297)**	**(472,794)**

3. PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE PARIS ORLÉANS GROUP FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

In thousands of euros	Paris Orléans banking presentation (see Note 2B)	Concordia BV IFRS (see Note 2)	Total pro forma adjustments (see Note 4)	Paris Orléans pro forma IFRS consolidated income statement
Interest and similar income	4,272	294,076	-	298,348
Interest and similar expense	(972)	(225,276)	-	(226,248)
Fee and commission income	13	524,924	-	524,937
Fee and commission expense	-	(31,413)	-	(31,413)
Gains less losses on financial instruments at fair value through profit and loss	1,109	5,759	-	6,868
Gains less losses on held-for-sale financial assets	14,366	11,499	(1,575)	24,290
Other income	2	11,919	-	11,921
Other expense	-	(100)	-	(100)
NET BANKING INCOME	**18,790**	**591,388**	**(1,575)**	**608,603**
Operating expenses	(6,076)	(482,866)	1,194	(487,748)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	(49)	(6,863)	(7,625)	(14,537)
GROSS OPERATING PROFIT	**12,665**	**101,659**	**(8,006)**	**106,318**
Impairment losses less reversals on loans and advances	-	-	-	-
Impairment losses on fixed and variable income securities	-	-	-	-
Total impairment losses	-	(11,571)	-	(11,571)
OPERATING PROFIT	**12,665**	**90,088**	**(8,006)**	**94,747**
Share of profit of associates	22,798	12,946	(17,703)	18,041
Gains less losses on other assets	72,244	-	2,905	75,149
PROFIT BEFORE TAX	**107,707**	**103,034**	**(22,804)**	**187,938**
Income tax	(15,087)	(27,543)	2,288	(40,343)
NET PROFIT FOR THE PERIOD	**92,620**	**75,491**	**(20,516)**	**147,595**
Minority interests	209	42,473	2,897	45,579
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**92,411**	**33,018**	**(23,413)**	**102,016**

4. BREAKDOWN OF PRO FORMA ADJUSTMENTS MADE TO COMPILE THE PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE PARIS ORLÉANS GROUP FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

In thousands of euros	Purchase price allocation (see note 3)	CBV capital reduction, purchase of CBV shares and Paris Orléans new share issue (see Note 4)	Other pro forma adjustments (see Note 5)	Total pro forma adjustments
Interest and similar income	-	-	-	-
Interest and similar expense	-	-	-	-
Fee and commission income	-	-	-	-
Fee and commission expense	-	-	-	-
Gains less losses on financial instruments at fair value through profit and loss	-	-	-	-
Gains less losses on held-for-sale financial assets	-	-	(1,575)	(1,575)
Other income	-	-	-	-
Other expense	-	-	-	-
NET BANKING INCOME	**-**	**-**	**(1,575)**	**(1,575)**
Operating expenses	-	-	1,194	1,194
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	(7,625)	-	-	(7,625)
GROSS OPERATING PROFIT	**(7,625)**	**-**	**(381)**	**(8,006)**
Impairment losses less reversals on loans and advances	-	-	-	-
Impairment losses on fixed and variable income securities	-	-	-	-
Total impairment losses	-	-	-	-
OPERATING PROFIT	**(7,625)**	**-**	**(381)**	**(8,006)**
Share of profit of associates	-	-	(17,703)	(17,703)
Gains less losses on other assets	-	-	2,905	2,905
PROFIT BEFORE TAX	**(7,625)**	**-**	**(15,179)**	**(22,804)**
Income tax	2,288	-	-	2,288
NET PROFIT FOR THE PERIOD	**(5,338)**	**-**	**(15,179)**	**(20,516)**
Minority interests	(2,717)	-	5,613	2,897
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(2,621)**	**-**	**(20,792)**	**(23,413)**

5. EXPLANATORY NOTES

Background legislation

These pro forma consolidated financial statements have been provided in accordance with Annex II of Autorité des Marchés Financiers Instruction no. 2005-11 of 13 December 2005 which states that "when the impact of the proposed transaction represents a variation of more than 25% relative to one or more indicators of the size of the absorbing company or company receiving the capital contributions, it is required to provide pro forma financial information reflecting its financial position after the transaction in accordance with Annex II of regulation (EC) no. 809/2004 of 29 April 2004, based on the latest financial statements available prior to the date of the transaction. The pro forma financial information should be provided on a consolidated basis."

NOTE 1 – BASIS OF PRESENTATION

CONTEXT

On 18 July 2007, Paris Orléans (hereinafter the "Group") announced a series of transactions that would lead to it obtaining control of the Concordia BV Group (hereinafter "CBV"). Prior to those transactions, the Group held a 50% interest in CBV accounted for by the equity method.

The process of obtaining control will take place in several stages as described below and the consideration paid will include both cash and new Paris Orléans shares:

- A share buyback and capital reduction made by CBV (see Note 3)

On 21 November 2007, CBV purchased 606,050 of its own shares from Sir Evelyn de Rothschild representing approximately 13% of its share capital. This transaction was followed by a capital reduction which resulted in a cash outflow of €117.9m.

- Purchase of CBV shares by Paris Orléans (see Note 4)

Paris Orléans intends to purchase a further 551,077 CBV shares, from Sir Evelyn de Rothschild (233,900 shares), Eranda Foundation (106,870 shares), Integritas (204,112 shares) and 1982 Trust (6,195 shares). The total purchase price of €106.3m will be entirely financed through bank debt.

- Contribution of CBV shares to Paris Orléans in exchange for new Paris Orléans shares (see Note 4)

The CBV shares not owned by Paris Orléans after the first and second stages described above, i.e. 1,167,250 shares, will be contributed to Paris Orléans in exchange for 646,308 new Paris Orléans shares representing a capital increase of €221.8m. Eranda Foundation will contribute 213,739 CBV shares, Integritas 616,883 CBV shares and Rothschild Trust 336,628 CBV shares.

The Group has therefore compiled pro forma consolidated financial statements for the six months from 1 April 2007 to 30 September 2007 in accordance with the international financial reporting standards (IFRS) endorsed by the European Union. The purpose of the pro forma financial statements is to provide financial information about the Paris Orléans Group which is comparable from one period to the next.

The pro forma consolidated balance sheet at and 30 September 2007 and the pro forma consolidated income statement for the six months to 31 September 2007 are provided for illustrative purposes only. They are not an indication of what the company's consolidated results or financial position would have been had the transactions actually occurred on 31 March 2007, nor can they be interpreted as an indication of the company's future consolidated results or financial position. The pro forma consolidated financial statements do not include any cost savings or other synergies that might arise from obtaining control of CBV.

BASIS OF PREPARATION OF THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The pro forma adjustments made to compile the pro forma consolidated balance sheet and income statement have been calculated as if the transactions had occurred on 31 March 2007.

The pro forma adjustments relate directly to the transactions and are based on available information and certain assumptions believed to be reasonable by the Paris Orléans Group.

- Presentation: the CBV group's core business is banking and its financial statements are therefore presented in banking format. In view of the significant impact of the transactions on Paris Orléans's financial statements, the pro forma financial statements are also presented in banking format (see Recommendation 2004-R-03 on the financial statement presentation of companies governed by the Comité de la Réglementation Bancaire et Financière – CRBF– under international financial reporting standards). The impacts of these reclassifications are described in Note 2.
- Consolidation of the CBV sub-group:
  - ✓ The pro forma consolidated balance sheet and income statement reflect the consolidation of CBV using the purchase method as if the transaction had occurred on 31 March 2007.
  - ✓ The acquisition of CBV has been accounted for using the purchase method and its assets and liabilities have been recognised at their estimated fair value. These values are set out in note 3 to the pro forma financial statements.
  - ✓ Intragroup balances and transactions between Paris Orléans and CBV for the periods presented have been eliminated in the pro forma consolidated balance sheets and income statements.

The pro forma consolidated financial information is based on the following:

- The audited consolidated financial statements of Paris Orléans for the year ended 31 March 2007 and the consolidated financial statements for the six months ended 30 September 2007 prepared in accordance with IFRS;
- The audited consolidated financial statements for CBV for the year ended 31 March 2007 and the consolidated financial statements for the six months ended 30 September 2007 prepared in accordance with IFRS.

NOTE 2 – BANKING PRESENTATION RECLASSIFICATIONS

Note 2A: PARIS ORLEANS IFRS BALANCE SHEET AT 30 SEPTEMBER 2007

(in thousands of euros)	Paris Orléans historical data (audited)	IFRS banking presentation reclassifications	Paris Orléans IFRS, banking presentation data
Financial assets at fair value through profit or loss	-	60,336	60,336
Available-for-sale financial assets	336,497	15,961	352,458
Other non-current assets	16,151	(16,151)	-
Trade and other receivables	2,828	(2,828)	-
Other financial assets	52,732	(52,732)	-
Loans and advances to banks	13,192	(7,604)	5,588
Deferred tax assets	10	-	10
Current tax assets	-	646	646
Prepayments, accrued income and other assets	-	2,372	2,372
Investments in associates	307,318	-	307,318
Investment property	126	-	126
Property, plant & equipment	402	-	402
Intangible assets	17	-	17
Goodwill	-	-	-
Total assets	**729,273**	**-**	**729,273**
Financial liabilities at fair value through profit or loss/derivative financial instruments	**-**	519	519
Deposits from banks	-	36,714	36,714
Non-current financial liabilities	35,729	(35,729)	-
Current portion of non-current financial liabilities	985	(985)	-
Current tax liabilities	670	-	670
Deferred tax liabilities	16,184	-	16,184
Accrued expenses, deferred income and other assets	-	5,416	5,416
Trade and other payables	2,485	(2,485)	-
Other current liabilities	3,450	(3,450)	-
Provisions for liabilities and charges	2,064	2,656	4,720
Retirement and similar obligations	2,656	(2,656)	
Total liabilities	**64,223**	**-**	**64,223**
Equity attributable to equity holders of the parent	655,461	-	655,461
Minority interests	9,589	-	9,589
Total equity	**665,050**	**-**	**665,050**
Total equity and liabilities	**729,273**	**-**	**729,273**

Note 2B: PARIS ORLEANS IFRS INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

(in thousands of euros)	**Paris Orléans historical data (audited)**	**IFRS banking presentation reclassifications**	**Paris Orléans IFRS, banking presentation data**
Interest and similar income	4,272	-	4,272
Dividends	5,511	(5,511)	-
Interest and similar expense	-	(972)	(972)
Net fee and commission income	13	-	13
Gains less losses on financial instruments at fair value through profit and loss	-	1,109	1,109
Gains less losses on available-for-sale financial assets	-	14,366	14,366
Other income	-	2	2
Net banking income	**9,797**	**8,993**	**18,790**
Capital gains	81,994	(81,994)	-
Capital losses	(1,053)	1,053	-
Long-term impairment of financial assets	(322)	322	
Other operating income	579	(579)	-
Other operating expenses	(6,222)	6,222	-
Operating expenses	-	(6,076)	(6,076)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-	(49)	(49)
Gross operating profit	**84,772**	**(72,107)**	**12,665**
Net financing cost	(319)	319	-
Foreign exchange losses	(1,982)	1,982	
Foreign exchange gains	2,438	(2,438)	-
Impairment losses on loans and advances	-	-	-
	137	**(137)**	**-**
Share of profit of associates	22,798	-	22,798
Gains less losses on other assets	-	72,244	72,244
Profit before tax	**107,707**	**-**	**107,707**
Income tax expense	(15,087)	-	(15,087)
Net profit for the period	**92,620**	**-**	**92,620**
Attributable to:			
Equity holders of the parent	**92,411**	**-**	**92,411**
Minority interests	**209**	**-**	**209**

IFRS banking presentation reclassifications

Some items of Paris Orléans's IFRS balance sheet and income statement have been reclassified in the pro forma consolidated financial statements to comply with the presentation applicable to credit institutions.

NOTE 3 – PURCHASE PRICE ALLOCATION

The Group obtained control of CBV as a result of the accretion caused by CBV's share buyback and capital reduction. The purchase price was therefore allocated to determine the fair value of identified assets and liabilities and to calculate the goodwill arising on the transaction.

On first time consolidation of CBV, Paris Orléans will recognise the fair value of intangible assets identified at the level of RCH, a company controlled by CBV. These include the "Rothschild name" for €151m and the customer relationships of the commercial banking business and wealth management business (€26m and €6m respectively), making a total of €183m of intangible assets. Deferred taxes will be calculated on these assets in accordance with the tax rules applicable to each asset class, thereby generating a deferred tax liability of €21.4m.

This is a preliminary allocation of the purchase price and has been determined solely for the purposes of compiling the pro forma financial statements. It is therefore likely to be amended subsequently according to the final determination of fair values, which will take place after the actual date of the transaction.

In thousands of euros	**Acquisition of control**	**Buyout of minority interests**	**Total**
Fair value of CBV shares purchased/ acquired/exchanged	**58,969**	**328,066**	**387,035**
Consolidated net assets (after consolidation adjustments)	504,076	504,076	504,076
CBV capital reduction	(117,937)	(117,937)	(117,937)
Group's share of identified intangible assets	83,852	83,852	83,852
CBV's adjusted consolidated net assets	**469,991**	**469,991**	**469,991**
Increase in Paris Orléans's percentage interest (*)	1.90%	42.71%	44.61%
Difference	**50,017**	**127,355**	**177,372**
Presentation in the pro forma balance sheet	Goodwill	Deducted from consolidated reserves	

(*) Percentage interests restated for the RCH treasury share loop in Paris Orléans.

In total, the goodwill recognised in Paris Orléans's pro forma consolidated balance sheet will amount to €64.9m, which includes the goodwill already recognised by Paris Orléans as a result of accounting for its interest in CBV using the equity method.

(in thousands of euros)	
Initial purchase price allocation (31 March 2007):	
- "Rothschild" trading name	151,000
- Customer relationships – wealth management and trust business	26,000
- Investment banking contracts	6,000
- Deferred tax liabilities	(21,438)
Total identified assets	**161,562**
Percentage interest held	51.9%
Amount of purchase price allocation	**83,852**

The table below shows the various residual useful lives of the identified intangible assets:

Assets/liabilities	Residual useful life
"Rothschild" trading name	Indefinite
Customer relationships – wealth management and trust business	6 months
Investment banking contracts	8 years

Amortisation charges of €7.6m (before deferred tax) on these intangible assets were included in the pro forma income statement for the six months ended 30 September 2007.

Valuation methods used

The table below shows the various valuation methods used for the preliminary purchase price allocation:

Assets	Valuation method
Trading name	Income method (relief from royalty)
Customer relationships	Income method (excess earnings)
Investment banking contracts	Income method (excess earnings)

NOTE 4 - PURCHASE OF CBV SHARES AND NEW SHARE ISSUE

Paris Orléans's purchase of CBV shares from the shareholders and the new share issue made in consideration for the contribution of CBV shares have been treated as a buyout of minority interests pursuant to the share buyback and capital reduction described in note 3 that led to the obtaining of control. The difference of €127.4m between (i) the purchase price and consideration for the contributions and (ii) the net book value of the minority interests acquired has been deducted from equity in accordance with the economic approach applied by the Group.

NOTE 5 - OTHER PRO FORMA ADJUSTMENTS

A. Full consolidation of CBV's balance sheet and income statement

The main aspect of the pro forma balance sheet is the full consolidation of CBV's assets (€10,045m) at 31/09/07, less the internal goodwill corresponding to the interests acquired (€227.3m) which is eliminated in consolidation, and the cash outflow arising from the capital reduction (€117.9m).

B. Elimination of CBV shares accounted for at equity

The consolidation adjustments reflect the change in method of accounting for CBV from equity method to full consolidation. This change of method mainly involves the elimination of CBV shares accounted for at equity (€(258.3)m), revaluation of the interest in CBV previously held by Paris Orléans (€30.4m) and recognition of minority interests relating to consolidation of the CBV sub-group (€24.2m).

C. Change in consolidated equity attributable to equity holders of the parent

Equity attributable to equity holders of the parent rises from €655.5m in Paris Orléans's consolidated balance sheet at 30 September 2007 to €707.2m in the pro forma balance sheet. The increase is mainly due to the issuance of 646,308 new Paris Orléans shares in consideration for the contribution of 1,167,250 CBV shares (€221.8m), elimination of treasury shares held by RCH (€(49.9)m), revaluation of the interest in CBV previously held by Paris Orléans (€30.4m), the dividend paid by Paris Orléans to non-group shareholders (€(10.8)m) and deduction of goodwill arising on the buyout of the minority interests in CBV (€(127.4)m) after obtaining control.

D. Elimination of intragroup transactions

The dividends received by RCH in respect of its holding in Paris Orléans have also been eliminated from the pro forma consolidated income statement. The adjustment made for the six months ended 30 September 2007 amounts to €1.6m.

E. Summary of other pro forma adjustments

The following table show a breakdown of the impact of other pro forma adjustments on total assets:

Elimination of CBV shares acquired, exchanged and accounted for at equity	(397,856)
Elimination of internal goodwill	(227,253)
Deduction of goodwill arising on the buyout of the minority interests	(127,355)
Elimination of Paris Orléans shares held by RCH	(108,675)
Other	2,842
Total other pro forma adjustments (see breakdown of the pro forma adjustments made to compile the pro	**(858,297)**

forma balance sheet of the Paris Orléans group at 30 September 2007)	

6. AUDITORS' REPORT ON THE PRO FORMA FINANCIAL STATEMENTS

AUDITORS' REPORT ON
THE PRO FORMA FINANCIAL STATEMENTS

To the Chairman of the Management Board,

In our capacity as statutory auditors to the company and as required by European Commission regulation (EC) no. 809/2004, we hereby present our report on the pro forma financial statements of Paris Orléans for the period from 1 April 2007 to 30 September 2007 as set out in Chapter IV of its prospectus dated 20 December 2007.

The pro forma consolidated financial statements have been prepared solely for the purpose of illustrating the effect that obtaining control of the Concordia BV Group might have had on the balance sheet and income statement of Paris Orléans at 30 September 2007 had the transaction taken place on 1 April 2007. Due to its nature, this information addresses a hypothetical situation and does not necessarily represent the financial position or performance which would have been achieved had the transaction or event taken place at an earlier date than their actual date of occurrence.

These pro forma financial statements have been prepared under your responsibility pursuant to the provisions of European Commission regulation (EC) no. 809/2004 and the recommendations of the CESR on pro forma financial information.

Our role, as set out in Annex II point 7 of European Commission regulation (EC) no. 809/2004, is to express an opinion on whether the pro forma financial information has been properly compiled on the basis stated.

We conducted our review in accordance with the professional standards applicable in France. We did not review the financial information underlying the pro forma financial statements. Our work consisted primarily of verifying whether the basis on which the pro forma financial statements have been compiled is consistent with the source documents, reviewing the significant assumptions underlying the pro forma adjustments and holding discussions with the Management of Paris Orléans to obtain the information and explanations we considered necessary.

In our opinion:

- the pro forma financial statements have been properly compiled on the basis stated;
- that basis is consistent with the accounting policies of the issuer.

This report has been issued solely for the purpose of filing the registration document with the AMF and may not be used for any other purpose.

Paris and Paris-La Défense, 20 December 2007

The Auditors

Caillau Dedouit et Associés	**KPMG Audit**
	Department of KPMG S.A.
Jean-Jacques Dedouit	**Fabrice Odent**
	Partner

CHAPTER V - PRESENTATION OF THE CONTRIBUTED ASSETS

I. PRESENTATION OF CBV

1.1 General information

1.1.1 Company name and registered office

Company name: Concordia B.V.

The registered office of CBV is located: Apollolaan 133-135, 1077AR Amsterdam, The Netherlands.

1.1.2 Date of incorporation and duration of the company

CBV has been incorporated on 1st May 2003 for an unlimited duration.

1.1.3 Legal form

CBV is a Private Limited Liability Company organised under the laws of the Netherlands.

1.1.4 Company's objects:

CBV's objects are as follows:

- to incorporate, to participate in any way whatsoever, to manage, to supervise, to operate and to promote enterprises, businesses, companies including but not limited to credit institutions;
- to finance businesses and companies;
- to supply advice and to render services to enterprises and companies with which CBV forms a group and to third parties;

- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities, or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned;
- to render guarantees, to bind CBV and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties;
- to obtain, alienate, manage and exploit registered property and items of property in general;
- to trade in currencies, securities and items of property in general;
- to develop and trade patent, trademarks, licences, know-how and other industrial property rights;
- to perform any and all activity of industrial, financial or commercial nature;

As well as everything pertaining the foregoing, relating thereto or conductive thereto, all in the widest sense of the word.

1.1.5 Registration

CBV is registered under the number 34189901 in the Chamber of Commerce and Industries for Amsterdam.

1.1.6 Management and key executives:

Name	**Position**	**Other positions**
Michele Mezzarobba	Director	Managing Director of Paris Orléans (please refer to section 16.1.2 of the Chapter 3 here above)
Alain Cornu-Thénard	Director	Managing Partner of RCB
Anthony Chapman	Director	Group General Counsel of RCH
Muus de Boer	Director	Director of New Integritas

The directors were appointed on 21 September 2007, and received no remuneration from the CBV Group in their capacity as directors since their appointment.

Previous Directors' remuneration:

Remuneration charged in the Group's results for the financial year ended 31 March 2007, with respect to the acting directors during that year (*i.e* Sir Evelyn de Rothschild, Anthony de Rothschild, David de Rothschild, Baron David de Rothschild, Baron Eric de Rothschild and Baron Edouard de Rothschild) is as follows:

	2007 **€'000**
Short term employee benefits	2,270
Post-employment benefits	770
	3,040

1.1.7 Statutory auditors

Name of the company	**Partner in charge**	**Address**	**Date of first appointment**	**Date of renewal**	**Term of their office**
KPMG Accountants N.V.	Dick Korf RA	KPMG building, Burgemeester, Rijnderslaan, 10-20, 1185 MC Amstelveen	6 October 2005	Appointed for a minimum of three years following a competitive tender held in mid 2005	The term of the auditors' office is for a minimum of three years.

CBV has not appointed Alternate statutory auditors, since none are required by Dutch law.

1.1.8 Related party agreements:

In July 2004, a loan of €10 million was made by Rothschild Holding AG ("**RHAG**"), a subsidiary undertaking to Integritas, a shareholder of CBV. On 20 September 2007, the loan was transferred to New Integritas, another shareholder of CBV. The directors of Integritas include Muus de Boer, Anthony Chapman and Anthony de Rothschild. The sole director of New Integritas is Muus de Boer. Anthony de Rothschild was a director of CBV until his resignation on 21 September 2007, and Muus de Boer and Anthony Chapman were appointed directors of CBV on that date.

The loan was made on normal commercial terms.

1.1.9 Place where documents and information relating to the company may be consulted

Documents and information concerning CBV may be consulted at CBV's offices - Apollolaan 133-135, 1077AR Amsterdam, The Netherlands.

1.2 General information concerning share capital

1.2.1 Amount of share capital

1.2.1.1 Authorised share capital

Issued and paid up share capital: as of the date of this document, the share capital of CBV amounts to €404,270,000 consisting in 404,270 Class A and Class B shares.

Authorised share capital: the authorised share capital of CBV amounts to €1,800,000,000 consisting of 4,500,000 Class A, 4,500,000 Class B, 4,500,000 Class C and 4,500,000 Class D registered ordinary shares. The total number of authorised shares of all classes amounts to 18,000,000, each share having a nominal value of €100.

As of the date of this document, neither Class C nor Class D shares have been issued.

Share capital issued and not paid: nil.

Securities issued giving a right to share capital: nil.

1.2.1.2 Characteristics of the financial instruments giving right to share capital

Nil.

1.2.1.3 Options to subscribe for shares: none.

Nil.

1.2.1.4 Form of the shares

The entire share capital of CBV is comprised of registered ordinary shares.

1.2.1.5 Pledge or other security over shares

Nil.

1.2.1.6 Distribution of profit

Under The Netherlands Civil Law, no dividends can be declared until all losses have been recouped. Subject to this, the directors of CBV are required to make an appropriate reservation.

Under the articles of association:

- The remaining profits, if any, are at the disposal of the Board of Directors of CBV;
- The distribution of profits will take place after the adoption of the annual accounts by the shareholders;
- The Board of Directors is also allowed to distribute interim dividends;
- Profits distributed would be allocated proportionally between the holders of Class A and Class B shareholders.

1.2.1.7 Shareholders agreements

A shareholders agreement, dated 8 July 2003, as amended 25 September 2007, has been signed between the shareholders of CBV, which include Rothschild 1982 Trust, Sir Evelyn de Rothschild, Integritas, Eranda, Rothschild Trust and Paris Orléans. On completion of the Transactions the shareholders agreement is to be terminated.

1.2.1.8 Double voting rights and treasury shares

None.

1.2.1.9 Changes in share capital since the establishment of CBV

The following table sets out changes in share capital since the establishment of CBV:

Date	Details	Authorised share capital (number of shares)	Number of issued shares	Issued share capital (€'000)
1 May 2003	Establishment of CBV	900	180	18
30 June 2003	Balance sheet date	900	180	18
31 July 2003	Authorised share capital increase	17,999,100	-	-
31 July 2003	Issue of share capital	-	4,427,690	442,769
31 March 2004	**Balance sheet date**	**18,000,000**	**4,427,864**	**442,787**
16 July 2004	Issue of share capital	-	220,890	22,089
	Other	-	(10)	(1)
31 March 2005	**Balance sheet date**	**18,000,000**	**4,648,754**	**464,875**
31 March 2006	**Balance sheet date**	**18,000,000**	**4,648,754**	**464,875**
31 March 2007	**Balance sheet date**	**18,000,000**	**4,648,754**	**464,875**
30 September 2007	**Balance sheet date**	**18,000,000**	**4,648,754**	**464,875**
20 November 2007	Capital reduction	**18,000,000**	(606,050)	(60,605)
Date of the filing		**18,000,000**	**4,042,704**	**404,270**

1.2.2 Share capital structure and distribution of voting rights

The following table sets out the number of shares held by and percentage of holdings for each of CBV's shareholders as of the date of this document:

Name	Class of shares	Number of shares	Percentage holding
Sir Evelyn de Rothschild	A	233,900	5.79%

Eranda	A	320,609	7.93%
Rothschild Trust	A	107,672	2.66%
Rothschild 1982 Trust	A	6,195	0.15%
New Integritas	A	820,995	20.31%
Integritas	A	228,956	5.66%
Paris Orléans Holding Bancaire	B	2,324,377	57.50%
Total		**4,042,704**	**100.00%**

According to the provisions of the shareholders agreement currently existing between the shareholders of CBV, the holders of a majority of the issued Class A Shares shall, collectively, be entitled to appoint three directors to the board. The holders of a majority of the issued Class B Shares shall, collectively, be entitled to appoint three directors to the board. The holders of a majority of the issued Class A Shares shall, collectively, be entitled to appoint a fourth A director, and the holders of a majority of the issued Class B Shares shall, collectively, be entitled to appoint a fourth B director given that, in each case, any such appointment shall also require prior approval of a majority of the then existing members of the board.

The directors appointed by the holders of the Class A shares are currently Anthony Chapman and Muus de Boer. The directors appointed by the holders of the Class B shares are currently Michele Mezzarobba and Alain Cornu-Thénard.

As referred to above, the arrangements are set out in the shareholders' Agreement, which is to be terminated on completion of the Transactions.

1.3 Information on CBV's business

1.3.1 Presentation of the business activities of CBV and the CBV Group

CBV holds a controlling interest in RCH, the ultimate holding company of the Rothschild international banking group ("RCH Group").

The main markets in which CBV operates through its subsidiaries and associates are the United Kingdom (NMR), Switzerland (RHAG) and France (through its holding in RCB).

Rothschild banking group has been at the centre of the world's financial markets for over 200 years. Today it provides investment banking, commercial banking and wealth management services to government's corporations and individuals worldwide. It is organised globally so that clients can obtain the advice and services they require wherever it suits them. Through over 40 offices in more than 30 countries, from the Americas through Europe and Australia, clients can access Rothschild ideas and expertise. It ranks amongst the world's largest privately owned banks[10].

RCH Group is committed to the pursuit of excellence, and for this reason concentrates on sectors and markets in which it can excel, where the bank ranks with the very best (see map of the RCH Group's operations below). Its influence and reputation flow from the quality of its people and the standing of its clients. This, combined with a culture that values pragmatic innovation, integrity and intellectual rigour above all else, has resulted in a reputation for ground breaking ideas that are practical as well as imaginative.

The RCH Group's three core businesses can be summarised as follows. Further information on these businesses and their more recent achievements are set out in section 3.5 of Chapter V below:

[10] The competitive positions of RCH and its group presented in this document have been taken mainly from Thomson Financial, Dealogic and Bloomberg.

Investment banking

The investment banking business provides financial advice and execution expertise encompassing mergers and acquisitions ("M&A"), restructuring (including debt advisory), private placements, privatisations and equity capital markets. It is one of the global leaders in this field, as set out in the table below, which summarises M&A activity for the six months ended 30 June 2007.

Country/Region	Rank
UK	1
Germany	1
France	2
Italy	2
Spain	4
Russia	6
Europe	1
Latin America	3
Asia	8
India	2
Australia	6
Global	6

Criteria: by value / by number

Extract from rankings – Source: Thomson Financial / Dealogic / Bloomberg

During 2006, the investment banking business was the most active investment bank in European M&A for the fifth consecutive year, with more deals to its name than any other investment bank and was also ranked No.1 for European M&A advice in the Business Services, Media, Financial Institutions, Healthcare, Industrials and Transport sectors by number of completed deals. It also held top 5 positions in the Mining & Metals, Property and Telecoms sectors.

Commercial banking

The commercial banking business provides access to finance across the debt market with particular emphasis on leveraged finance, structured financial products, property finance, as well as treasury services.

Wealth management

The wealth management business provides independent investment advice, trust and banking services to wealthy individuals, families and trusts around the world. Wealth management services comprise of private banking, trust and asset management.

Other businesses

The CBV group has made selective private equity investments in recent years. It is in the process of growing its merchant banking business which will complement the private equity business of Paris Orléans. There are also two niche businesses in North America in institutional asset management and real estate.

Governance

The Board of CBV has considered recommendations on the financial aspects of corporate governance and believes that CBV complies with the recommendations to the extent that they are considered appropriate to a private company. The Board is responsible for the management of CBV's business and for ensuring that appropriate systems of internal control are maintained. To facilitate the efficient administration of the affairs of CBV and its principal operating subsidiaries, the Board has delegated certain functions and responsibilities to the following principal committees of RCH:

- **Group Management Committee**
- **Banking Management Committee**
- **Global Investment Banking Committee**
- **Global Private Banking and Trust Committee**
- **Group Assets and Liabilities Committee**
- **Group Audit Committee**
- **Group Risk Committee**
- **Group Remuneration and Nominations Committee**

The terms of reference and membership of these committees are regularly reviewed.

Business Risks and risk management

The RCH Group Risk Director co-ordinates risk policy and promotes the development and maintenance of effective procedures throughout the CBV Group. The RCH Group Compliance Director monitors compliance with laws and regulations within each of the jurisdictions where the CBV Group's subsidiaries operate. They are supported by locally based risk and compliance staff in the larger entities.

The risks faced by the CBV Group's principal operating subsidiaries can be categorised as follows:

- **Credit Risk** arises from the potential failure of counterparties and customers to meet their obligations. This risk is managed and mitigated through loan documentation, credit policies including credit approval, and monitoring and review processes which are independent of the relationship managers.

- **Risk arising from Market Conditions.** As a financial services firm, all of the businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world. The performance of our Investmant Banking advisory business depends, in part, upon the level of merger and acquisition activity and the rate of financial restructurings. The performance of our Wealth Management and Asset Management businesses depends, in part, upon the performance of securities markets. Our Commercial Banking business depends upon economic conditions generally and specifically within the asset classes in which we choose to operate. Consequently, market and economic conditions significantly affect business performance.

- **Market Risk** arises from changes in the market value of assets and liabilities. Within the bank's overall service offering, financial instruments, including derivatives, are used to provide clients with solutions to meet specific commercial objectives such as hedging interest rate risk. Financial instruments are also used to manage the CBV Group's exposure to market risk arising from movements in exchange rates, interest rates and volatility levels. Market risk from trading activities is subject to appropriate limits and is measured and monitored independently of traders.

- **Liquidity Risk** is the risk that the operating businesses will be unable to meet their obligations because of a mismatch in the maturity of assets and liabilities, or as a result of a reduction in the availability of new funding from counterparty depositors or securities markets, or the absence of liquid markets to readily dispose of normally marketable assets. Liquidity risk is assessed on a regular basis and controlled by gap limits.

- **Operational Risk**, which is inherent in all business activities, is the risk of loss arising from the failure of internal controls, operational processes or systems, or from external events. Key to the management of operational risk is the maintenance of a strong framework of internal controls. These are subject to regular independent review by the internal audit department, whose findings are reported to the Audit Committee which monitors the implementation of any recommendations. Operational risk encompasses reputational risk, which is particularly relevant to our business. Reputational risk is managed through formal approval processes for new business and operational procedures for the conduct of business. The CBV Group maintains insurance policies to mitigate loss in the event of certain operational risk events.

- **Risk arising from the loss of key professional staff.** The business depends upon the retention and recruitment of talented people and is faced with competitive market pressures in retaining and recruiting top talent. This risk is managed through various reward and human resources practices.

- **Industry Litigation and Regulation.** The financial service industry faces litigation and regulatory risks. The business face legal liability and damage to professional reputation if it's services are not regarded as satisfactory.

Each of the principal trading subsidiaries has a board of directors, including independent non-executives, responsible for maintaining corporate governance of the highest standard.

Responsibility for monitoring risks rests with individual businesses supported by separately constituted committees, which approve policies, set limits, monitor exceptions and make recommendations on operational, liquidity, credit and market risk decisions. Liquidity is also monitored on a CBV Group basis within prudent limits set at individual company level.

Independent external audits of operating subsidiaries are carried out annually and these are supported by testing of the internal control framework by the internal auditors who report their findings to the audit committees of the companies concerned and, ultimately, to the Board and Audit Committee of RCH.

1.3.2 Net banking income per business division and geographical market (in €'000:

	Year ended 31 March 2005	***Year ended 31 March 2006 (Pro forma)***	***Year ended 31 March 2007***
By businesses			
Commercial and investment banking	615,379	823,399	959,073
Wealth management	101,629	120,237	115,834
Asset management	18,411	28,447	50,241
Total	**735,419**	**972,083**	**1,125,148**

By region			
UK and Europe	514,082	760,763	893,659
Americas	144,817	150,734	166,617
Australia and Asia	72,936	59,275	60,067
Other	3,584	1,311	4,805
Total	**735,419**	**972,083**	**1,125,148**

Included in the net banking income the following amounts relating to the CBV Group's interests in RCB : 2004/05 €10 million; 2005/06 €12.3 million and 2006/07 €17.2 million.

Net banking income for RCB, which is not a subsidiary of CBV, amounted to €385 million for the year ended 31 December 2006, to €315 million for the year ended 31 December 2005 and to €257.5 million for the year ended 31 December 2004.

Until 20 November 2007, CBV indirectly held a 32.1% interest in the form of general partner (*commandités*) shares in RCB. On that date, this interest was sold to RCH for a cash consideration of €117,941,611 in connection with the First Transaction. RCH also holds a 12.2% interest in RCB (acquired in 2006), in the form of limited partner (*commanditaires*) shares.

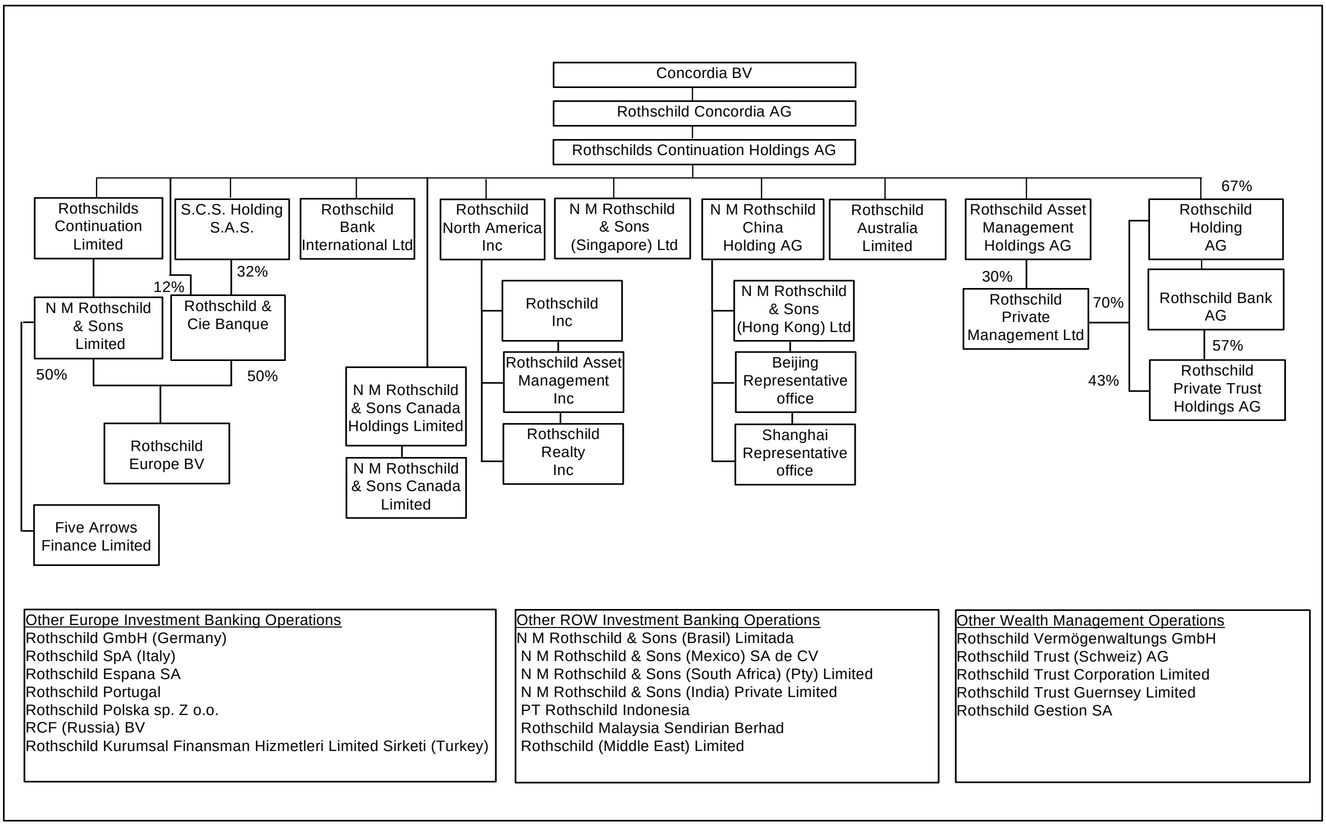
1.3.3 Changes in the number of employees of the CBV Group:

The table below sets out the total number of employees in subsidiaries of the CBV Group as at 31 March 2005, 2006, and 2007. CBV has no employees.

	2005	**2006**	**2007**
As at 31 March	2,003	2,074	2,105

1.3.4 Key information concerning the business of the principal subsidiaries and associates of CBV:

The summary organisation chart below shows the principal subsidiaries and associates whose activities are described in this section. This chart complements the table of principal subsidiaries and associates set out in Section 1.4.2 of Chapter V below.



1.3.4.1 United Kingdom

NMR is a limited liability company incorporated in England. It is an authorised bank supervised by the Financial Services Authority in London (banking regulator in the United Kingdom).

NMR provides its clients with a broad range of banking and financial services, with a particular emphasis on commercial banking and investment banking. NMR owns Five Arrows Finance Limited which provides asset finance (mainly through leasing), factoring and asset-backed lending services.

In the year ended 31 March 2007, NMR reported profit before tax of €117 million (representing 54.7% of CBV's operating profit and 52.5% of its net profit) compared with €115 million the previous year (79.3% of CBV's operating profit and 51% of its net profit).

RBI provides personal financial services in the United Kingdom. Net banking income amounted to €21 million for the year ended 31 March 2007 compared with €20 million the previous year and profit before tax to €11 million compared with €10 million the previous year.

1.3.4.1.1 Investment banking and commercial banking

The UK investment banking and commercial banking activities of the RCH Group are being managed and operated through NMR, Rothschild Bank International Limited ("RBI") (formerly, N M Rothschild & Sons (CI) Ltd) and Five Arrows Finance Ltd.

The CBV Group's UK activities include the following businesses:

3.4.1.1.1 Commercial and Investment banking

The UK investment banking business includes

- M&A advisory;
- Debt advisory and restructuring;
- Equity capital markets: until 31 December 2007,this activity is operated through ABN AMRO Rothschild, a joint venture between NMR and ABN AMRO Holdings N.V. After 31 December 2007, Rothschild group intend to operate directly the equity capital market activity. (See section 1.4.4.6 of the Chapter V below) ;
- Privatisations - advising both companies and governments; and
- Private placements (including due diligence, structuring and marketing).

Net operating income from the UK investment banking business increased from €360 million in the year ended 31 March 2006 to €421 million in the year ended 31 March 2007, as a result of favourable market conditions in the investment banking industry (especially due to M&A transactions). Accordingly, profit before tax increased from €79 million in the year ended 31 March 2006 to €84 million in the year ended 31 March 2007.

Commercial banking activities include the arranging and provision of finance through senior and subordinated finance across the leveraged finance, property, financial services, structured finance and natural resources sectors. The loan portfolio mainly comprises loans to medium/large UK and other continental European companies, as well as project finance, structured commodity finance and asset based lending through RBI. Asset financing in the UK, including leasing, invoice discounting and factoring, is provided by Five Arrows Finance Limited.

The UK's treasury team helps clients with their assets and liabilities management by analysing and quantifying their exposure to exchange rates and interest rates movements, as well as developing and implementing tailored strategies designed to reinforce beneficial market trends and mitigate financial market risk as appropriate.

Net operating income from the UK commercial banking business increased from €114 million in the year ended 31 March 2006 to €130 million in the year ended 31 March 2007, due to higher fee income in the year ended 31 March 2007. Profit before tax increased from €29 million in the year ended 31 March 2006 to €44 million in the year ended 31 March 2007, mainly as a result of a rise in fees (described above) coupled with a lower charge bad debts in the year ended 31 March 2007.

The Rothschild banking group focuses primarily on advisory services worldwide (private banking or investment banking), whereas all of its commercial banking activities are managed from within the UK business only. Like other financial institutions, the UK business has been exposed to the contraction of liquidity in global financial markets (for further details relating to the impact of the current liquidity crisis on the CBV Group, see section 1.4.4.5 of the Chapter V below).

Titles and awards: Rothschild was recognised by its peers for its investment banking work, with both Financial News and Euromoney awarding it UK M&A House of the Year for 2006. In January 2007, Acquisitions Monthly magazine awarded Rothschild M&A Bank of the Year for 2006.

Rothschild in the UK is also active in debt advisory and restructuring. Recognition has been awarded by The Treasurer magazine for the Securitisation and Structured Finance Deal of the Year 2006, and by ISR for the Corporate Deal of the Year 2006 – both for Rothschild's work on the £260 million Arsenal securitisation. Rothschild also achieved a runner-up position from Acquisitions Monthly for the Restructuring Adviser of the Year relating to deals in 2006, following Restructuring Adviser of the Year award the year before.

Rothschild also won the European Private Equity and Venture Capital Association's award for Corporate Finance Adviser of the Year 2006.

Rothschild was also awarded M&A Bank of the year 2007, Buyout of the year 2007, Restructuring Adviser of the year 2006 and Restructuring Deal of the year 2006 – all by Acquisitions Monthly awards.

1.3.4.1.2 Wealth Management

The Wealth Management business operates in London and in Guernsey, as part of RHAG group, which operates the CBV Group's private banking business, and which is described below.

1.3.4.2 Switzerland

The Swiss operations include Rothschild Bank AG Zurich, which specialises in private banking and Rothschild Private Trust Holdings AG, which holds the CBV Group's global trust services. The Swiss operations are owned by RHAG, which also owns the interests in the London and Guernsey private banking businesses.

1.3.4.2.1 Private banking and wealth management

Swiss Private banking and wealth management include:

- Strategic asset planning and advice to formulate long-term plans with clients and their advisers. These plans articulate the clients' ultimate objectives within a risk framework which is clearly understood. Expectations for future performance and variability of returns in all asset classes are set, thus establishing liquidity requirements and clear investment goals;

- Investment management, which includes discretionary investment management (i.e. day-to-day investment management under an agreed strategy), advisory investment services (i.e. analysis and research services) and execution only services; and

- Banking services, including conventional personalised banking services, charge and debit cards, custody and safe-deposit functions.

The private banking business's net operating income in Switzerland increased from €57 million in the year ended 31 March 2006 to €59 million in the year ended 31 March 2007, due to a positive inflow of new funds and the investment performance achieved for clients. Profit before tax increased from €13 million in the year ended 31 March 2006 to €16 million in the year ended 31 March 2007.

1.3.4.2.2 Trust business

The Swiss trust business provides fiduciary and wealth management services on an independent basis. Rothschild Private Trust Holdings AG specialises in cross border and multi jurisdictional trust and estate planning and provides guidance on the latest planning techniques for both domestic and international clients. This business has expertise in the establishment and management of structures to hold a wide range of assets including family owned businesses, real estate, yachts and art collections.

1.3.4.3 Continental Europe (excluding France and Switzerland)

The CBV Group's investment banking activities here are held by Rothschild Europe B.V., which is jointly owned by NMR and RCB. The most significant subsidiaries of Rothschild Europe B.V. operate in Italy and in Germany, with further subsidiaries operating in Poland, Portugal, Spain and Russia. Total net operating income for this business amounted to €126 million in the year ended 31 March 2007, compared to €85 million in the year ended 31 March 2006, with profit before tax increasing accordingly from €21 million for the year 31 March 2006 to €36 million for the year ended 31 March 2007. Continental Europe has benefited from similar market conditions as in the UK, and hence the improvement in its results.

The continental Europe investment banking practice was awarded deals of the year 2007, for several transactions in Italy, Romania and Serbia[11].

1.3.4.4 The Americas:

1.3.4.4.1 USA and Canada

[11] Source: The Banker

The CBV Group's activities in the US and Canada are mainly comprised of investment banking, including M&A advisory, restructuring, project and debt advisory and private placement services. These are operated through Rothschild North America Inc ("**RNA**") and N M Rothschild & Sons Canada Holdings Limited, respectively. The CBV Group also operates an institutional asset management business in New York through Rothschild Asset Management Inc ("**RAM**"), as well as real estate investment services (through Rothschild Realty Inc.). Net operating income from the North American investment banking business remained flat with net operating income of €106 million in the year ended 31 March 2007, compared to €107 million in the year ended 31 March 2006. Profit before tax was also unchanged at a negative €2 million in both years.

RNA's restructuring of United Airlines was awarded Americas Restructuring Deal of the year 2006 by the International Financing Review Awards.

1.3.4.4.2 Latin America

The CBV Group also operates regional investment banking businesses in Latin America (Mexico, Brazil and Chile), which are mainly engaged in M&A advisory assignments.

1.3.4.5 Asia and Australia

1.3.4.5.1 Asia

The CBV Group's Asian operations consist mainly of investment banking, specifically M&A advisory, through its offices in India, China, Hong Kong, Singapore, Indonesia and Malaysia. The businesses in China and India, in particular, have seen significant growth in activity in recent years. There are also niche private equity businesses in Singapore and Hong Kong.

Since 2005, the CBV Group has worked in alliance with Nomura Securities to pursue opportunities for cross-border M&A transactions.

1.3.4.5.2 Australia

Until mid 2006 the Australian activities of the CBV Group included commercial banking and investment banking. Following a review of the CBV Group's operations, and in order to concentrate on developing further the successful investment banking activities in Australia, the CBV Group decided to dispose of all non investment banking operations in Australia. Accordingly, on 7 July 2006, the CBV Group sold most of the non-investment banking businesses in Australia, including commercial banking and treasury, to the Investec Group.

The investment banking business, operated by Rothschild Australia Limited, focuses on M&A advisory and equity capital markets, usually in specific industry sectors.

1.3.4.6 France

RCH owns a significant 44.3% shareholding in RCB (12.2% directly as limited partner and 32.1% through SCS holding, a general partner of RCB and wholly-owned by RCH).

RCB, which is not fully consolidated by CBV, is one of France's leading investment banks. It houses the investment banking and asset management activities of the Rothschild banking group in France and, partly, in Europe.

Business was buoyant in all activities during 2006. Results were excellent and ahead of 2005, which was already a record year. Recurring profit before tax (after priority distribution) amounted to €42.7 million, an 18% increase on the 2005 level of €36.3 million. Net banking income totalled €385 million, up 22% from €315 million in 2005. Investment banking contributed €43 million of the increase, asset management €20 million and other services €7 million. In 2004, pro forma profit before tax (after priority distribution) was €31.4 million. RCB's net banking income in 2004 was €257.5 million (French GAAP).

1.3.4.6.1 Investment banking

Through its wholly-owned subsidiary Rothschild & Cie ("**RCI**"), RCB provides corporate finance services in France and elsewhere, including mergers & acquisitions, divestments, spin-offs, restructuring and financing. In 2006, RCB ranked first in number of deals announced and completed in France, second in number of deals announced and second in value of deals completed[12]. RCI is one of RCB's core businesses.

RCB is also involved in privatisations, initial public offerings, placements, block trades, and more generally the primary and secondary equity capital markets through a joint venture with Dutch bank ABN AMRO ("**ABN AMRO Rothschild**"). In 2006, ABN AMRO Rothschild ranked

[12] Source: Thomson Financial

sixth in the French equity bookrunner league table. Rothschild group and ABN AMRO intend to discontinue from 31 December 2007, their equity capital markets joint venture (See section 1.4.4.6 of the Chapter V below).

Investment banking contributed 75.3% of RCB's 2006 profit before tax (€185 million excluding €3 million in holding company costs) compared with 81.4% in 2005.

RCI owns companies involved in mergers & acquisitions, namely Transaction R, Rothschild Europe S.N.C., N.M.R. Europe and Rothschild Europe B.V.

- Transaction R provides merger & acquisition advisory services for small and mid-sized companies;
- Rothschild Europe and N.M.R. Europe, which are 50/50 joint ventures between NMR and RCI, are engaged in European mergers & acquisitions;
- Rothschild Europe B.V., also a 50/50 joint venture with NMR in London, consolidates the financial statements of entities in Europe other than France and the United Kingdom.

1.3.4.6.2 Asset management

RCB's asset management activities are conducted by Rothschild et Cie Gestion ("**RCG**"), a wholly-owned subsidiary of RCB. Its activities mainly encompass private banking and institutional asset management, although it also has a retail network (Sélection R). Through Sélection R, RCG sells a range of selected collective investment funds. RCG also manages and sells 110 collective investment funds, including 5 alternative funds, 5 delegated funds and 9 mutual funds ("Sicavs"), including one based in Belgium.

Asset management contributed 24.7% of RCB's 2006 profit before tax (€185 million excluding €3 million in holding company costs) compared with 18.6% in 2005.

RCG consolidates the financial statements of Blackpoint Management, Sélection R Immobilier and Rothschild Assurance et Courtage.

- Blackpoint Management Ltd is as asset management company based in Guernsey;
- Selection R Immobilier provides specialised advice on property transactions;
- Rothschild Assurance et Courtage is a life insurance broker.

1.3.4.7 Rest of the world

The CBV Group also has presence in South Africa, Turkey, Dubai and Abu Dhabi.

1.3.5 Transition to International Financial Reporting Standards ("IFRS"):

Following the adoption of IFRS in the European Union and the CBV Group's requirement to report to Paris Orleans under IFRS, the CBV Group's financial statements for the year ended 31 March 2006 were the first annual financial statements prepared in accordance with IFRS (as adopted in the EU). In previous years, the financial statements were prepared in accordance with accounting principles generally accepted in the Netherlands ("Previous GAAP"). The CBV Group applied the provisions of IFRS 1 *First-time adoption of IFRS* in preparing its consolidated financial statements for 31 March 2006. The CBV Group's IFRS transition date was 1 April 2004, and the CBV Group prepared its opening IFRS balance sheet at that date. In its transition to IFRS, the CBV Group applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS as set out in IFRS 1. The principal optional exemption applied was that the CBV Group elected not to apply IAS 32 and IAS 39 to the comparative figures for the year ended 31 March 2005. IAS 32 and IAS 39 were adopted with effect from 1 April 2005 and their impact was reflected through adjustments to shareholders' equity as at 1 April 2005.

(See also a description of the transition to IFRS in the notes to CBV's financial statements, a summary of which is contained in the notes to the consolidated financial statements of Paris Orléans, provided in Appendix C to this document).

1.3.6 Debt/equity classification:

In accordance with IFRS, as adopted by the EU, US dollar, Euro and Sterling perpetual subordinated debt instruments of the CBV Group were accounted for as equity minority interests in the period 1 April 2005 to 30 March 2006. With effect from 30 March 2006, the US dollar and Euro perpetual subordinated debt instruments have been reclassified as liabilities following the issuance of cumulative redeemable preference shares by certain subsidiaries. It is the view of the directors of CBV that accounting for these US dollar and Euro perpetual instruments as equity minority interests in the period ending 31 March 2006 did not fully reflect their economic characteristics. It also makes year on year comparison of the results difficult, because all the perpetual instruments were treated as liabilities in 2004-2005 and all, apart from the Sterling perpetual debt, have been treated as liabilities again from 31 March 2006. Accordingly, the pro forma income statement included in the 2006 condensed financial accounts presented in Chapter V above shows the results for the year ended 31 March 2006 as they would have been presented had the US dollar and Euro perpetual subordinated debt instruments been classified as liabilities throughout this period.

1.3.7 Litigation and exceptional issues

1.3.7.1 Litigation

From time to time the CBV Group is involved in judicial proceedings or receives claims arising from the conduct of business. Based upon available information and, where appropriate, legal advice, the directors do not believe that there are any potential or actual proceedings or other claims which will have a material adverse impact on Concordia BV and the CBV Group's financial position.

1.3.7.2 Exceptional issues

Over the past two years, CBV has disposed of some of its activities, through the sale of these businesses to third parties, with a further business classified as held for sale.

1.4 Financial information

1.4.1 Consolidated accounts of CBV for the fiscal years ended on 31 March 2005, on 31 March 2006, on 31 March 2007

A summary of the consolidated accounts of CBV for the years ended 31 March 2005, 2006 and 2007 is provided in the notes to the consolidated financial statements of Paris Orléans (see Appendix C).

1.4.2 Reports of the statutory auditors on CBV's consolidated accounts for the years ended 31 March 2005, 2006 and 2007

1.4.2.1 Report of the statutory auditors on CBV's consolidated accounts for the year ended 31 March 2005

Auditors' report to the general meeting of shareholders

Introduction

We have audited the annual financial statements of Concordia B.V. (the "company"), Amsterdam, for the year ended 31 March 2005. These financial statements are the responsibility of the company's management. Our role is to express an opinion on those financial statements based on our audit.

Extent of work

We conducted our audit in accordance with the professional standards applicable in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects the financial position and assets and liabilities of the company at 31 March 2005 and the results of its operations for the year then ended in accordance with Dutch accounting regulations, and they comply with all requirements in terms of financial disclosures as defined in Part 9 of Book 2 of the Netherlands Civil Code.

Amstelveen, 12 July 2005

PricewaterhouseCoopers Accountants N.V.

1.4.2.2 Report of the statutory auditors on CBV's consolidated accounts for the year ended 31 March 2006

Auditors' report to the general meeting of shareholders

Introduction

We have audited the annual financial statements of Concordia B.V. (the "company"), Amsterdam, for the year ended 31 March 2006. These financial statements are the responsibility of the company's management. Our role is to express an opinion on those financial statements based on our audit.

Extent of work

We conducted our audit in accordance with the professional standards applicable in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects the financial position and assets and liabilities of the company at 31 March 2006, the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union, and they comply with all requirements in terms of financial disclosures as defined in Part 9 of Book 2 of the Netherlands Civil Code.

Based on our work, we have no matters to report as to the consistency of the information provided in the management report with the annual financial statements.

Amstelveen, 20 July 2006

KPMG Accountants N.V.

D. Korf RA

1.4.2.3 Report of the statutory auditors on CBV's consolidated accounts for the year ended 31 March 2007

Auditors' report to the general meeting of shareholders

Report on the annual financial statements

We have audited the annual financial statements of Concordia B.V. (the "company"), Amsterdam, for the year ended 31 March 2007. These financial statements comprise the company's balance sheet, consolidated balance sheet, income statement, statement of changes in equity and cash flow statement for the year ended 31 March 2007 together with a summary of the significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards endorsed by the European

Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes developing, implementing and maintaining internal control procedures to ensure the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in light of the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the annual financial statements based on our audit. We conducted our audit in accordance with the professional standards applicable in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves examining the evidence supporting the amounts and disclosures in the financial statements. The procedures used depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor assesses internal controls over the entity's preparation and fair presentation of the financial statements in order to develop audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly in all material respects the financial position of Concordia B.V. at 31 March 2007, the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement contained in section 2:393 sub 5 of the Netherlands Civil Code, we hereby certify that, based on our audit, the management report is consistent with the annual financial statements as required by section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 16 July 2007

KPMG Accountants N.V.

D. Korf RA

1.4.3 Principal subsidiaries and associates, and shareholding interests:

	Attributable percentage of ordinary capital
Incorporated in the UK	
N M Rothschild & Sons Limited	100%
Rothschilds Continuation Limited	100%
Five Arrows Finance Limited	100%
Rothschild Private Management Limited	77%
Incorporated in the United States of America	
Rothschild North America Inc.	100%
Rothschild Inc.	100%
Incorporated in the Netherlands	
Rothschild Europe B.V.	50%
Incorporated in France	
S.C.S. Holding S.A.S.	100%
Rothschild & Cie Banque S.C.S.	44%
Incorporated in Guernsey, CI	
Rothschild Bank International Limited *(formerly N M Rothschild & Sons (CI) Limited)*	100%
Incorporated in Hong Kong	
N M Rothschild & Sons (Hong Kong) Limited	100%
Incorporated in Singapore	
N M Rothschild & Sons (Singapore) Limited	100%
Incorporated in Australia	
Rothschild Australia Limited	100%
Incorporated in Switzerland	
Rothschild Concordia AG	91%
Rothschilds Continuation Holdings AG	52%
Rothschild Asset Management Holdings AG	100%
N M Rothschild China Holding AG	100%
Rothschild Holding AG	67%
Rothschild Bank AG	67%
Rothschild Private Trust Holdings AG	67%

1.4.4 Information concerning CBV's recent developments

Information on NMR's activities and results are provided above in Chapter V, sections 1.3.4.1 *et seq*.

1.4.4.1 New head office building in London

In May 2007, the board of RCH approved the redevelopment of the freehold office site at New Court, St Swithin's Lane in London. The redevelopment project would amount to a commitment of €182 million. It is anticipated that the new office accommodation will be available for occupation during 2011 with work on the site beginning early 2008.

The new office building, for which planning consent has been received, will underline the bank's distinctness and reinforce its historical connexions with the New Court site in London. It will provide staff and clients with a building that reflects the high quality and standing of the bank and its business.

1.4.4.2 Interim dividend

On 18 July 2007 CBV paid an interim dividend of €3 per share, amounting to €13.9 million, further to an interim dividend of €8.4 million (€1.80 per share) paid on 17 April 2007. In addition, on 4 October 2007 CBV paid a further interim dividend of €0.25 per share, amounting to €1.2million.

1.4.4.3 CBV capital reduction

On 20 November 2007 CBV effected a capital reduction of €117,937,379.50.

1.4.4.4 Discussions with the Jardine group

The CBV Group is currently in discussions with the Jardine group, a 20.07% shareholder of RCH, to form a joint venture in Asia to explore and invest in private equity opportunities.

1.4.4.5 Market conditions since the market dislocation arising from the "sub-prime" crisis and the subsequent "credit crunch"

Since the summer 2007, conditions within the interbank professional credit markets have deteriorated and there has been a widely reported reduction in the quality of certain asset classes including so called “sub-prime” mortgage loans originated in the USA and certain types of structured financial instruments.

The CBV’s Group does not have direct exposure to “sub-prime” mortgage loans. Exposure to loan assets which have some indirect “sub-prime” exposure (€46m) is a small element of its total loan book and represents 0.62% of the total amount of "loans and advances to customers" and "debt and equity securities" as recorded in CBV's 30 September 2007 accounts. As at 30 September 2007, CBV recorded €3.4 million of provisions related to the portfolio with some sub-prime exposure.

CBV, like all other group’s containing financial institutions, has been exposed to the recent contraction in liquidity in global financial markets. In the main, banks are confident about their ability to raise funds and meet their financial obligations. However, were the CBV group to experience any difficulty in raising funding or accessing lending markets to meet its financial obligations, this could have adverse consequences on its ability to meet its obligations when they fall due. CBV has comprehensive liquidity management and monitoring processes to evaluate its liquidity resources and requirements. It complies fully with and presently exceeds all of the Financial Services Authority regulations regarding liquidity.

It is too early to judge whether the reported “credit crunch” will have a continuing adverse impact on economic conditions, whether this will effect equity markets and whether it will affect the volume of corporate transactions, both merger and acquisition and debt restructuring.

1.4.4.6 Equity capital markets arrangement with ABN AMRO

It was announced on 11 December 2007 that the ABN AMRO Bank N.V. (“ABN AMRO”) and Rothschild Group (“Rothschild”) intended to discontinue from 31 December 2007 ABN AMRO Rothschild (“AAR”), their international equity capital markets joint venture. The decision comes after a review by both ABN AMRO and Rothschild of their equity capital markets business objectives following the acquisition of ABN AMRO by the consortium of the Royal Bank of Scotland Group, Fortis and Banco Santander. For the future, the Rothschild equity capital markets team will focus on reinforcing its worldwide position as the leading provider of independent advice and independent market intelligence together with execution support to issuers planning to raise equity capital via IPOs, placings and rights offerings or to tap the equity-linked markets.

2. PRESENTATION OF INTEGRITAS

2.1 General information

2.1.1 Company name and head office

Company name: Integritas B.V.

Registered office of Integritas is located: Apollolaan 133-135, 1077AR Amsterdam, The Netherlands.

2.1.2 Date of incorporation and duration of the company

Integritas was incorporated on 26 March 2003 for an unlimited period.

2.1.3 Legal form

Integritas is a limited liability company.

2.1.4 1.4. Summary of the company's objects:

Integritas is a pure Holding company. All assets, with the exception of 228,956 CBV shares, and liabilities of Integritas have been transferred to New Integritas. Consequently Integritas does not have, as of the date of this document, any liabilities and no other assets than 228.956 Concordia B.V. shares

2.1.5 Registration number

Integritas is registered under the number 34188339 in the Chamber of Commerce and Industries for Amsterdam.

2.1.6 Management of Integritas

Name	**Title**
Anthony James de Rothschild	Managing Director
Anthony Chapman	Managing Director
Christopher Schallenberger	Managing Director
Muus de Boer	Managing Director

During the year ended 31 December 2006, Mr. de Boer's remuneration for his services to

Integritas amounted to €179,486. No other Managing Director received any remuneration from Integritas in their capacity as directors.

2.1.7 Statutory auditors

Name of the auditor	***Partner in charge***	***Address***	***Date of first appointment***	***Date of renewal***	***Term of their office***
Ernst & Young	Frank Blenderman	Drentestraat 20, 1083 HK Amsterdam	26 March 2003	The auditor has been appointed for an unlimited period	Integritas is entitled to replace the auditor at any time

Integritas has not appointed Alternate statutory auditors since none are required by Dutch law.

2.1.8 Related party agreements

See sections 2.1.4 and 2.3.2 of this Chapter V. Therefore, Integritas is not as of the date of today, involved in any related party agreement.

2.1.9 Places where the documents and information concerning Integritas may be consulted

Documents and information concerning Integritas may be consulted at Integritas' offices - Apollolaan 133-135, 1077AR Amsterdam, The Netherlands

2.2 General information concerning Integritas share capital

2.2.1 Amount of share capital

Issued and paid up: €14,063,266.60 (30 June 2007: €53,763,120) ;

Authorised share capital: € 70,316,333;

Fraction of capital not paid-up: None;

Securities issued giving a right to share capital: None

2.2.2 Characteristics of financial instruments giving a right to the share capital

Options to subscribe for shares: None

Form of the shares: The entire share capital of the company is comprised of ordinary shares

Pledges or other security over the equity securities: None

2.2.3 Ownership of share capital and voting rights

Shareholding distribution of Integritas as of the date of this document:

Shareholder	**Class**	**Number of shares**	**Percentage of shareholding and voting rights**
Rothschild Trust	A	351,581,663	25%
New Integritas	B	1,054,744,997	75 %
TOTAL		**1,406,26, 660**	**100%**

However, prior to completion of the Second Transaction, the Class B shares will be cancelled by way of a capital reduction and the Class A shares held by Rothschild Trust will represent 100% of the share capital of Integritas.

2.2.4 Other information relating to share capital ownership

Distribution of profit

Under Dutch law, no dividends can be declared until all losses have been recouped. Subject to this, the directors of Integritas are required to make an appropriate reservation.

Distribution of profit according to the articles of association

- Distributions can only take place up to the amount of the Distributable part of the net assets ;
- Distribution of profits shall take place after the adoption of the Annual Accounts from which it appears it that such distribution is approved ;
- The General Meeting may, subject to due observance of the provisions of the law, resolve to distribute an interim dividend ;
- The General Meeting may, subject to due observance of paragraph 7, resolve to make payments to the charge of any reserve which need not to be maintained by virtue of the law ;

- A claim of a Shareholder for payment of a dividend shall be barred after five years have elapsed.

Threshold(s) as provided in the articles of association: none

Shareholders' agreements: None

Double voting rights and treasury shares: None

Changes in the share capital over the past five years:

Date	Details	Authorised share capital (number of shares)	Number of issued shares	Issued share capital (€'000)
30 June 2004	**Balance sheet date**	**280,000**	**140,399**	**14,039, 900**
30 June 2005	**Balance sheet date**	**280,000**	**140,399**	**14,039, 900**
28 June 2006	Authorised share capital increase	360,000	-	-
30 June 2006	**Balance sheet date**	**640,000**	**140,039**	**14,039, 900**
14 June 2007	Share capital increase	2,086,660	2,337,020	39,723,220
30 June 2007	**Balance sheet date**	**2,726,660**	**2,477,059**	**53,763,120**
5 September 2007	Share capital reduction	-	-	(39,699,853.40)
19 September 2007	Authorised share capital increase	7,028,906,640	1,403,849,601	-
12 November 2007	Share capital increase	13,632,789,338	12,226,462,678	136,327,893.38

2.3 Information relating to Integritas business

2.3.1 Presentation of the main business activities of Integritas and its group, including the main categories of products and/or services

Integritas is a holding company, whose sole holding is 228,956 shares of CBV. Integritas conducts no business.

2.3.2 Net turnover generated over the past three financial years

Not applicable. Integritas does not make any turnover insofar as it exclusively holds 228,956 CBV shares and conducts no business.

2.3.3 Changes in the number of employees of Integritas

The table below sets out the total number of employees in Integritas as at 30 June 2005, 2006, and 2007.

	2005	***2006***	***2007***
As at 30 June	3	3	2

The two employees of Integritas have been transferred to New Integritas with effect on 20 September 2007. Consequently, as of the date of this document, Integritas has no employees.

2.3.4 Key information concerning the businesses of directly- or indirectly-owned subsidiaries which are of significant importance as regards the assets or financial results of Integritas and its group:

Nil

2.3.5 Details of any litigation matter or exceptional issue which could have or which has had in the recent past a material impact on the financial situation of Integritas BV or its group

To the best of Integritas' knowledge, Integritas is not involved, as of the date of this document, in any exceptional issue, litigation or arbitration which had in the past or could, a significant impact on the financial situation, business and profit of Integritas.

Prior to completion of the Transactions, New Integritas (which is 95% owned by Rothschild Trust) acquired 75% of the share capital of Integritas (25% owned by Rothschild Trust). Integritas subsequently transferred all its assets, with the exception of 228,956 CBV shares, and all its liabilities to New Integritas. On the date of completion of the Second Transaction, the Integritas shares owned by New Integritas will have been cancelled by way of a capital reduction. Consequently, on the date of completion of the Second Transaction, the share capital of Integritas will be 100% owned by Rothschild Trust and will be transferred to Paris Orléans by way of a contribution in kind as Integritas's only asset is 228,956 CBV shares and it has no liabilities.

2.4 Financial information

2.4.1 Summary individual company accounts of Integritas and statutory auditors' general and special reports

See sections 2.3.1 and 2.3.5 above.

2.4.2 Extracts from the relevant parts of the notes to the accounts which are necessary to properly interpret the figures from the income statement and the balance sheet

See sections 2.3.1 and 2.3.5 above.

2.4.3 Table showing Integritas BV's subsidiaries and shareholding interests

The sole interest Integritas holds is 228,956 shares of CBV, which amount to 5.66% of CBV's issued share capital (See sections 2.3.1 and 2.3.5 above).

2.4.4 Individual accounts as at 30 September 2007

See sections 2.3.1 and 2.3.5 above.

2.5 Information concerning Integritas BV's recent developments

See sections 2.3.1 and 2.3.5 above.