

2011/2012 FIRST-HALF RESULTS



The Supervisory Board of Paris Orléans, chaired by Mr Eric de Rothschild, met on 29 November 2011 to examine the consolidated financial statements for the half-year from 1 April to 30 September 2011.

The main items in the consolidated income statement are shown in the accompanying table.

Business review

Revenues from the global financial advisory activity declined slightly, by 3.5%:

- The global financial advisory business slowed in most of the countries in which the Group operates, with the exception of the United States, Germany, Australia and some emerging countries;
- Financing and debt restructuring advisory and capital markets advisory activities grew slightly compared with the same period the previous year.

Despite the highly volatile financial markets, private banking and asset management revenues decreased only slightly compared with the first half of the previous financial year, as a result of a positive intake of new assets.

The corporate banking business in the United Kingdom continued to downsize its portfolio. Impairment on the banking portfolio saw a small increase, mainly due to the deterioration of certain property loans.

The proprietary private equity business, carried out at the level of Paris Orléans, generated capital gains totalling €49.1 million on disposals of assets amounting to €98.5 million. Note that the SIACI Saint Honoré operation alone generated gains amounting to €33 million.

INCOME STATEMENT (IN €M)	30/09/2011	30/09/2010 ⁽¹⁾
Net interest income and fee and commission income	514.4	541.4
+/- Net gain / (loss) on financial assets	70.5	33.5
+ Net income from other activities	5.8	5.4
Net banking income	590.7	580.3
- Operating expenses and amortisation	(459.3)	(464.5)
- Impairment and provisions	(13.1)	(9.1)
Operating income	118.3	106.7
+/- Net income from companies accounted for by the equity method	2.1	13.3
+/- Net gain / (loss) on other assets	1.5	32.2
Profit before income tax	121.9	152.2
- Income tax expense	(18.8)	(16.8)
Consolidated net income	103.1	135.4
Minority interests	60.7	82.1
Net income attributable to equity holders of the parent	42.4	53.3

⁽¹⁾ Including Rothschild & Cie Banque (French banking activities), fully consolidated since 1 April 2010.

Comments on the main components of the income statement

Net banking income for the half-year ended 30 September 2011 came to €590.7 million compared with €580.3 million for the first half of the previous financial year, corresponding to an increase of €10.4 million or 1.8%.

Impairment and provisions increased from €9.1 million to €13.1 million.

Based on the above elements, the Group posted operating income of €118.3 million, up compared with €106.7 million in the first half of the previous financial year.

Note that pre-tax profit for the 2010/2011 financial year included €31.4 million of non-recurring income

relating to the first-time full consolidation of Rothschild & Cie Banque in Paris Orléans' accounts.

Consolidated net income for the first half came to €103.1 million, in line with that of the same period the previous year after restatement for non-recurring income. After minority interests, the share of net income attributable to equity holders of the parent came to €42.4 million compared with €53.3 million for the first half of the previous financial year.

These results were achieved in a volatile and uncertain financial environment that has deteriorated since the end of the first half. The Group is therefore cautious with regard to the second half.

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