Annual report
2012/2013

PARIS ORLÉANS

Cover page:
New Court,
our London office.

Annual report 2012 / 2013

Contents

Message to Shareholders

Dear Shareholders,

As highlighted in this message last year, 2012/2013 was a landmark year for Paris Orléans. In June 2012, shareholders approved a significant step in the long process of transformation to simplify the structure of our Group. This has been an important development in our evolution, better positioning us for the challenges of a competitive global environment, and simplifying our ownership and operational structure, whilst preserving long-term family control.

The environment we face remains challenging, as it has since the start of the global financial crisis in 2008. Economic growth is at best sluggish in many of our core markets; activity levels in Global Financial Advisory are depressed compared to the period before the crisis and may well remain so for some time to come; appetite for risk assets is low, weighing on the fund raising abilities of our various asset management businesses; rapidly changing regulatory and legislative frameworks are imposing significant extra costs on our businesses.

We have two main activities within our Group: Global Financial Advisory which focuses on providing advice in the areas of M&A, debt, restructuring and equity; and Asset Management in a broad sense which comprises Wealth and Asset Management and Merchant Banking. In addition we have a Specialist Finance business which predominantly relates to the legacy banking business.

Each one of our businesses has faced difficult trading conditions in 2012/2013. Despite this, we have had a reasonable year. Consolidated revenue increased by €12 million to €1,147 million. Operating income was at the same level as last year at €165 million. Underlying Net income attributable to shareholders, which we believe reflects better the underlying performance of the Group, has increased from €53 million in 2011/2012 to €62 million in 2012/2013. Statutory Net income attributable to shareholders was €47 million in 2012/2013, up from €37 million in 2011/2012.

Global Financial Advisory

Although the first half of the year was slow, with revenues down on the prior period, the second half was particularly strong. As a result, revenue from our Global Financial Advisory business was up 4% year on year to €741 million despite a flat year for the global M&A market, with profit rising accordingly. Rothschild continues to be one of the leading independent financial advisory firms, ranked fifth globally in M&A by number of completed deals, having advised on approximately 450 transactions with a total value of $400 billion. We continue to benefit from the breadth of our offering in Global Financial Advisory and our geographic diversification, with improved M&A results offsetting a stagnation in financing advisory, and improved performances in the United Kingdom, the United States, Latin America and Asia more than compensating for weak trading conditions in much of continental Europe.

Wealth and Asset Management

2012/2013 was a challenging year for our Wealth and Asset Management activities with revenue flat at €281 million, and lower profits. The continuing low risk appetite amongst clients has had an adverse effect on both revenues and the margins we can achieve.

Assets under management were up 7% at €38.4 billion (€35.9 billion as at 31 March 2012) thanks to positive equity markets (€1.9 billion), and a net inflow of €0.6 billion, including assets related to the HDF Finance acquisition.

Our European onshore wealth management businesses are growing, especially in the United Kingdom, despite the generally weak economic conditions in Europe and are well-positioned for the future. However, the continuing pressure on our businesses, including that arising from increased regulation, means that conditions will remain difficult in 2013/2014.

Our institutional asset management business continues to innovate in product development to facilitate its growth into new markets and we expect positive sales growth in future years.

Merchant Banking

Our Merchant Banking business now comprises both our merchant banking funds (including our unlisted debt funds) and our proprietary investments. During the year ended 31 March 2013, Merchant Banking generated revenues of €69 million, down from €71 million in 2011/2012. Investment revenue is inherently variable in this business as it depends on the timing of realisations. During the financial year 2012/2013, disposals amounted to €112 million generating capital gains of €37 million. Moreover, this division invested €54 million, of which €22 million was in proprietary investments and €32 million was in funds managed by Merchant Banking.

David de Rothschild

Nigel Higgins

Olivier Pécoux

Assets under management in our funds amounted to €2.9 billion as at 31 March 2013, the same as last year, of which €538 million came from the Group. 2012/2013 saw the final closing of the Five Arrows Secondary Opportunities Fund III with total committed capital of €259 million and the launch of Five Arrows Credit Solutions, our new junior debt fund, which held its first closing at €235 million in May 2013. We will continue to steadily expand the range of our offering in the coming years.

Specialist Finance

Our legacy banking book continues to decline in line with our plans to exit the lending business other than fund lending and our United Kingdom leasing activity. Legacy drawings fell to €570 million as at 31 March 2013, down from €805 million as at 31 March 2012. Our legacy position is now one-third of what it was in 2008.

Balance sheet

Customer deposits remain high at €5.6 billion reflecting in particular the continuing low risk appetite of our Wealth Management clients. Our balance sheet remains conservative with cash placed with central banks representing 56% of the total assets compared with 50% one year previously. The shareholders' equity, excluding non-controlling interests, increased from €721 million to €1,229 million at 31 March 2013 following the June 2012 shareholder reorganisation. With a Risk Asset Ratio of 25.9% and a Tier I Ratio of 19.7%, we continue to manage our balance sheet conservatively given the uncertainties in the market.

The Supervisory Board

We should like to take this opportunity to welcome Peter Smith who joined the Supervisory Board in September 2012. Peter has been an independent non-executive director of NM Rothschild & Sons Limited for twelve years and was previously senior partner of PriceWaterhouseCoopers. Peter took over the chairmanship of our Audit Committee from 28 March 2013 and we are sure we will benefit greatly from his advice.

André Lévy-Lang, who served as Chairman of the Audit Committee following the reorganisation, will remain on the Audit Committee and we thank him for his work as Chairman and are delighted that he agreed to join the Remuneration Committee in March 2013.

Dividend

For the year ended 31 March 2013, in consultation with the Supervisory Board, we propose to pay a dividend of €0.50 per share, same as last year. The Managing partner will propose to shareholders the right to elect for payment of the dividend, either in cash or new shares of Paris Orléans.

Outlook

Faced with a challenging and fluctuating environment, our focus is very much on profitability, flexibility, cost discipline and capturing the synergies between our core businesses, following the reorganisation last year. We believe that if we continue to offer our clients outstanding service in all that we do, we will be well positioned to benefit from improved market conditions as and when they arise.

PO Gestion, General Managing partner of Paris Orléans

David de Rothschild, Chairman

Nigel Higgins & Olivier Pécoux, co-Chief Executive Officers

Profile

The UBN tower, Kuala Lumpur. Home to our Malaysia office.

Paris Orléans, parent company of Rothschild

Rothschild is one of the world's largest independent financial advisory groups, employing approximately 2,800 people in 40 countries around the world.

We provide strategic, M&A, wealth management and fundraising advice and services to governments, companies and individuals worldwide.

There are three main arms to our Group – Global Financial Advisory, Wealth and Asset Management and Merchant Banking – as well as Specialist Finance.

We are family-controlled and independent and have been at the centre of the world's financial markets for over 200 years. From our historical roots in Europe we have developed a unique global footprint. Today we have full-scale advisory businesses across the world, including locally staffed offices in China, Brazil, India, the United States of America, the Middle East and Asia Pacific.

We provide outstanding client service, with the highest standards of professional integrity to build enduring relationships of trust and confidence. As a family-controlled business, we are not constrained by short-term thinking or goals.

We seek long-term relationships with our clients through deepening our contacts with them and taking a long term view to deliver their interests. We provide high quality ideas, objective, trusted advice and sound judgment, setting high standards for ourselves, striving continually for improvement and executing flawlessly.

We attract, develop and reward exceptional people who work collaboratively, proactively sharing knowledge and expertise and delivering their personal commitment to bring the entire Rothschild network to the client.

History

1838

Creation of Paris Orléans, a French rail company.

1937

Paris Orléans discontinues its railway business.

1982

Relaunch of Rothschild's French activities through Paris Orléans following the nationalisation of the Rothschild family's French bank in 1981.

2003

Move to unify and optimise the worldwide group structures with the creation of a new lead entity, Concordia BV, held equally by Paris Orléans and the English branch of the Rothschild family.

2007-2008

Acquired control of the banking activities at a global level, and completed reorganisation of family shareholdings.

2012

Paris Orléans' reorganisation to streamline its organisation, optimise its regulatory capital and preserve family control.

Overview of Group businesses

Global Financial Advisory

Comprised of:
- M&A and strategic advisory
- Debt advisory and restructuring
- Equity advisory

Approximately 900 bankers in 40 countries, of which 178 are Managing Directors

5th globally and 1st in Europe by number of completed M&A transactions

Adviser on approximately 450 transactions with a total value of $400 billion during 2012/2013

GFA M&A market share

Region	2011/2012	2012/2013
Global	6.6%	9.1%
Global cross-border	8.4%	13.5%
Europe	12.2%	20.7%
North America	3.1%	3.9%
Asia	4.5%	4.2%
Rest of the world	4.5%	15.4%

Source: Thomson Reuters, any region involvement, completed deals, 1 April – 31 March.

Wealth and Asset Management

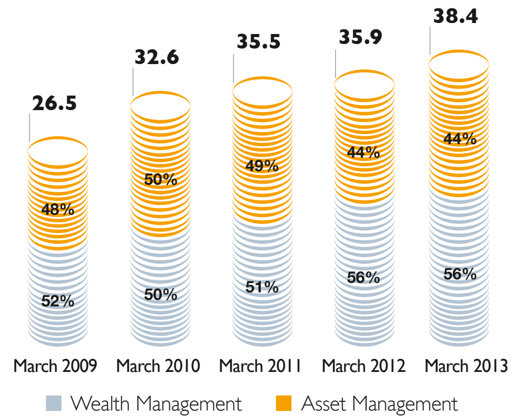
Comprised of:
- Wealth Management & Trust
- Rothschild Patrimoine
- Rothschild & Cie Gestion
- Rothschild HDF Investment Solutions
- Rothschild Asset Management Inc.

95 Relationship Managers for Wealth Management based in Paris, Zurich and London and elsewhere

56 Investment Managers for Asset Management based in Paris and New York

€38.4 billion in assets under management, of which 56% relate to Wealth Management and 44% to Asset Management

Assets under management over the past five years
(in billions of euro)



Merchant Banking

Comprised of:
- Private equity
- Private debt

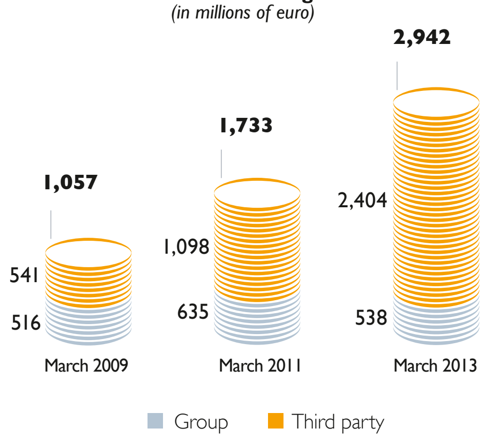
Managed funds focus on European markets while proprietary investments are sourced globally

€2.9 billion of assets under management of which €0.5 billion committed by the Group

49 investment professionals

Revenue generated through management fees (% of AuM), dividend and interest income, and capital gains related to investment disposals

Assets under management
(in millions of euro)

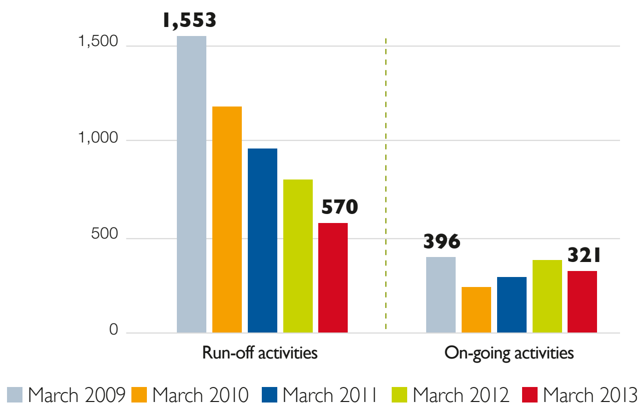


Specialist Finance

Comprised of:
- Asset finance and fund lending (ongoing activities)
- Corporate lending (run-off activities)

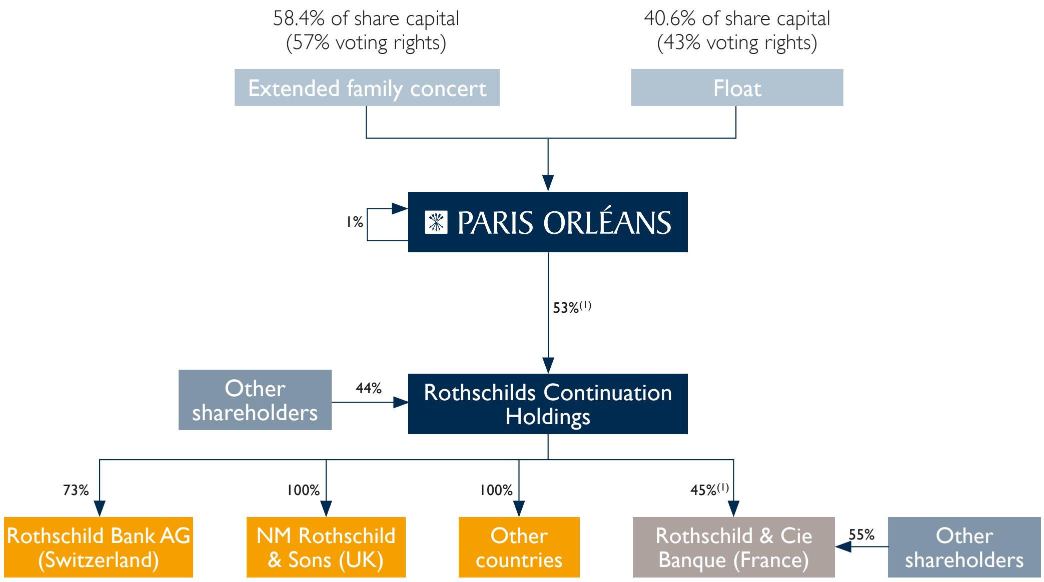
Our Specialist Finance business offers services in asset finance and fund lending.
Several years ago, the Group decided to gradually withdraw from the corporate lending business, to focus on its Specialist Finance business

Loan book over the past five years
(in millions of euro)

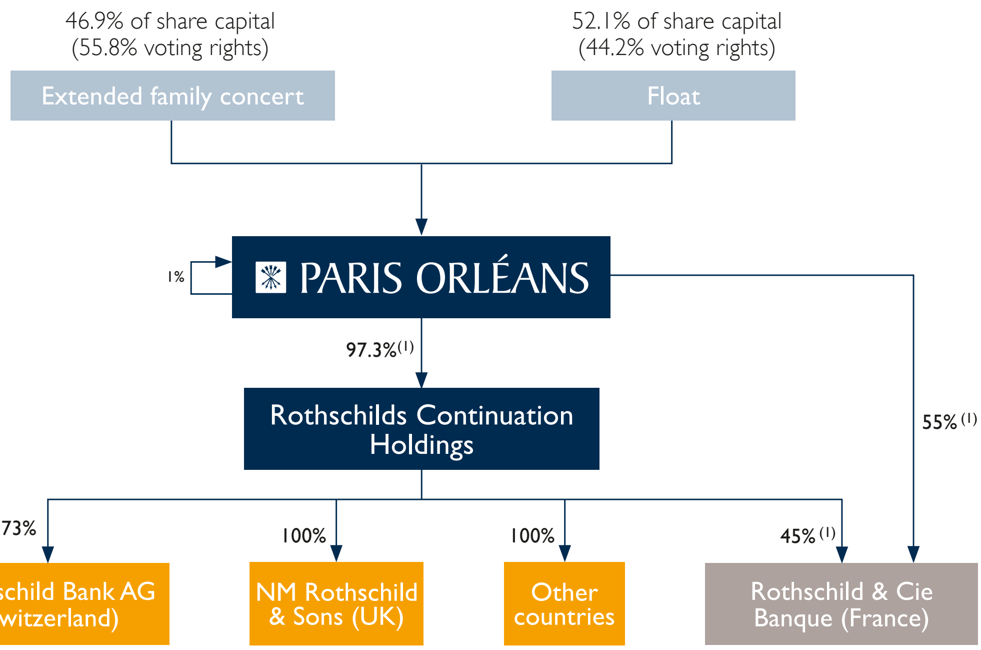


Organisation chart

Prior to June 2012 reorganisation



As at 31 March 2013

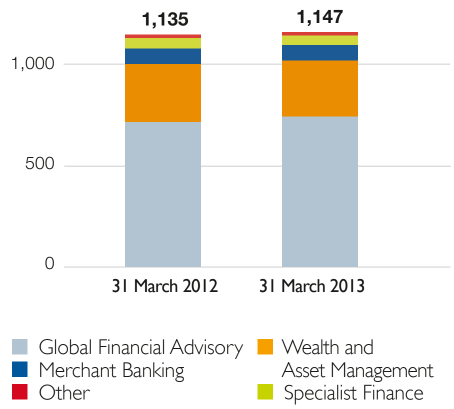


(1) Directly and indirectly through holding companies.

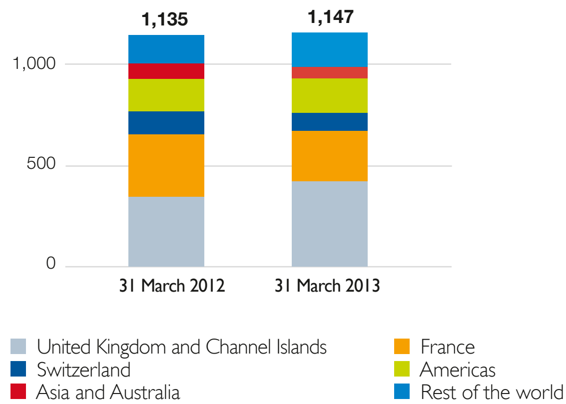
Key figures

Net banking income *(in millions of euro)*

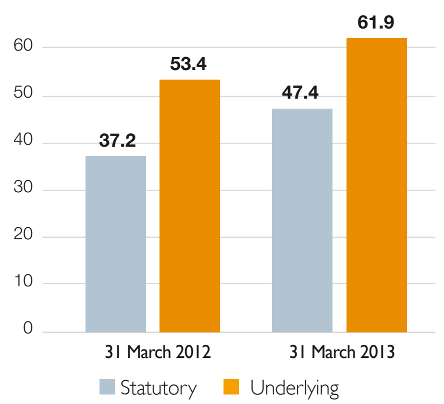
by activity



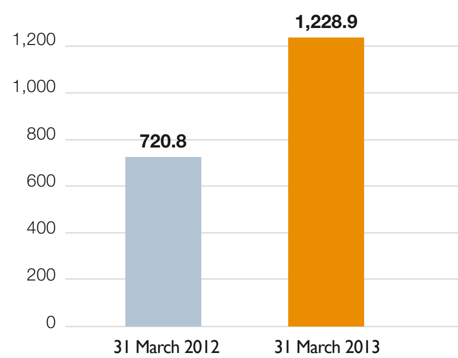
by geography



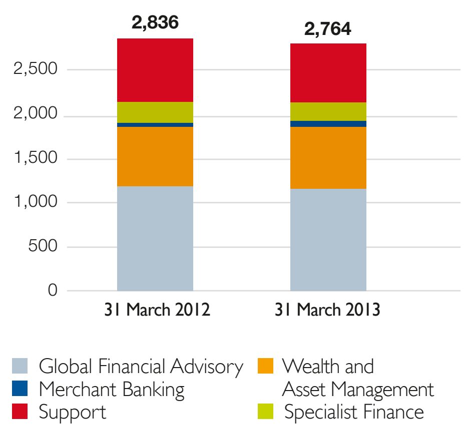
Net income – Group share
(in millions of euro)



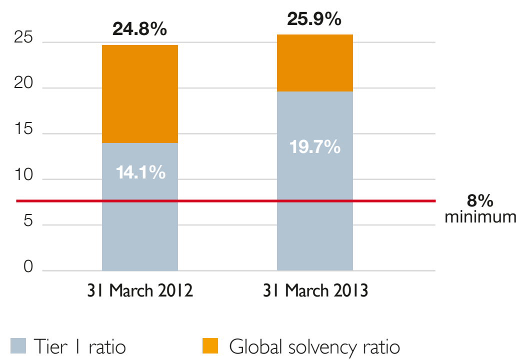
Shareholders' equity – Group share
(in millions of euro)



Group headcount by business



Group solvency ratios



Source: Paris Orléans, unaudited figures.

Corporate governance

From 1 April 2012 to 8 June 2012, the corporate governance of Paris Orléans, a French limited company *(société anonyme)* at that time, was based on a dual structure composed of a collegial management body, the Executive Board, and a supervisory body, the Supervisory Board.
As from 8 June 2012, date of Paris Orléans' conversion into a French partnership limited by shares *(société en commandite par actions)*, the Company's governance structure is based on an executive body, the Managing partner (PO Gestion SAS), assisted by the Group Management Committee, and a supervisory body, the Supervisory Board.

Management - PO Gestion SAS

PO Gestion SAS has the broadest powers to act in any circumstances in the Company's name and on its behalf, in accordance with the law and with the Company's Articles of Association. PO Gestion SAS is managed by its Chairman, David de Rothschild, and by its two Chief Executive Officers, Nigel Higgins and Olivier Pécoux.

David de Rothschild

Baron David de Rothschild was appointed Rothschild Group Chairman in 2003.

David is the great, great, great grandson of Mayer Amschel Rothschild, the founder of the Rothschild dynasty, and descended from the Baron James de Rothschild who established a bank in Paris in 1812.

David has been in the business for 40 years and has worked in different branches of the family firm. In 1981, Banque Rothschild, the company originally founded by James de Rothschild in 1812 under the name De Rothschild Frères, was nationalised by the French government. A regrouping was led by David and his cousin, Baron Éric de Rothschild, and they finally secured the right to operate a new banking business under the family name in 1986.

David sits on the boards of Casino, Edmond de Rothschild SA and Compagnie Financière Martin Maurel.

Nigel Higgins

Nigel Higgins was appointed Chief Executive Officer of PO Gestion SAS on 6 June 2012. He has been Chief Executive Officer of Rothschilds Continuation Holdings AG since March 2010.

Nigel joined Rothschild in 1982. Since the late 1990s he has held a number of senior positions within Rothschild, including Head of UK Investment Banking and Co-Head of Global Investment Banking.

Nigel graduated from Oxford University.

Olivier Pécoux

Olivier Pécoux was appointed Chief Executive Officer of PO Gestion SAS on 6 June 2012. He is also Global Head of Global Financial Advisory.

Olivier joined Rothschild in 1991, and has held a number of senior positions within the Group.

Before joining Rothschild, Olivier worked in Lazard Frères & Cie's M&A division, initially based in Paris and then in New York where he became Vice-President in 1988. Prior to that, Olivier acted as a financial adviser to Schlumberger in Europe and the United States, before being promoted to Chief Financial Officer of Applicon, a software subsidiary of Schlumberger. Olivier began his career at Peat Marwick Mitchell.

Olivier is on the Board of Essilor.

Group Management Committee

The Group Management Committee comprises 14 members. It forms the senior executive operational and functional committee for the Group, responsible for the proper and effective functioning of its governance structures, operating policies and procedures, and implementation of Group strategy. In this role, the Group Management Committee assists PO Gestion SAS in the management and administration of the affairs of the Company and its principal subsidiaries, and oversees business management.

Back row (left to right):

Mark Crump
Group Finance Director

Andrew Didham
Group Risk and Regulation

Robert Leitao
Deputy Head of Global Financial Advisory

Jean-Louis Laurens
Head of Wealth and Asset Management (Paris)

Alexandre de Rothschild
Family and Board member

Jonathan Westcott
Group Legal and Compliance Director

Marc-Olivier Laurent
Head of Merchant Banking

Alain Massiera
Head of Private Banking (Paris)

Front row (left to right):

Gary Powell
Group Head of Strategy

Paul Barry
Group Human Resources Director

Nigel Higgins
Co-Chief Executive Officer

Olivier Pécoux
Co-Chief Executive Officer

Richard Martin
Co-Head of Wealth Management & Trust

Veit de Maddalena
Co-Head of Wealth Management & Trust

Supervisory Board and committees

The Supervisory Board exercises permanent oversight of the management of the Company. The Board's terms and references set forth the rights and responsibilities of its members.

As at 31 March 2013, the Supervisory Board consists of 14 members:

Supervisory Board

Éric de Rothschild
Chairman

François Henrot
Vice-Chairman

André Lévy-Lang
Vice-Chairman - independent member

Martin Bouygues
Independent member

Sylvain Héfès

Christian de Labriffe

Lord Leach
Independent member

Lucie Maurel-Aubert

Philippe de Nicolay

Jacques Richier
Independent member

Alexandre de Rothschild

Anthony de Rothschild

Sipko Schat
Independent member

Peter Smith
Independent member

To fulfill its mission as effectively as possible, the Supervisory Board relies on specialised committees stemming from it: the Audit Committee, the Strategy Committee and, as from 28 March 2013, the Remuneration Committee.

Each member of the aforementioned committees is a member of the Supervisory Board.

As at 31 March 2013, the composition of each Committee was as follows:

Audit Committee

Peter Smith
Chairman

Sylvain Héfès

Christian de Labriffe

André Lévy-Lang

Strategy Committee

Martin Bouygues

François Henrot

André Lévy-Lang

Lucie Maurel-Aubert

Alexandre de Rothschild

Remuneration Committee

Sylvain Héfès
Chairman

André Lévy-Lang

Peter Smith

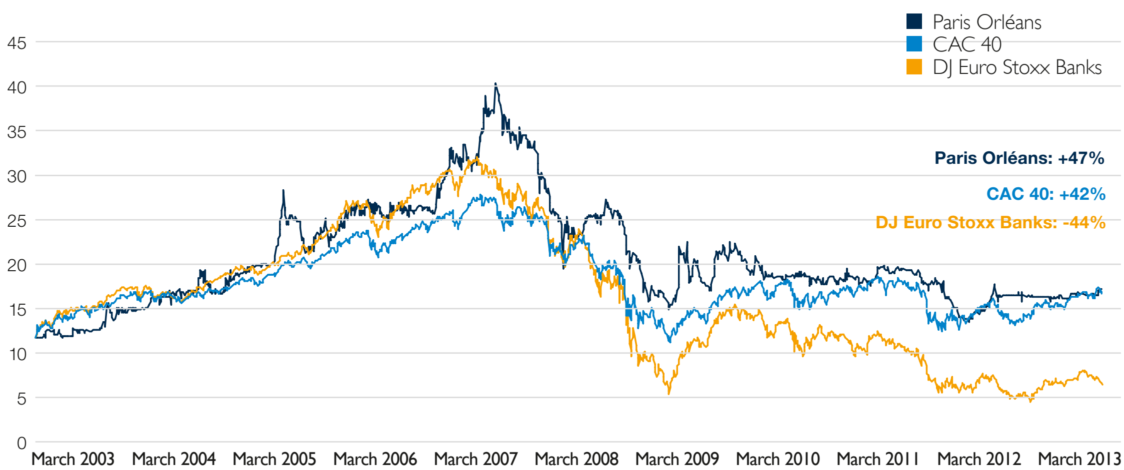
Shareholder information

Market data

	FY ended 31 March 2009	FY ended 31 March 2010	FY ended 31 March 2011	FY ended 31 March 2012	FY ended 31 March 2013
Share price (in euro)					
At the end of the financial year	16.3	18.8	19.6	17.0	17.8
Maximum	27.8	22.9	20.3	20.1	17.9
Minimum	15.4	16.2	18.0	14.0	16.2
Yearly average	22.0	20.1	19.0	17.3	16.9
Number of shares and investment certificates					
Issued	31,632,080	31,944,553	32,373,515	32,515,587	70,903,029
Of which treasury shares	859,020	908,170	813,320	714,120	693,504
Per share (in euro)					
Net dividend	0.35	0.35	0.40	0.50	0.50 (1)
Earnings per share	1.61	0.88	3.48	1.24	0.78
Adjusted earnings per share	n/a	n/a	n/a	0.78	0.90
Stock market capitalisation	**€515.6m**	**€600.6m**	**€634.5m**	**€552.4m**	**€1,262.1m**

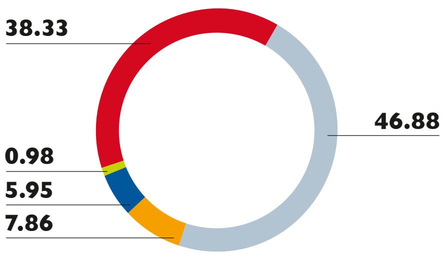
(1) Dividend proposed at the General Meeting to be held on 26 September 2013.

Paris Orléans' share price evolution over 10 years

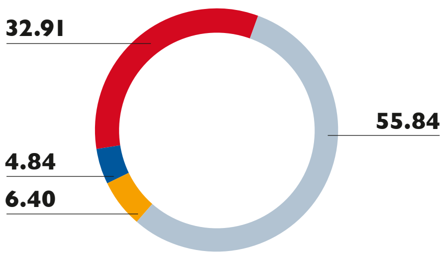


Shareholding structure as at 31 March 2013

Share capital
(in %)



Exercisable voting rights
(in %)



Enlarged family concert [(1)] Edmond de Rothschild Group Jardine Matheson Group Treasury shares Float

(1) Concert comprising, amongst other shareholders, the French and English branches of the Rothschild family, certain members of the management bodies and Compagnie Financière Martin Maurel, disclosed with the French Financial Market Authority on 12 June 2012 (Decision & Information 212C0752 of 13 June 2012 and Decision & Information 212C0783 of 19 June 2012).

Liquidity

Since January 2008, Paris Orléans has awarded a liquidity contract to Rothschild & Cie Banque, a subsidiary. As at 31 March 2013 26,854 shares and €3.9 million cash were booked to the liquidity contract [(1)].

The company releases half-yearly reports on the liquidity contract. All reports are posted on the corporate website under the "Investor Relations – Regulated information" section.

Financial communication

Paris Orléans provides its shareholders with information throughout the year, through releases on the publication in English and in French of the annual and half-yearly results, quarterly revenues or any other major event concerning the Group in accordance with regulations and practices for publication.

Paris Orléans' website allows visitors to browse the latest updates, share prices and its publications. The annual report may be reviewed on and downloaded from the Paris Orléans website: www.paris-orleans.com.

Visitors can also join Paris Orléans' mailing list to receive the latest news about the company. At any time, visitors can also request information from the investor relations department.

All information regarding the Rothschild Group's activities is available at www.rothschild.com.

(1) See page 63 section entitled "Buyback by the Company of its own shares".

Financial calendar

9 August 2013 after market close	Financial information for the first quarter of FY 2013/2014
26 September 2013	Annual Shareholders General Meeting (9.30 am - CET)
26 November 2013 after market close	First half-year of FY 2013/2014 results
14 February 2014 after market close	Financial information for the third quarter of FY 2013/2014
25 June 2014 after market close	Financial year 2013/2014 results

Share information

ISIN code	FR0000031684
Identification code	PAOR
Market	NYSE Euronext Compartiment A (France)
Listing place	Paris

Contacts

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Websites:
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www.rothschild.com

Investor Relations: Marie-Laure Becquart

mlb@paris-orleans.com
Phone: + 33 (0)1 53 77 65 10 - Fax: +33 (0)1 45 63 85 28

Global Financial Advisory

New Court,
our London office,
taken from the churchyard
of St Stephen Walbrook.

Introduction

Our Global Financial Advisory (GFA) business provides impartial, expert advice and execution services to governments, corporations, institutions and individuals. Our services include advice across M&A, strategy, debt and equity financing, and restructuring.

Market overview

The financial advisory market is highly competitive, characterised by a mix of traditional "bulge bracket" firms offering advisory and underwriting services, and the "independent" firms providing advisory-only services.

The independent advisory segment of the market has emerged to meet the demands of a broad range of clients who seek expert and impartial advice on their M&A and financing activities, in response to the increasing complexity of the financial markets and growing concerns around conflicts of interest.

Our business

Our GFA business has remained resilient in a challenging economic environment where volatility and uncertainty continue to affect activity levels across the industry.

We are an independent advisory house with a truly global footprint and a broad and integrated financing advisory team. With approximately 900 advisory bankers in 40 countries around the world[2], we are well positioned to capitalise on any future improvement in market conditions.

During the past year we advised on M&A and financing advisory transactions with a total value of approximately US$400 billion, an increase of 20% compared to the previous year[1]. We continue to rank among the top advisers and have strengthened our competitive position across many sectors and geographies.

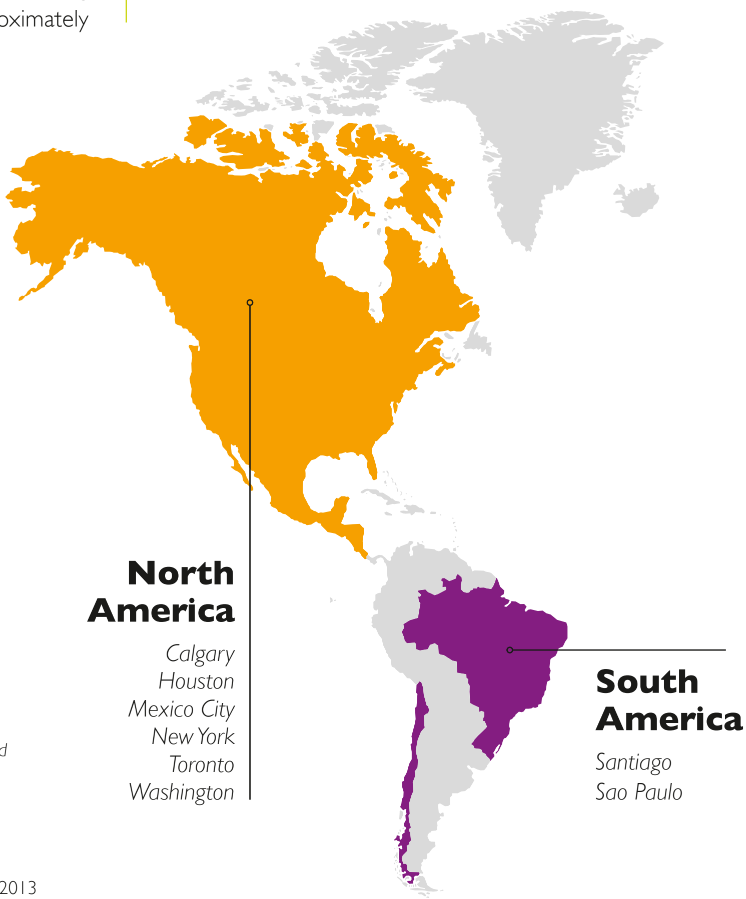
Our advisory-focused business model continues to hold us in good stead as clients attach ever-greater importance to having an expert, impartial adviser. Our broad offering across sectors, countries and services enables us to meet the totality of our clients' needs, as well as diversifying our income over the economic cycle.

During the year we continued our approach of selectively recruiting talented people including senior hires in Asia, France and the United States, as well as in the utilities and sovereign advisory sectors.

Our long-term and relationship-based approach to business continues to differentiate our offering within the market, and drives substantial repeat business. We have many longstanding client relationships, including some that span a number of decades.

40 countries

50 offices



(1) Source: Thomson Reuters, Rothschild internal data, completed transactions.
(2) Includes alliance partners.

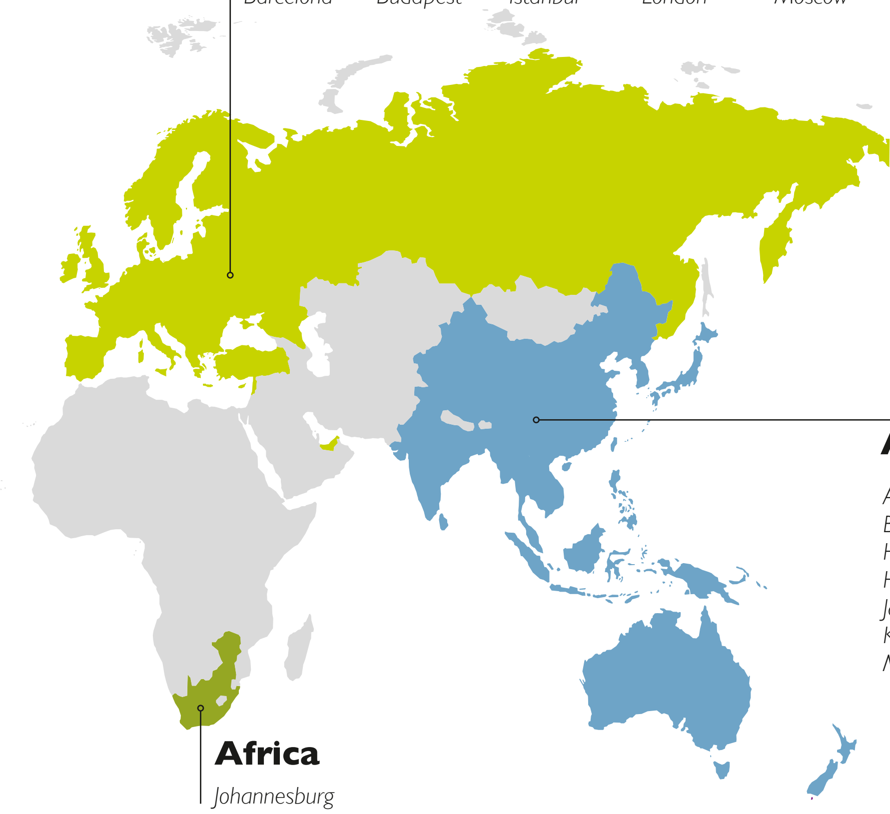
Differentiators

We are differentiated from our competitors in the following respects:

- **Focused on clients**
  - Nothing gets in the way of our impartial advice for each and every client. We sell nothing but our best advice and execution capabilities.
- **Expert**
  - Senior bankers lead every assignment from start to finish.
  - Rotschild advise on more deals than any other adviser in our core markets, and on many of the most complex or transformational assignments in the world.
  - All Rothschild clients benefit from our collective intellectual capital, specialist sector and product expertise and wealth of experience.
- **Informed**
  - We combine global scale with deep local networks.
  - With approximately 900 advisory bankers on the ground around the world, we are well placed to help clients, wherever their business takes them.
- **Long-term**
  - As a family-controlled business, we are unconstrained by short-term thinking, so we can take a long-term view to deliver each client's interests.
- **Trusted and independent**
  - We know that long-lasting relationships depend on the quality of our advice.
  - The scale of our business means that we are not dependent on the outcome of any one transaction.
  - We care about our clients' success as much as they do. This has been true for more than 200 years.

Europe and the Middle East

Abu Dhabi, Amsterdam, Athens, Barcelona, Birmingham, Brussels, Bucharest, Budapest, Doha, Dubai, Frankfurt, Istanbul, Kiev, Leeds, Lisbon, London, Madrid, Manchester, Milan, Moscow, Paris, Prague, Sofia, Stockholm, Tel Aviv, Warsaw



Asia-Pacific

Auckland, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, Seoul, Shanghai, Singapore, Sydney, Tokyo, Wellington

Africa

Johannesburg

Business review

M&A and strategic advisory

Our M&A teams provide expert advice across all aspects of mergers and acquisitions, as well as strategic advice in such areas as JVs, corporate governance, and US Special Committee and fiduciary matters.

In the 2012/2013 financial year we remained among the top advisers, ranking 5th globally by number of completed M&A deals [1]. Our global scale has helped to deliver a strong performance on cross-border deals where we ranked 5th by number of completed deals [1], with cross-border deals representing 50% of our total activity. We held top five positions across most sectors globally with standout performances in automotive, consumer and retail [1].

In Europe, we continued to be the market leader in M&A, advising on more deals than any of our competitors during the year – a position we have held for eleven consecutive years [1].

Outside of Europe, we have seen market share growth in China and Latin America, and our share of US cross-border M&A has increased substantially based on a number of landmark deals.

We also further expanded our client offering with the establishment of two new "Transaction R" teams in Germany and Belgium, supplementing our well-established Transaction R team in France, providing specialist advice on mid-market and smaller transactions in those two markets.

M&A league table rankings by Region

	By number		By value	
	2011/2012	2012/2013	2011/2012	2012/2013
Global	6	5	11	10
Global cross-border	9	5	11	8
Europe	2	1	11	4
Asia	17	21	12	16
North America	17	14	19	16
Rest of world	8	7	21	4

Source: Thomson Reuters, any region involvement, completed transactions, 1 April – 31 March.

A meeting of colleagues at our Hong Kong office.

(1) Source: Thomson Reuters, any region involvement, completed transactions.

Rothschild advised the following clients on significant M&A transactions completing during the year:

GDF SUEZ
- Acquisition of the remaining 30% stake in International Power (€9.5bn)

Nestlé
- Acquisition of Pfizer Nutrition (US$11.8bn)

Redecard
- Tender offer and delisting from BM&F Bovespa's Novo Mercardo (US$6.8bn)

Eight Iberian Bottlers of The Coca-Cola Company
- Simultaneous eight-way merger (€5.1bn)

Sberbank
- Acquisition of Denizbank from Dexia (US$3.5bn)

Consortium of Marubeni, POSCO and STX
- Acquisition of a 30% equity interest in the Roy Hill Iron Ore Project (A$3.5bn)

ThyssenKrupp
- Disposal of Inoxum by way of a merger with Outokumpu (€2.7bn)

Cookson
- Demerger of its Performance Materials Division (£2.1bn)

Toyota Tsusho Corporation
- Acquisition of CFAO from PPR (€2.3bn)

Logica
- Recommended cash offer from CGI Group (£1.7bn)

Elster
- Recommended cash offer by Melrose (US$2.3bn)

Hong Kong Exchanges and Clearing Limited
- Acquisition of the London Metal Exchange (£1.4bn)

Advent International
- Acquisition of Douglas Holdings (€1.5bn)

Schiff Nutrition International
- Sale to Reckitt Benckiser (US$1.4bn)

Bright Food
- Acquisition of a 60% stake in Weetabix from Lion Capital (US$1.1bn)

Harry Winston Diamond Corporation
- Disposal of Harry Winston Inc. to Swatch (US$1.0bn)

Our M&A and strategic advisory expertise was recognised in several leading industry awards:

The Banker Investment Banking Awards
- 2012 Most Innovative Investment Bank for M&A
- 2012 Most Innovative Investment Bank for Sovereign Advisory

FT & mergermarket European M&A Awards
- 2012 UK Financial Adviser of the Year
- 2012 Italy Financial Adviser of the Year
- 2012 Mid-market Financial Adviser of the Year
- 2012 Private Equity Financial Adviser of the Year

The Banker Deals of the Year
- 2013 European M&A Deal of the Year – Iceland's £1.55bn management buyout

Real Deals Private Equity Awards
- 2013 Pan-European Corporate Finance Adviser of the Year
- 2013 UK Deal of the Year (exits with EV >€250m), and Grand Prix Deal of the Year – Bright Food/Weetabix

Euromoney Awards for Excellence
- 2012 Best M&A House in Germany

Financing advisory

Our financing advisory teams, encompassing debt and restructuring and equity advisory, provide advice to clients on financing strategy and solutions. On many occasions our financing advisory teams work alongside our M&A teams to deliver integrated advice to our clients.

Debt advisory and restructuring

Our debt advisory and restructuring teams provide strategic capital structure advice to deliver the best possible restructuring and refinancing solutions. Our debt advisory capability includes advice on capital raisings and refinancings across all markets, and expertise across banks, bonds, ratings, derivatives and hedging. Our restructuring capability includes lender negotiations, recapitalisations, exchange offers, distressed M&A, in-court and out-of-court transactions, and creditor representation.

Our independence and the large volume of deals we advise on place us in a unique position in terms of market knowledge, and enable us to deliver client-focused advice without the conflicts of interest faced by "bulge bracket" banks.

We have the largest and most experienced independent debt advisory practice, advising on over 100 transactions globally, with a total value of approximately US$100 billion (1). Our track record in successfully helping clients to optimise both the sources and terms of debt finance continues to drive our debt advisory deal pipeline.

In restructuring, clients continue to engage us on large and highly complex transactions and we have maintained our strong market position, advising on more EMEA deals than any of our competitors, as well as continuing to advise on numerous significant US restructuring assignments. During the year we advised on more than 30 restructurings globally, with a total value of US$40 billion (2).

Restructuring league table rankings by Region

	By number		By value	
	2011/2012	2012/2013	2011/2012	2012/2013
Global	2	3	1	5
EMEA	1	1	1	3
USA	4	5	6	6

Source: Thomson Reuters, completed transactions, 1 April - 31 March.

Members of our Global Financial Advisory team in Sao Paulo.

(1) Source: Rothschild internal analysis, completed transactions.
(2) Source: Thomson Reuters, completed transactions.

Rothschild advised the following clients on significant debt advisory and restructuring assignments during the year:

Group of Noteholders
- Restructuring of Deutsche Annington (€4.3bn)

Alibaba Group
- Privatisation and delisting (US$2.5bn) and debt financing (US$4.0bn)

Seat Pagine Gialle
- Restructuring of its capital structure (€2.7bn)

Peel Ports
- Refinancing and associated hedging arrangements (£1.6bn)

Tereos
- Bank and bond refinancing (€1.5bn)

Pages Jaunes
- Restructuring of its controlling shareholder Mediannuaire Holding (€1.4bn)

Techem
- Bond and bank refinancing including hedging advice (€1.3bn)

Rede Energia
- Debt restructuring and the sale of CELPA (US$1.5bn)

Strategic Value Partners
- Restructuring of Kloeckner Pentaplast involving a debt for equity swap (€1.2bn)

Inmet
- Debt 8.75% Senior Unsecured Notes issue (US$1.5bn)

Findus Group
- Restructuring of its debt facilities (£950m)

Wastequip
- Successful out-of-court restructuring of its debt obligations (US$725m)

Our debt advisory and restructuring expertise was recognised in several leading industry awards:

The Banker Deals of the Year
- 2013 Asia-Pacific Loan of the Year – Alibaba Group's US$4bn syndicated loan
- 2013 Asia-Pacific Restructuring of the Year – Arpeni Pratama Ocean Line's US$700m restructuring
- 2013 European Infrastructure and Project Finance Deal of the Year – Peel Ports' £1.6bn refinancing
- 2013 European Real Estate Finance Deal of the Year – Deutsche Annington's GRAND CMBS €4.3bn restructuring
- 2013 Middle Eastern Islamic Finance Deal of the Year – Jebel Ali Free Zone's US$2bn sukuk refinancing

The Banker Investment Banking Awards
- 2012 Most Innovative Investment Bank for Restructuring
- 2012 Most Innovative team – Rothschild's restructuring team

Turnaround Atlas Awards
- 2012 Global Restructuring Investment Bank of the Year
- 2012 Chapter 11 Reorganisation Deal of the Year (Middle Markets) – Sbarro

IFR
- 2012 Asia-Pacific Loan of the Year – Alibaba Group
- 2012 Asia-Pacific Restructuring of the Year – Arpeni Pratama Ocean Line
- 2012 Emerging EMEA Loan of the Year JAFZ's Dh4.4bn Sukuk

Equity advisory

Our equity advisory teams provide independent advice to clients on a wide range of equity capital raising transactions including IPOs, secondary offerings, block trades, spin-offs and convertible instruments. The teams work in collaboration with our industry sector specialists to deliver integrated advice to our clients.

With teams on the ground in key markets around the world, we have an unparalleled global footprint and deeper resources than any other adviser in this area. We are the only truly global provider of independent equity advice, with specialist teams based in key equity markets around the world including throughout Europe and in New York, Hong Kong, Sydney and Moscow.

In the financial year 2012/2013, our deal flow in Europe continued to be several times that of other equity advisory teams, despite European equity capital markets activity being below last year. During the year we advised on approximately 40 equity transactions, with a total value of US$40 billion (1).

Rothschild advised the following clients on significant equity capital markets transactions during the year:

Government of Portugal
- Recapitalisation of Banif (€1.1bn) and recapitalisation of CGD, BCP and BPI (€6.6bn)

Volkswagen
- Issuance of mandatory convertible notes (€2.5bn)

Queensland Government
- Partial sell-down in QR National (now Aurizon) by way of a selective buyback and placement (A$1.5bn)

Groupe Bruxelles Lambert
- Exchangable bond issue into existing ordinary GDF Suez shares (€1.0bn)

CLP Holdings
- Share placing (US$1.0bn)

KfW
- Sell-down in Deutsche Post via accelerated bookbuilding (€0.9bn)

Talanx
- IPO (€517m)

Moleskine
- IPO (€269m)

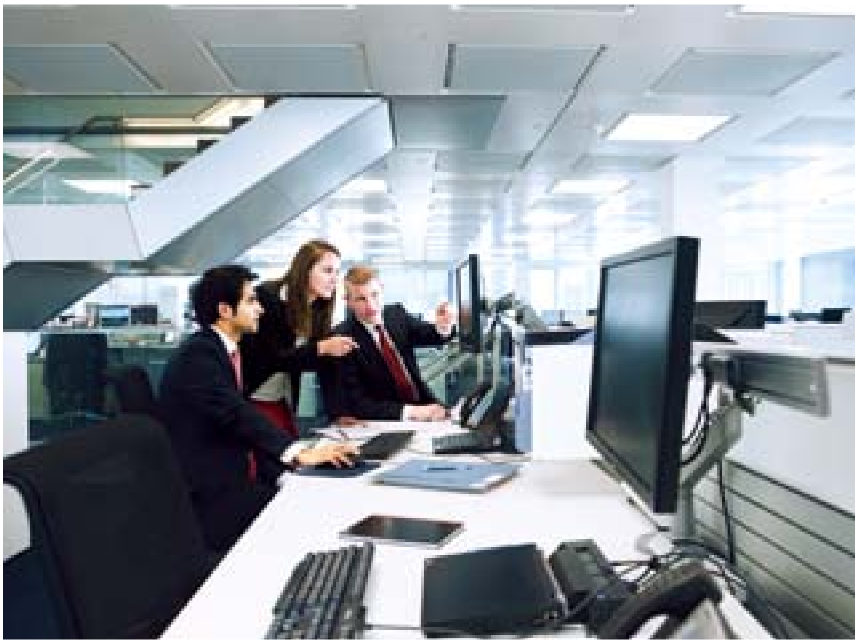
Our equity advisory expertise was recognised in several leading industry awards:

The Banker Deals of the Year
- 2013 European Equities Deal of the Year – Volkswagen's €2.5bn issuance of mandatory convertible notes

IFR
- 2012 EMEA Structured Equity Issue of the Year – Volkswagen's €2.5bn mandatory convertible notes

(1) Source: Rothschild internal analysis, completed transactions.

Our new offices at New Court, London, opened in 2011, are the fourth Rothschild building to occupy the address.
Colleagues working together in New Court, London.



Members of our Beijing team working together.

Wealth and Asset Management

Our Paris office taken from the entrance gate of Parc Monceau.

Introduction

We have a long-term perspective and our objectivity means our interests are aligned with those of our clients. Objective, transparent and state of the art advice to our high net worth private clients and our global institutional clients underpins our business model, which is demonstrated by our ability to attract clients, win new assets and generate solid investment performance.

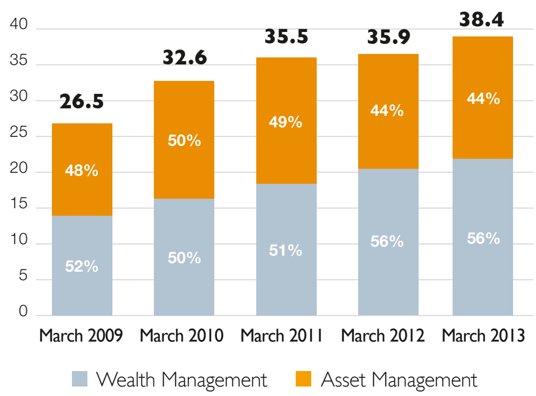
We continue to develop our Wealth and Asset Management activities in line with our stated strategy of diversifying our sources of income. Our businesses are focused on the preservation, growth and transmission of our private and institutional clients' wealth and assets. Our Wealth and Asset Management businesses are based in Brussels, Frankfurt, Geneva, Guernsey, Hong Kong, London, New York, Paris, Singapore and Zurich.

We work with more than 6,000 clients in 70 countries, and employ around 700 people.

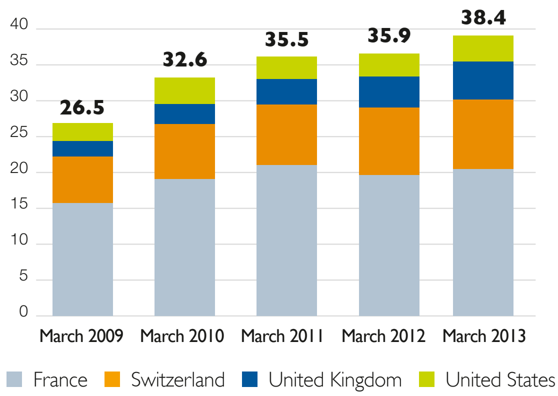
Our businesses had a total of €38.4 billion in assets under management at the end of March 2013 (€35.9 billion as at 31 March 2012), split between France €20.2 billion (€19.2 billion as at 31 March 2012), Switzerland €9.5 billion (€9.4 billion as at 31 March 2012), the United Kingdom €5.2 billion (€4.2 billion as at 31 March 2012), and the United States €3.4 billion (€3.1 billion as at 31 March 2012).

Assets under management over 5 years
(in billions of euro)

By business



By country



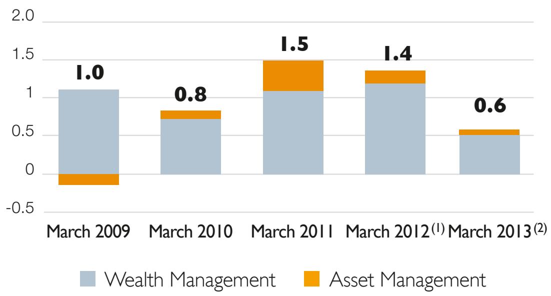
Colleagues in our Frankfurt office, which has our 130 staff.

Market overview

Sentiment in the wealth and asset management market continues to be fragile. In 2012, the market has again been characterised by high volatility in asset prices, particularly in the equity markets, weak investment flows and continuing risk aversion, with persistent concerns about the resolution of the Eurozone debt crisis. After a strongly improving first quarter, markets turned negative again in the second quarter due to deteriorating growth indicators and the downgrading of Spain by S&P. However, sentiment improved again during the second half and a combination of falling interest rates, contracting credit spreads and strong equity markets led to strong positive performances in all asset classes. This environment allowed our investment teams to record solid outperformances in our flagship funds, particularly in European equities, European bonds and balanced funds. Despite a difficult market environment, revenue has remained largely flat at €281 million, and we had a positive net inflow of €0.6 billion, including assets related to the HDF Finance acquisition. The competitive environment in all our businesses and geographies remained intense, impacting our management and advisory fees.

Regulatory pressures are stronger than ever, with the gradual introduction of bans on retrocessions in Europe, Solvency II and Basel III regulatory constraints on financial institutions limiting their appetite for risky assets, continuing pressure on the Swiss private banking market, and the introduction of financial transaction taxes in Italy and France.

Net new assets over 5 years
(in billions of euro)



(1) Net new assets for 2011/2012 exclude the outflow of €1.5 billion of assets under management linked to the partial sale of Sélection R in France.
(2) Net new assets 2012/2013 include the inflow of €0.8 billion of assets under management linked to the merger with HDF Finance in France.

Wealth Management

Our Wealth Management business provides wealth structuring, investment management, banking and trust services to wealthy individuals, families, trusts and charities around the world.

We are world leaders in protecting, structuring and managing assets for our clients. We work with many high net-worth families, entrepreneurs and business leaders seeking to consolidate their wealth or transmit the fruits of their business success to the next generation. We invest money as if it were our own, aiming to preserve and grow the real value of our client's wealth. We believe we have the scale, resources and intellectual capital to deliver investment excellence whilst still being able to provide a personalised service, tailored to the needs of the individual client. We also provide loans to our clients secured on diversified portfolios of liquid financial assets under our custody (Lombard Loans) or secured on residential property in selected jurisdictions. As at 31 March, 2013 total private client lending balances were €535 million, of which €406 million were Lombard Loans.

Our activities are managed through two divisions:

- one based in France, and operating in France and Belgium;
- one based in Switzerland, which covers our international activities and has offices located in Germany, Guernsey, Hong Kong, Singapore, Switzerland and the United Kingdom.

Wealth Management – Rothschild Patrimoine

Rothschild Patrimoine [(1)] is based in Paris and Brussels.

At the end of March 2013, assets under management in Wealth Management in France and Belgium amounted to €6.7 billion, up from €6.4 billion a year earlier, as a result of positive net new assets and a positive market impact. We won some significant mandates, and existing clients continue to rely on us for financial advice and investment management.

2012 was marked by the presidential elections in France and the announcement of significant tax changes, which have delayed investment decisions and reduced merger and acquisition activities, one of the leading drivers of wealth creation in France.

The strategic priorities were the development of our investment management offering, and the optimisation of our organisation, increasing our focus on business development and the acquisition of new clients. To this end, we have implemented a more complete version of our CRM tool, allowing us to better monitor and service our client activities.

The coming year promises to be challenging, with few positive developments being expected in the short-term economic or fiscal environment. We will continue to adapt our offering towards the low interest rate environment, and strengthen our commercial capabilities in France and Belgium. We will strengthen the level of cooperation across the Group and continue to encourage the referral of clients between our different businesses.

(1) Rothschild Patrimoine is a private banking department within Rothschild & Cie Gestion.

Wealth Management & Trust

Our Wealth Management & Trust operations are based in Frankfurt, Geneva, Guernsey, Hong Kong, London, Singapore, and Zurich.

As at the end of March 2013, assets under management amounted to €14.7 billion up from €13.7 billion the previous year. We recorded net new assets of €0.3 billion, with strong net inflows in our onshore businesses in Germany, Switzerland and the United Kingdom being partly offset by outflows in our international businesses.

In a year dominated by changing regulation and challenging markets, we have remained focused, continuing to invest heavily in systems and people to strengthen both our market position and our offering to our clients.

The major investment during the year was on our new global operations platform and IT system, which we see as an essential investment. It enables us to compete in an increasingly complex global wealth management market, to improve our operational efficiency, and to provide a better service to our clients.

In the front office, we continued to strengthen our presence in our core onshore markets, in particular in Germany and the United Kingdom. In Switzerland, we consolidated our front office and will start investing additional resources in 2013. Internationally, we have further reduced the number of markets in which we are active, to focus on those where we are strongest.

Turning to our Trust company, the major transformation in recent years is now bearing fruit, with a return to profitability in 2012/2013. The business is now regionally orientated, with clear responsibilities for specific markets and a well-defined offering for International Wealth Structuring. Today the entire Trust business operates on the same platform, with its hub in Zurich.

Looking ahead we believe our Wealth Management & Trust division is well placed to meet the challenges our industry faces. We have laid strong foundations in our operations, investment and client service teams and we expect to see continued growth, with a sustainable improvement in our profitability.

Awards

Bilanz Private Banking Rating 2012

- 2nd Place

Wealth Briefing Awards 2013

- Winner UK Private Bank UHNW Team

Step Private Clients Awards 2012/2013

- Winner Investment Team of the Year

Colleagues in one of New Court's meeting rooms, London.

Asset Management

Our Asset Management business provides investment management and advisory services to institutional clients, fund distributors and financial intermediaries worldwide. Our services are provided through three specialist subsidiaries.

Rothschild & Cie Gestion

Rothschild & Cie Gestion (RCG) is based in France and is focused on serving French and European clients. It specialises in high conviction, high alpha management of European equities (large-caps and mid-caps), European bonds, convertible bonds and diversified vehicles. It manages institutional mandates or segregated accounts and open ended mutual funds.

RCG's client segments include:

- French institutional clients (pension institutions, insurance companies, foundations, large family offices);
- French mutual fund distributors comprising private banks, life insurance companies, financial distribution networks and independent financial advisors;
- International clients, mainly European private banks, financial intermediaries and pension funds. A range of its mutual funds are registered for distribution in Switzerland, the Benelux, Germany (through a third party distribution firm named Max.xs), Italy, Spain and Austria.

International expansion is a major element of RCG's development strategy, for both institutional investors and fund distribution networks.

Awards

Alpha League Table 2012

- 2nd Best French Equity Manager - Europerformance-EDHEC

Lipper Fund Awards 2012

- France: R Valor - Best Fund over 3 years - Mixed Asset EUR Flex-Global
- France: R 2013 - Best Fund over 3 years - Target Maturity Bond EUR 2015
- Switzerland: R Valor - Best Fund over 10 years

Deutscher Fondspreis 2013 - Germany

- 2013 R Euro Crédit - Best Fund - Eurozone Bonds

Premios de Fondos Expansion 2013 - Allfunds Bank - Spain

- 2013 R Euro Crédit - Best Fund - Eurozone Bonds

Rothschild HDF Investment Solutions

During the course of the 2012/2013 financial year, Rothschild & Cie Gestion decided to concentrate its traditional and alternative multi-management activities into a separate subsidiary which was subsequently merged in September 2012 with HDF Finance, a French leader in funds of hedge funds, to form Rothschild HDF Investment Solutions.

Rothschild HDF Investment Solutions (RHIS) is a 63% owned subsidiary of RCG. It is a leading provider of open architecture investment solutions to French and international institutions, family offices and fund distributors. RHIS employs 27 investment professionals focusing on manager selection and portfolio construction across traditional and alternative asset classes.

RHIS' offering comprises:

- multi-strategy, single strategy and trading oriented funds of hedge funds;
- single managers selection, accessible through a managed account platform;
- multi-manager long-only funds;
- bespoke solutions;
- advisory mandates.

In addition, RHIS has developed innovative investment solutions for insurance companies and other institutions in the context of the upcoming Solvency II regulation. These solutions optimise the Solvency Capital Requirements of clients using quantitative modeling and structuring techniques.

Awards

BANCO Swiss Hedge Funds Awards 2012

- HDF Multi Strategies - Best MultiStrategy Aggressive Bias Fund over 1 year
- HDF Multi Reactive - Best MultiStrategy Defensive Bias Fund over 5 years

RCG and RHIS employed a total of 139 professionals as at 31 March 2013, following the integration of HDF Finance. Total assets under management reached €13.6 billion (€12.8 billion as at 31 March 2012). Both RCG and RHIS have signed the United Nations Principles for Responsible Investment (UNPRI).

Rothschild Asset Management Inc.

Rothschild Asset Management Inc. (RAM Inc) is the Group's US-based Asset Management business, specialising in active US equity management.

As at 31 March 2013, RAM Inc employed 36 professionals in its New York office, and had US$4.4 billion in assets under management on behalf of a broad range of clients, including corporations, endowments, foundations, public pension funds, financial intermediaries and high net worth individual investors.

RAM Inc's disciplined investment process combines quantitative analysis and fundamental research in order to identify companies with favourable business trends and whose stocks are reasonably valued. This approach is applied consistently across each of its investment strategies, which include:

- large cap core;
- large cap value;
- small cap core;
- small cap value;
- small cap growth;
- mid cap value;
- balanced.

RAM Inc continues to display a record of strong long term investment performance, particularly in its two large cap and small cap core strategies.

Merchant Banking

35 Paseo de la Castellana. Home to our Madrid office.

Introduction

Merchant Banking develops the firm's capital, alongside that of trusted investors, in private equity and private debt investment opportunities worldwide.

Private equity and private debt investments, which are the focus of Rothschild's Merchant Banking business, have demonstrated their ability to generate superior investment performance across cycles.

They have also benefited from strong investor demand for real and tangible assets. The development of our Merchant Banking business builds on the strengths of the Group in the European mid-market, where our Global Financial Advisory business enjoys a leading position. This leadership generates quality deal flow and market insights for our Merchant Banking investment initiatives.

Similarly, the development of Merchant Banking offers synergies with Rothschild's Wealth and Asset Management activities, as it offers our private and institutional clients privileged access to a series of well-targeted funds initiatives where the Group is itself investing significant amounts of capital.

Rothschild's experience in private equity and private debt

For almost three decades, Rothschild has been an active investor in private equity and private debt and has developed a strong expertise, network and track record across various equity and credit cycles.

Over the last few years, the uncertain macro environment and more brutal cycle changes have been a source of stress for the private equity industry. Market dislocation, scarcity of capital and financing for mid-cap companies have allowed new types of equity and debt investors to emerge.

This context has paved the way for the rapid development of Rothschild's private equity and private debt management business, as we believe that the current cycle presents an exceptional opportunity for Rothschild.

In 2008, we decided to institutionalise what had been a balance sheet business, and extend it into a third-party fund business.

The overall proposition is to generate attractive risk-adjusted returns, long term capital appreciation and downside protection through tailored investment strategies in private equity and private debt markets, both for Rothschild and for the investors in the funds we manage.

Rothschild within the asset class: a differentiating investment strategy

The specific positioning of Rothschild's Merchant Banking business consists of several key patterns.

Firstly, we are always an investor alongside investors with a significant amount of our own money at work in the funds we manage. One of our primary objectives is to invest our own capital, and that of our senior executives, in strategies where we see long-term potential, thereby creating a strong alignment of interests with third-party investors.

We strive to leverage Rothschild's exceptional network of contacts and sourcing opportunities, especially in the European mid-market, and combine this with a conservative and disciplined investment process.

Finally, our cohesive range of investment propositions covering the entire capital structure from private equity to private debt makes Merchant Banking a comprehensive investment partner for companies in need of financing and for private and institutional investors willing to deploy capital across strategies.

Merchant Banking today

In 2012, we reorganised our investment activities to enhance the synergies across our various funds: our London-based Debt Fund Management business (DFM) which includes Oberon and CLO Management, and our Paris Orléans Proprietary Investments business (POPI) were rolled into our Merchant Banking platform alongside our existing fund initiatives. Following this reorganisation, we now manage, as of 31 March 2013, €2.94 billion of assets globally, of which €1.29 billion are in private equity and €1.65 billion are in private debt strategies, spread across seven initiatives (see page 41).

As of March 2013, the Group held private equity and private debt assets valued at €464 million invested in the Merchant Banking business [1].

Overall, the business employs 67 people including 49 investment professionals. Each of our Merchant Banking initiatives is run by a dedicated team and has its own investment committee.

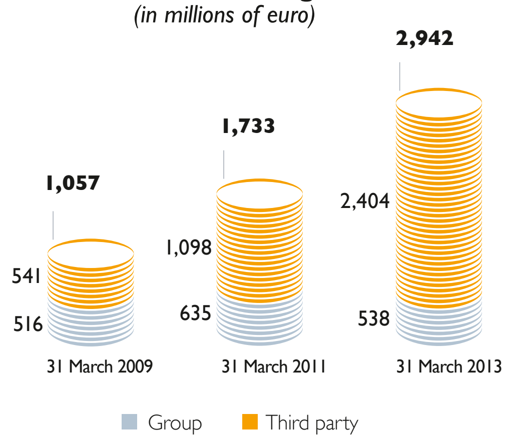
(1) This excludes credits held as part of the Group's banking book.

Our revenues comprise management fees calculated with reference to assets under management and investment profits (from direct investments, partnership interests in the funds we manage and carried interest).

We are committed to Environmental, Social and Governance (ESG) matters through our management company, Five Arrows Managers, which is a signatory to the UN PRI (Principles for Responsible Investment). We have also implemented an ESG Charter and have started to include ESG considerations in our investment processes.

During 2013 and beyond, we plan to continue to grow our assets under management by broadening our existing business initiatives and diversifying into new strategies.

Assets under management
(in millions of euro)



Note: Assets under management comprise committed capital where a managed fund is still in its investment period, and includes net asset value after the investment period has expired.

Assets under management have grown significantly over the last four years as a result of successful initiatives:

- the launch of 3 new fund initiatives in the private equity space, totalling €942 million;
- the acquisition of Elgin Capital, a specialist CLO manager, which brought in €1.4 billion of assets under management;
- the launch of 2 credit initiatives, whose fundraisings are ongoing, with a total to date of €392 million.

Merchant Banking strategies

	Private equity				Private debt		
	FAPI	FASO	POPI	R Capital III	FACS	Oberon	CLO Management
Investment Strategy	Growth/ buy out mid-market	Secondary small & mid-cap	Opportunistic/ diversified	Growth tech	Junior credit	Senior credit	CLOs
Geography	Europe	Europe	Global	Europe	Europe	Europe	Europe
Vintage	2010	2012	N/A	2009	2013	2012	2006/2007
Size	€583m	€259m	€193m	€100m	€400m (1)	€200m (1)	€1,500m

(1) Target size.

Business review

Private equity

In private equity, we manage €1.29 billion with a team of 43. We have developed four different strategies or funds.

Five Arrows Principal Investments (FAPI)

FAPI is a €583 million fund raised in 2010 as a roll-out of Rothschild's successful European mid-market strategy. FAPI concentrates on European expansion, replacement capital and buyout deals in the mid-market segment, with a focus on core Europe (France, the United Kingdom, Germany, Southern Europe and Scandinavia). As of March 2013, the fund has invested in nine companies. During 2012, FAPI's portfolio had a robust performance achieving aggregate sales growth of more than 8% and EBITDA growth in excess of 18%. FAPI focuses on mid-market companies in niche/resilient subsectors of the European economy with long term growth prospects, strong cash flow generation and where operating improvements can be implemented.

SOCOTEC

In February 2013, FAPI and its co-investors acquired 20% of Socotec for a total investment of €75 million, of which FAPI's share was €40 million. With revenues of €450 million and EBITDA of €50 million, Socotec is one of France's leading providers of testing, inspection and certification (TIC) services in the fields of construction, equipment, real estate diagnostics and energy markets (nuclear, oil and gas). The transaction was one of the largest LBO of the French market in 2012 and was conducted outside an auction process. This investment translates into an indirect exposure to the company of approximately €7 million for the Group.

Five Arrows Secondary Opportunities III (FASO)

FASO is a €259 million fund raised in 2012 and managed by a specialist team in European small and mid-cap secondary transactions. FASO purchases assets, whether portfolios of companies or fund shares, from sellers seeking liquidity, affected by regulatory constraints or simply divesting non-core assets. During the first year of activity FASO completed four transactions, confirming the market opportunity and the attractiveness of the investment strategy, representing a total of €95 million of capital drawn and invited co-investors into these transactions for another €41 million, translating into an investment amount for the Group of €11 million.

As of March 2013, FASO has developed a diversified portfolio of 83 underlying companies spanning more than 13 different sectors.

The portfolio comprises three secondary direct investments and one fund share of a large European fund manager. These four were all purchased from European financial institutions willing to divest for liquidity issues or regulatory constraints. Three of the four investments were also sourced directly by the FASO team.

Finally, in December 2012, only six months after the fund closed, FASO completed its first exit.

Paris Orléans Proprietary Investments (POPI)

Historically, POPI was the investment arm of the Group and the Rothschild family. Over the years POPI has developed a strong expertise in private equity and private debt investing and, since 2005, has opportunistically deployed over €385 million across more than 140 transactions. It was based on this successful balance sheet investment practice that Rothschild was able to launch our Merchant Banking fund initiatives, such as FAPI and FACS. Currently, POPI's strategy consists of opportunistic co-investing, with a main focus on emerging markets in Eastern Europe, the Americas and Asia.

During the year, POPI made five new investments mainly in Brazil, Asia and Africa for a total amount of €12 million. Also, four follow-on investments in companies already in its portfolio and capital call from external funds were made for an additional amount of €10 million.

In December 2012, POPI co-invested US$5 million in IHS, one of the largest telecommunication tower infrastructure providers in Africa. After 31 March 2013, POPI increased its exposure to $23 million, partially syndicated today. Founded in 2001, IHS provides services along the full tower value chain – tower collocation, managed services and deployment – with primary operations in Nigeria, Cameroon and Ivory Coast. As of today, IHS has 5,700 sites under management of which 3,000 are owned.

R Capital III

R Capital III is a €100 million late stage growth tech fund raised in 2009 which targets profitable, established and fast growing European companies with a strong technological component – whether in media, health or energy – through equity or quasi-equity investments.

As of March 2013, R Capital III had invested in 6 companies.

Private debt

Merchant Banking actively covers the European leveraged credit market through three main initiatives. Altogether, our private debt activities account for over €1.65 billion of funds under management and our team comprises 19 individuals.

As with all Merchant Banking initiatives, the affiliation with Rothschild's other business activities provides significant market insight and sector knowledge.

Through our private debt activities, we are able to offer investors access to the European mid-size corporate credit market through specific risk and yield strategies. Overall investor demand is growing as investors look to diversify away from traditional fixed income products where yields have been depressed.

Five Arrows Credit Solutions (FACS)

In early 2013, we launched a high yielding junior debt fund, FACS, to take advantage of opportunities for private lending to middle-market companies in Europe. The fund intends to benefit from the reduction of credit available to European mid-caps, by offering structured intermediate capital solutions to performing mid-size corporates across Europe and seeks investments from €10 million up to €50 million.

In May 2013, FACS completed its first closing at €235 million and is targeting a €400 million final close.

Oberon Credit Fund

In 2012, we launched the Oberon Credit Fund, a new unlevered closed end fund investing in the senior leveraged European buyout debt. The Oberon Credit Fund secured a first close of €130 million in December 2012 and it is targeting a final close at €200 million in the coming months. Its successful marketing confirms the growing appetite from institutional investors for alternative senior debt products offering a substantial yearly cash yield.

Oberon currently holds 23 different assets representing a total investment of €72 million.

CLO Management business

Our CLO Management business comprises five European CLOs of which four (operating under the Dalradian banner) were acquired in 2011 through the purchase of Elgin Capital, a specialist CLO Manager.

Due to a mix of portfolio arbitrages and exposure to performing assets, a marked improvement in the performance of the underlying vehicles enabled Merchant Banking to collect performance based management fees during the year.

Portfolio review

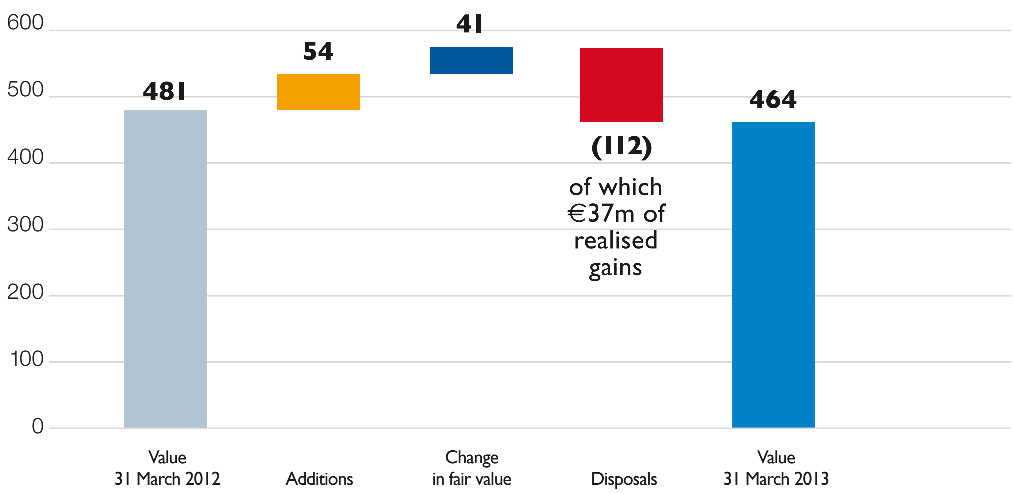
Portfolio valuation *(in millions of euro)*

	31 March 2012 (1)	31 March 2013
Managed funds		
FAPI	45	57
FASO	-	11
FAI / FAMI (2)	55	26
DFM	14	22
R Capital Management	9	12
Sub-total	**123**	**128**
Paris Orléans Proprietary Investments (POPI)		
LBO / Equity	92	78
LBO / Mezzanine	55	42
Growth capital	65	73
Sub-total	**212**	**193**
Other		
External private equity funds	53	54
Strategic holdings	49	47
Real estate (3)	28	27
Other	16	15
Sub-total	**146**	**143**
TOTAL GROSS ASSETS	**481**	**464**

(1) Pro-forma the integration of DFM and POPI.
(2) Predecessor of FAPI.
(3) Portfolio in run-off.

As shown above, gross assets invested have remained stable during the year allowing a recycling of realised capital into our new fund initiatives such as FAPI and FASO.

Changes in the investment portfolio *(in millions of euro)*



Investments during the year

During the year ended 31 March 2013, the total new investments by the Group and the funds we manage amounted to €246million, representing a total cash disbursement for the Group of €54 million. Around half of the additions during the year are drawdowns by the FAPI and FASO funds (€32 million), with most of the remainder by POPI (€22 million).

Divestitures during the year

During the year ended 31 March 2013, the Group's total divestitures amounted to €112 million, generating a capital gain of €37 million for this year.

Merchant Banking originally co-invested €5.2 million in July 2008 in the acquisition of Cadum, a leading player in the hygiene and personal care market and IBA, a leading distributor of air care products.

- Key investment highlights included:
  - a unique opportunity to leverage on the Cadum brand's unparalleled legacy to stretch the product lineup (shower gel, men care products, etc.);
  - the ability to create a leading player in the fast moving consumer goods market driven by Cadum management's marketing expertise;
  - significant upside potential through a dedicated in-house sales force that would sell both Cadum and IBA products in Western Europe.
- Exit and investment outcome:
  - in late April 2012, after a highly competitive auction, Cadum was finally sold to L'Oreal;
  - as a result, our €5.2 million investment generated €28.5 million of proceeds leading to a €23.3 million capital gain of which €16 million was accounted for in the year to 31 March 2013 with the remainder being accounted for in the previous financial year. The investment generated a multiple of 4.2x.

Merchant Banking invested €16.2 million in Paprec in July 2009 (and invited co-investors for an additional amount of €8.1 million) to fund the rapid growth of this leading French recycling business. The business performed very well despite the crisis, exhibiting continued organic growth and taking advantage of the crisis to purchase smaller competitors.

- Key investment highlights included:
  - the continued growth of the market thanks to strong regulatory tail winds combined with expansion into a variety of recycling markets (paper, metals, wood, industrial waste) led to strong organic growth for the business;
  - geographical expansion to cover the entire French market, alongside significant consolidation opportunities which fuelled growth beyond organic expansion;
  - a very high quality management able to defend margins and profitability.
- Exit and investment outcome:
  - in early 2013, all financial investors sold their interest in Paprec to its founder who wished to regain sole control over the business;
  - overall, we booked a 1.8x gross multiple on our investment despite an adverse economic cycle driving commodity prices down.


שד' רוטשילד
جادة روتشيلد
ROTHSCHILD BLVD.
118

Specialist Finance

Home to our Tel-Aviv office.

Asset finance and fund lending

The Group has decided to focus on our specialist finance businesses, in particular our asset finance operations which have a long track record of excellent returns.

As at 31 March 2013, the growing portfolio of Specialist Finance, consisting of asset finance (through Five Arrows Leasing Group) and fund lending, was €0.3 billion compared to €0.4 billion last year.

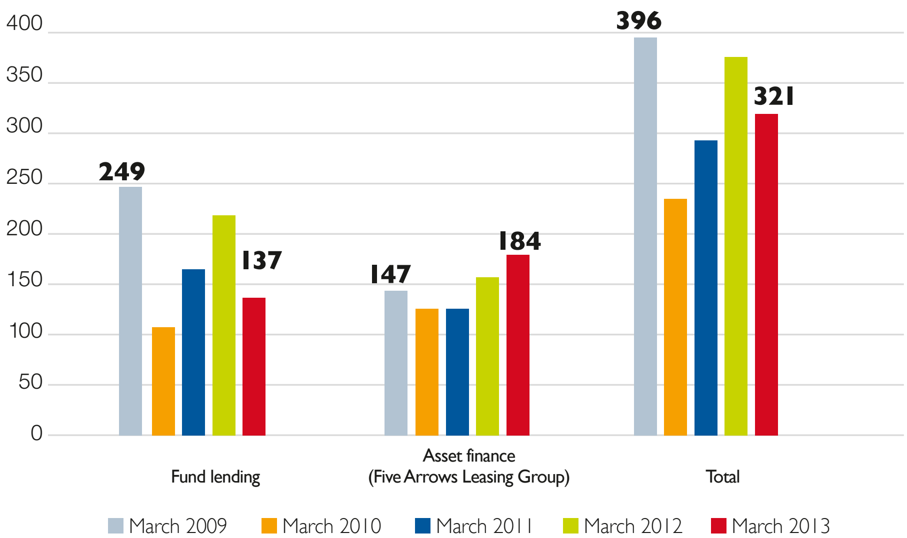
Asset finance (Five Arrows Leasing Group)

The Five Arrows Leasing Group businesses provide a range of asset finance facilities to UK companies and local Government. It has several specialist subsidiaries which provide finance secured against assets such as printing machines, broadcast equipment, commercial vehicles (mainly for UK local Government) and other types of plant and machinery. As well as managing its own books it also provides administration services for leasing books to major corporates and finance providers across Europe. The in-depth knowledge of these sectors and the conservative approach has resulted in the businesses delivering a consistently strong performance, with good margin income and low levels of impairment. Over the years Five Arrows Leasing Group has successfully added to its portfolio of businesses and the Group plans to expand this area further through organic growth and also by way of acquisition.

Fund lending

This activity is carried out through the Group's bank in Guernsey. It provides loan facilities secured against the assets of the fund which are well diversified. The conservative "Loan to Value" covenants for these facilities are regularly monitored and the assets can be liquidated within a short timeframe.

Split by nature of lending over 5 years *(in millions of euro)*



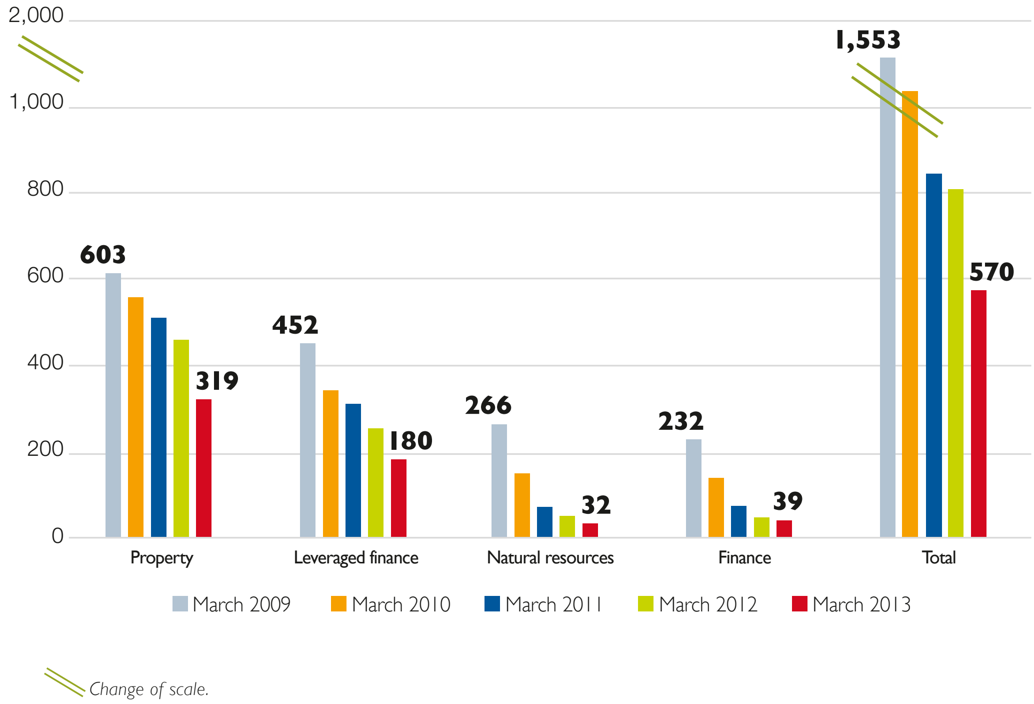
Corporate lending

In 2008, we decided to gradually withdraw from corporate lending.

As at 31 March 2013, our corporate lending book amounted to €0.7 billion (compared to €0.8 billion the previous year) and consisted primarily of a property loan portfolio, secured principally on UK commercial property, and a leveraged finance loan portfolio which comprises senior and mezzanine debt in the larger European leveraged buy-outs.

As planned, there has been a further reduction in these loan books during the year. The decrease is largely a result of loan repayments and asset disposals. Impairment levels have decreased compared to last year, but we continue to adopt a cautious approach in the light of the current uncertain economic outlook.

Corporate loan book over 5 years *(in millions of euro)*




ALEXANDRA HOUSE
SAINT LAURENT
PARIS

Management's report for the financial year ended 31 March 2013

Alexandra House.
Home to our Hong Kong office.

Key events of the 2012/2013 financial year

During the financial year ended 31 March 2013, the General Meeting of shareholders of 8 June 2012 approved a reorganisation of the Group that constitutes a major step forward in its ongoing international expansion and in the simplification of its structures (1).

Announced in a press release on 4 April 2012, this reorganisation comprises two stages:

- a first stage, which consisted of converting Paris Orléans' form of incorporation into a French partnership limited by shares (*société en commandite par actions*); this conversion was accompanied by changes in Paris Orléans' governance, which are described in page 68 of this report;
- a second stage consisting of the transfer to Paris Orléans of all the capital not yet owned by the Group of Rothschild & Cie Banque SCS, the holding company for the French activities, and of all the capital of Financière Rabelais SAS, one of the main General partners of Rothschild & Cie Banque SCS, and of virtually all the capital owned by third parties of Rothschilds Continuation Holdings AG, the holding company for all the Group's other operating subsidiaries, including NM Rothschild & Sons Ltd in the United Kingdom.

On 11 July 2012, interests and shares in Rothschild & Cie Banque SCS, Financière Rabelais SAS and Rothschilds Continuation Holdings AG were contributed by Paris Orléans to its subsidiary Paris Orléans Holding Bancaire (POHB) SAS, which subsequently became the sole intermediate structure holding all the banking activities within the Group.

This reorganisation was designed to:

- simplify and harmonise the Group's management;
- facilitate its development;
- strengthen Paris Orléans' regulatory capital in preparation for application of the new prudential standards introduced by Basel III;
- ensure the commitment and control of the Rothschild family over the long-term; and
- maintain the free float.

The main consequences of the reorganisation are detailed in this report.

Results as at 31 March 2013

CONSOLIDATED FINANCIAL STATEMENTS

In millions of euro	2012/2013	2011/2012
Income statement		
Revenues	1,147.1	1,134.9
Operating income	**164.9**	**166.1**
Net income / expense from other assets	(40.7)	5.8
Profit before tax	**130.4**	**173.5**
Consolidated net income	90.4	141.5
Net Income – Group Share	47.4	37.2
Underlying net income – Group share	**61.8**	**53.4**
Balance sheet		
Total assets	8,694.3	8,923.5
Cash and amounts due from central banks	3,739.7	2,812.8
Loans and advances to customers	1,358.1	1,685.7
Due to customers	5,587.9	5,619.1
Shareholders' equity – Group share	**1,228.9**	**720.8**
Non-controlling interest	**482.9**	**984.3**

(1) Detailed information on the Company's reorganisation is provided in the information memorandum filed with the French Financial Markets Authority (Autorité des marchés financiers) *on 16 May 2012 under registration No. E.12-019 and attached to the Executive Board's report presented to the General Meeting of shareholders on 8 June 2012. These documents are available on Paris Orléans' website under section entitled "Investor Relations - Regulated information" at www.paris-orleans.com.*

Results as reported

There are two main activities within the Group: Global Financial Advisory which focuses on providing advice in the areas of M&A, debt, restructuring and equity; and Asset Management in a broad sense which comprises Wealth & Asset Management and Merchant Banking. In addition there is a Specialist Finance business which predominantly relates to the legacy banking book business.

In the Global Financial Advisory business, although the first half of the year was slow, the second half was particularly strong. As a result, revenues for the year to March 2013 were €741 million, up 4% from €711 million in the prior year. This has been achieved in challenging global market conditions (for example, the European market by value is down by 14% compared to last year).

For Wealth and Asset Management businesses, 2012/2013 was a difficult year, with revenue down by 1% to €281 million (previous year: €284 million). Group assets under management were up 7% at €38.4 billion (€35.9 billion as at 31 March 2012) largely due to stronger equity markets and the HDF Finance acquisition.

The Merchant Banking division now comprises both merchant banking funds (including our unlisted debt funds) and proprietary investments. For 2012/2013, Merchant Banking generated revenues of €69 million compared to €71 million the previous year. Disposals amounted to €112 million, generating capital gains of €37 million. Moreover, this division invested €54 million, of which €22 million was in proprietary investments and €32 million was in equity funds managed by Merchant Banking.

In 2008, the Group decided to focus on specialist finance to promote its niche leasing business and to withdraw over time from corporate lending. Our legacy banking book continues to reduce in line with our exit plans.

For the year ended 31 March 2013, staff costs were €696 million compared to €686 million in the prior year. The increase is largely due to higher variable staff compensation deriving from stronger revenues. Administrative expenses decreased by 4.2% compared to the prior year, reflecting our cost reduction initiatives in central costs and support functions.

Impairment charges and loan provisions were €31 million compared to €26 million for 2011/2012 with the increase due largely to adopting a revised policy for providing against overdue advisory receivables.

Operating income was at the same level as last year at €165 million.

Included in net income/expense was the impairment charge of €46 million relating to the Group's long-standing shareholding in Banque Privée Edmond de Rothschild SA. Further information concerning this impairment is set out in note 27 to the consolidated financial statements.

Non-controlling interests decreased significantly, from €104 million as at 31 March 2012 to €43 million as at 31 March 2013 due to the June 2012 Group's reorganisation which saw an increase in ownership to 97.3% of RCH and 98.7% of RCB.

Underlying performance

The underlying performance of the Group can be better understood by normalising the results reported for 2011/2012 and 2012/2013, which involves making two adjustments to the reported results.

First, the division of income between the Group share and non-controlling interests has been recalculated, as if the Group reorganisation, described above and in note 30, had taken place on 1 April 2011. Secondly, the impact of impairing the long-standing shareholding in Banque Privée Edmond de Rothschild has been reversed from the 2012/2013 results.

After making these adjustments, the underlying net income - Group share increases to €62 million in 2012/2013 from €53 million in 2011/2012, while underlying earnings per share have risen from €0.78 to €0.90.

Further information concerning these adjustments is set out in note 31 to the consolidated financial statements.

Overview of the Group's activities

The review of the Group's activities during the 2012/2013 financial year is presented in page 22 onwards of this report.

PARENT COMPANY PARIS ORLÉANS FINANCIAL STATEMENTS

In millions of euro	2012/2013	2011/2012
Income statement		
Current income before tax	(1.0)	3.1
Income from capital transactions	122.7	(117.6)
Net income	**119.9**	**(114.3)**
Balance sheet		
Balance sheet total	1,641.8	964.6
Non-current financial assets	1,473.7	792.9
Current assets	164.3	168.7
Borrowings and other financial liabilities	86.9	89.7
Shareholders' equity	**1,469.2**	**813.9**

The contributions of interests in Rothschild & Cie Banque SCS, Financière Rabelais SAS and Rothschilds Continuation Holdings AG to Paris Orléans were approved by the Annual General Meeting of shareholders held on 8 June 2012. This resulted in significant changes to the balance sheet, with the balance sheet total increasing by 70% at 31 March 2013 compared to 31 March 2012. These contributions were exchanged for new Paris Orléans shares with a value of €561.6 million, which represents most of the increase in shareholders' equity at 31 March 2013 compared to the previous year-end.

The contributions comprised:

- 55.01% of the securities in Rothschild & Cie Banque SCS (RCB) for €214.6 million;
- 100% of the shares in Financière Rabelais SAS (one of RCB's main General partners) for €89.3 million;
- 43.33% of the shares in Rothschilds Continuation Holdings AG (the company holding the Group's banking subsidiaries outside France, including NM Rothschild & Sons Limited in the UK) for €257.7 million.

In July 2012, the securities received on 8 June 2012, recognised in "Non-current financial assets", were contributed at their net carrying amount to the wholly-owned subsidiary Paris Orléans Holding Bancaire (POHB) SAS. The latter holds all of the banking assets held indirectly by Paris Orléans at a gross carrying amount of €1,335.5 million.

As at the previous year-end, the Paris Orléans Holding Bancaire (POHB) SAS equity interests were measured at their value in use, determined using their revalued net assets on the basis of the valuations used for Rothschilds Continuation Holdings AG and Rothschild & Cie Banque SCS. This resulted during the 2012/2013 financial year in a reversal of impairment provisions against these securities totalling €121.4 million; the impairment provisions had been recognised in the 2011/2012 financial year and comprised most of the parent company loss recognised in that year.

Paris Orléans posted net income of €119.9 million for 2012/2013, compared with a loss of €114.3 million one year earlier. As previously explained, this is attributable mainly to the income from capital transactions of €122.7 million, essentially due to the reversal of impairment provisions in respect of the equity interests held by Paris Orléans Holding Bancaire (POHB) SAS.

During the 2012/2013 financial year, the Company also received dividends of €6.4 million from its subsidiaries and other portfolio companies (compared to €13.7 million in 2011/2012, which benefited from a €10.5 million distribution by the subsidiary company K Développement SAS). As a result, the current loss before tax was limited to €1.0 million, against current income before tax of €3.1 million one year earlier.

Proposed appropriation of income and dividend proposal

The parent company's net profit for the financial year 2012/2013 amounts to €119,878,113.78 which, less the amount of €5,993,905.69 assigned to create the legal reserve and in addition to retained earnings brought forward of €68,162,738.34, makes total distributable profit of €182,046,946.44.

In accordance with the provisions of the Articles of Association, an amount of €740,656.75 equal to 0.5% of this total distributable profit (1) will be automatically allocated for payment to the two General partners, PO Gestion SAS and PO Commandité SAS.

The Management will propose to the General Meeting of shareholders that the income for the 2012/2013 financial year be appropriated as follows:

In euro

Net profit for the financial year	**119,878,113.78**
Appropriation to the legal reserve	(5,993,905.69)
Credit retained earnings	68,162,738.34
Distributable profit	**182,046,946.44**
Profit share allocated to the General partners in accordance with the provisions of Article 14.1 of the Articles of Association (1) (2)	(740,656.75)
Appropriation	
to the payment of a dividend of €0.50 per share (2) (3)	35,451,514.50
to retained earnings	145,854,775.19

(1) Calculated on a prorata temporis *basis (297/365) due to the status of the General partners as from 8 June 2012.*
*(2) The dividend is eligible for the 40% tax relief available to individual shareholders who are liable to income tax in France, pursuant to Article 158.3.2 of the French Tax code (*Code général des impôts*).*
(3) Out of a total of 70,757,989 shares and 145,040 investment certificates eligible to a dividend.

The payment of a dividend of €0.50 per share to shareholders will be proposed and shareholders will have the right to elect for payment of the 2012/2013 dividend, for the total amount of the dividend to which they are entitled, either in cash or new ordinary shares.

In accordance with applicable statutory provisions, the dividends distributed by the Company to the shareholders in respect of the last three financial years were as follows:

	2011/2012	2010/2011	2009/2010
Number of shares and investment certificates which could qualify to a dividend payment (1)	31,771,967	31,611,745	31,020,213
Net dividend per share (in euro)	0.50 (2)	0.40 (2)	0.35 (2)
Total amount distributed (in euro)	15,885,983.50	12,644,698.00	10,857,074.55

(1) Number of shares and investment certificates that could qualify to a dividend, held on the detachment date and excluding treasury shares and investment certificates held by the Company.
*(2) Dividend eligible for the 40% rebate provided for in Article 158 (3) (2°) of the French Tax Code (*Code général des impôts*) for the shareholders who are individuals and French tax residents.*

Share capital and shareholders

INFORMATION RELATING TO THE SHAREHOLDERS

Share ownership and voting rights structure

As at 31 March 2013

	Number of shares and investment certificates	% of the share capital	Number of exercisable voting rights	% of exercisable voting rights
Rothschild Concordia SAS (1)	15,738,000	22.20%	31,476,000	36.14%
David de Rothschild (2)	4,128,791	5.82%	4,128,800	4.74%
Éric de Rothschild (2) and his family	5,206,680	7.34%	5,206,690	5.98%
NM Rothschild & Sons Ltd (controlling shares deprived of voting rights)	1,800,000	2.54%	-	-
Other members of the enlarged family concert (3)	6,365,038	8.98%	7,821,928	8.98%
Total enlarged family concert (4)	**33,238,509**	**46.88%**	**48,633,418**	**55.84%**
Edmond de Rothschild Group	5,573,586	7.86%	5,573,586	6.40%
Jardine Matheson Group	4,217,310	5.95%	4,217,310	4.84%
Paris Orléans (5)	693,504	0.98%	-	-
Float	27,180,120	38.33%	28,665,117 (6)	32.91%
TOTAL	**70,903,029**	**100.00%**	**87,089,431 (6) (7)**	**100.00%**

(1) Grouping David de Rothschild branch, Éric de Rothschild branch and the English branch of the Rothschild family.
(2) Directly and indirectly.
(3) Including Édouard de Rothschild branch, the Eranda Foundation, Philippe de Nicolay, Alexandre de Rothschild, François Henrot, Olivier Pécoux and his family and Compagnie Financière Martin Maurel.
(4) New concert composition disclosed by the French Financial Markets Authority (Autorité des marchés financiers) on 12 June 2012 (Decision & Information No. 212C0752 of 13 June 2012 and Decision & Information No. 212C0783 of 19 June 2012).
(5) Comprising 548,464 shares (including 26,854 shares allocated to a liquidity contract) and 145,040 investment certificates held by Paris Orléans.
(6) Including 145,040 voting rights attached to 145,040 voting rights certificates.
(7) Total of 89,437,995 theoretical voting rights.

As at 31 March 2012

	Number of shares and investment certificates	% of the share capital	Number of exercisable voting rights	% of exercisable voting rights
Rothschild Concordia SAS (1)	15,738,000	48.40%	15,738,000	52.21%
NM Rothschild & Sons Ltd (controlling shares deprived of voting rights)	1,800,000	5.54%	-	-
Other members of the enlarged family concert (2)	1,456,902	4.48%	1,456,902	4.83%
Total family concert (3)	**18,994,902**	**58.42%**	**17,194,902**	**57.04%**
Asset Value Investors	1,949,707	6.00%	1,949,707	6.47%
Allianz Vie	1,686,692	5.19%	1,686,692	5.59%
Paris Orléans (4)	714,120	2.20%	-	-
Float	9,170,166	28.20%	9,315,206 (5)	30.90%
TOTAL	**32,515,587**	**100.00%**	**30,146,507 (5) (6)**	**100.00%**

(1) Grouping David de Rothschild branch, Éric de Rothschild branch and the English branch of the Rothschild family.
(2) Including Édouard de Rothschild branch, Philippe de Nicolay and the Eranda Foundation.
(3) Concert composition disclosed by the French Financial Markets Authority (Autorité des marchés financiers) on 25 January 2008 (Decision & Information No. 208C0180).
(4) Comprising 569,080 shares (including 47,400 shares allocated to a liquidity contract) and 145,040 investment certificates held by Paris Orléans.
(5) Including 145,040 voting rights attached to 145,040 voting rights certificates.
(6) Total of 32,660,627 theoretical voting rights.

The Company is controlled by an enlarged family concert comprising, since 2008, the French and English branches of the Rothschild family, NM Rothschild & Sons Ltd and the Eranda Foundation, and, as from 8 June 2012, certain members of the management bodies and Compagnie Financière Martin Maurel.

The initial family concert combined in Rothschild Concordia SAS the David and Éric de Rothschild branches and the English branch of the Rothschild family. The provisions of the Rothschild Concordia SAS shareholders' agreement were communicated to and disclosed by the French Financial Markets Authority (*Autorité des marchés financiers*) on 25 January 2008 (Decision & Information No. 208C0180).

Within the structure of the 2012 reorganisation, the French Financial Markets Authority (*Autorité des marchés financiers*) was informed on 12 June 2012 of the new composition of the family concert extended to new members (Decision & Information No. 212C0752 of 13 June 2012 and Decision & Information No. 212C0783 of 19 June 2012). On this occasion, the French Financial Markets Authority *(Autorité des marchés financiers)* was informed of the existence of a new shareholders' agreement concluded between certain members of the enlarged family concert of which the main features are summarised on page 59 of this report.

As at 31 March 2013, the share capital and voting rights of Rothschild Concordia SAS were divided as follows: David de Rothschild Branch (25.82%), Éric de Rothschild Branch (38.67%) and the English Branch of the Rothschild family (35.51%).

Main consequences of the June 2012 reorganisation on the shareholding

Main consequences of Paris Orléans' conversion into a French partnership limited by shares (société en commandite par actions)

Paris Orléans' conversion into a French partnership limited by shares (*société en commandite par actions*) offered the minority shareholders the possibility of selling their shares in Paris Orléans under a minority buyout offer initiated jointly by Rothschild Concordia SAS, controlling shareholder of Paris Orléans, and PO Gestion SAS, which is now Paris Orléans' Managing partner. The buyout offer was made at a price of €17 per share, cum-dividend for the 2011/2012 financial year, and presented by Natixis, which also guaranteed the offer[1].

In its opinion on the offer, while considering the terms and conditions thereof to be fair, the Supervisory Board of Paris Orléans under its former form of limited company with a Supervisory Board and an Executive Board (*société anonyme à Directoire et Conseil de surveillance*) recommended that shareholders should not present their shares to the offer so that they could benefit from the value creation linked to the reorganisation submitted to the General Meeting of shareholders of 8 June 2012 for approval.

The public buyout offer ran from 11 June to 22 June 2012 and the results were published by the French Financial Markets Authority (*Autorité des marchés financiers*) on 25 June 2012 (Decision & Information No. 212C0826). The offer resulted in the transfer of 1,931,654 shares which, in accordance with the undertakings given by new investors in the context of the offer, were reclassified at the offer price.

Moreover, on 26 June 2012, in accordance with the commitments given in the context of the buyout, Jardine Matheson exercised its put option on its long-standing shareholdings and part of the shares it had received in exchange for the contribution of shares of Rothschilds Continuation Holdings AG approved by the General Meeting of shareholders of 8 June 2012. On this occasion, Jardine Matheson sold 4,566,364 shares, including 600,000 shares with double voting rights. Following this reclassification, Jardine Matheson held 4,217,310 shares representing the same number of voting rights, *i.e.* 5.95% of the capital and 4.86% of the exercisable voting rights as at the date of this report.

Taking these reclassifications into account, Natixis's shareholding consists of 3,545,150 shares, representing the same number of voting rights, *i.e.* a little more than 4.99% of the capital and 4.08% of the exercisable voting rights.

Main consequences of the contributions

The realisation of the share transfers have significantly modified the Group share ownership structure by grouping under Paris Orléans almost all the capital of the operational holding companies for the Group's banking activities. A simplified chart of the Group's structure before and after the share transfers is provided on page 12 of the present report.

*(1) The terms and conditions of the buyout offer are described in the related offer memorandum, prepared by the joint offerors, and the reply memorandum prepared by Paris Orléans (www.paris-orleans.com), and available to the public as from 11 May 2012 following the favourable compliance decision issued by the French Financial Markets Authority (*Autorité des marchés financiers, www.amf-france.org*) on 10 May 2012.*

Moreover, the transfer to Paris Orléans of the interests and shares in Rothschild & Cie Banque SCS, Financière Rabelais SAS and Rothschilds Continuation Holdings AG resulted in the issue of a total of 38,387,442 ordinary new shares, qualifying for dividend as from 1 April 2012, allocated in compensation of their contributions. These share allocations resulted in declarations relating to the crossing of thresholds by some shareholders, as detailed in the following section.

The General Meeting of shareholders of 8 June 2012 also decided to modify the Company's Articles of Association to allocate double voting rights to all the registered shares held by a same shareholder for more than two years.

Thresholds crossings

Crossings of legal thresholds

As a result of the approval of the Group's reorganisation, the transactions related to the buyout offer initiated jointly by Rothschild Concordia SAS and PO Gestion SAS and the reclassifications following the latter, the Company was informed of thresholds crossings, pursuant to Article L. 233-7 of the French Commercial Code (*Code de commerce*).

■ By notices received on 12 June 2012, the following threshold crossings, dated 8 June 2012, were disclosed to the French Financial Markets Authority *(Autorité des marchés financiers)* (Decision & Information No. 212C0752 of 13 June 2012 and Decision & Information No. 212C0783 of 19 June 2012):

- Financière de Tournon SAS (3, rue de Messine, 75008 Paris) disclosed that it had surpassed the 5% threshold of the Company's share capital and that it individually held 3,779,425 Paris Orléans shares representing an equal number of voting rights, *i.e.* 5.33% of the capital and 4.21% of voting rights;

- Ponthieu Rabelais SAS (3, rue de Messine, 75008 Paris) disclosed that it had surpassed the 5% threshold of the Company's share capital and that it individually held 3,765,975 Paris Orléans shares representing an equal number of voting rights, *i.e.* 5.31% of the capital and 4.19% of voting rights;

- Rothschild Concordia SAS (23 bis avenue de Messine, 75008 Paris) disclosed that it had fallen below the 1/3, 30% and 25% thresholds of the Company's share capital and that it individually held 15,738,000 Paris Orléans shares representing 31,214,900 of voting rights, *i.e.* 22.20% of the capital and 34.77% of voting rights;

- NM Rothschild & Sons Ltd (New Court, St Swithin's Lane, London EC4N 8AL, United Kingdom) disclosed that it had fallen below the 5% threshold of the Company's share capital and that it individually held 1,800,000 shares deprived of voting rights, *i.e.* 2.54% of the capital;

- the enlarged Rothschild family concert disclosed that it had fallen below the 50% threshold of the Company's share capital and that it collectively held 33,238,499 Paris Orléans shares representing 48,372,308 voting rights, *i.e.* 46.88% of the capital and 53.88% voting rights.

■ By notice received on 11 June 2012, Jardine Matheson Holdings Limited (Jardine House, 33-35 Reid Street, Hamilton, Bermuda) disclosed that it had surpassed on 8 June 2012, directly and indirectly through companies it controls, the 5% and 10% thresholds of the Company's capital and voting rights and held, directly and indirectly through companies it controls, 8,783,674 shares representing 9,383,674 voting rights, *i.e.* 12.39% of the capital and 10.45% of voting rights *(AMF* Decision & Information No. 212C0745 of 12 June 2012 and Decision & Information No. 212C0820 of 22 June 2012*)*.

■ By notice received on 19 June 2012, Allianz Vie (87 rue de Richelieu, 75002 Paris) disclosed that it had fallen on 8 June 2012 below the 5% thresholds of the Company's share capital and voting rights and that it individually held 1,686,692 Paris Orléans shares representing 2,956,692 voting rights, *i.e.* 2.38% of the capital and 3.29% of voting rights *(AMF* Decision & Information No. 212C0797 of 20 June 2012*)*.

■ By notice received on 14 June 2012, Edmond de Rothschild Holding SA (21 Route de Pregny, 1292 Pregny Chambesy, Switzerland) disclosed that it had surpassed on 8 June 2012, directly and indirectly through companies it controls, the 5% thresholds of the Company's capital and voting rights and held, directly and indirectly through companies it controls, 5,573,586 Paris Orléans shares representing an equal number of voting rights, *i.e.* 7.86% of the capital and 6.23% of voting rights (*AMF* Decision & Information No. 212C0768 of 15 June 2012).

■ By notice received on 15 June 2012, Asset Value Investors Limited (25 Berkeley Square, London, W1J 6HN United Kingdom), acting on behalf of funds and clients it manages, disclosed that it had fallen on 13 June 2012 below the 5% thresholds of the Company's share capital and voting rights and that it held, on behalf of said funds and clients, 1,874,220 shares representing an equal number of voting rights, *i.e.* 2.64% of the capital and 2.10% voting rights (*AMF* Decision & Information No. 212C0772 of 15 June 2012).

■ By notice received on 29 June 2012, Jardine Matheson Holdings Limited (Jardine House, 33-35 Reid Street, Hamilton, Bermuda) disclosed that it had fallen, on 26 June 2012, directly and indirectly through companies it controls, below the 10% threshold of the Company's share capital and the 5% threshold of the Company's voting rights and that it held, indirectly, through the company it controls, Jardine Strategic Investment Holdings GmbH, 4,217,310 shares representing an equal number of voting rights, *i.e.* 5.95% of the capital and 4.73% of voting rights (*AMF* Decision & Information No. 212C0851 of 29 June 2012).

Crossing of statutory threshold

Article 7.3 of Paris Orléans' Articles of Association, approved by the General Meeting of shareholders of 8 June 2012 establishes disclosure obligations for shareholders whose failure to comply could result in restrictions on the exercise of the voting rights attached to all or part of their shares. The terms of this Article are as follows.

"Without prejudice to the provisions of the law, any individual or legal entity, acting alone or in concert with others, that holds shares or bearer investment certificates and that comes into possession of a number of shares or voting rights equal to or greater than 1% of the total number of Company shares and investment certificates, or of voting rights in the Company, and each time it crosses a multiple of this threshold in terms of share capital or voting rights, must inform the Company within the timeframe provided for by law, by registered letter with acknowledgement of receipt, stating whether the number of shares, investment certificates or voting rights are or are not held on behalf of, under the control of or in concert with other individuals or legal entities.

This disclosure obligation shall apply under the same conditions when the portion of the share capital or voting rights held drops below the thresholds mentioned in the previous paragraph.

The person or entity required to make the disclosure shall specify the number of securities held giving entitlement to the Company's shares in the future, as well as the voting rights attached thereto.

Fund management companies are required to disclose this information for all the voting rights attached to the Company shares held by the funds they manage.

Without prejudice to the penalties provided for by law, in the event of failure to comply with the disclosure obligation provided for above, pursuant to a request recorded in the minutes of the General Meeting, by one or more shareholders or holders of certificates of voting rights holding at least five per cent (5%) of the Company's voting rights, the securities that exceed the fraction that should have been declared shall be deprived of voting rights at all General Meetings held for a period of two years following the date on which a threshold declaration is sent to the Company's registered office by registered letter with acknowledgement of receipt.

Subject to the specific provisions stated above, this statutory obligation is governed by the same rules that apply to the legal obligation, including in particular the cases of assimilation of securities held provided for by law."

Shareholders' agreements

Shareholders' agreements concluded by members of the family concert

The French Financial Markets Authority *(Autorité des marchés financiers)* was informed by notice received on 14 June 2012 of the existence of a new shareholders' agreement between some members of the extended family group acting in concert that controls Paris Orléans (Rothschild Concordia SAS, David de Rothschild, Financière de Tournon SAS, Éric de Rothschild, Béro SCA, Ponthieu Rabelais SAS, Édouard de Rothschild, Holding Financier Jean Goujon SAS, Philippe de Nicolay, Alexandre de Rothschild, Olivier Pécoux, François Henrot and Compagnie Financière Martin Maurel).

The agreement is governed by French law and has been entered into for an initial term of 10 years, renewable by tacit agreement for successive periods of 10 years.

The French Financial Markets Authority *(Autorité des marchés financiers)* has published the main provisions of this agreement (Decision & Information No. 212C0752 dated 13 June 2012 and Decision & Information No. 212C0783 dated 19 June 2012). These are summarised below.

- The shareholders act in concert. They shall make their best endeavours to reach a consensus as to how they shall vote at each General Meeting of shareholders of Paris Orléans. If they fail to reach a consensus, they undertake to vote in accordance with the recommendations made by the Chairman of Rothschild Concordia SAS (David de Rothschild at the date of this report).

- Each of the shareholders concerned has undertaken to keep at least the following proportions of the Paris Orléans shares issued to them as remuneration for the transfers approved by the General Meeting of shareholders of 8 June 2012:

  - 100% during 12 months as from 8 June 2012; and
  - 50% during the subsequent 24 months.

- In the event of sale or transfer of Paris Orléans shares by a shareholder, Rothschild Concordia SAS has a right of first refusal (together with a right of substitution, in the exercise of this right by Rothschild Concordia SAS, by any person it chooses providing said person acts in concert with it). Rothschild Concordia SAS's right of first refusal applies to all Paris Orléans shares held by any shareholder at 8 June 2012, whether the shares came into the shareholder's possession as a result of the transfers approved by the General Meeting of shareholders of 8 June 2012 or by any other means.

Rothschild Concordia SAS may exercise its right of first refusal (*i.e.* the priority right to acquire them) in respect of all or part of the shares concerned, at a price equal to the volume weighted average price of the Paris Orléans share on NYSE Euronext Paris during the 20 trading days preceding the date of notification of Rothschild Concordia SAS by the shareholder concerned.

Rothschild Concordia SAS's right of first refusal shall also apply in the case of the sale or transfer by a shareholder of preferential subscription rights, preference rights or share subscription warrants issued or allocated by Paris Orléans in the context of a capital increase.

- The shareholders shall receive the totality of the dividends distributed by Paris Orléans in respect of the share they hold and shall dispose of these amounts freely, it being nonetheless specified that if these dividends are paid in Paris Orléans shares, the shares thus received shall be governed by the agreement in the same way as the shares in respect of which the dividend in shares was received.

- The shareholders are free (in compliance with the legal regulations, particularly those relating to insider trading) to acquire additional shares in Paris Orléans, it being specified that such shares will not be governed by the agreement and that any shareholders planning to increase their shareholdings in Paris Orléans must first:

- inform the other shareholders in order to assess the impact of the planned increase on the shareholders' overall shareholdings in Paris Orléans; and

- if necessary, obtain all derogations to any obligation to make a tender offer for the Paris Orléans shares and/or the relevant authorisations from the supervisory bodies.

The provisions of this new agreement are without prejudice to the provisions of the shareholders' agreement entered into on 22 January 2008 between the initial members of Paris Orléans' family concert, composed of partners of Rothschild Concordia SAS. The main provisions of this agreement were notified to the French Financial Markets Authority *(Autorité des marchés financiers)* by letter dated 23 January 2008 and duly published by the latter (Decision & Information No. 208C0180 of 25 January 2008). In particular, this shareholders' agreement includes a lock-up clause governing the Company's shares for a period of 10 years from the date of signing, subject to certain exceptions.

The provisions of this new agreement coexist with the provisions of the share disposal agreement signed on 22 January 2008 between the Eranda Foundation and Paris Orléans. The main provisions of this agreement were notified to the French financial markets authority *(Autorité des marchés financiers)* by letter dated 23 January 2008 and duly published by the French Financial Markets Authority (*Autorité des marchés financiers*) (Decision & Information No. 208C0180 of 25 January 2008). This share disposal agreement, which covers the terms and conditions of the sale by the Eranda Foundation of its shares in Paris Orléans, provides in particular for a right of first refusal for Paris Orléans, or any person it shall designate, which shall apply, with some exceptions, in the event of transfer of the shares held by the Eranda Foundation.

"Dutreil" agreements (pactes Dutreil)

The following agreements, falling within the scope of the Dutreil Act and concluded or still in force in 2012/2013, were communicated to the Company:

	Governed by	Date of signature	Term of parties' commitment	% of share capital and voting rights covered by agreement (1)	Signatories who hold the quality of corporate officer within the meaning of Article 621-18-2 of the Monetary and Financial Code (1)
Agreement 2009.1	CGI Art. 787 B (transmission) and CGI Art. 885 I bis (ISF)	28 October 2009	2 years from registration date then renewed until 31 May 2012 (extended by individual agreements with the beneficiaries of the transmission agreement)	48.22% of capital share and 51.78% of voting rights	- David de Rothschild, member of the Executive Board - Éric de Rothschild, Chairman of the Supervisory Board
Agreement 2012.1	CGI Art. 787 B (transmission)	27 June 2012	2 years from registration date (i.e., until 28 June 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.2	CGI Art. 787 B (transmission)	29 June 2012	2 years from registration date (i.e., until 2 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.3	CGI Art. 787 B (transmission)	2 July 2012	2 years from registration date (i.e., until 2 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.4	CGI Art. 787 B (transmission)	2 July 2012	2 years from registration date (i.e., until 2 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.5	CGI Art. 787 B (transmission)	10 July 2012	2 years from registration date (i.e., until 10 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.6	CGI Art. 787 B (transmission)	24 July 2012	2 years from registration date (i.e., until 26 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.7	CGI Art. 787 B (transmission)	25 July 2012	2 years from registration date (i.e., until 30 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.8	CGI Art. 787 B (transmission)	11 October 2012	2 years from registration date (i.e., until 12 October 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner
Agreement 2012.9	CGI Art. 885 I bis (ISF)	20 December 2012	6 years from registration date (i.e., 27 December 2018)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner - David de Rothschild, Chairman of PO Gestion SAS, Managing partner - Alexandre de Rothschild, member of the Supervisory Board
Agreement 2012.10	CGI Art. 787 B (transmission)	21 December 2012	2 years from registration date (i.e., 21 December 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner - David de Rothschild, Chairman of PO Gestion SAS, Managing partner - Olivier Pécoux, Chief Executive Officer of PO Gestion SAS, Managing partner - Éric de Rothschild, Chairman of the Supervisory Board - Alexandre de Rothschild, member of the Supervisory Board - François Henrot, member of the Supervisory Board - Christian de Labriffe, member of the Supervisory Board (2)
Agreement 2012.11	CGI Art. 885 I bis (ISF)	27 December 2012	6 years from registration date (i.e., until 28 December 2018)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing partner - David de Rothschild, Chairman of PO Gestion SAS, Managing partner - Olivier Pécoux, Chief Executive Officer of PO Gestion SAS, Managing partner - Éric de Rothschild, Chairman of the Supervisory Board - Alexandre de Rothschild, member of the Supervisory Board - François Henrot, member of the Supervisory Board - Christian de Labriffe, member of the Supervisory Board (2)

(1) As of signature date.
(2) Christian de Labriffe was a member of the Supervisory Board until 27 June 2013.

Other shareholders' agreements

Within the structure of the reorganisation, lock-up agreements were concluded. In this context, shareholders agreements were signed with the contributor shareholders, not members of the extended family concert, who contributed their interests in Rothschild & Cie Banque SCS and their shares in Financière Rabelais and in Rothschilds Continuation Holdings AG.

- The contributors, not members of the extended family concert, of interests in Rothschild & Cie Banque SCS and shares in Financière Rabelais are under an obligation to hold all the Paris Orléans shares received in exchange for their contributions for lock-up periods ranging from 1 to 18 years and also have an obligation to notify Paris Orléans and Rothschild Concordia SAS before any sale of said shares. Some of these agreements, which concern natural persons occupying functions within the Group, grant Paris Orléans a call option on the shares in the event the shareholder ceases to occupy his/her functions before the end of the applicable lock-up period.
- Pursuant to the shareholders' agreements referred to above, the contributors of shares in Rothschilds Continuation Holdings AG are under an obligation to hold all the Paris Orléans shares received in exchange for their contributions for lock-up periods ranging from six months to one year.

Employee share ownership

As required under Article L. 225-102 of the French Commercial Code *(Code de commerce)*, employee share ownership in the share capital of the Company as at 31 March 2013 amounted to 0.09% of the share capital, held by a company mutual fund *(Fonds Commun de Placement d'Entreprise)* within the structure of an employee share ownership scheme *(Plan d'Épargne d'Entreprise)*.

INFORMATION RELATING TO THE SHARE CAPITAL

Composition of the share capital

As at 31 March 2013, Paris Orléans' share capital was divided into 70,757,989 ordinary shares and 145,040 investment certificates, with no voting rights by nature. Moreover, 145,040 voting rights certificates, not included in the share capital, were also in circulation. A whole share is automatically consolidated by combining an investment certificate with a voting right certificate.

The approval by the General Meeting of shareholders of 8 June 2012 of contributions of interests and shares in Rothschild & Cie Banque SCS, Financière Rabelais SAS and Rothschilds Continuation Holdings AG, led to the issuance of 38,387,442 new ordinary shares with a par value of €2 each, qualifying for dividends as from 1 April 2012. Paris Orléans' share capital was increased by a total of €76,774,884, from €65,031,174 to €141,806,058.

Treasury shares

Shares held by the Company

As at 31 March 2013, Paris Orléans held 693,504 of its own shares and certificates, as follows:

Total number of shares held by Paris Orléans	548,464
Allocated to the liquidity contract	*26,854*
Treasury shares	*521,610*
Number of investment certificates held by Paris Orléans	145,040
Total of shares and investment certificates (1) held by Paris Orléans	**693,504**
% of the share capital	*0.98%*
Book value	*4,817,247.35 €*

(1) Par value of €2.

Buyback by the Company of its own shares

The Combined General Meeting of shareholders of 27 September 2011 authorised the Executive Board of the Company under its previous form of incorporation to purchase or arrange the purchase of Paris Orléans shares up to a maximum limit of 10% of the share capital on the purchase date of these shares, in accordance with Articles L. 225-209 onwards of the French Commercial Code *(Code de commerce)*, for a period of eighteen months.

Given Paris Orléans' conversion into a French partnership limited by shares (*société en commandite par actions*), the General Meeting of shareholders of 8 June 2012 granted to the Management a new authorisation to purchase or arrange the purchase of Paris Orléans shares within the structure of a share buyback program. This new authorisation was granted for a period of eighteen months, under the same conditions as those of the authorisation granted to the Executive Board by the General Meeting of shareholders of 27 September 2011, and cancelled the unused portion of the latter.

As required under Article L. 225-211 of the French Commercial Code *(Code de commerce)*, the table below summarises the transactions carried out by the Company under these authorisations during the 2012/2013 financial year.

Number of shares purchased	130,275
Number of shares sold	165,121
Number of shares cancelled	-
Average price of purchases and sales [(1)]	
Purchases	*€17.23*
Sales	*€17.36*

(1) Arithmetic mean of the share market prices for transactions initiated from 1 April 2012 and settled until 31 March 2013.

In accordance with Article L. 225-212 of the French Commercial Code *(Code de commerce)*, Paris Orléans provides the French Financial Markets Authority *(Autorité des marchés financiers)* with a monthly report on the shares acquired, sold, cancelled or transferred by the Company in application of Article L. 225-209 of said Code. These reports may be consulted on the French Financial Markets Authority's *(Autorité des marchés financiers)* website (www.amf-france.org).

Controlling shares

NM Rothschild & Sons Ltd, which is indirectly controlled by Paris Orléans, held as at 31 March 2013 and 31 March 2012 1,800,000 Paris Orléans shares, respectively corresponding to 2.54% and 5.54% of the share capital.

Rothschild & Cie Banque SCS, which is indirectly controlled by Paris Orléans, held 100 Paris Orléans shares, corresponding to an insignificant percentage of the share capital.

Delegation of authority and authorisations granted by the general meetings of shareholders in order to increase and decrease the share capital

Given Paris Orléans' conversion into a French partnership limited by shares *(société en commandite par actions)* approved by the General Meeting of shareholders of 8 June 2012, the delegations of authority and authorisations granted to the Executive Board by the General Meeting of shareholders of 27 September 2011 were replaced by the delegations of authority and authorisations granted to the Management by the General Meeting of shareholders of 8 June 2012. The use of delegations of authority and authorisations granted to the Executive Board, and then to the Management, during the financial year under review, is summarised below.

Use by the Executive Board during the 2012/2013 financial year of the delegations of authority and authorisations granted by the General Meeting of shareholders of 27 September 2011

None of the delegations of authority and authorisations granted to the Executive Board by the General Meeting of shareholders of 27 September 2011, still in effect until 8 June 2012, were used during the 2012/2013 financial year.

Delegations of authority and authorisations granted to the Management by the General Meeting of shareholders of 8 June 2012

These delegations of authority and authorisations relate to the following matters:

Combined General Meeting of 8 June 2012

Purpose	Resolution number	Amount	Period	Use during 2012/2013 financial year
To decrease, in one or several transactions, share capital by cancelling shares purchased within the frame of share buy-back programs (Article L. 225-209 of the French Commercial Code *[Code de commerce]*)	84	Limited to 10% of the share capital per 24-month periods	26 months	None
To increase the share capital by incorporation of all or part of reserves, income or issue, merger or contribution premiums, by granting bonus shares, by increasing the par value of existing shares or by using such two methods jointly (Articles L. 225-129 onwards of the French Commercial Code *[Code de commerce]*)	85	Limited to a nominal amount of €50 million (this limit is independent from the limit set for the other authorisations)	26 months	None
To issue transferrable securities with preferential subscription rights maintained, giving access to the Company's share capital (Articles L. 225-129 onwards of the French Commercial Code *[Code de commerce]*)	86	Limited to a nominal amount of €50 million (capital share securities) or €200 million (debt instrument), with a deduction on the aggregate limit (1)	26 months	None
To issue transferrable securities with waiver of preferential subscription rights, giving access to the Company's share capital (Articles L. 225-129 onwards and L. 225-135 and 136 of the French Commercial Code *[Code de commerce]*) and public offer	87	Limited to a nominal amount of €50 million (capital share securities) or €200 million (debt instrument), with a deduction on the aggregate limit (1)	26 months	None
To issue transferrable securities with waiver of preferential subscription rights and free fixing of issue price, giving access to the Company's share capital (Articles L.225-129 onwards and.L.225-135 and 225-136 (1°) of the French Commercial Code *[Code de commerce]*)	88	Limited to 10% of the share capital per year (capital share securities) or €200 million (debt instrument) with a deduction on the aggregate limit (1)	26 months	None
To increase the number of securities to be issued when increasing the share capital with waiver or not of preferential subscription rights (article L. 225-135-1 of the French Commercial Code *[Code de commerce]*)	89	To be deducted on the individual limit as stipulated in the resolution in respect thereof the initial issuance is decided, with a deduction on the aggregate limit (1)	26 months	None
To issue transferrable securities with waiver of preferential subscription rights and giving access to the Company's share to the benefit of members of one or several employee savings schemes (article L. 225-129-6 of the French Commercial Code *[Code de commerce]*)	90	Limited to a nominal amount of €1 million, to be deducted from the aggregate limit (1)	26 months	None
To grant bonus shares to employees and corporate officers of the Company and/or associated companies (Articles L. 225-197-1, L. 225-197-2 onwards of the French Commercial Code *[Code de commerce]*)	91	Limited to 5% of the share capital as of the date of the decision to grant bonus shares (this limit is independent from the limit set for the other authorisations)	38 months	None
To grant options to subscribe for or purchase the Company's shares to employees and corporate officers of the Company and/or associated companies (Articles L. 225-177 onwards of the French Commercial Code *[Code de commerce]*)	92	Limited to 5% of the share capital as of the date of the General Meeting of shareholders of 8 June 2012, to be deducted from the aggregate limit (1)	38 months	None

(1) Aggregate limit fixed by resolution No. 93 adopted by the General Meeting of shareholders of 8 June 2012 to €50 million for the share capital securities and to €200 million for the debt instruments, which are applicable to the delegations of authority and authorisations granted to the Management in respect to resolutions No. 86, 87, 88, 89, 90 and 92.

It will be proposed at the next General Meeting of shareholders to grant a new delegation of authority and authorisation to grant options to subscribe for or purchase the Company's shares to the Group's employees and corporate officers. This delegation of authority and authorisation will be presented in the document relating to the General Meeting, available on the Company's website, under the section "Shareholders", which will comprise the Management's report on the resolutions proposed to the General Meeting.

ELEMENTS THAT CAN HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Share ownership structure

The share ownership structure is described on page 62 of this report. Following Paris Orléans' conversion into a French partnership limited by shares (*société en commandite par actions*), this structure has special features resulting from the existence of two categories of partners: General partners and Limited partners.

A change of control therefore implies a change in the composition of these two categories of partners. Subject to the other elements described below that could have an impact in the event of a takeover bid on the Company's shares, a third party could, through a takeover bid, acquire control of the capital and the related voting rights. It could not, however, take control of the General partners. In these conditions, a third party that would acquire the control of Paris Orléans would, in particular, be unable to modify the Articles of Association or dismiss the Manager as such decisions can only be made with the unanimous agreement of the General partners.

Also, General partners may not transfer the shares they hold without the unanimous agreement of all the General partners.

These provisions are designed to prevent a change of control of Paris Orléans without the unanimous agreement of the General partners.

Statutory restrictions on the exercise of voting rights and share transfers

Paris Orléans' Articles of Association do not put any direct restrictions on the exercise of voting rights and share transfers.

However, Article 7.3 of Paris Orléans' Articles of Association, approved by the General Meeting of shareholders of 8 June 2012 establishes disclosure obligations for shareholders whose failure to comply could result in restrictions on the exercise of the voting rights attached to all or part of their shares. The terms of this Article are reproduced in page 59 of this report.

Clauses of agreements declared to the Company pursuant to Article L. 233-11 of the French Commercial Code *(Code de commerce)* and shareholders' agreements of which the Company is aware and which could restrict the transfer of shares and exercise of voting rights

The main provisions of the shareholders' agreement between members of the enlarged family concert, disclosed to the French Financial Markets Authority (*Autorité des marchés financiers*) and available on the latter's website (Decision & Information No. 212C0752 dated 13 June 2012 and Decision & Information No. 212C0783 dated 19 June 2012) are summarised in page 59 of this report.

Moreover, as a result of the approval of the Group's reorganisation by the General Meeting of shareholders of 8 June 2012, and of the buyout offer initiated jointly by Rothschild Concordia SAS and PO Gestion SAS following Paris Orléans' conversion into a French partnership limited by shares (*société en commandite par actions*), various lock-up undertakings in respect of Paris Orléans shares have been entered into. These are described in sections 18.4.1.2.2 and 18.4.2 on pages 124 to 126 of the information document filed with the French Financial Markets Authority *(Autorité des marchés financiers)* under registration number No. E.12-019 on 16 May 2012, available on the websites of Paris Orléans (www.paris-orleans.com) and the *Autorité des marchés financiers* (www.amf-france.org).

- Within the structure of the buyout offer hereinabove referred to, several reclassification undertakings were signed with new investors, who undertook to acquire, within a limit of €50 million, the shares presented to the offer and, if necessary, some of the shares in Jardine Matheson. In this context, these new investors undertook to keep the Paris Orléans shares acquired as the result of such undertakings for a minimum period of six months to one year from the date of settlement/delivery of the shares presented to the offer or of the shares in Jardine Matheson.
- Within the structure of the reorganisation, the contributor shareholders, not members of the extended family concert that contributed their interests in Rothschild & Cie Banque SCS and their shares in Financière Rabelais and in Rothschilds Continuation Holdings AG have signed shareholders agreements; pursuant to said agreements they are under an obligation to hold all the Paris Orléans shares received in exchange for their contributions for a lock-up period.

In addition, some collective lock-up agreements of Paris Orléans shares were entered into by Company's shareholders pursuant to Article 787 B and 885 I bis of the French Tax Code *(Code général des impôts)*. These lock-up agreements, entered into the form of shareholders' agreement, are described on page 61.

Direct or indirect interests in the Company of which it has been informed pursuant to article L. 233-7 and L. 233-12 of the French Commercial Code *(Code de commerce)*

The share ownership structure indicating in particular all direct and indirect shareholdings subject to a disclosure obligation under Article L. 233-7 of the French Commercial Code *(Code de commerce)*, is presented on page 56 of this report. The controlling shares held by NM Rothschild & Sons Ltd and Rothschild & Cie Banque SCS are described on page 63 of this report.

Holders of securities granting special rights of control

As at the date of this report, there were no securities granting special rights of control. However, Paris Orléans' General partners, PO Gestion SAS and PO Commandité SAS, have some rights that could be assimilated to special rights of control:

- except for the appointment of members of the Supervisory Board, the appointment and dismissal of the Statutory Auditors, the distribution of dividends for the financial year and the approval of agreements and commitments subject to authorisation pursuant to Articles L. 225-38 onwards of the French Commercial Code *(Code de commerce)*, no decision of the General Meeting of shareholders is valid unless unanimously approved (or approved by a majority in the case of a change in the Company's status to that of *société anonyme* or *société à responsabilité limitée*) by the General partners;
- any transaction whose purpose or effect could fundamentally call into question the Group's independence, tradition of excellence, link to the Rothschild family or the role played by the Rothschild family, its use of the Rothschild name or the fact that the Group's main activities are financial activities must be approved by the General partners, including when such transactions do not require authorisation from the General Meeting of shareholders.

Control mechanisms provided for in an employee share ownership scheme, when the rights of control are not exercised by the employees

None.

Rules applicable to the appointment and replacement of the Management and the members of the Supervisory Board

The rules that apply to the appointment and replacement of the Manager are laid down in the Articles of Association. The Managers are appointed by unanimous decision of Paris Orléans' General partners, with approval from the Extraordinary General Meeting of Limited partners acting by a qualified majority of two thirds when the Manager is statutory (as is the case at the date of this report). The same rule applies to dismissals, solely on fair grounds. Managers are free to resign subject to giving nine months notice.

If the position of Manager is unoccupied, it shall be filled by the General partners until a new Manager has been appointed.

The impact of these rules in the case of a takeover bid for the Company's shares is described on page 65 of this report, together with the impact of the ownership structure in the case of a takeover bid for the Company's shares.

The rules that apply to the appointment and replacement of members of the Supervisory Board are set forth in the Articles of Association. Supervisory Board members are appointed and dismissed by the Ordinary General Meeting of Limited partners based on deliberations in which the General partners may not take part. It is nonetheless specified that Rothschild Concordia SAS, following on from the contribution of shares in Rothschilds Continuation Holdings AG made by Jardine Strategic Investment Holdings Sarl and Rabobank International Holding BV and approved by the General Meeting of shareholders of 8 June 2012, has given an undertaking:

- to vote in favour of the appointment to the Supervisory Board of a representative of Jardine Matheson for as long as Jardine Matheson holds at least 5% of the share capital of Paris Orléans; and
- to vote in favour of the appointment to the Supervisory Board of a representative of Rabobank for as long as Rabobank holds at least 4% of the share capital of Paris Orléans.

This resulted in the appointment on 8 June 2012 of representatives of Rabobank and Jardine to the Supervisory Board of the Company under its new form of partnership limited by shares.

Management's powers, particularly with regard to the issue or purchase of shares

The Management's powers with regard to the issue or purchase of shares are described in page 63 of this report.

Agreements entered into by the Company that change or cease in the event of a change of control of the company

Some of the loan agreements entered into by the Group with third parties contain early call clauses in the event of a change of control, which are normal clauses in this type of loan agreement. They could be triggered by a takeover bid for the Company's shares.

Agreements providing for indemnification of the Management or Supervisory Board members

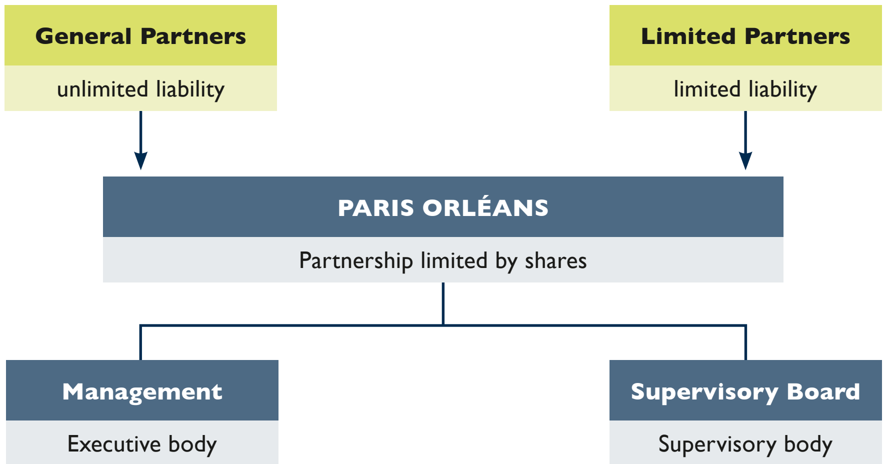
None.

Corporate governance

MANAGEMENT AND SUPERVISORY BODIES

From 1 April 2012 to 8 June 2012, the corporate governance of Paris Orléans, a French limited company *(société anonyme)* at that time, was based on a dual structure composed of a collegial management body, the Executive Board, and a supervisory body, the Supervisory Board.

As from 8 June 2012, date of Paris Orléans' conversion into a French partnership limited by shares (*société en commandite par actions*), the Company's governance structure is based on an executive body, the Management, and a supervisory body, the Supervisory Board, with a certain number of specific features linked to the existence of two categories of partners, Limited partners (also called the shareholders) and General partners.



Limited partners and General partners

The Limited partners incur the same liabilities as those of a shareholder of a limited company: their liability is limited to the amount of their investment. In contrast, the General partners have joint and several liability for all the Company's debts.

Paris Orléans' first two General partners were designated in the Articles of Association. These are PO Gestion SAS, to which the Articles of Association also confer the role of first Manager, and PO Commandité SAS. Both companies are owned by the French and English branches of the Rothschild family.

The General partners have specific powers, including that of appointing the Manager. Except for the appointment of members of the Supervisory Board, the appointment and dismissal of the Statutory Auditors, the distribution of dividends for the year and the approval of agreements and commitments subject to authorisation pursuant to Articles L. 225-38 et seq. of the French Commercial Code *(Code de commerce)*, no decision of the General Meeting of shareholders is valid unless unanimously approved (or approved by a majority in the case of the Company's conversion into a *société anonyme* or into *a société à responsabilité limitée*) by the General partners. Also, any transaction whose purpose or effect could fundamentally call into question the Group's independence, tradition of excellence, links to the Rothschild family or the role played by the Rothschild family, its use of the Rothschild name or the fact that the Group's main activities are financial activities must be approved by the General partners, including when such transactions do not require authorisation from the General Meeting of shareholders.

Management

Paris Orléans' first Manager was appointed in the Articles of Association for the duration of the Company. Any other statutory Manager will be appointed by the General partners, with the approval of the General Meeting of shareholders. Any non-statutory Manager will be appointed by the General partners. The same rule applies to dismissals, solely on fair grounds. If the position of Manager is unoccupied, it shall be filled by the General partners until a new Manager or new Managers has/have been appointed.

The Manager is responsible for the overall management of the Company's business, convening General Meetings of shareholders and drawing up the agendas for such meetings, and for preparing the financial statements. The Manager has full power to act in all circumstances in the Company's name and on its behalf.

As at the date of this report, PO Gestion SAS, Paris Orléans' first statutory Manager was headed by a Chairman, David de Rothschild, and two Chief Executive Officers, Nigel Higgins and Olivier Pécoux, who have the same powers as the Chairman.

Supervisory Board

Supervisory Board shall be composed of six to eighteen members, shareholders in the Company, who are appointed by the General Meeting of shareholders, without the General partners being able to participate in the deliberations, for a term of office decided by the General Meeting.

The Supervisory Board appoints a Chairman and one or more Vice-Chairmen from among its members.

The Supervisory Board is responsible for permanent control of the Company's management, particularly its consolidated and solo financial statements, and may convene General Meetings of shareholders. It also has the duty of expressing its opinion in a consultative capacity to the Manager and in the form of recommendations to the shareholders on a certain number of issues defined in the Articles of Association.

Detailed information on powers and duties of the Supervisory Board, and on the preparation and organisation of its work during the financial year 2012/2013, are presented in the report prepared by the Chairman of the Supervisory Board, included in the document to the General Meeting, which will be available on Paris Orléans' website, www.paris-orleans.com under the section "Investor Relations – Regulated Information".

COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES

Situation from 1 April 2012 to 8 June 2012 before the conversion into a French partnership limited by shares (*société en commandite par actions*)

Name	Nationality	Age (1)	Positions held at Paris Orléans	Date of first nomination	End of term of office	Number of shares held (2)
Executive Board						
David de Rothschild	French	70	• Chairman and member of the Executive Board	29/09/2008	08/06/2012	10
Olivier Pécoux	French	54	• Member of the Executive Board • Chief Executive Officer	30/03/2010	08/06/2012	-
Michele Mezzarobba	Italian	45	• Member of the Executive Board	31/01/2006	08/06/2012	-
Supervisory Board						
Éric de Rothschild	French	72	• Chairman of the Supervisory Board	29/10/2004	08/06/2012	10
André Lévy-Lang	French	75	• Vice-Chairman and independent member of the Supervisory Board • Member of the Audit Committee	29/10/2004	08/06/2012	103
Martin Bouygues	French	61	• Independent member of the Supervisory Board	07/12/2007	08/06/2012	35,501
Claude Chouraqui	French	76	• Member of the Supervisory Board	29/10/2004	08/06/2012	100
Russell Edey	British	70	• Member of the Supervisory Board	29/10/2004	08/06/2012	100
Christian de Labriffe	French	66	• Member of the Supervisory Board • Chairman and member of the Audit Committee	29/10/2004	08/06/2012	200
Philippe de Nicolay	French	57	• Member of the Supervisory Board	29/10/2004	08/06/2012	102
Robert de Rothschild	French	66	• Member of the Supervisory Board	29/10/2004	08/06/2012	100
Philippe Sereys	French	50	• Independent member of the Supervisory Board • Member of the Audit Committee	29/10/2004	08/06/2012	100
Rothschild & Cie Banque SCS	French	n/a	• Member of the Supervisory Board	07/12/2007	08/06/2012	100
François Henrot	French	64	• Permanent representative of Rothschild & Cie Banque SCS to the Supervisory Board	29/03/2012	08/06/2012	10
Jacques Richier	French	58	• Independent member of the Supervisory Board	27/09/2010	08/06/2012	10
Sylvain Héfès	French	61	• Member of the Supervisory Board	29/03/2012	08/06/2012	10
Michel Cicurel	French	65	• Non-voting member *(Censeur)*	29/09/2005	08/06/2012	100

(1) As at the date of this report.
(2) As at 8 June 2012 before the reorganisation of Paris Orléans.

Situation as from the Company's conversion into a French partnership limited by shares (*société en commandite par actions*)

Name	Nationality	Age (1)	Positions held at Paris Orléans	Date of first appointment	End of term of office (2)	Number of shares held (3)
Management						
PO Gestion SAS	French	n/a	• Manager appointed by the Company's Articles of Association	08/06/2012	Indefinite	1
David de Rothschild	French	70	• Chairman of PO Gestion SAS	08/06/2012	Indefinite	349,356
Nigel Higgins	British	52	• Chief Executive Officer of PO Gestion SAS	08/06/2012	Indefinite	-
Olivier Pécoux	French	54	• Chief Executive Officer of PO Gestion SAS	08/06/2012	Indefinite	249,050
Supervisory Board						
Éric de Rothschild	French	72	• Chairman of the Supervisory Board	29/10/2004	General Meeting 2013/2014	61,985
André Lévy-Lang	French	75	• Vice-Chairman and independent member of the Supervisory Board • Member of the Audit Committee (Chairman until 28 March 2013) • Member of the Strategy Committee • Member of the Remuneration Committee (4)	29/10/2004	General Meeting 2013/2014	103
François Henrot	French	64	• Vice-Chairman and member of the Supervisory Board • Member of the Strategy Committee	29/03/2012	General Meeting 2013/2014	752,460
Lucie Maurel-Aubert	French	51	• Member of the Supervisory Board • Member of the Strategy Committee	08/06/2012	General Meeting 2013/2014	10
Martin Bouygues	French	61	• Independent member of the Supervisory Board • Member of the Strategy Committee	07/12/2007	General Meeting 2013/2014	35,501
Alexandre de Rothschild	French	32	• Member of the Supervisory Board • Member of the Strategy Committee	08/06/2012	General Meeting 2014/2015	10
Anthony de Rothschild	British	36	• Member of the Supervisory Board	08/06/2012	General Meeting 2014/2015	10
Christian de Labriffe (5)	French	66	• Member of the Supervisory Board • Member of the Audit Committee	29/10/2004	27/06/2013	1,137,410
Philippe de Nicolay	French	57	• Member of the Supervisory Board	29/10/2004	General Meeting 2013/2014	102
Jacques Richier	French	58	• Independent member of the Supervisory Board	27/09/2010	General Meeting 2013/2014	10
Sylvain Héfès	French	61	• Member of the Supervisory Board • Member of the Audit Committee • Chairman of the Remuneration Committee (4)	29/03/2012	General Meeting 2014/2015	10
Lord Leach	British	79	• Independent member of the Supervisory Board	08/06/2012	General Meeting 2014/2015	10
Sipko Schat	Dutch	53	• Independent member of the Supervisory Board	08/06/2012	General Meeting 2014/2015	10
Peter Smith	British	66	• Member of the Supervisory Board • Chairman of the Audit Committee (4) • Member of the Remuneration Committee (4)	27/09/2012	General Meeting 2014/2015	10

(1) As at the date of this report.
(2) General Meeting 2013/2014: General Meeting of shareholders called to approve the financial statements for the financial year 2013/2014; General Meeting 2014/2015: General Meeting of shareholders called to approve the financial statements for the financial year 2014/2015.
(3) As at 31 March 2013.
(4) As from 28 March 2013.
(5) Christian de Labriffe was a member of the Supervisory Board and of the Audit Committee until 27 June 2013.

LIST OF DIRECTORSHIPS AND POSITIONS HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

In compliance with the provisions of Article L. 225-102-1 paragraph 4 of the French Commercial Code *(Code de commerce)*, a list of all directorships and positions held during the financial year under review by each of the corporate officers of the Company, as at 31 March 2013, is presented below.

Supervisory Board

Éric de Rothschild - Chairman of the Supervisory Board

- Chairman of:
  - Rothschild Holding AG (Switzerland)
  - Rothschild Bank AG (Switzerland)
  - Rothschild Asset Management Holding AG (Switzerland)
  - Société du Château Rieussec SAS
- Director and Chief Executive Officer of:
  - Rothschild Concordia SAS
- General partner and Manager of:
  - Béro SCA
- Managing Partner of:
  - RCB Partenaires SNC
- Permanent representative of Béro SCA as Manager of:
  - Château Lafite Rothschild SC
  - Château Duhart-Milon SC
  - La Viticole de Participation SCA
- Director of:
  - Continuation Investments NV (The Netherlands)
  - Baronnes et Barons Associés SAS
  - Christie's France SA
  - DBR USA (United States of America)
  - NM Rothschild & Sons Ltd (United Kingdom)
  - Rothschilds Continuation Holdings AG (Switzerland)
  - Rothschild Concordia AG (Switzerland)
  - Los Vascos (Chile)
- Member of the Supervisory Board of:
  - Milestone SAS
  - SIACI Saint-Honoré SA
- Member of the Remuneration and Appointment Committee of Rothschilds Continuation Holdings AG (Switzerland) (until 28 March 2013)

André Lévy-Lang - Vice-Chairman of the Supervisory Board, member of the Strategy Committee, of the Audit Committee and of the Remuneration Committee

- Chairman of the Supervisory Board of:
  - Les Échos SAS
- Chairman of:
  - La Fondation du Risque (association)
  - Institut Français des Relations Internationales (association)
  - Institut Louis Bachelier (association)
- Vice-Chairman of:
  - Institut Europlace de Finance (association)
- Director of:
  - Hôpital Américain de Paris (association)
  - Institut des Hautes Études Scientifiques (association)
  - Groupe des Écoles Nationales d'Économie et Statistique
  - Paris Sciences et Lettres (association)
- Chairman (until 28 March 2013) and member of the Audit Committee

François Henrot - Vice-Chairman of the Supervisory Board, member of the Strategy Committee

- General partner and Manager of:
  - Rothschild & Cie SCS
  - Rothschild & Cie Banque SCS (until 8 June 2012, Manager since)
- Managing partner of:
  - RCB Partenaires SNC
- Director of:
  - Rothschilds Continuation Holdings AG (Switzerland)
  - Yam Invest NV (The Netherlands)
- Non voting member *(censeur)* of the Supervisory Board of:
  - Vallourec SA

Martin Bouygues - Member of the Strategy Committee	
■ Chief Executive Officer of : - Bouygues SA ■ Chairman of : - SCDM SAS ■ Director of : - TF1 SA - Fondation d'entreprise Francis Bouygues - Fondation Skolkovo	■ Permanent representative of SCDM SAS as Chairman of: - SCDM Invest 3 SAS - SCDM Participations SAS - Actiby SAS

Sylvain Héfès - Chairman of the Remuneration Committee and member of the Audit Committee	
■ Senior Advisor of: - NM Rothschild & Sons Ltd (United Kingdom) ■ Chairman of the Remuneration and Appointment Committee of: - Rothschilds Continuation Holdings AG (Switzerland) (until 28 March 2013) ■ Member of the: - Group Risk Committee - Audit Committee of Rothschild Bank AG (Switzerland) - Investment Committee of Five Arrows Principal Investments SCA SICAR (Luxembourg)	■ Director of: - Rothschild Concordia SAS - Rothschilds Continuation Holdings AG (Switzerland) - Rothschild Europe BV (The Netherlands) (until 20 December 2012) - Rothschild Bank AG (Switzerland) - Five Arrows Capital Ltd (British Virgin Islands) - NYSE Euronext, Inc. (United States of America) ■ Member of the Advisory Committee: - Five Arrows Managers SAS ■ Chairman of: - Francarep, Inc. (United States of America)

Christian de Labriffe - Member of the Audit Committee	
■ General partner and Manager of: - Rothschild & Cie SCS - Rothschild & Cie Banque SCS (until 8 June 2012, Manager since) - Transaction R SCS ■ Managing partner of: - RCB Partenaires SNC ■ Chairman of: - TCA Partnership SAS ■ Chairman and Chairman of the Strategy Committee of: - Financière Rabelais SAS (until 8 June 2012) ■ Permanent representative of Rothschild & Cie Banque SCS as Chairman of: - Montaigne-Rabelais SAS	■ Chairman of the Board of Director of: - Montaigne Rabelais SAS ■ Director of: - Christian Dior SA - Christian Dior Couture SA ■ Member of the Supervisory Board of: - Beneteau SA ■ Member of: - Compliance and Risks Committee of Rothschild & Cie Banque SCS - Internal Audit Committee of Rothschild & Cie Banque SCS ■ Manager of: - Parc Monceau SARL

Philippe de Nicolay	
■ Chairman of the Supervisory Board of: - Rothschild & Cie Gestion SCS ■ Director of: - Elan R SICAV - Blackpoint PCC Ltd (Guernsey) (until 1 March 2013) - Rothschild Japan KK (Japan) (until 20 September 2012) - PGP pat. Ltda (Brazil) - PDD Ltda (Brazil) - PNR import Ltda (Brazil)	■ Member of the Supervisory Board of: - Les Domaines Barons de Rothschild (Lafite) SCA - Hunico SC - Polo & Co SARL ■ Chairman of: - Wichford Plc (Isle of Man) (until 31 December 2012)

Jacques Richier	
■ Chairman and Chief Executive Officer of: - Allianz IARD SA - Allianz Vie SA - Allianz France SA	■ Member of the Supervisory Board of: - Allianz Global Assistance SAS - Allianz Global Corporate & Specialty AG (Germany) - Euler Hermès SA

Alexandre de Rothschild - Member of the Strategy Committee	
■ Member of the Supervisory Board of: - Delsey - Enricau SAS - Vuarchex SAS ■ Director of: - Rothschild Concordia SAS - Rothschilds Continuation Holdings AG (Switzerland) - Treilhard Investissement SA ■ General partner and Manager of: - Rothschild & Cie Banque SCS (as from 2 January 2013)	■ Managing partner of: - RCB Partenaires SNC ■ Partner of : - Ferrières SC ■ Manager of: - Société Civile du Haras de Reux ■ Member of : - Group Management Committee

Anthony de Rothschild	
■ Director of: - Rothschild Concordia SAS - Rothschilds Continuation Holdings AG (Switzerland) - Ascott Farms Ltd (United Kingdom) - A7 Music Ltd (United Kingdom)	- Southcourt Stud Company Ltd (United Kingdom) - Sculpt the future Company Ltd (United Kingdom) - Ascott Nominees Ltd (United Kingdom) - Ascott Properties Ltd (United Kingdom) - William and Suzue Curley Ltd (United Kingdom)

Lucie Maurel-Aubert - Member of the Strategy Committee	
■ Member of the Supervisory Board of: - Martin Maurel Gestion SA - BBR Rogier SA ■ Chairman, Deputy Chief Executive Officer and Director of: - Compagnie Financière Martin Maurel SA ■ Member of the Supervisory Board of: - Foncière INEA SA ■ Chairman of: - Grignan Participations SAS - Hoche Paris SAS - Immobilière Saint Albin SAS	■ Member of the Executive Board of: - Banque Martin Maurel SA ■ Manager of: - Mobilim International SARL ■ Chairman of the Supervisory Board of: - International Capital Gestion SA - Hoche Gestion Privée SA ■ Vice-Chairman of the Supervisory Board of: - Optigestion SA ■ Director of: - Fondation Hôpital Saint-Joseph - Mobilim Participations SA

Lord Leach	
■ Member of the House of Lords (United Kingdom) ■ Director of: - Jardine Lloyd Thompson Group plc (United Kingdom) - Rothschilds Continuation Holdings AG (Switzerland) (not held anymore during the financial year under review)	- Dairy Farm International Holdings Ltd (Bermuda) - Hongkong Land Holdings Ltd (Bermuda) - Jardine Matheson Holdings Ltd (Bermuda) - Jardine Strategic Holdings Ltd (Bermuda) - Mandarin Oriental International Ltd (Bermuda) - Matheson & Co. Ltd (United Kingdom)

Sipko Schat	
■ Member of the Executive Board of: - Rabobank Nederland (the Netherlands) ■ Representative of Rabobank Nederland as Director of: - NYSE Euronext - VNO-NCW (Confederation of Netherlands Industry and Employers)	■ Chairman of: - Wholesale Management Team of Rabobank International (the Netherlands) ■ Director of: - Bank Sarasin & Cie AG (Switzerland) - Rabo Real Estate (the Netherlands)

Peter Smith - Chairman of the Audit Committee and member of the Remuneration Committee	
■ Chairman of the Board of Directors of: - Savills Plc (United Kingdom) - Templeton Emerging Markets Investment Trust Plc (United Kingdom) - Land Restoration Trust (United Kingdom) ■ Director of: - Rothschilds Continuation Holdings AG (Switzerland) - NM Rothschild & Sons Ltd (United Kingdom)	- Rothschild Bank AG (Switzerland) - Associated British Foods Plc (United Kingdom) ■ Member of the Audit Committee of: - Rothschild Bank AG (Switzerland) ■ Member of the Remuneration Committee of: - Rothschilds Continuation Holdings AG (Switzerland) (until 28 March 2013)

Management

PO Gestion SAS, Managing partner

None.

<table>
<tr><th colspan="2">David de Rothschild - Chairman of PO Gestion SAS</th></tr>
<tr><td>

- Chairman of:
- Rothschild Concordia SAS
- NM Rothschild & Sons Ltd (United Kingdom)
- RCB Gestion SAS
- PO Gestion SAS
- Rothschilds Continuation Holdings AG (Switzerland)
- Executive Board of Paris Orléans SA (until 8 June 2012)
- Financière de Reux SAS
- Financière de Tournon SAS
- SCS Holding SAS
- Financière Rabelais SAS
- Aida SAS
- Norma SAS
- Cavour SAS
- Verdi SAS
- PO Gestion SAS
- PO Commandité SAS
- RCPB Gestion SAS
- RCG Gestion SAS
- RCI Gestion SAS
- RCG Partenaires SAS
- RCI Partenaires SAS
■ Chairman and Director of:
- Rothschild Concordia SAS
- Rothschild Europe BV (The Netherlands)
■ General partner and Manager appointed by the Articles of Association of:
- Rothschild & Cie SCS

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- Rothschild & Cie Banque SCS (until 8 June 2012, then Manager)
■ Managing partner of:
- Rothschild Gestion Partenaire SNC
- Rothschild Ferrières SC
- Béro SCA
- Société Civile du Haras de Reux
■ Vice-Chairman of:
- Rothschild Bank AG (Switzerland)
■ Director of:
- Casino SA
- La Compagnie Financière Martin Maurel SA
- Continuation Investments NV (The Netherlands)
- Rothschild Asia Holdings Ltd (China)
- Rothschild Employee Trustees Ltd (United Kingdom)
- Rothschild Concordia AG (Switzerland)
- Rothschild Holding AG (Switzerland)
■ Member of the Supervisory Board of:
- Edmond de Rothschild SA
- Euris SAS
■ Member of:
- Internal Audit Committee of Rothschild & Cie Banque SCS
- Remuneration and Appointment Committee of Rothschilds Continuation Holdings AG (Switzerland) (until 28 March 2013)

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<table>
<tr><th colspan="2">Nigel Higgins - Chief Executive Officer of PO Gestion SAS</th></tr>
<tr><td>

■ Chairman of:
- Group Management Committee
■ Director and Chief Executive Officer:
- Rothschilds Continuation Holdings AG (Switzerland)
■ Director of:
- Rothschild Bank AG (Switzerland)

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■ Chief Executive Officer of NM Rothschild Europe Partnership (United Kingdom)
■ Member of:
- Supervisory Board of Rothschild GmbH (Germany)

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<table>
<tr><th colspan="2">Olivier Pécoux - Chief Executive Officer of PO Gestion SAS</th></tr>
<tr><td>

■ Head of Global Financial Advisory
■ Member of the:
- Group Management Committee
- Strategy Committee of Financière Rabelais SAS (until 8 June 2012)
■ Chairman of the:
- Executive Committee of Rothschild & Cie Banque SCS
■ Member and Chief Executive Officer of the:
- Executive Board of Paris Orléans SA (until 8 June 2012)

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■ General partner and Manager of:
- Rothschild & Cie SCS
- Rothschild & Cie Banque SCS (until 8 June 2012, Manager since)
■ Managing partner of:
- RCB Partenaires SNC
■ Director of:
- Essilor SA
- Rothschild España SA (Spain)
- Rothschild Italia SpA (Italy)
■ Member of the Supervisory Board of:
- Rothschild GmbH (Germany)

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TRANSACTIONS INVOLVING THE COMPANY'S SECURITIES REALISED BY CORPORATE OFFICERS AND PERSONS REFERRED TO BY ARTICLE L. 621-18-2 OF THE FRENCH FINANCIAL AND MONETARY CODE

Pursuant to the provisions of Article 223-26 of the General Regulations of the French Financial Markets Authority *(Règlement général de l'Autorité des marchés financiers)*, the transactions involving the Company's securities during the 2012/2013 financial year, realised by persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code *(Code monétaire et financier)* are summarised in the table below. These transactions, disclosed to the Financial Markets Authority *(Autorité des marchés financiers)* and available on its website www.amf-france.org, are the following:

Name	Quality	Nature of the transaction	Date of the transaction	Unit price (in euros)	Total amount (in euros)	Financial instrument
Béro SCA	Legal entity related to Éric de Rothschild, Chairman of the Supervisory Board	Allocation of shares in compensation of contributions in kind (1)	08/06/2012	14.63	16,262,708.00	Shares
Christian de Labriffe EURL	Member of the Supervisory Board	Allocation of shares in compensation of contributions in kind (1) (2)	08/06/2012	14.63	16,637,382.30	Shares
Éric de Rothschild	Chairman of the Supervisory Board	Allocation of shares in compensation of contributions in kind (1) (2)	08/06/2012	14.63	4,814,659.85	Shares
Financière de Tournon SAS	Legal entity related to David de Rothschild, Chairman of PO Gestion SAS, Managing partner	Allocation of shares in compensation of contributions in kind (1)	08/06/2012	14.63	55,292,987.75	Shares
François Henrot	Vice-Chairman of the Supervisory Board	Allocation of shares in compensation of contributions in kind (1) (2)	08/06/2012	14.63	11,008,343.50	Shares
Olivier Pécoux	Chief Executive officer fo PO Gestion SAS, Managing partner	Allocation of shares in compensation of contributions in kind (1) (2)	08/06/2012	14.63	6,277,001.50	Shares
Ponthieu Rabelais SAS	Legal entity related to Éric de Rothschild, Chairman of the Supervisory Board	Allocation of shares in compensation of contributions in kind (1)	08/06/2012	14.63	55,096,214.25	Shares
Christian de Labriffe EURL	Legal entity related to Christian de Labriffe, member of the Supervisory Board	Purchase	03/12/2012	16.48	329.60	Shares
Parc Monceau EURL	Legal entity related to Christian de Labriffe, member of the Supervisory Board	Purchase	03/12/2012	16.48	329.60	Shares
François Henrot EURL	Legal entity related to François Henrot, Vice-chairman of the Supervisory Board	Purchase	04/12/2012	16.55	165.50	Shares
Olivier Pécoux EURL	Legal entity related to Olivier Pécoux, Chief Executive Officer of PO Gestion SAS, Managing partner	Purchase	06/12/2012	16.50	165.00	Shares
David de Rothschild	Chairman of PO Gestion SAS, Managing partner	Purchase	07/12/2012	16.55	165.50	Shares
Christian de Labriffe EURL	Legal entity related to Christian de Labriffe, member of the Supervisory Board	Sale	20/12/2012	17.12	342.40	Shares

(1) Allocation of shares in compensation of contribution in kind to the Company of shares of Rothschild & Cie Banque SCS.
(2) Allocation of shares in compensation of contribution in kind to the Company of shares of Financière Rabelais SAS Company.

COMPENSATION OF CORPORATE OFFICERS

Until 8 June 2012, Paris Orléans was a limited company (société anonyme) and its governance was carried out by two main bodies: a collegial executive body, the Executive Board, and a supervisory body, the Supervisory Board. Since its conversion into a French partnership limited by shares (*société en commandite par actions*), the Company has a new executive body, the Manager, but has maintained the Supervisory Board as the supervisory body. Therefore, the information provided below distinguishes between, on the one hand, the executive body, for which the information is presented in respect of the two successive periods running from 1 April 2012 to 8 June 2012 (Executive Board) and from 8 June 2012 to 31 March 2013 (Management), and, on the other hand, the supervisory body, for which the information is presented without distinction in respect of the entire financial year.

Executive Directors

Before 8 June 2012

Compensation

Given the Group's operating organisation and legal structure from 1 April 2012 to 8 June 2012, no member of the Executive Board of Paris Orléans received compensation in respect of their mandate as an executive corporate officer. Moreover, with the exception of Mr Michele Mezzarobba, no member of the Executive Board is tied to the Company by an employment contract.

Mr David de Rothschild and Mr Olivier Pécoux received no compensation in respect of their mandates as members of the Executive Board. In their capacities of General partners and Managers of the partnerships Rothschild & Cie Banque SCS and Rothschild & Cie SCS, their status was governed by the following rules:

- the Articles of Association of both Rothschild & Cie Banque SCS and Rothschild & Cie SCS prohibit the payment of any compensation whatsoever to general partners in respect of their duties as general partners; no general partner is tied to either company by an employment contract;
- the same Articles of Association entitle General partners to payment of a priority dividend corresponding to a distribution of pre-tax income, in exchange for their unlimited and joint liability for the companies' debts.

Mr Michele Mezzarobba has a permanent employment contract entered into with the Company on 15 December 2003; before his appointment to the Executive Board. At its meeting on 27 September 2010 to renew the Executive Boards' mandates, the Supervisory Board noted, as it had done at each previous renewal, that Mr Mezzarobba's employment contract was maintained in its full application and in all its terms and conditions. Mr Mezzarobba's compensation consists of a fixed portion and of a variable portion determined on objective criteria linked to his position and responsibilities, and on the performance of the Company's Proprietary Investment business. The amount of this variable portion also takes into account, to a lesser extent, individual criteria defined each year by the Chairman of the Executive Board, after consultation with the other Executive Board members.

In addition, Mr Michele Mezzarobba benefits, in the same way as all Paris Orléans' employees and in the same conditions:

- from group health, personal protection and accident insurance schemes and retirement schemes;
- from the incentive scheme currently in force, entered into on 30 June 2009, the overall incentive payment consists of two components respectively based on two of Paris Orléans' performance indicators: growth in the portfolio value and control of operating expenses. The incentive calculation excludes the Group's banking activities. The incentive payment is pro-rated to the gross salary of each beneficiary during the year under review. It does not replace any other forms of compensation that are currently paid by the Company or that could become compulsory as a result of legal or contractual stipulations. The total incentive payment has been capped at 7.5% of the combined gross salary paid to all beneficiaries during the year for which this payment is calculated. The gross salaries used for the calculation are gross taxable amounts as stated on the *Déclarations Annuelles de Données Sociales* (DADS) – employers' annual declarations of payroll data in France. The incentive bonus is paid in a single instalment no later than the last day of the seventh month following the financial year-end.

Mr Michele Mezzarobba also benefits from a defined-benefit supplementary retirement scheme of which the following are the main characteristics:

- contributions financing the supplementary pension plan amount to 6% of the reference salary per year, limited to eight times the Social Security annual threshold, corresponding to €290,976 for 2012;
- the reference salary consists of the gross annual salary excluding benefits in kind, severance benefits and retirement bonuses; the exclusion also applies to any amount that does not qualify as salary within the meaning of Article L. 242-1 of the French Social Security Code *(Code de la Sécurité Sociale)*.

The tables below present, for the period running from 1 April to 8 June 2012, an overview of compensation paid to each executive director of Paris Orléans.

David de Rothschild,
Member and Chairman of the Executive Board (1)

In thousands of euro	Amounts paid	
	Financial year 2012/2013 (2)	Financial year 2011/2012
Fixed compensation (2)	-	401.4 (3)
Variable compensation	-	-
Extraordinary compensation	-	-
Attendance fees	-	-
Benefits in kind (4)	0.5	6.2
TOTAL	0.5	407.6

(1) David de Rothschild was a member of the Executive Board of Paris Orléans until 8 June 2012 and Chairman of the Executive Board from 29 March 2012 to 8 June 2012. Mr David de Rothschild received no compensation in respect of his positions of member and/or Chairman of the Executive Board during the concerned periods.
(2) For the period running from 1 April to 8 June 2012.
(3) Compensation received in respect of positions held at NM Rothschild & Sons and Rothschild Holding AG.
(4) This amount relates to the use of a car for the periods from 1 January to 31 December 2011 and from 1 January to 31 December 2012, to the exclusion of any other benefits.

Olivier Pécoux,
Member of the Executive Board and Chief Executive Officer (1)

In thousands of euro	Amounts paid	
	Financial year 2012/2013 (2)	Financial year 2011/2012
Fixed compensation	-	-
Variable compensation	-	-
Extraordinary compensation	-	-
Attendance fees	-	-
Benefits in kind (3)	5.4	5.0
TOTAL	5.4	5.0

(1) Olivier Pécoux was a member of the Executive Board of Paris Orléans until 8 June 2012 and Chief Executive Officer until 8 June 2012. Olivier Pécoux received no compensation in respect of his positions of member of the Executive Board and Chief Executive Officer during the concerned periods.
(2) For the period running from 1 April to 8 June 2012.
(3) This amount relates to the use of a car for the periods from 1 January to 31 December 2011 and from 1 January to 31 December 2012, to the exclusion of any other benefits.

Michele Mezzarobba,
Member of the Executive Board and Chief Financial Officer (1)

In thousands of euro	Amounts paid	
	Financial year 2012/2013 (2)	Financial year 2011/2012
Fixed compensation (3)	41.7	250.0
Variable compensation (3) (4)	-	490.3
Extraordinary compensation	-	-
Attendance fees	100.0	93.8
Benefits in kind (5)	5.8	6.2
TOTAL	147.5	840.3

(1) Member of the Executive Board until 8 June 2012.
(2) For the period running from 1 April to 8 June 2012.
(3) Compensation received in respect of Michele Mezzarobba's employment contract.
(4) The variable compensation due in respect of given financial year is paid in the same financial year.
(5) This amount relates to the use of a car for the periods from 1 January to 31 December 2011 and from 1 January to 31 December 2012, to the exclusion of any other benefits.

Information on employment contracts, supplementary pension schemes, compensation or benefits due in the event of termination of office or change in function and non-competition clauses for executive corporate officers

Member of the Executive Board	Employment contract	Supplementary pension scheme	Compensation or benefits due or that could become due in the event of termination of office or change in function	Compensation in respect of non-competition clause
David de Rothschild Member of the Executive Board and Chairman of the Executive Board ■ date of appointment: 27 September 2010 ■ end of term of office: 8 June 2012	No	No	No	No
Olivier Pécoux Member of the Executive Board and Chief Executive Officer ■ date of appointment: 27 September 2010 ■ end of term of office: 8 June 2012	No	No	No	No
Michele Mezzarobba Member of the Executive Board and Chief Financial Officer ■ date of appointment: 27 September 2010 ■ end of term of office: 8 June 2012	Yes (1)	Yes (2)	No	No

(1) Michele Mezzarobba entered into an employment contract on 15 December 2003 with Paris Orléans, before his appointment as a member of the Executive Board. The Supervisory Board specifically acknowledges that his employment contract is maintained in its full application and in all its terms and conditions when examining the renewal of his appointment as a member of the Executive Board.
(2) Supplementary defined benefit retirement scheme ("article 83 pension scheme").

Members of the Executive Board do not benefit from a supplementary retirement scheme with the exception of Michele Mezzaroba who benefits from a supplementary retirement scheme with defined contributions (see paragraph above). Contributions in respect of this supplementary retirement scheme are paid during the whole financial year and do not give rise to the booking of a provision for risks and liabilities.

No commitment falling within the scope of Article L. 225-90-1 of the French Commercial Code (*Code de commerce*) and corresponding to an item of compensation, indemnification or benefits due or likely to become due as the result of termination or change in the functions of an Executive Board member, or subsequent to such events, was entered into in the 2012/2013 financial year.

In addition, Paris Orléans' Executive Board members benefit from managers' civil liability insurance designed to cover the financial consequences of any civil liability they could incur during their office within Paris Orléans. This insurance also covers the differences in cover limits and policy conditions of similar insurance policies subscribed to at the Rothschilds Continuation Holdings AG and Rothschild & Cie Banque SCS level.

After 8 June 2012

On 8 June 2012, PO Gestion SAS was appointed Managing partner by Paris Orléans' Articles of Association for the whole duration of the Company. It has since been the only Manager of Paris Orléans.

Following Paris Orléans' conversion into a partnership limited by shares (*société en commandite par actions*), the new Group's Governance system has been progressively implemented. After a result, during the period from 8 June 2012 to 31 March 2013, no compensation has been paid to the executive directors of PO Gestion SAS, in relation of the latter's position as Paris Orléans' Managing Partner.

Supervisory body

The General Meeting of 27 September 2012 set at €300,000 the maximum amount of attendance fees available for allocation to members of the Supervisory Board of Paris Orléans, applicable retroactively to all meetings of the Supervisory Board held from 1 April 2012, including meetings before Paris Orléans' conversion into a partnership limited by share (*société en commandite par actions*) (1).

Moreover, given the change of governance of the Company during the financial year ended 31 March 2013, the individual allocation of attendance fees was as follows:

UNTIL 8 JUNE 2012 (1)	
Fixed ordinary attendance fee	€1,000
Variable ordinary attendance fee per meeting (3)	€1,000
Fixed supplement for attending Audit Committee meetings	€1,000
Variable supplement for attending Audit Committee meetings (3)	€1,000
Fixed supplement for attending joint Audit Committee meetings with RCH	€1,000
Variable supplement for attending joint Audit Committee meetings (3)	€2,000
AS FROM 8 JUNE 2012 (2)	
Fixed ordinary attendance fee	€1,000
Variable ordinary attendance fee per meeting (3)	€1,000
Complementary annual compensation allocated to the Chairman of the Audit Committee	€4,000
Fixed supplement for attending Audit Committee meetings	€1,000
Variable supplement for attending Audit Committee meetings (3)	€1,000
Fixed supplement for attending Strategic Committee meetings	€1,000
Variable supplement for attending Strategic Committee meetings (3)	€1,000

(1) Taking into account four Supervisory Board meetings, held from 1 April 2012 to 8 June 2012.
(2) Taking into account four Supervisory Board meetings, four Audit Committee meetings and one meeting of the Strategic Committee, held from 8 June 2012 to 31 March 2013.
(3) In accordance with the AFEP-MEDEF recommendations, payment of attendance fees or of the variable supplements is conditional upon effective attendance at each meeting.

The table below shows the attendance fees and other compensation received by the members of the Supervisory Board of Paris Orléans in respect of their positions held at Paris Orléans and at any other Group company.

(1) In respect of the 2011/2012 financial year, the General Meeting of 27 September 2010 set at €134,000 the maximum amount of attendance fees available for allocation to members of the Supervisory Board of the Company.

In thousands of euro	FY 2012/2013			FY 2011/2012[1]		
Member of the Supervisory Board	Attendance fees[1]	Other compensation		Attendance fees[1]	Other compensation	
Éric de Rothschild (Chairman)[2]	6.0	Fixed Benefits in kind	41.1 6.4	8.0	Fixed Benefits in kinds	332.4 6.4
André Lévy-Lang[3][4]	29.0		-	17.9		-
François Henrot[4][5]	5.0		-	7.0		-
Sylvain Héfès[2][3][5][6]	6.0	Fixed Variable	402.2 234.8	N/A		N/A
Robert de Rothschild[2][6][7]	4.0	Fixed Benefits in kind	3.9 2.0	7.0	Fixed Benefits in kinds	22.5 10.4
Philippe Sereys de Rothschild[3][6][7]	5.0		-	22.5		-
Alexandre de Rothschild[2][4][8]	-	Fixed Variable	94.2 114.7	N/A		N/A
Anthony de Rothschild[8]	8.0		-	N/A		N/A
Martin Bouygues[4]	16.0		-	7.0		-
Michel Cicurel (Censeur)[7]	3.0		-	5.0		-
Claude Chouraqui[7]	5.0		-	8.0		-
Russell Edey[6][7][9]	6.0	Fixed	19.8	8.0		-
Christian de Labriffe[3]	4.0		-	22.5		-
Lord Leach[8]	9.0		-	N/A		N/A
Lucie Maurel-Aubert[4][8]	12.0		-	N/A		N/A
Philippe de Nicolay	6.0		-	6.0		-
Jacques Richier	13.0		-	7.0		-
Sipko Schat[8]	7.0		-	N/A		N/A
Peter Smith[3][6][10]	9.0	Other fees	59.1	N/A		N/A

(1) Attendance fees received from Paris Orléans in respect of the position of member of the Supervisory Board. Attendance fees due in respect of given financial year is paid in the same financial year.
(2) Other compensation received from controlled companies.
(3) Attendance fees received from Paris Orléans as member of the Supervisory Board and member of the Audit Committee.
(4) Attendance fees received from Paris Orléans as member of the Supervisory Board and member of the Strategy Committee, set up as from 8 June 2012.
(5) Member of the Supervisory Board as from 29 March 2012.
(6) Compensation converted at €/£, €/$, at €/USD or €/CHF exchange rates as at 31 March 2013 and as at 31 March 2012.
(7) End of term as a member of the Supervisory Board on 8 June 2012.
(8) Member of the Supervisory Board as from 8 June 2012.
(9) Moreover, Russell Edey has received €120.0 thousands in attendance fees from the controlled companies as at 31 March 2012 and €19.8 thousands as at 31 March 2013.
(10) Member of the Supervisory Board as from 27 September 2012. Moreover, Peter Smith received €59.1 thousands in attendance fees from controlled companies as at 31 March 2013.

Performance shares and options to subcribe for or purchase the Company's shares

During the financial year ended 31 March 2013, no performance shares or options to subscribe for or purchase the Company's shares have been granted.

STATUTORY AUDITORS

Terms of office

During the previous financial year, the General Meeting of shareholders of 27 September 2011:

- renewed for a term of 6 financial years the appointments of Cailliau Dedouit et Associés SA, as Statutory Auditor, and of Mr Didier Cardon, as Alternate Auditor;
- appointed KPMG Audit FS II SAS, as Statutory Audior, and KPMG Audit FS I SAS, as Alternate Auditor, as a replacement of KPMG Audit (a division of KPMG SA) and of SCP de Commissaires aux Comptes Jean-Claude André et Autres, whose appointments were not renewed.

In the continuity of Paris Orléans' conversion into a French partnership limited by shares (*société en commandite par actions*) approved by the General Meeting of shareholders of 8 June 2012, the Statutory Auditors and Alternate Auditors' appointments were confirmed.

Fees to statutory auditors

The information relating to the fees paid to the statutory auditors in respect of the financial year ended 31 March 2013 is presented in page 148 of this present report.

CHAIRMAN OF THE SUPERVISORY BOARD'S REPORT

The Chairman of the Supervisory Board's report, prepared in accordance with Article L. 226-10-1 of the French Commercial code *(Code de commerce)*, which constitutes an appendix to the present management report, will be included in the document to the General Meeting, available on Paris Orléans' website, www.paris-orleans.com under the section "Investor Relations - Regulated information". The Statutory Auditors' report thereon will aso be included in said document to the General Meeting.

Social, environmental and societal information

INTRODUCTION

Over the years, the Group has been gradually developing and implementing policies designed to take environmental and social issues into greater account in its businesses, and circulating these among its employees.

Given the Group's structure, the initiatives are usually locally taken. They contribute to a common culture, built on values the Group considers as essential and on which its internal operations, relations with stakeholders and investment decisions are based.

The social and environmental factors have become an integral part of the qualitative analysis conducted by the Group's activities. For instance, some of its subsidiaries carrying out asset management activities have signed charts by which they commit to take into account extrafinancial criteria to make their investment decisions.

The Group's governance has been adapted to implement an effective corporate social responsibility policy. Several committees dedicated to social, environmental and societal issues have been established.

As the parent company of the Rothschild Group, Paris Orléans monitors on a consolidated basis the respect by its entities of the policies that have been put in place. These deal, for example, with the prevention of financial crimes that can happen within the Group's activities (as stated in the section relating to the Company's economic responsability).

METHODOLOGY

A working group has met on a regular basis since the announcement on 24 April 2012 of the implementation decree of the Grenelle 2 law which lists the social, societal and environmental information to be provided in Paris Orléans' management report. Meetings were held to set up the scope of the reporting (the information that the Group will disclose and the entities that will be included) and to organise the collection of the relevant information.

Paris Orléans' willingness to take into account the impact of its activities on Society and the Environment is strong. However, as the holding company of a Group which has banking and financial activities, the disclosure of some of the information listed in article R. 225-105-1 of the French Commercial Code *(Code de commerce)* is not appropriate.

Therefore, some of this information is not disclosed in this report and explanation is given for each of these exclusions.

Given the Group's organisational complexity, the scope of the reporting does not include all of its entities. First, the implementation decree of the Grenelle 2 law was recently published in the Official Journal (*Journal Officiel*) in 24 April 2013. In addition, the Group has been reorganised (this reorganisation was approved by the Extraordinary General Meeting of 8 June 2012). This scope will be expanded in the future. For the 2012/2013 financial year, it has been decided to cover Paris Orléans and its four main entities which are:

- Rothschild & Cie Banque SCS (RCB) in Paris;
- Rothschild Bank AG (RBZ) in Zurich;
- NM Rothschild & Sons Ltd (NMR) in London;
- Rothschild North America Inc. (RNA) in New York

Data is provided in respect of the 2012/2013 financial year. When it is possible, data is also provided for the last financial year in order to allow a comparison between the two financial years.

Article L. 225-102-1 of the French Commercial code provides that social, environmental and societal information disclosed in this report must be certified by an independent third-party. Since the implementation decree that sets forth the way in which this entity will perform its duties was only recently published, the Company did not have the sufficient capacity to organise this certification and to appoint the aforementioned independent third-party. Consequently, data provided in this section has not been certified. However, it will be next year.

HUMAN RESOURCES INFORMATION

Our people

By geography	31 March 2013	31 March 2012
United Kingdom	978	1,029
France	625	619
Switzerland	321	360
Other Europe	331	297
North America	232	246
Rest of the world	277	285
TOTAL GROUP	**2,764**	**2,836**

By business	31 March 2013	31 March 2012
Global Financial Advisory	1,129	1,176
Wealth and Asset Management	704	673
Merchant Banking	62	38
Specialist Finance	215	245
Central & Support	655	704
TOTAL GROUP	**2,764**	**2,836**

A global team of talented individuals from a diverse range of backgrounds and cultures

Rothschild attracts, develops and retains the industry's brightest minds. We strive to create an inclusive culture that encourages the highest standards of quality, professionalism and ethics.

Rothschild has over 2,800 employees across the world, of which 40% are female. Our team is truly global; we draw on local talent from each of the 40 countries in which we are based and beyond, hiring and developing the best each region has to offer.

We also own the Five Arrows Leasing Group (FALG), included in the Specialist Finance business figure which provides a range of specialist asset finance facilities to UK companies. FALG has 146 employees and, of these 39% are female.

Rothschild offers structured Graduate Programmes in our Global Financial Advisory and Wealth Management and Trust businesses for both students in their final year of university and those who have already graduated. 64 students were hired and placed onto the Graduate Programme. A large number of the Graduates have completed an internship with Rothschild prior to joining the full time programme and the remaining class is hired *via* our online and campus recruitment campaigns. We have a keen focus on diversity for all our internship and Graduate programmes.

Rothschild also recruits experienced professionals to help grow our business and in order to fill critical gaps in our succession planning. However, our key focus is always to offer growth potential and progression to our employees internally, and as such we keenly promote internal mobility as a first priority. When Human Resources do recruit externally, candidates are sourced in partnership with our Business Units Head and Departemental Managers. Human Resources also work with specialised services providers to identify candidates.

Remuneration

Rothschild's remuneration policies, procedures and practices are in line with our business strategy, objectives, values and long-term interests and are designed to promote sound and effective risk management. Our Remuneration Committee is responsible for overseeing remuneration related matters.

We reward our people at a total compensation level, paying fixed and variable compensation. We ensure that fixed and variable components of total compensation are balanced appropriately.

Fixed compensation is driven by the local market for the job taking into account responsibilities, skills and experience and;

Annual variable compensation is awarded on a discretionary basis, driven by a combination of the results of the Group as a whole and the financial performance of the business division in which an individual works as well as local market competitiveness and is then truly differentiated based on individual performance against financial and non-financial metrics.

In some cases, among others for regulated population we operate deferral arrangements to defer a proportion of variable compensation over three years.

Work organisation

Working hours vary from country to country depending on national legislation and are therefore managed and monitored by local Management and Human Resources teams.

Likewise absenteeism is monitored within each office. Departmental Managers and Human Resources work closely together to monitor and manage individual cases, when necessary.

Labour relations

Communication and feedback to employees forms a key aspect of our values. In particular, two of these values (Long-term focus and Teamwork) underpin our commitment to our workforce. Attracting, developing and rewarding people is at the heart of what we do. Therefore providing regular and thorough feedback is critical to this. This is done most formally through our appraisal system, where employees receive an end of year review. Managers are encouraged to meet with their direct reports on a regular basis to ensure dialogue on progress and two-way feedback is promoted. More generally Group and division wide communication is regularly promoted through email updates, and the various businesses have their own form of face-to-face divisional gatherings.

Health and safety

We pay great attention to health, hygiene, safety and the working conditions of our employees. We evaluate and anticipate risks, offer information and implement training on these subjects and we regularly review our procedures and systems in these matters at least once a year.

Training and development

Rothschild offers trainings enabling employees to improve their professional competencies. There are local and international training programmes.

The Learning & Development team dedicated to assisting Rothschild's aim to build and provide solutions to satisfy all aspects of an employee's development through services in training, mentoring, coaching and team development.

Some examples of our key programmes:

- **AD/VP to Director Transition Programme** - Rothschild run events for each key promotion stage which are designed to help employees understand the requirements of their new role and build a strategy for success. It focuses on understanding how to make successful career transitions and what skills will be required in their new role. Rothschild held its first Global Transition Programme for Global Financial Advisory employees promoted from Assistant Director/Vice-President to Director in 2012. As well as setting out expectations of their new role, the programme trained delegates on how to move from a delivery/execution role to becoming a revenue generator and trusted client advisor.

- **Bankers' Development Programme**: The Bankers' Development Programme is a comprehensive technical training curriculum comprised of mandatory, recommended and available courses for Bankers' at all levels in Global Financial Advisory. Organised by grade, the courses are designed to further develop employees' skills as they progress through the firm. As well as offering face to face instructor led training, webex training is also offered for global offices.

- **Elearning**: Rothschild eLearn is available to all employees to assist them in developing their own personal development skills. Over 40 personal development programmes are available. In addition, Rothschild eLearn is the portal for Anti-Money Laundering Training and support during the annual Performance Review Process.

- **Sales Bootcamp (Zurich)**: Sales Boot Camp is a programme run for all senior Client Advisors in Wealth Management & Trust. The programme is part of a series of interventions designed to strengthen the sales and marketing momentum in that division.

The programme runs for one day with an additional half day follow-up programme to help embed the learning, and is delivered in various languages dependent on the needs of the Client Advisors. Maximum of case studies and filmed feedback is used during the programme.

In addition to these Global training programmes each country has its own training policy and programmes and for instance in France we exceed the legal training requirements.

Equal opportunities

We hire the most talented individuals, from a diverse range of backgrounds, cultures and experiences. Rothschild is committed to providing equal opportunities in employment and aims to ensure that it will not unlawfully discriminate in employment because of race, colour, religion or belief, gender, national or ethnic origin, disability, age, nationality, marriage or civil partnership, pregnancy or maternity, sexual orientation or gender-reassignment. It is therefore Rothschild's policy to make every effort to provide a working environment free from harassment, intimidation and discrimination which the Group considers unacceptable behaviour.

The policy applies to all areas of employment including recruitment, the terms and conditions of employment, training, career development, replacement, promotion, transfer, redundancy, rehiring, benefits, compensation, retirement and termination.

As an equal opportunity employer, the Group seek to recruit based on experience and ability ensuring that the best candidate for the position is recruited. Only those qualifications and skills which are important to the job will be the criteria of selection for recruitment and promotion.

Respect for diversity and an inclusive culture are both central to our success. As such, we support various personal development initiatives including mentoring and membership of networking organisations and forums to connect our professionals and promote inclusivity across the firm.

We have been participating in the "*Charte de la Diversité*" since 2005. In this perspective, we aim at having objective criteria in our recruitment, appraisal and compensation processes and we inform and train our managers on this important subject.

The Network for Knowledge (NfK) Committee is a City-wide, cross-firm organisation in London for women founded by Goldman Sachs International in 2007. The Committee is comprised of senior women from law firms and banks including representation from Rothschild. It aims to connect female professionals from across these fields and to address the issues that affect their career development.

The NfK organises regular networking events, training sessions and seminars including an annual flagship event. There is a cross-firm mentoring programme in which a number of professionals from Rothschild participate.

David de Rothschild is one of the 54 Chairmen of the 30% Club which aims to increase female representation on UK corporate boards from the current industry average of 12% to 30%. This initiative was launched to support and encourage women carreer development and to garner support from Chairmen and companies to recognise and cultivate talented women up to board level. We now have a woman on both of our major boards, with a view to further enhance this and bring yet greater diversity to this group.

Moreover, in France, we have put in place measures to promote gender equality in three key areas: recruitment, compensation and work life balance. Action plans are presented and reviewed every year with our social representatives.

We also have a plan in favour of more seasoned employees and measures to enhance their professional development.

Measures implemented to promote employment and integration of disabled people

Rothschild ensures that no discriminatory criteria is applied for recruitment, career development and compensation decisions. Where an employee has a disability, we work closely with them and our Occupational Health Advisers to provide the appropriate adjustments and support to ensure they can be successful and fulfilled in the workplace. We also collaborate with specific organisations and charities, for example Blind in Business, to ensure that we are providing the best possible care and support to our employees.

In France, we also contribute to the employment of disabled persons by financing specialised companies or by choosing suppliers who employ disabled people.

Promotion and observation of the International Labour Organisation's Convention

The policies implemented by the Group adhere and are in line with the main provisions of the ILO Convention, for example the elimination of all forms of forced labour, abolition of child labour, elimination of all forms of discrimination in respect of employment and occupation.

ENVIRONMENTAL INFORMATION

PO Group's environmental approach

As a financial services business, there are limited ways that we can minimise our impact on the environment. However, we do seek the most efficient operation of our offices and to ensure good working practices and behaviours in the way that we do business.

We see our main impacts as:

- **Energy** - Our offices use both gas and electricity to provide heat and air-conditioning and the power for the equipment we use. By reducing consumption, we also reduce our CO_2 emissions.
- **Water** - We monitor the consumption of water in order to minimise waste water in the bathrooms, and kitchen and restaurant areas.
- **Paper and other natural resources** - We aim to ensure that working practices reduce consumption of paper and office stationery.
- **Travel** - As an international business, travel is at times unavoidable. To reduce travel, we encourage staff to use the telephone and video conferencing facilities where possible, and encourage them to favour rail/underground travel over air or road travel.
- **Biodiversity** - As our offices are located in the heart of large cities, we are not in a position to widely encourage habitats for wildlife. However, we do consider biodiversity in the design of new offices – for example, our London office has been designed with a roof garden on Level 11 and has another green space as part of Level 4.

Organisation of environmental management

To date, management of the environment has been organised at a local level, with a senior member of staff taking responsibility in each office. Our offices are managed in different ways: some are multi-tenanted sites, and as such, each office has to react differently to the demands that the space and landlords/service providers make upon it.

During the financial year 2012/2013, steps were taken to develop a more strategic approach to environmental management, starting with more robust data collection. As such, in the main offices, data from this year will serve as a baseline for future reporting and will support our ability to determine where there may be areas of concern and how local implementation of new working practices is having a positive impact on climate change reporting.

It is also worth noting that each office adheres to local environmental legislation, for example in the United Kingdom, the WEEE Directive for recycling electrical items and we are required to buy carbon credits as a part of the Carbon Reduction Commitment.

As part of a move towards greater employee engagement in environmental matters, the London office set up an environment committee in 2012, which forms part of the wider Rothschild in the Community (CSR) programme. The committee takes a strategic view of environmental management, although the day to day delivery of improvements in working practices and office infrastructure is the responsibility of the Facilities management team.

Of Rothschild offices, only the London office (NM Rothschild & Sons) has a published environmental policy which can be found on the bank's website. This policy covers NMR London and the smaller UK offices in Birmingham, Leeds and Manchester.

Employees are made aware of the bank's actions to reduce its environmental impact through a number of different channels. For example, in London the bank has established a *Green Champions* network of staff that helps to disseminate information about working best practice. In New York, the office puts up posters to highlight recycle bins and to promote Earth Day. The Paris office emails staff six times per year about environmental matters.

Training is provided to people who are directly involved in environmental management, to enable them to peform their duties. The bank also belongs to a number of schemes designed to raise the awareness of environmental best practice more widely, such as the Clean City Awards Scheme – Rothschild has been awarded the Gold Standard through this programme for the last three years.

Resources available to prevent environmental risks and pollution vary depending on individual offices. In London, there are two elements to expenditure. Firstly, "green volunteering" is incorporated into the wider Rothschild in the Community (CSR) programme, which includes volunteering days spent by employees with the conservation charity the London Wildlife Trust. During the last financial year £10,676 were spent on London Wildlife Trust projects and over 100 people from the London office took part as volunteers. There is an element of general running costs associated with delivering environmental awareness and improvements (e.g. recycling bin signage) which resides in the Building Services budgets, but this is not separately accounted for.

The New York office has no direct budget allocation, but does allocate 5% of two IT staff's time directly to collection and environmental disposal of old equipment. There is no separate budget allocated in Zurich and Paris.

No provision is made in Rothschild's risk management processes for environment risk at the current time, although this is under review as part of an exercise that encompasses the bank's response to the United Nations Principles for Responsible Investment and wider ESG compliance. Rothschild makes no provisions or guarantees for environmental risks of its operations.

Pollution and waste management

Waste Management

The four main offices operate waste management systems in differing ways, based on arrangements with landlords and waste disposal companies. As such, only London and Zurich have detailed figures available, as Paris and New York are based in multi-tenanted buildings that do not separate or stream waste. Total waste amounted 249 tonnes for the Group (194 tonnes for our London office and 55 tonnes for our Zurich office).

Measures regarding waste prevention, recycling and disposal have been implemented locally. The following table provides some examples:

Measures regarding waste prevention, recycling and disposal

Recycled	Reused	Other measures
■ Toners ■ Florescent tubes ■ IT equipment is disposed of in keeping with the WEEE regulations	■ Stationery is reused and new orders managed *via* cost control process ■ IT equipment is reused and repaired wherever possible by the vendors	■ Printers are set to double-sided as a default; ■ Old furniture is disposed of *via* a charity ■ E-invoicing is used where possible ■ The office manages junk mail at source ■ Mobiles are given to a not-for-profit association that sells old mobiles and gives the proceeds to charities of Rothschild's choice

Other pollution

There were no spillages that may have adversely affected any water bodies during the financial year.

Our buildings are also maintained to a high standard to reduce any potential noise pollution caused by faulty plant or equipment and there were no reports of any incidents of adverse noise pollution during the financial year.

Sustainable use of resources

Rothschild seeks to minimise its impact on the environment through appropriate use of resources and the implementation of working practices that create a reduction on an annual basis. As this is the first time that a global reporting methodology has been put in place, the FY 2012/2013 data will act as benchmark data for subsequent reports. Resources used by our four main offices are disclosed in the following table.

Sustainable use of resources	
Energy consumption (1)	
Electricity	10,338,939 kWh
Gas	3,219,071 kWh
Other	• 1,200 litres fuel oil • 1,500 litres diesel
Water consumption (1) (2)	**27.9M litres**
Paper consumption (3)	**32,5M sheets of A4**

(1) Energy and Water consumption for our New York office is not available. Gas consumption was not recorded for our Paris office.
(2) No water body were adversely affected by our four main offices.
(3) Beyond paper, our offices do not use significant amounts of raw materials.

Measures taken to reduce energy consumption

The Zurich office has a heat recovery plant installed. All New York office PCs meet Energy Star guidelines for energy efficiency. In London, the office has been designed with energy conservation in mind, for example, there are movement sensors for lighting throughout working floors and air-conditioning override buttons (so that local heat or cooling can be provided when there are limited people in the building, rather than heat or cool the whole of a floor).

Land use

No land was used in the operation of the Rothschild business in FY 2012/2013.

Climate change

Each office records its own use of flights, rail, taxis and car travel. The table below shows consolidated figures for data available from each of our four main offices.

Climate change	
Each of our office records its own use of flights, rail and taxis travel (1)	
Flights	26,830,825 km / 315.7 tonnes CO_2^e
Rail	1,312,000 km / 88.1 tonnes CO_2^e
Taxis	576,900 km / 55.1 tonnes CO_2^e
Total CO_2^e	**458.9 tonnes CO_2^e**

(1) With the exception of our New York office which did not record its rail and taxis travel and our Zurich office which did not record its taxis travel.

The carbon emissions for the above table are calculated using the UK's DEFRA current emission factors. CO_2^e figures are based on the information recorded and for New York and Zurich, are not a complete record. All rail travel is treated as national travel and taxis as regular taxis with figures assumed to be passenger kms, rather than vehicle kms. Flights are treated as average long haul.

None of the offices has published any form of statement on adaptation to climate change. Greenhouse and gas emissions and adaptation is not been considered as part of the risk management process.

Biodiversity protection

During the Financial Year, none of the main offices operated in areas close to areas of biological interest and there were no reports of incidents that caused damage.

The London office works indirectly to restore habitats *via* its corporate membership of the London Wildlife Trust, which was established by Charles Rothschild in 1912. In the Trust's centenary year, over 100 Rothschild volunteers spent time working on conservation projects. "Green Volunteering" remains a core element of the office's community engagement strategy.

CORPORATE SOCIAL INFORMATION

Territorial, economic and social impact of the Company's activities regarding regional employment and development, and on the local populations

As a leading financial services business, the Group carries out financial advisory, asset management and Merchant Banking as well as Specialist finance activities.

The Group is also strongly involved in charity support and community partnerships all over the world, within of the Rothschild in the Community programme. The Group encourages its employees to contribute in these actions. Its initiatives mainly focus on two key areas: education and community development.

In the field of education, the Group is involved in partnerships with many schools located in economically deprived areas to support students, teachers and governors. Our current initiatives include careers mentoring schemes and work experience, support for children in transition from primary to secondary school, and a strong involvement in the Young Enterprise program in the United Kingdom which aim at broadening the childrens' and students' horizons and raising their awareness of the world and business-related issues.

Concerning our support to underprivileged communities, the Group's initiatives aim particularly to promote professional integration. Particularly and among others in the Group, three programmes are implemented in Australia, South Africa and the United Kingdom.

- In Australia, the Group supports the Young Endeavour Youth Scheme programme, by sponsoring for the past four years one trip per year on the Young Endeavour Tall Ship for a young Australian who helped care for a family member with a chronic illness, disability, mental illness, drug or alcohol problem.

- In South Africa, the Group supports the Amazing Grace Children's Home, an orphanage located in Eikenhof, Johannesburg, which provides a permanent and safe home for more than 80 children who are victims of abandonment, abuse or human trafficking. Many of the children are HIV positive. The Group's involvement has included free legal advice for the organisation, purchasing a minibus or funding upgrades to building and supplying new furniture for the children.

- In the United Kingdom, the Group has been for several years involved in a partnership with the Bow School of Maths and Computing, a boys' secondary school based in an economically deprived part of East London. Through its Gifted and Talented Mentoring Programme, the Group gives its support to 50 students by encouraging them to continue their studies.

Graduates are encouraged to contribute to community and environmental initiatives from the beginning of their careers.

Graduates based in the United Kingdom spend time at local schools or community organisations during their training period, giving them an early sense of involvement in our community partnerships. We aim to inspire our graduates to continue volunteering throughout their careers at Rothschild.

Relations with stakeholders, including associations of integration, educational institutes, associations for the protection of the Environment, consumers organisation and local populations

Dialogue with stakeholders

Paris Orléans clearly identifies which are its stakeholders within the framework of its activities. Those are defined, as stated in the GRI Guidelines, as entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products, and/or services; and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives.

The Group seeks to maintain a dialogue with those stakeholders. By doing this, it is in the position to take their interests into account and to promote its own values.

The Group has identified, as its key stakeholders, its shareholders, potential investors in the securities issued by its entities, financial analysts and journalists. The head of the investor relations has set up this dialogue between the Group and those individuals or entities.

During the 2012/2013 financial year several meetings have been organised between the Group's Head of Investor Relations and those stakeholders. Members of the boards or of the management and people holding strategic positions within the Group have also attended these meetings.

The Group attaches great importance to complying with the rules regarding transparency. It discloses, in French and in English, the information that is necessary for investors and shareholders to assess its situation and outlook. This financial and extra-financial information is available on its internet website in the section "Investor Relations". Paris Orléans also discloses information for its shareholders in order to facilitate the exercise of their rights. There is, for example, information about how to attend the Annual General Meetings and how to vote. There are also explanations about the different ways to hold securities issued by Paris Orléans.

In order to facilitate the dialogue between the Group and its shareholders or the investors, an email address has been set up. The Group is consequently able to better meet their needs and to take their opinions into account.

The Group also strives to develop good practices in collaboration with its main suppliers, with whom it shares experience in order to improve environmental behaviours. Green Suppliers workshops were recently launched with the Group's key suppliers which aim to define common actions to respect the environment.

For some of the Group's entities, social and environmental factors have become an integral part of the qualitative analysis conducted by the Group's activities. Some of the Group's subsidiaries which are carrying out asset management activities integrate extra-financial criteria to take their investment decisions.

As an example, the French subsidiary in charge of the asset management activities signed in January 2011 the UNEP FI (United Nations Environment Programme Finance Initiative) Principles for Responsible Investment. Environmental, social and governance issues have become an integral part of the analysis and decision-taking process relating to investment. These extra-financial analyses are conducted in France with the collaboration of EIRIS as an independent third-party completing the work of analysts.

Actions of partnership and sponsorship

As stated in the section relating to "territorial, economic and social impact of the company activity", the Group carries out many activities in the fields of education and community development.

In general, the Group is historically highly involved in charity support. In the United Kingdom, a committee specifically dedicated to charity actions, the *Rothschild Charities Committee,* meets quarterly to consider applications and to decide what support measures might be taken. A large portion of the funds allocated to these actions concern charities working in the fields of social welfare, young people and healthcare. Approaches from small, local charities are particularly welcome. Of the money donated each year, around 50% is in response to requests from Rothschild employees who have a connection with a particular charity.

The Group sponsored, among others, the following organisations: Action Aid, Adoption UK, Alzheimer's Research UK, the Amber Trust, Marie Curie Hospice Hampstead, Sightsavers International and Kids Company. More details can be found on the Group's website (www.rothschild.com).

Subcontractor and suppliers

Integration of social and environmental issues into the company procurement policy

As the holding company of a Group which has banking and financial activities, the implementation of such politicies by Paris Orléans is not appropriate.

However, as stated in the section regarding environmental information, the Group seeks to limit the impact of its activities on the Environment. As a result, we encourage the company's employees, partners or board members to prefer the less polluting means of transport when they have to travel for business purposes. Some of our offices are also designed with energy conservation in mind.

Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility

As noted above, given Paris Orléans' activities, the implementation of such policies is not appropriate.

Fair business and practices

Economic responsibility

Paris Orléans performs its activities with a high level of professional ethics. This involves respecting clients' interests, and the prevention of economic crimes that can happen within the framework of Paris Orléans' activities. This is done by implementing a rigorous internal control system.

As a financial company, Paris Orléans is the consolidating entity of the Rothschild Group. It is in charge of the consolidated prudential supervision of the Group and of the implementation and the monitoring of the efficiency of the internal control system at the Group's scale. This involves the development and promulgation of procedures and policies. Within the framework of the anti-money laundering system and combatting the financing of terrorism, a responsible officer for money-laundering risk has been appointed for each regulated activity carried out by the Group.

Policies deal, for instance, with the prevention of anti-money laundering and client acceptance, risk grading of clients or transaction monitoring. A Business Acceptance Committee is in place.

Employees' awareness regarding these matters is ensured by dedicated training sessions and information on the Group's intranet.

Regarding the fight against corruption, the Group wants its employees to act with honesty and integrity and has a zero-tolerance approach. Involvement in any form of corruption has serious consequences, including dismissal or termination of employment. A Group Policy on Anti-Corruption has been established, in order to comply with the applicable regulations such as the UK Bribery Act which aims at preventing such crimes.

It deals for instance with the acceptance or the offering of gifts and entertainment by employees within the framework of their jobs since this can lead to a suspicious or a reprehensible situation. In order to avoid such a situation, each entity must determine proportionate limits for the acceptance or the offer of gifts that do not require approval. Any gift or entertainment that exceeds these limits must be approved by the relevant head and the local Compliance function. In addition to this, persons to whom this policy applies must not accept gifts such as cash or any other gift convertible into cash such as shares, share options or bonds.

Measures implemented to promote our client's interests

The Rothschild family motto is "Concordia, Integritas, Industria", which can be translated by "Harmony, Integrity, Industry".

This has underpinned the family's actions for more than 200 years and remains central to our values today which aim at promoting our clients' interests. These are:

- Focused on clients
- Expert
- Informed
- Long-term
- Trusted and independant

Our values are detailed on page 23 of this report.

Other actions implemented to promote human rights

The Group does not carry out other activities to promote human rights than those mentioned in the previous sections of this report.

Other information

ACQUISITIONS OF HOLDINGS AND CONTROLLING INTERESTS

The approval granted by the General Meeting of shareholders of 8 June 2012 for the proposed contributions of Rothschild & Cie Banque SCS shares submitted to it resulted in Paris Orléans acquiring, as defined in Article L. 233-6 paragraph 1 of the French Commercial Code *(Code de commerce)*, a certain number of shareholdings and taking the control of several companies whose registered offices are located in France. In addition, several structures were created by Paris Orléans for the purpose of the above-mentioned transactions, which constituted in taking the control of these structures within the meaning of the aforementioned Article.

The table below lists the companies and groupings in which Paris Orléans, as described above, acquired shareholdings or of which it took control during the 2012/2013 financial year.

Name of the Company	Registered office	Form of incorporation (1)	% of control / indirect shareholding as at the date of this report
Rothschild & Cie Banque	29 avenue de Messine, 75008 Paris	SCS	99.99%
Montaigne Rabelais	3 rue de Messine, 75008 Paris	SAS	100.00%
Rothschild Assurance & Courtage	29 avenue de Messine, 75008 Paris	SCS	99.83%
Rothschild & Cie	23 bis avenue de Messine, 75008 Paris	SCS	99.98%
Rothschild Europe SNC	23 bis avenue de Messine, 75008 Paris	SNC	50.00% (2)
Rothschild & Cie Gestion	29 avenue de Messine, 75008 Paris	SCS	99.99%
R Immobilier	29 avenue de Messine, 75008 Paris	SAS	100.00%
Transaction R	23 bis avenue de Messine, 75008 Paris	SCS	99.75%
R Capital Management	23 bis avenue de Messine, 75008 Paris	SAS	61.75%
GIE Rothschild & Cie	3 rue de Messine, 75008 Paris	GIE	100.00%
Sélection 1818	50 avenue Montaigne, 75008 Paris	SAS	34.00% (2)
Messine Participations	3 rue de Messine, 75008 Paris	SAS	100.00%
Rothschild Investment Solutions	29 avenue de Messine, 75008 Paris	SAS	100.00%
Financière Rabelais	3 rue de Messine, 75008 Paris	SAS	100.00%
Cavour	3 rue de Messine, 75008 Paris	SAS	100.00%
Verdi	3 rue de Messine, 75008 Paris	SAS	100.00%
Aida	3 rue de Messine, 75008 Paris	SAS	100.00%
Norma	3 rue de Messine, 75008 Paris	SAS	100.00%
Rivoli Participation	23 bis avenue de Messine 75008 Paris	SAS	30.56% (3)

(1) SCS: French limited partnership (société en commandite simple)*; SAS: French simplified joint-stock company* (société par actions simplifiée)*; SNC: French general partnership* (société en nom collectif)*; GIE: economic interest grouping* (Groupement d'intérêt économique).

(2) Acquisition of shareholding within the meaning of Article L. 233-6 paragraph 1 of the French Commercial Code (Code de commerce)*, without taking control.*

(3) During the financial year ended 31 March 2013, the indirect shareholding of Paris Orléans in Rivoli Participation crossed upwards the threshold of 1/3 of the share capital before crossing this same threshold downwards.

REGULATED AGREEMENTS AND UNDERTAKINGS

In accordance with applicable legal and regulatory provisions, the Statutory Auditors have been informed of all the regulated agreements and undertakings entered into during the 2012/2013 financial year, and of agreements and undertakings entered into during the previous financial years but still into effect during the 2012/2013 financial year.

RESULTS OF THE PARENT COMPANY DURING THE PAST FIVE FINANCIAL YEARS

In euro	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Share capital at the end of the financial year					
Share capital	63,264,160	63,889,106	64,747,030	65,031,174	141,806,058
Number of shares and investment certificates issued	31,632,080	31,944,553	32,373,515	32,515,587	70,903,029
Number of shares and investment certificates (excluding treasury shares and investment certificates owned by Paris Orléans)	30,773,060	31,036,383	31,560,195	31,801,467	70,209,525
Number of shares and investment certificates with dividend rights at the date of the General Meeting	31,632,080	31,944,553	32,373,515	32,515,587	70,903,029
Maximum number of future shares to be created					
■ through conversion of bonds	-	-	-	-	-
■ through the exercise of subscription rights	-	-	-	-	-
Overall result of effective operations					
Revenues exclusive of tax (financial and operating income)	28,384,137	20,128,414	17,039,485	20,636,932	**132,789,534**
Income before tax, amortisation and provisions	(5,414,728)	(8,021,864)	23,366,227	4,643,901	**(746,339)**
Corporate income tax(1)	(8,792,342)	(3,431,230)	(1,468)	(201,947)	**1,829,465**
Income after tax, amortisation and provisions	(1,520,224)	2,320,372	20,954,549	(114,297,251)	**119,878,114**
Distributed income, excluding treasury shares	10,761,940	10,857,075	12,644,698	15,885,984	**35,451,514**
Operating results per share					
Income after tax, but before amortisation and provisions	(0.11)	(0.14)	0.72	0.15	**0.02**
Income after tax, amortisation and provisions	(0.05)	0.07	0.65	(3.52)	**1.69**
Dividend allocated to each share	0.35	0.35	0.40	0.50	**0.50**(2)
Employees					
Average employee headcount	25	25	26	26	**27**
Total of the payroll	4,007,256	4,442,566	3,555,524	3,667,596	**3,411,558**
Total employee benefits (social security, welfare, etc.)	3,110,028	3,910,732	1,724,996	1,889,761	**2,012,034**

(1) Negative amounts correspond to tax benefits.
(2) Dividend proposed to General Meeting of shareholders of 26 September 2013.

ACCOUNTS PAYABLE POLICY

The Company's settlement periods for its accounts payable comply with Article L. 441-6 of the French Commercial Code *(Code de commerce)*. Accounts payable are settled within 30 days of receiving the invoice, unless otherwise arranged as part of a sales agreement or if in dispute.

As at 31 March 2013

			Amounts not yet due		
In thousands of euro	Gross	Amounts due	Due within 30 days	Due in 31 to 60 days	Due in more than 60 days
Accounts payable	293.0	-	293.0	-	-
Accounts payable – invoices not yet received	482.0	-	-	-	-
TOTAL ACCOUNTS PAYABLE	**775.0**	**-**	**293.0**	**-**	**-**

As at 31 March 2012

			Amounts not yet due		
In thousands of euro	Gross	Amounts due	Due within 30 days	Due in 31 to 60 days	Due in more than 60 days
Accounts payable	255.0	-	255.0	-	-
Accounts payable – invoices not yet received	470.0	-	-	-	-
TOTAL ACCOUNTS PAYABLE	**725.0**	**-**	**255.0**	**-**	**-**

ISSUER RISKS

The definition and description of the risks to which Paris Orléans and the companies within the Group may be exposed are presented in the appendices to the consolidated financial statements for the financial year under review in pages 119 onwards of this report.

Significant events after the end of the reporting period

No significant events occurred after the end of the 2012/2013 reporting period.

Outlook for the Group

Faced with a challenging and fluctuating economic environment, our focus is very much on profitability, flexibility, cost discipline, and capturing the synergies between our core businesses following the reorganisation of the Group. The Group believes that it continues to offer its clients outstanding service in all that it does; because of this we are well positioned to benefit from improved market conditions, as and when they arise.

Management, in consultation with the Supervisory Board, attaches importance to the forthcoming changes to the regulation of the financial services industry. In particular, recent developments in the Swiss private banking sector, with regard to current discussions between the Swiss Federal Council and the United States of America Department of Justice are being followed closely. At the current time, it is not possible to measure the outcome of these discussions, if any, on the Group's Swiss private banking activities.

Financial statements

Plaza 66.
Home to our Shanghai office.

Consolidated balance sheet as at 31 March 2013

Assets

In thousands of euro	Notes	31/03/2013	31/03/2012
Cash and amounts due from central banks		3,739,675	2,812,774
Financial assets at fair value through profit or loss	1	260,116	229,811
Hedging derivatives	2	26,849	28,572
Available-for-sale financial assets	3	764,530	1,056,408
Loans and advances to banks	4	1,144,124	1,660,754
Loans and advances to customers	5	1,358,056	1,685,703
Current tax assets		10,264	15,025
Deferred tax assets	18	121,486	125,660
Other assets	6	557,972	577,912
Investments accounted for by the equity method	7	63,889	63,667
Tangible fixed assets	8	356,104	372,062
Intangible fixed assets	9	183,122	190,803
Goodwill	10	108,075	104,310
TOTAL ASSETS		**8,694,262**	**8,923,461**

Liabilities and shareholders' equity

In thousands of euro	Notes	31/03/2013	31/03/2012
Due to central banks		78	76
Financial liabilities at fair value through profit or loss	1	51,531	54,841
Hedging derivatives	2	23,763	26,660
Due to banks	11	326,100	344,023
Due to customers	12	5,587,864	5,619,059
Debt securities in issue	13	1,510	175,195
Current tax liabilities		18,879	11,268
Deferred tax liabilities	18	56,837	56,542
Other liabilities, accruals and deferred income	14	699,932	715,392
Provisions	15	185,503	185,999
Subordinated debt	16	30,461	29,321
Shareholders' equity		**1,711,804**	**1,705,085**
Shareholders' equity - Group share		**1,228,875**	**720,774**
Share capital		141,806	65,032
Share premium		978,255	505,082
Income and expenses directly recognised in shareholders' equity		4,244	(16,695)
Available-for-sale reserves		*36,493*	*20,058*
Cash flow hedge reserves		*(15,087)*	*(7,003)*
Translation reserves		*(17,162)*	*(29,750)*
Consolidated reserves		57,147	130,183
Net income - Group share		47,423	37,172
Non-controlling interests	39	**482,929**	**984,311**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,694,262**	**8,923,461**

Consolidated income statement for the year ended 31 March 2013

In thousands of euro	Notes	31/03/2013	31/03/2012
+ Interest income	19	122,963	149,235
- Interest expense	19	(74,320)	(94,634)
+ Fee income	20	1,058,183	1,025,451
- Fee expense	20	(39,539)	(47,984)
+/- Net gains / (losses) on financial instruments at fair value through profit or loss	21	35,150	34,409
+/- Net gains / (losses) on available-for-sale financial assets	22	34,717	60,172
+ Other operating income	23	15,257	14,277
- Other operating expenses	23	(5,328)	(5,946)
Net banking income		**1,147,083**	**1,134,980**
- Operating expenses	24	(915,103)	(914,963)
- Amortisation, depreciation and impairment of tangible and intangible fixed assets	25	(35,608)	(27,724)
Gross operating income		**196,372**	**192,293**
- Impairment of debt and provisions for counterparty risk	26	(31,427)	(26,238)
Operating income		164,945	166,055
+/- Net income from companies accounted for by the equity method	7	6,154	1,706
+/- Net income/expense from other assets	27	(40,707)	5,761
Profit before tax		130,392	173,522
- Income tax expense	28	(40,033)	(32,004)
CONSOLIDATED NET INCOME		**90,359**	**141,518**
Non-controlling interests		**42,936**	**104,346**
NET INCOME - GROUP SHARE		**47,423**	**37,172**

Earnings per share

In euro	Notes	31/03/2013	31/03/2012
Basic and diluted earnings per share - Group share	31	0.78	1.24
Basic and diluted earnings per share - Continuing operations	31	0.78	1.24
Basic and diluted earnings per share - Underlying performance	31	0.90	0.78

Statement of comprehensive income for the year ended 31 March 2013

In thousands of euro	31/03/2013	31/03/2012
CONSOLIDATED NET INCOME	**90,359**	**141,518**
Translation differences	(4,683)	62,456
Revaluation of available-for-sale financial assets	57,394	(51,312)
of which (gains)/losses transferred to income	*15,127*	*(49,864)*
Cash flow hedge derivatives revaluation	(2,229)	(3,704)
Actuarial gains/(losses) on defined benefit pension funds	(21,194)	(85,852)
Gains and losses recognised directly in equity for companies accounted for by the equity method	1,577	4,723
Tax	(8,552)	25,107
Other	(430)	(705)
Total gains and losses recognised directly in equity	**21,883**	**(49,287)**
TOTAL COMPREHENSIVE INCOME	**112,242**	**92,231**
attributable to non-controlling interests	*47,051*	*103,390*
attributable to equity shareholders	*65,191*	*(11,159)*

Reconciliation of movements in consolidated shareholders' equity and non-controlling interests for the year ended 31 March 2013

In thousands of euro	Capital and associated reserves			Consolidated reserves	Unrealised or deferred capital gains or losses (net of tax)	Changes in value of financial instruments		Net income-Group share	Shareholders' equity-Group share	Shareholders' equity, non-controlling interests	Total Shareholders' equity
	Share capital	Share premium	Treasury shares		Related to translation differences	Available-for-sale Reserve	Hedging Reserve				
Shareholders' equity at 31 March 2011	**64,748**	**503,084**	**(10,499)**	**88,080**	**(51,388)**	**43,048**	**(7,805)**	**102,437**	**731,705**	**952,826**	**1,684,531**
Allocation of profit	-	-	-	102,437	-	-	-	(102,437)	-	-	-
Shareholders' equity at 1 April 2011	**64,748**	**503,084**	**(10,499)**	**190,517**	**(51,388)**	**43,048**	**(7,805)**	**-**	**731,705**	**952,826**	**1,684,531**
Increase in share capital	284	1,998	-	-	-	-	-	-	2,282	-	2,282
Elimination of treasury shares	-	-	659	-	-	-	-	-	659	-	659
2011 Dividends paid	-	-	-	(12,286)	-	-	-	-	(12,286)	(118,296)	(130,582)
Sub-total of changes linked to transactions with shareholders	**284**	**1,998**	**659**	**(12,286)**	**-**	**-**	**-**	**-**	**(9,345)**	**(118,296)**	**(127,641)**
Net gains/ (losses) from changes in fair value	-	-	-	-	-	20,552	(281)	-	20,271	(14,363)	5,908
Net (gains)/ losses transferred to income on disposal	-	-	-	-	-	(46,878)	(41)	-	(46,919)	(1,915)	(48,834)
Net (gains)/ losses transferred to income on impairment	-	-	-	-	-	1	-	-	1	-	1
Actuarial gains/ (losses) on defined benefit funds	-	-	-	(37,721)	-	-	-	-	(37,721)	(32,916)	(70,637)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	(14,657)	(14,657)
2011/2012 Net income for the period (3)	-	-	-	-	-	-	-	37,172	37,172	104,346	141,518
Effect of acquisitions and disposals on non-controlling interests	-	-	-	748	7,082	1,171	1,807	-	10,808	64,158	74,966
Translation differences and other changes	-	-	-	(1,235)	14,556	2,164	(683)	-	14,802	45,128	59,930
Shareholders' equity at 31 March 2012	**65,032**	**505,082**	**(9,840)**	**140,023**	**(29,750)**	**20,058**	**(7,003)**	**37,172**	**720,774**	**984,311**	**1,705,085**
Allocation of profit	-	-	-	37,172	-	-	-	(37,172)	-	-	-
Shareholders' equity at 1 April 2012	**65,032**	**505,082**	**(9,840)**	**177,195**	**(29,750)**	**20,058**	**(7,003)**	**-**	**720,774**	**984,311**	**1,705,085**
Increase in share capital (1)	76,774	484,835	-	-	-	-	-	-	561,609	-	561,609
Elimination of treasury shares	-	-	411	-	-	-	-	-	411	-	411
2012 Dividends paid	-	-	-	(14,990)	-	-	-	-	(14,990)	(66,876)	(81,866)
Sub-total of changes linked to transactions with shareholders	**76,774**	**484,835**	**411**	**(14,990)**	**-**	**-**	**-**	**-**	**547,030**	**(66,876)**	**480,154**
Net gains/ (losses) from changes in fair value	-	-	-	-	-	39,844	(2,127)	-	37,717	(4,604)	33,113
Net (gains)/ losses transferred to income on disposal	-	-	-	-	-	(30,522)	214	-	(30,308)	(252)	(30,560)
Net (gains)/ losses transferred to income on impairment	-	-	-	-	-	30,936	-	-	30,936	12,030	42,966
Actuarial gains/ (losses) on defined benefit funds	-	-	-	(18,841)	-	-	-	-	(18,841)	(912)	(19,753)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	(14,819)	(14,819)
2012/2013 Net income for the period (3)	-	-	-	-	-	-	-	47,423	47,423	42,936	90,359
Effect of acquisitions and disposals on non-controlling interests	-	-	-	(73,122)	23,733	(32,812)	(6,584)	-	(88,785)	(469,757)	(558,542)
Translation differences and other changes	-	(11,662) (2)	-	(3,666)	(11,145)	8,989	413	-	(17,071)	872	(16,199)
SHAREHOLDERS' EQUITY AT 31 MARCH 2013	**141,806**	**978,255**	**(9,429)**	**66,576**	**(17,162)**	**36,493**	**(15,087)**	**47,423**	**1,228,875**	**482,929**	**1,711,804**

(1) Following the completion of the buy-out offer made for the contribution of certain shares previously held by third parties in certain subsidiaries (Rothschild & Cie Banque, Financière Rabelais and Rothschilds Continuation Holdings) of Paris Orléans, 38,387,442 new ordinary shares have been issued. The issue was approved by the Annual General Meeting on 8 June 2012. The new Paris Orléans shares have a nominal value of €2 and a share premium of €12.63 per share arose on their issue.
(2) The Paris Orléans group incurred expenses in relation to the issuance of new capital. Expenses totalling €11,662 thousand have been incurred directly by Paris Orléans the company and have been charged against share premium. Expenses totalling €2,499 thousand were incurred by a subsidiary undertaking, directly in connection with the issuance of new capital, and have been charged against retained earnings.
(3) Net income for the period relating to shareholders' equity non-controlling interests includes interest paid (net of tax) of €14.9 million (2011/2012: €14.7 million) to holders of perpetual subordinated notes and amounts due to other non-controlling interests.

Cash flow statement for the year ended 31 March 2013

In thousands of euro	31/03/2013	31/03/2012
CONSOLIDATED NET INCOME	**90,359**	**141,518**
+/- Depreciation and amortisation expense on tangible fixed assets and intangible assets	35,608	29,881
+/- Impairments and net allocation to provisions	13,483	33,756
+/- Net (income) / loss from companies accounted for by the equity method	(6,154)	(1,706)
+/- Net loss / (gain) from investing activities	29,478	(63,342)
+/- Net loss / (gain) from financing activities	266	3,112
+/- Other movements	185	864
Tax (benefit) / expense	45,178	32,004
Total non-monetary items included in consolidated net income and other adjustments	**118,044**	**34,569**
+/- Interbank transactions	446,363	998,459
+/- Customer transactions	296,451	870,896
+/- Transactions related to other assets and liabilities	(98,204)	(147,797)
- Tax paid	(24,891)	(37,792)
Net decrease / (increase) in cash related to operating assets and liabilities	**619,719**	**1,683,766**
Net cash inflow / (outflow) related to operating activities (A)	**828,122**	**1,859,853**
+/- Inflow / (outflow) related to financial assets and long-term investments	278,272	675,912
+/- Inflow / (outflow) related to tangible and intangible fixed assets	(12,495)	(88,333)
Net cash inflow / (outflow) related to investment activities (B)	**265,777**	**587,579**
+/- Cash flows from/(to) shareholders	(78,390)	(150,940)
+/- Other net cash flows from financing activities	(184,600)	(410,586)
Net cash inflow / (outflow) related to financing activities (C)	**(262,990)**	**(561,526)**
Impact of exchange rate changes on the cash and cash equivalents (D)	**205**	**-**
NET INFLOW / (OUTFLOW) OF CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)	**831,114**	**1,885,906**
Net cash in acquired subsidiaries	1,415	483
Net cash and cash equivalents at the beginning of the period	**3,490,281**	**1,603,892**
Cash and amounts due/from central banks	2,812,697	962,616
Accounts (assets and liabilities), demand deposit and loans with banks	677,584	641,276
Net cash and cash equivalents at the end of the period	**4,322,810**	**3,490,281**
Cash and amounts due/from central banks	3,739,597	2,812,697
Accounts (assets and liabilities), demand deposits and loans with banks	583,213	677,584
NET INFLOW / (OUTFLOW) OF CASH	**831,114**	**1,885,906**

Notes to the consolidated financial statements

I. Highlights of the financial year

A. Group Reorganisation

The Group announced a reorganisation on 4 April 2012, an important step in its continued development. The aim of this reorganisation was to simplify the Group structure and improve day-to-day management.

The reorganisation involved two phases:

- the first being the acquisition of certain shares previously held by third parties in certain subsidiaries (Rothschild & Cie Banque, Financière Rabelais and Rothschilds Continuation Holdings) of Paris Orléans, in exchange for 38.4 million new ordinary shares in Paris Orléans;
- the second involving the conversion of Paris Orléans into a French partnership limited by shares (*société en commandite par actions*).

This reorganisation was approved at the Extraordinary General Meeting of shareholders on 8 June 2012.

PO Gestion S.A.S., the General Managing partner of Paris Orléans, is chaired by the Group's long-standing Chairman David de Rothschild, alongside Chief Executive Officers Nigel Higgins and Olivier Pécoux.

B. Results as reported

There are two main activities within the Group: Global Financial Advisory which focuses on providing advice in the areas of M&A, debt, restructuring and equity; and Asset Management in a broad sense which comprises Wealth & Asset Management and Merchant Banking. In addition there is a Specialist Finance business which predominantly relates to the legacy banking book business.

In the Global Financial Advisory business, although the first half of the year was slow, the second half was particularly strong. As a result, revenues for the year to March 2013 were €741 million, up 4% from €711 million in the prior year. This has been achieved in challenging global market conditions (for example, the European market by value is down by 14% compared to last year).

For our Wealth and Asset Management businesses 2012/2013 was a difficult year, with revenue flat to €281 million (previous year: €284 million). Group assets under management were up 7% at €38.4 billion (€35.9 billion as at 31 March 2012) largely due to stronger equity markets and the HDF Finance acquisition.

The Merchant Banking division now comprises both our merchant banking funds (including our unlisted debt funds) and our proprietary investments. For 2012/2013, Merchant Banking generated revenues of €69 million compared to €71 million the previous year. Disposals amounted to €112 million, generating capital gains of €37 million. Moreover, this division invested €54 million, of which €22 million was in proprietary investments and €32 million was in equity funds managed by Merchant Banking.

In 2008 the Group decided to focus on specialist finance to promote its niche leasing business and to withdraw over time from corporate lending. Our legacy banking book continues to reduce in line with our exit plans.

For the year ended 31 March 2013, staff costs were €696.1 million compared to €686.4 million in the prior year. The increase is largely due to higher variable staff compensation deriving from stronger revenues. Administrative expenses decreased by 4.2% compared to the prior year, reflecting our cost reduction initiatives in central costs and support functions.

Impairment charges and loan provisions were €31.4 million compared to €26.2 million for 2011/2012 with the increase largely due to adopting a revised policy for providing against overdue advisory receivables.

Operating income was at the same level as last year at €165 million.

Included in Net income/expense was the impairment charge of €46.2 million relating to the Group's long-standing shareholding in Banque Privée Edmond de Rothschild SA. Further information concerning this impairment is set out in note 27 to the consolidated financial statements.

Non-controlling interests decreased significantly, from €104 million as at 31 March 2012 to €43 million as at 31 March 2013 due to the June 2012 Group's reorganisation.

C. Underlying performance

The underlying performance of the Group can be better understood by normalising the results reported for 2011/2012 and 2012/2013, which involves making two adjustments to the reported results. First, the division of income between the Group share and Non-controlling interests has been recalculated, as if the Group reorganisation, referred to above and in note 30, had taken place on 1 April 2011. Secondly, the impact of impairing the long-standing shareholding in Banque Privée Edmond de Rothschild has been reversed from the 2012/2013 results.

After making these adjustments, the underlying net income attributable to shareholders increases to €62 million in 2012/2013 from €53 million in 2011/2012, while underlying earnings per share have risen from €0.78 to €0.90. The calculation of earnings per share, on a reported and underlying basis, is shown in note 31.

II. Preparation of the financial statements

A. Information concerning the company

The consolidated financial statements of Paris Orléans Group for the financial year 2012/2013 are presented in accordance with the IFRS standards in force at the reporting date, as adopted in the European Union by EC Regulation No. 1606/2002. The format used for the summary financial statements is a banking format. It is consistent with Recommendation No. 2009-R-04 of 2 July 2009 of the French Accounting Standards Authority *(Autorité des normes comptables)*. The statements cover the period from 1 April 2012 to 31 March 2013 and, unless otherwise indicated, are established in thousands of euros (€k).

The consolidated accounts were approved by PO Gestion SAS, the Managing partner of Paris Orléans Group, on 17 June 2013.

At 31 March 2013, the Group's holding company was Paris Orléans SCA, French partnership limited by shares (*société en commandite par actions*), headquartered at 23 bis, avenue de Messine, 75008 Paris (Paris Trade and Companies Registry Number 302 519 228). The company is listed on the market of Euronext Paris (Compartment A).

B. General principles

The Group applies all the International Accounting Standards (IAS) / International Financial and Reporting Standards (IFRS) and their interpretations adopted at the date of closing the consolidated accounts. In accordance with the rules established by the IFRS, the historical cost convention is the valuation basis used in the consolidated accounts with the exception of certain categories of assets and liabilities.

The notes were drawn up taking into account the understanding, relevance, reliability, comparability and materiality of the information provided.

C. New standards applied by the Group

The standards and interpretations used in preparation of the financial statements to 31 March 2012 were supplemented by the IFRS as adopted by the European Union at 31 March 2013 whose first-time application is mandatory in the 2012/2013 financial year. These concern:

Standards, amendments, interpretations	European Union publication date	Date of first application
Amendment to IFRS 7 on additional disclosures for transfers of financial assets	22 November 2011	1 January 2012

The application of these new provisions had no material impact on income or shareholder's equity for the period.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2013 and therefore have not been applied in preparing these consolidated financial statements. The Group is currently reviewing these new standards to determine their effects on the Group's financial reporting. Those that may have a significant effect on the consolidated financial statements of the Group are:

Standards, amendments, interpretations	European Union publication date	Date of first application
Amendment to IAS 19 on Employee Benefits (Defined Benefit Plans)	5 June 2012	1 April 2013
IFRS 10 on consolidated financial statements	11 December 2012	1 April 2014
IFRS 11 on joint arrangements	11 December 2012	1 April 2014
IFRS 12 on disclosure of interests in other entities	11 December 2012	1 April 2014
IFRS 13 regarding fair value measurement	11 December 2012	1 April 2013
Amendments to IFRS 7 on disclosures offsetting financial assets	13 December 2012	1 April 2013
Amendments to IAS 32: Presentation-offsetting financial assets and financial liabilities	13 December 2012	1 April 2014

1. Accounting standards first effective in the consolidated financial statements after 1 April 2013

IAS 19 Employee Benefits (revised) results in changes to the recognition and measurement of defined benefits expenses and certain disclosures. The most significant impact for the Group is to increase the pension expense in the Income Statement by the difference between the current expected return on plan assets and the return calculated applying the IAS 19 discount rate. Had these changes been effective for the year ended 31 March 2013, the income statement charge for defined benefit pensions would have been €8.1 million greater, although actuarial losses recognised in other comprehensive income would have been reduced by the same amount.

Studies examining the impact of the application of IFRS 13 Fair value measurement are ongoing.

2. Accounting standards first effective in the consolidated financial statements after 1 April 2014

IFRS 10 Consolidated Financial Statements replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. The new standard introduces a single model of assessing control. Control exists where an investor has the power to direct the activities of another entity in order to influence the returns to the investor.

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures. The new standard requires all joint ventures to be equity accounted whereas, currently, the Group accounts for joint ventures by proportional consolidation.

IFRS 12 Disclosure of Interests in Other Entities sets out new disclosure requirements in respect of interests in subsidiaries, joint arrangements and associates. It also introduces new requirements for unconsolidated structured entities.

3. Accounting standards first effective in the consolidated financial statements after 1 April 2015

IFRS 9 Financial Instruments replaces certain elements of IAS 39 Financial Instruments: Recognition and Measurement in respect of the classification and measurement of financial assets and liabilities.

D. Standards not adopted early

The Group has not applied new standards, adopted by the European Union or IASB where the application in 2012/2013 is optional.

E. Subsequent events

No significant adjusting events have occurred after the 31 March 2013 closing date.

III. Accounting principles and valuation methods

To prepare the financial statements in accordance with the Group's accounting methods, management has made assumptions and estimates that could have an impact on the book value of certain assets and liabilities and items of income and expense.

By their nature, such valuations carry risks and uncertainties as to their realisation in the future. In conditions of market crisis, marked by frequent impairment of financial assets, management has taken care to take into consideration the counterparty's financial situation and outlook as well as multiple-criteria valuations that take observable parameters into account to determine whether there are objective signs of impairment.

Estimates and assumptions are used mainly with regard to goodwill, available-for-sale financial assets, loans and receivables, and impairment and provisions.

At each closing, the Group draws conclusions from past experience and all relevant factors relating to its business.

A. Consolidation methods

1. Financial year end of the consolidated companies and sub-groups

Paris Orléans and its subsidiaries are consolidated on the basis of a financial year end at 31 March 2013, except for Francarep Inc, Continuation Investments NV (CINV), Fircosoft Group, Rivoli Participation SAS, St Julian's Property, Rothschild (Mexico) SA de CV and Rothschild Mexico (Guernsey) Ltd, which are included in the consolidation on the basis of a 31 December 2012 year end.

If a subsequent event occurs between the closing date of the subsidiary and 31 March 2013 that would have a material impact on the consolidated financial statements, this event is accounted for in the consolidated financial statements of the Paris Orléans group as at 31 March 2013.

2. Consolidation principles

The financial statements of the Group are made up to 31 March 2013 and consolidate the audited financial statements of the Company and its subsidiary undertakings.

Subsidiaries

Subsidiaries are all the entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally as a result of a shareholding of more than one half of the voting rights so as to obtain benefits from the activities of the entity.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date on which the Group acquires control, and cease to be consolidated from the date that control ceases.

The Group uses the purchase method of accounting for the acquisition of subsidiary undertakings. The cost of an acquisition is measured as the fair value of the assets given as consideration, shares issued or liabilities undertaken at the date of acquisition, plus any costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net identifiable assets and fair value of contingent liabilities of the subsidiary undertaking acquired is recorded as goodwill. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated on consolidation. The accounting policies used by subsidiary undertakings in their consolidation returns are consistent with the policies adopted by the Group.

Some subsidiaries are limited partnerships *(sociétés en commandite simple)*. The percentage interest recorded in the consolidated accounts is calculated in accordance with the statutory regulations applicable to limited partnerships based on the individual results of each partnership, taking into consideration the share attributable to work.

The financial statements of the Group's subsidiary undertakings are made up either to the balance sheet date of the Company, or to a date not earlier than three months before the balance sheet date. They are adjusted, where necessary, to conform with the accounting policies of the Group and for any material transactions or events that occur between the two dates.

Associates

Associates are companies over whose financial and operational decisions the Group exercises significant influence but not control (this generally demonstrates when the percentage of voting rights is equal to or greater than 20% but less than 50%).

The Group's investments in associated undertakings are initially recorded at cost. Subsequently they are increased or decreased by the Group's share of the post-acquisition profit or loss, or by other movements reflected directly in the equity of the associated undertaking. When the Group's share of losses in an associated undertaking equals or exceeds its interest in the associated undertakings, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated undertaking. Goodwill arising on the acquisition of an associated undertaking is included in the cost of the investment (net of any accumulated impairment loss).

The Group's share of the post-tax results of associated undertakings is based on financial statements made up to a date not earlier than three months before the balance sheet date.

Joint ventures

Joint ventures, in which the Group has a contractual arrangement with one or more parties to undertake activities jointly, may take the form of a jointly controlled entity or a jointly controlled operation.

A jointly controlled entity is a joint venture that involves the establishment of an entity in which each venturer has an interest. Jointly controlled entities are consolidated using the equity method.

Jointly controlled operations are those joint ventures involving the use of the assets and other resources of the venturers themselves, rather than the establishment of an entity. They are consolidated using the equity method.

Non-controlling interests

Non-controlling interests correspond to the share of fully consolidated subsidiaries that is not directly or indirectly attributable to the Group. These comprise the equity instruments issued by these subsidiaries and which are not held by the Group. They include also the perpetual subordinated debt securities issued by the Group and containing discretionary clauses relating to payment of interest.

3. Business combinations and goodwill

Business combinations are accounted for using the purchase method stipulated by IFRS 3 "Business Combinations". Thus, upon initial consolidation of a newly-acquired company, the identifiable assets, assumed liabilities and any contingent liabilities of the acquired entity are measured at fair value in accordance with the provisions of IFRS. The costs directly attributable to business combinations are recognised in the income statement for the period.

Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurrence is not certain. It is recognised as equity or debt in the balance sheet depending on the settlement alternatives; any subsequent adjustments to debt are booked in the income statement in accordance with IAS 39 for financial liabilities and within the scope of the appropriate standards for other liabilities.

Any excess of the price paid over the assessed fair value of the share of net assets acquired is booked in the consolidated balance sheet under Goodwill. Any deficit is immediately recognised in the income statement. All necessary valuations of assets and liabilities must be carried out within twelve months from the date of acquisition, as must any corrections to the value based on new information. Goodwill is not amortised and is tested for impairment at least once per year in accordance with the IAS 36, as described in the paragraph on impairment of financial assets below.

For all business combinations, the Group assesses non-controlling interests as either:

- based on its share of the fair value of the identifiable assets and liabilities at the date of the acquisition, without recognising the goodwill for non-controlling interests (partial goodwill method); or
- at fair value at the date of acquisition. Consequently the recognition of the goodwill is allocated to group share and to non-controlling interests (full goodwill method).

On the date of acquisition of an entity, any stake in this entity already held by the Group is revalued at fair value through profit or loss. In such a case, taking control is accounted for as a sale of the shares previously held and the purchase of all shares held after control is obtained.

In the event of an increase in the Group's stake in entities over which it already exercises control, the difference between the price paid for the additional stake and the fair value of the share of net assets acquired at this date is booked in the Group's reserves. In the same way, any reduction in the Group's stake in an entity which it continues to control is accounted for as an equity transaction between shareholders. At the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is revalued at fair value through the income statement.

Income from subsidiaries acquired or sold during the financial year is included in the consolidated income statement respectively from their acquisition date and up to their disposal date. In respect of disposal groups, the application of IFRS 5 means the share of profit or loss of the entity held for sale is not recognised between the date of IFRS 5 application and the date of sale, with accounting by the equity method being stopped at the date of reclassification into the category of "assets held for sale".

4. Commitment to buy out the minority shareholders of fully consolidated companies

The Group may give minority shareholders of a subsidiary undertaking a commitment to buy their shareholding. For the Group this corresponds to an option commitment (sale of put options).

In accordance with IAS 32, the Group would record a financial liability in respect of the put option sold to the minority shareholders. This liability would be recognised under "other liabilities" at the put option's estimated strike price.

The obligation to record a liability even though the put option has not been exercised requires, for the sake of consistency, the same accounting treatment as that applied to non-controlling interests. Accordingly, the counter entry to this liability is recorded as a deduction from non-controlling interests underlying the put option with the balance deducted from consolidated reserves, Group share.

If the option is exercised, the liability will be settled by the disbursement of cash linked to the purchase of non-controlling interests in the subsidiary in question. If, however, the option is not exercised on expiry of the commitment, the liability will be eliminated, with the counter entry going to non-controlling interests and shareholders' equity, Group share.

As long as these options are not exercised, the results relating to the non-controlling interests to which the put has been granted are recorded in the consolidated income statement under group share of net income.

5. Segmental reporting

The Group discloses the following reporting segments for 2012/2013, and has revised the information presented for 2011/2012 to be on a comparable basis.

- Primary segmentation: distinguishing between activities carried out within the Group. The segments are Global Financial Advisory, Asset Management, and Other. Asset Management comprises Wealth & Asset Management and Merchant Banking businesses. Other comprises Central cost, Legacy businesses, including Specialist Finance, and other.
- Secondary segmentation: geographic breakdown. In terms of geographic breakdown the segmentation is as follows: France, United Kingdom and Channel Islands, Switzerland, North America, Asia and Australia and other European countries.

The breakdown by geographic segment is based on the geographic location of the entity that records the income or which holds the asset.

B. Accounting principles and valuation methods

1. Exchange rate transactions

The consolidated financial statements are presented in Euros, which is the Company's functional currency and the Group's reporting currency. Items included in the financial statements of each of the Group's entities are measured using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates.

Income statements and cash flows of foreign entities are translated into the Group's reporting currency at average exchange rates for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Their balance sheets are translated at the exchange rate at the end of the period. Exchange differences arising from the translation of the net investment in foreign subsidiaries, associates and joint ventures are taken to shareholders' equity. On disposal of a foreign entity, these translation differences are recognised in the income statement as part of the gain or loss on sale.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions, and from the translation at period end exchange rates of monetary items that are denominated in foreign currencies, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates when the fair value was determined.

Translation differences on equities classified as at fair value through profit or loss are reported as part of the fair value gain or loss in the income statement. Translation differences on equities classified as available for sale are included in the available-for-sale reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2. Derivative instruments and hedge accounting

Derivatives

Derivatives may be transacted for trading or hedging purposes.

Derivatives used for hedging are recognised as hedging instruments when classified as such under IAS 39.

Derivatives are initially recognised at fair value and are subsequently measured at fair value with changes in fair value recognised in the income statement. If there is a designated hedging relationship between a hedging instrument and a hedged item, the recognition of the profit or loss on the hedging instrument and the hedged instrument must comply with the conditions of IAS 39, depending on the hedging relationship.

Embedded derivatives

Some hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract, and where the hybrid contract itself is not carried at fair value through profit and loss, the embedded derivative is separated and reported at fair value with gains and losses being recognised in the income statement.

The Group's investments in collateralised debt obligations (CDOs) which take credit exposure in the form of credit derivatives are treated as containing embedded derivatives that are not closely related to the host CDO contract. The change in fair value of these "synthetic" CDO contracts attributable to the credit derivatives is recognised in the income statement under Net gains or losses on financial instruments at fair value through profit or loss.

Hedge accounting

The Group may apply either fair value or cash flow hedge accounting when transactions meet the criteria for hedge accounting treatment set out in IAS 39. At the inception of the hedge, the Group assesses whether the hedging derivatives meet the effectiveness criteria of IAS 39 in offsetting changes in the fair value or cash flows of the hedged items. The Group then documents the relationship between the hedging instrument and the hedged item. It also records its risk management objectives, its strategy for undertaking the hedge transaction and the methods used to assess the effectiveness of the hedging relationship.

After inception, effectiveness is tested on an on-going basis. Hedge accounting is discontinued when it is determined that a derivative has ceased to be highly effective, or when the derivative or the hedged item is derecognised, or when the forecast transaction is no longer expected to occur.

Fair value hedge accounting

Changes in value of fair value hedge derivatives are recorded in the income statement, together with fair value changes to the underlying hedged item in respect of the risk being hedged.

If the hedge no longer meets the criteria for hedge accounting, the difference between the carrying value of the hedged item on termination of the hedging relationship and the value at which it would have been carried had the hedge never existed is amortised to the income statement over the residual period to maturity based on a recalculated effective interest rate. Where the hedged item is an available-for-sale equity security, the adjustment remains in equity until the disposal of the equity security.

Cash flow hedge accounting

Changes in the fair value of the effective portion of derivatives designated as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised in the income statement.

Amounts accumulated in equity are recycled to the income statement when the item being hedged impacts profit or loss.

When hedge accounting is discontinued, any cumulative gain or loss in equity remains in equity and is only recognised in the income statement when the forecast transaction is recognised in the income statement. When the forecast transaction is no longer expected to occur, the cumulative balance in equity is immediately transferred to the income statement.

Net investment hedge in foreign operations

Hedges of net investments in foreign operations are accounted for in a way similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are transferred to the income statement when the foreign operation is disposed of.

3. Net gains or losses on financial instruments at fair value through profit or loss

The net gains or losses on financial instruments at fair value through profit or loss result from changes in the fair value of the financial assets held for trading and financial assets designated as being at fair value through statement of comprehensive income.

4. Income from fees and commissions

The Group earns fee and commission income from services provided to clients. Fee income from advisory and other services can be divided into two broad categories; fees earned from services that are provided over a period of time, which are recognised over the period in which the service is provided; and fees that are earned on completion of a significant act or on the occurrence of an event, such as the completion of a transaction, which are recognised when the act is completed or the event occurs.

Fees and commissions that are an integral part of a loan, and loan commitment fees for loans that are likely to be drawn down, are deferred (together with related direct costs) and recognised over the life of the loan as an adjustment to the effective interest rate.

Portfolio and other management fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised over the period the service is provided. The same principle is applied to the recognition of income from wealth management, financial planning and custody services that are continuously provided over an extended period of time.

5. Interest income and expenses

Interest receivable and payable represent all interest arising out of banking activities, including lending and deposit-taking business, interest on related hedging transactions and interest on debt securities. Interest receivable and payable represents all interest arising out of banking activities, including lending and deposit-taking business, interest on related hedging transactions and interest on debt securities. Interest on all financial instruments, excluding those classified as held for trading or designated at fair value through profit or loss, is recognised in the income statement using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount. It is used to calculate the amortised cost of a financial asset or a financial liability and to allocate the interest over the relevant period (usually the expected life of the instrument). When calculating the effective interest rate, the Group considers all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes any premiums or discounts, as well as all fees and transaction costs that are an integral part of the loan.

6. Financial assets and liabilities

Financial assets and liabilities are recognised on trade date and derecognised on either trade date, if applicable, or on maturity or repayment.

On initial recognition, IAS 39 requires that financial assets be classified into the following categories; at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale. The Group does not hold any assets that are classified as held-to-maturity investments.

Financial assets at fair value through profit or loss

This category comprises financial assets held for trading, (i.e. primarily acquired for the purpose of selling in the short term), derivatives that are not designated as cash flow or net investment hedges, and any financial assets that are designated as fair value through profit or loss on inception.

These financial assets are recognised at fair value, with transaction costs recorded immediately in the income statement; they are subsequently measured at fair value. Gains and losses arising from changes in fair value, or on derecognition, are recognised in the income statement as net gains or losses on financial assets at fair value through profit or loss. Interest and dividend income from financial assets at fair value through profit or loss is recognised in net gains or losses on financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans which are intended to be sold in the short term are classified as held for trading and are recorded at fair value through profit or loss.

Loans and receivables are initially recorded at fair value, including any transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Gains and losses on loans and receivables that are derecognised are booked as Income from other activities.

Available-for-sale financial assets

Available-for-sale investments comprise non-derivative financial assets that are either designated as available for sale on initial recognition or are not classified into the categories described above. Available-for-sale investments include some loans and debt securities that do not meet the criteria for classification as loans and receivables as they are quoted in an active market. They are initially recognised at fair value, including direct and incremental transaction costs, and are subsequently measured at fair value.

Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity until the financial asset is sold or impaired, at which time the cumulative gain or loss is transferred to the income statement. Interest (determined using the effective interest rate method), impairment losses and translation differences on monetary items are recognised in the income statement as they arise. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payment is established.

7. Reclassification of financial assets

When a financial asset with fixed or determinable revenues initially recorded under available-for-sale assets can no longer be traded on an active market and the Group has the intention or the capacity to hold the assets for the foreseeable future or until maturity, the asset can then be reclassified under loans and advances subject to compliance with the criteria for classification as such. The financial assets concerned are transferred to their new category at their fair value on the reclassification date and subsequently valued using the valuation methods applicable to their new category.

If there is objective evidence of impairment resulting from an event that took place after reclassification of the financial assets concerned, and this event has a negative impact on the initially-expected future cash flows, an impairment charge is recorded in the income statement under impairment charges and loan provisions.

8. Determination of fair value

Fair value is the amount for which an asset could be exchanged or a liability extinguished between knowledgeable, willing parties in an arm's length transaction. The fair value used to measure a financial instrument is, in principle, the listed price when the financial instrument is listed on an active market. In the absence of an active market, fair value is determined using measurement techniques.

A financial instrument is considered to be listed on an active market if prices are readily and regularly available from a stock exchange, a broker or a trader and such prices represent actual transactions and appear regularly on the market in arm's length conditions. Assessment of the inactive nature of a market is based on indicators such as a significant fall in transaction volumes, the high dispersion of prices available over time or the age of the last transactions observed on the market in arm's length conditions. If a market is deemed illiquid, the transaction price at the close is not considered to be the fair value at the end of the period. The quotation price is adjusted if compensation value does not correspond to transaction price.

The techniques used to determine the fair value of each financial asset or liability are as follows:

- Cash and central banks, loans and advances granted to banks and deposits received from banks. As these assets/liabilities have short maturities, fair value is considered to be their net carrying amount.
- Financial instruments. The fair value of equity interests listed on an active market is based on their closing bid prices. In the absence of a listing or of a rate available on an active market, fair value is determined on the basis of discounting or other measurement techniques using parameters derived from market conditions at the closing date.

Transaction multiples

The preferred measurement technique is based on transaction multiples. This technique uses recent transactions in the sector under consideration. Multiples are established based on the enterprise value of comparable transactions and aggregates such as EBITDA, EBIT or PER, and are applied to the asset to be measured.

As most transactions relate to a majority interest in the capital, they therefore implicitly include the payment of a control premium. In the case of a non-controlling interest, a discount of between 15% and 30% is applied.

The use of recent and reliable sources of information ensures the relevance of this measurement technique. Accordingly, Paris Orléans favours, in order of reliability, internal transaction databases, financial communications, annual reports, analysts' notes and specialised databases relating to the comparable company.

Listed peer-group multiples

This measurement technique consists of applying a multiple to the earnings of the company to be valued. It is based on application of the stock-exchange multiples of a sample of listed peer-group companies to the aggregates of the company to be valued. The earnings multiples used are the price/earnings ratio (PER), enterprise value/earnings before interest and tax (EV/EBIT) and enterprise value/earnings before interest, tax, depreciation and amortisation (EV/EBITDA). These aggregates are the historical aggregates of the company to be valued and of the peer-group companies. They are restated to exclude all non-recurring and exceptional amounts, as well as the amortisation of goodwill.

Companies in the selected peer group must operate in a similar, or even identical sector to that of the target company. They are of a relatively comparable size and have similar growth prospects. Specific factors may also be taken into account in the selection: country, deregulatory aspects specific to each market, presence or otherwise of related activities.

The value of the peer group companies is obtained by adding together the market capitalisation, net financial debt and non-controlling interests, based on the most recently available financial data.

Stock-exchange multiples are calculated excluding any control premium. The valuation is made from the point of view of a non-controlling shareholder. However, if the target to be valued is not listed, any control premium may be partially or wholly offset by the lack of liquidity relative to listed companies in the peer group.

If the company is not listed, a "tradability" discount is applied to reflect market practices. It is determined from the viewpoint of market operators, not from that of the existing investor.

Discounted cash flows (DCF)

Given the characteristics of certain investments and its strategy of investing for the long term, Paris Orléans also takes into account, alongside the peer-group measurement technique, a valuation using a discounted cash flow technique when valuing certain companies. The discount rate applied uses a risk-free rate added to a risk premium, which depends on the sector of the companies in which Paris Orléans invests.

Measurement of share subscription warrants

Securities providing access to the capital, which generally take the form of share subscription warrants, are regularly assessed to determine the probability of exercise and the possible impact thereof on the value of the investment. At each closing date, the probability of exercise of the rights is determined by comparing the cost of exercise with the expected benefit derived from exercise. If the expected benefit exceeds the cost of exercise, it is assumed that the rights will be exercised. Assessment of the convertible nature of share subscription warrants is determined only if the options are in the money. The assessment is based on the company's fully-diluted capital, in which all rights that are in the money are assumed to have been exercised and the events providing access to the capital are assumed to have crystallised.

- Loans and receivables due from customers and their associated interest rates are compared, by maturity, with similar recent transactions. In the event of a material difference in interest rates or any other factor indicating that the asset's fair value is materially different from its net carrying amount, the fair value of loans and receivables is adjusted accordingly. To determine loans and receivables' fair value, the Group estimates counterparts' default risk and carries the sum of future cash flows as fair value which takes into account the debtors' financial standing.

- Delivered repurchase agreements, repurchase agreements and amounts due to customers: the fair value of these instruments is determined using the DCF technique, the discount rate of which is adjusted for the applicable credit margin.

- Debt securities and subordinated debt: the fair value of these instruments is determined using prices observed on the markets, if available, or if not, using the DCF technique, the discount rate of which is adjusted for the applicable credit margin.

- Other financial instruments: measurement techniques are generally applied to over-the-counter derivative instruments. The most frequently used techniques and measurement models are the DCF technique and option measurement models. The values derived from these techniques are materially affected by the choice of measurement technique used and the assumptions made as to the associated variables, such as the amounts and settlement dates of future cash flows, the discount rates, volatility and solvency.

- Other assets and liabilities: the net carrying amount corresponds to a reasonable approximation of fair value, in line with Group experience.

9. Financial liabilities

Except for derivatives, which are classified at fair value through profit or loss on initial recognition, all financial liabilities are carried at amortised cost.

10. Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at fair value, and the initial fair value is amortised over the life of the guarantee. The guarantee liabilities are subsequently carried at the higher of the amortised amount and the expected present value of any expected payment (when a payment under the guarantee has become probable).

11. Derecognition

The Group derecognises a financial asset when:

- the contractual rights to cash flows arising from the financial assets have expired; or
- it transfers the financial asset including substantially all of the risks and rewards of the ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of the asset, but no longer retains control of the asset.

When a sale is followed by an immediate buy-back, the Group considers that it has substantially retained the risks and rewards of ownership and, therefore, would not derecognise the asset.

12. Securitisation operations

The Group has issued debt securities or has entered into funding arrangements with lenders in order to finance specific financial assets.

In general, both the assets and the related liabilities from these transactions are held on the Group's balance sheet. However, to the extent that the risks and returns associated with the financial instruments have been transferred to a third party, the assets and liabilities are derecognised in whole or in part.

Interests in securitised financial assets may be retained or taken in the form of senior or subordinated tranches of debt securities, or other residual interests. Such retained interests are primarily recorded as available-for-sale assets.

13. Impairment of financial assets

Assets carried at amortised cost are assessed at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets is impaired.

Impairment losses are incurred if two conditions are met.

Firstly, there must be objective evidence of impairment as a result of one or more events occurring after initial recognition of the asset (a "loss event").

Secondly, that loss event must have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data about the following loss events:

- significant financial difficulty of the issuer;
- granting to the borrower, for economic or legal reasons relating to its financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Impairment of loans and receivables

The Group first assesses whether objective evidence of impairment exists: individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment losses are calculated on a collective basis for any losses on loans that are subject to individual assessment for impairment, where those losses have been incurred but not yet identified. Collective assessment is also used for homogeneous groups of loans that are not considered individually significant. If no objective evidence of impairment exists for an individually assessed financial asset, it is included in a collective assessment for impairment with other assets with similar risk characteristics.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account. The amount of the loss is recognised in the income statement.

The calculation of the present value of the estimated future cash flows of a financial asset reflects the cash flows that may result from scheduled interest payments, principal repayments or other payments due, including liquidation of collateral where available. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the value of any underlying collateral or guarantees in the Group's favour. Each impaired asset is assessed on its merits, and the relevant Credit Committee reviews the workout strategy and estimate of cash flows considered recoverable on a regular basis. The methodology and assumptions used for estimating both the amount and the timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Collectively assessed credit risk allowances cover credit losses inherent in portfolios of financial assets with similar economic characteristics where there is objective evidence to suggest that they contain impaired assets but the individual impaired items cannot yet be identified. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Future cash flows are estimated on the basis of historical loss experience. These estimates are subject to regular review and adjusted to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

The accuracy of the allowances made depends on how accurately the Group estimates future cash flows for specific counterparty allowances and provisions and the model assumptions and parameters used in determining collective allowances.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the original effective interest rate which was used to discount the future cash flows for the purpose of measuring the impairment loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an objective event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance for loan impairment. The amount of the reversal is recognised in the income statement.

When a loan is uncollectable, it is written off against the related allowance for loan impairment. Recoveries received in respect of loans previously written off are recorded as a decrease in the impairment losses on loans and advances recorded in the income statement in the year in which the recovery was made.

Loans that are to be tested for impairment, for which the repayment terms have been renegotiated and that have been classified as unpaid or impaired (if they were not renegotiated) are reviewed in order to determine if they should be classified as impaired or unpaid.

Impairment of available-for-sale financial assets

Available-for-sale assets are assessed at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets is impaired.

For equity instruments, a significant or prolonged fall in their price below their acquisition cost is an objective indication of value impairment.

Paris Orléans Group considers that this is the case, in particular, for equity instruments which at the reporting date show unrealised losses exceeding 40% of their acquisition cost and for those in a situation of an unrealised loss during a continuous five-year period. Even if the criteria mentioned above were not met, the management may decide to examine the results for other criteria (financial position of the issuer, outlook for the issuer, multiple-criterion valuations, etc.) in order to determine whether the fall in value is of a permanent nature. Where there is an objective indication of value impairment, the cumulative loss is removed from equity and recognised in the profit and loss account. Subsequent improvements in fair value are recognised in equity.

Impairment of available-for-sale debt securities is based on the same criteria as for all other financial assets. If in a subsequent period the fair value of a debt instrument classified as available for sale increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

The loss recognised in the income statement is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

14. Classification of debts and shareholders' equity

Under IFRS, the critical feature in differentiating a debt instrument from an equity instrument is the existence of a contractual obligation of the Group to deliver cash (or another financial asset) to another entity. Where there is no such contractual obligation, the Group will classify the financial instrument as equity; otherwise it will be classified as a liability and carried at amortised cost. The terms of the perpetual debt instruments issued by subsidiaries in the Group permit interest payments to be waived unless discretionary dividends have been paid in the previous six months. These instruments are, therefore, considered to be equity.

Perpetual subordinated debt securities

Given their characteristics, perpetual subordinated debt securities issued by the Group and bearing clauses requiring the payment of interest qualify as debt instruments and classified as subordinated debt. The related interest expense is recognised in the income statement.

By contrast, perpetual subordinated securities issued by the Group and bearing discretionary clauses relating to the payment of interest are classified as equity instruments and the related interest is recognised in the income statement under non-controlling interests.

When an event occurs that removes the Group's obligation to pay interest on a subordinated debt, the debt is reclassified to equity at its fair value. At the time of the reclassification, the Group recognises any difference between the instrument's carrying amount and its fair value in the income statement.

15. Consolidated goodwill and intangible assets

Goodwill in an associate, partnership interest or subsidiary represents the excess, at the date of acquisition, of an acquisition's cost over the fair value of the Group's share of net identifiable assets acquired. Identifiable intangible assets are those which can be sold separately or which arise from legal rights, regardless of whether those rights are separate.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested annually for impairment, or more frequently when circumstances indicate that its carrying amount is too high. Goodwill is allocated to cash-generating units for the purposes of impairment testing. If the net present value of each of the cash-generating unit's forecast cash flows is insufficient to support its carrying value, then the goodwill is impaired. Impairment losses on goodwill are recognised in the income statement and are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets include acquired brands, intellectual property rights, and client relationships. These are carried at historical cost less amortisation, if any, and less any accumulated impairment losses. These intangible assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If such evidence exists, an impairment test is performed.

16. Investment property

Investment property corresponds to real estate assets that are leased out. It is recognised at its fair value, which corresponds to the re-assessed value under the move to IAS/IFRS for the other real estate assets; this value constitutes the deemed cost for these assets.

17. Tangible assets

Tangible assets are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The deemed cost refers to the situation in which, on transition to IFRS, the Group elected, as IFRS 1 First-time adoption of IFRS permits, to consider the fair value of a tangible asset at that time to be its deemed cost.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write down the cost of assets to their residual values over their estimated useful lives, as follows:

Computer equipment	3 - 10 years
Software development	3 - 5 years
Cars	3 - 5 years
Fixtures and fittings	3 - 10 years
Leasehold improvements	4 - 24 years
Buildings	10 - 60 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These gains and losses are recognised in the income statement.

18. Impairment of tangible assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, property, plant and equipment is assessed for indications of impairment. If such indications are present, these assets are subject to an impairment review. If impaired, the carrying values of assets are written down by the amount of any impairment and the loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a fixed asset may be reversed when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset is only increased up to the amount that it would have been had the original impairment not been recognised.

19. Finance leases and operating leases

Where the Group is the lessor

- *Finance leases*

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised in interest receivable over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

- *Operating leases*

Assets acquired for use by customers under operating lease agreements, including initial direct costs incurred by the lessor in negotiating an operating lease, are capitalised in the relevant category of fixed assets. Depreciation is charged on a straight-line basis to write down the value of the asset to the expected residual value over a period consistent with other assets of a similar type.

Operating lease income and the initial direct costs are then recognised in other operating income on a straight-line basis over the period of the lease.

Where the Group is the lessee

The Group has entered into operating leases. The total payments made under those operating leases are charged to the income statement as operating expenses.

20. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with original maturities of less than three months, including cash and non-restricted balances with central banks, certificates of deposit and loans and advances to banks. Also included are short-term cash investments (recommended investment period of less than 3 months), the characteristics of which are a high level of liquidity (liquidation possible at least weekly) and low risk of a change in value (regularity of performance and volatility index of below 0.5). As these are mainly open-ended investment funds and monetary mutual funds classified as euro monetary UCITS defined by the regulatory authorities, they meet the conditions listed above.

At closing, these cash equivalents are assessed at fair value with a counterparty as profit or loss.

21. Long term employee benefits and pensions

The Group operates long term profit share schemes for the benefit of employees. The costs of such schemes are recognised in the income statement over the period in which the services are rendered that give rise to the obligation. Where the payment of profit share is deferred until the end of a specified vesting period, the deferred amount is recognised in the income statement over the period up to the date of payment.

The Group operates a number of pension and other post retirement benefit schemes, both funded and unfunded, and of the defined benefit and defined contribution types.

For defined contribution schemes, the contribution payable in respect of the accounting period is recognised in the income statement.

The defined benefit schemes are accounted for using the option permitted by the amendment made to IAS19 Employee Benefits, which the Group has adopted early, whereby actuarial gains and losses are recognised outside the income statement and are presented in the statement of recognised income and expense.

The amount recognised in the balance sheet in respect of defined benefit schemes is the difference between the present value of the defined benefit obligation at the balance sheet date, and the fair value of the plan's assets, if any. Independent actuaries calculate the defined benefit obligation annually using the projected unit credit method. The obligations' present value is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currencies in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

22. Taxation

Tax payable on profits and deferred tax are recognised in the income statement, except to the extent that they relate to items that are recognised in equity.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that are expected to apply when a deferred tax asset is realised, or the deferred tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, deferred profit share arrangements, revaluation of certain financial instruments including derivative contracts, provisions for post-retirement benefits and tax losses carried forward.

Deferred tax assets, including the tax effects of income tax losses available for carry forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is not provided on temporary differences arising from investments in subsidiaries and associates, unless the timing of the reversal of the temporary difference is controlled by a third party or it is probable that the difference will reverse in the foreseeable future.

23. Dividends

Dividends are recognised in equity in the period in which they are declared by the Company's shareholders at the Annual General Meeting or, in the case of interim dividends, when they are paid.

24. Fiduciary activities

The Group acts as custodian and in other fiduciary capacities that result in the holding or placing of assets on behalf of customers. These assets and the income arising therefrom are excluded from these financial statements, as they are not assets or income of the Group.

25. Provisions and contingent liabilities

From time to time, the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

The Group recognises provisions in respect of onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed by one or more uncertain future events not wholly within the Group's control, or present obligations that are not recognised either because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be reliably estimated. Contingent liabilities are disclosed unless the possibility of a transfer of economic benefits is remote.

26. Non-current assets destined for sale

Non-current assets or disposal groups are classified as held for sale if the carrying amount will be recovered principally through sale rather than continuing use. This condition is regarded as met only when the sale is highly probable, the assets or disposal group are available for immediate sale in their present condition and management is committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of the classification, and the disposal group is actively marketed for sale at a price that is reasonable in relation to its fair value.

Immediately prior to being classified as held for sale, the carrying amount of assets and liabilities are measured in accordance with the applicable standard. On classification as held for sale, the asset or disposal group is measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the asset or disposal group to fair value less costs to sell. Any gain for a subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

IV. Financial risk management

In accordance with IFRS 7 "Financial instruments: Disclosures", the risks relating to financial instruments and the way in which these are managed by the Group are described below.

A. Governance

To facilitate risk management within the Paris Orléans' Group and its principal subsidiaries, the Managing partner and the Supervisory Board have delegated certain functions and responsibilities to be carried out by a number of committees.

Group Committees

- Group Assets & Liabilities Committee
- Group Audit Committee
- Group Remuneration Committee
- Group Risk Committee

The terms of reference and membership of these committees are regularly reviewed. These committees monitor compliance of the Group's activities with relevant laws and regulations on a consolidated basis.

Risk management is coordinated at Paris Orléans level, through the Group Chief Risk Officer and the Risk function throughout the Group.

Responsibility for managing specific risks rests with individual businesses which are required to establish processes for identifying, evaluating and managing the key risks they face. In addition, the businesses are required, where appropriate, to establish separately constituted committees, to approve policies, set limits, monitor exceptions and make recommendations on operational, liquidity, market and credit risk decisions.

The risks faced by the 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.

Market risk arises from changes in the market value of assets and liabilities. Financial instruments, including derivatives, are used to provide clients with solutions to meet their commercial objectives. Financial instruments are also used to manage the 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 arises from the mis-match between the legal maturity of the assets and the liabilities. Liquidity is measured by classifying assets, liabilities and other cashflows into future time bands using a series of prudent assumptions and calculating the resultant surplus or deficit in each period.

Operational risk, which is inherent in all business activities, is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Key to the management of operational risk is the maintenance of a strong framework of internal controls.

Internal Audit reviews through its audit program the financial controls in all the Group's entities and offices and checks the design and effectiveness of the control framework. Audits are performed according to a multiyear audit cycle based on an assessment of risks. The audit plan is submitted every year to the Group Audit Committee for approval.

Strategy in using financial instruments

The use of financial instruments is fundamental to the Group's banking and treasury activities. The Group provides a range of lending products to its clients and funds these activities by means of deposit taking and other borrowings.

The Group invests in debt securities in order to provide a portfolio of liquid assets to assist in the management of liquidity risk and to hedge interest rate risk arising on its banking activities. The Group uses derivative financial instruments to meet clients' requirements and to manage its exposure to interest rate and currency risk arising from its banking activities. Further information on derivative contracts is set out in notes 1 and 2 of section V.

The key risks arising from the Group's activities involving financial instruments are risks relating to credit, market and liquidity. The Group's approach to these risks and a summary of the Group's exposure to them is set out below.

B. Credit risk

Credit risk arises from all exposures to clients and counterparties relating to the Group's lending, trading and investment activities.

Overall limits on credit risk are set out in the Group Credit Risk Policy. Credit risk limits within the Group's banking entities are set, where appropriate, with reference to individual clients or counterparties and to country. Additionally, each banking entity is required to have a credit risk policy that is consistent with the Group's overall policy and in line with the requirements of local regulators.

Exposure to credit risk is managed by detailed analysis of client and counterparty creditworthiness prior to entering into an exposure, and by continued monitoring thereafter. A significant proportion of the Group's lending exposures is secured on property or assets; the Group monitors the value of any collateral obtained. The Group also uses netting agreements to restrict credit exposure to other financial counterparties. For internal monitoring purposes, credit exposure on loans and debt securities is measured as the principal amount outstanding plus accrued interest. Credit exposure on derivatives is measured as the current replacement value plus an allowance for the potential change in replacement value.

Credit exposures on loans and debt securities are reviewed on a quarterly basis and for this purpose they are classified as follows:

Category 1	Exposures where the payment of interest or principal is not in doubt and which are not part of categories 2 to 5.
Category 2	Exposures where the payment of interest or principal is not in doubt, but which require closer observation than usual due to some deterioration in the position of the client, for example: poor trading results; difficult conditions in the client's market sector; competitive or regulatory threats; or the potential impact from currency or other factors.
Category 3	Exposures where there has been further deterioration in the position of the client. Although the exposure is not considered to be impaired, the relationship requires close monitoring by the front office team.
Past due but not impaired financial assets	*A financial asset is considered to be past due when the counterparty has failed to make a payment when contractually due. Financial assets that are past due but not impaired are exposures for which a provision is not considered necessary despite non-payment of the contractual obligations.*
Category 4	Exposures that are considered to be impaired and which carry a provision against part of the loan (unless collateral exists which exceeds the exposure's carrying value). At least some recovery is expected to be made.
Category 5	Exposures that are considered to be impaired and which carry a full provision. No significant recovery of value is expected.

All Group companies map their own credit monitoring to these categories for the purposes of Group reporting.

The tables below disclose the maximum exposure to credit risk at 31 March 2013 and at 31 March 2012 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

Available-for-sale debt securities include valuations of synthetic CDOs (Collateralised Debt Obligations), which are accounted in Financial liabilities at fair value through profit or loss. At 31 March 2013, the amount was €1.5 million (31 March 2012: €3.2 million).

In thousands of euro	Category 1	Category 2	Category 3	Past due but not impaired	Category 4	Category 5	Impairment allowance	31/03/2013
Financial assets at fair value through profit or loss [(1)]	152,354	-	-	-	-	-	-	152,354
Hedging derivatives	26,849	-	-	-	-	-	-	26,849
Loans and receivables to banks	1,144,124	-	-	-	-	-	-	1,144,124
Loans and receivables to customers	972,298	101,990	154,130	33,079	170,530	32,641	(106,612)	1,358,056
Available-for-sale financial assets - debt securities	290,432	9,504	13,768	-	52,898	37,833	(61,527)	342,908
Other financial assets	262,169	2,999	-	16,393	16,084	11,974	(20,199)	289,420
Sub-total Assets	**2,848,226**	**114,493**	**167,898**	**49,472**	**239,512**	**82,448**	**(188,338)**	**3,313,711**
Commitments and guarantees	137,159	3,609	3,151	-	682	-	-	144,601
TOTAL	**2,985,385**	**118,102**	**171,049**	**49,472**	**240,194**	**82,448**	**(188,338)**	**3,458,312**

(1) Excluding equity.

In thousands of euro	Category 1	Category 2	Category 3	Past due but not impaired	Category 4	Category 5	Impairment allowance	31/03/2012
Financial assets at fair value through profit or loss (1)	158,218	-	1,800	-	-	-	-	160,018
Hedging derivatives	28,572	-	-	-	-	-	-	28,572
Loans and receivables to banks	1,660,754	-	-	-	-	-	-	1,660,754
Loans and receivables to customers	1,249,759	124,430	190,946	14,705	200,743	9,839	(104,719)	1,685,703
Available-for-sale financial assets - debt securities	528,880	42,553	8,087	-	37,511	41,695	(61,866)	596,860
Other financial assets	308,639	-	13	10,054	3,404	9,143	(10,985)	320,268
Sub-total Assets	**3,934,822**	**166,983**	**200,846**	**24,759**	**241,658**	**60,677**	**(177,570)**	**4,452,175**
Commitments and guarantees	260,951	37,014	12,096	-	2,348	10	-	312,419
TOTAL	**4,195,773**	**203,997**	**212,942**	**24,759**	**244,006**	**60,687**	**(177,570)**	**4,764,594**

(1) Excluding equity.

I. Past due but not impaired assets

The table below analyses amounts past due but not impaired by how far they are past their due date:

	31/03/2013					31/03/2012				
	Past due but not impaired					Past due but not impaired				
In thousands of euro	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total
Loans and receivables to customers	5,179	3,521	21,658	2,721	33,079	3,955	961	7,594	2,195	14,705
Other financial assets	1,072	7,219	6,608	1,494	16,393	3,962	1,227	2,196	2,669	10,054
TOTAL	**6,251**	**10,740**	**28,266**	**4,215**	**49,472**	**7,917**	**2,188**	**9,790**	**4,864**	**24,759**

As refinancing and sale options are currently limited, it is generally in the lender's and borrower's interest to extend certain facilities at maturity and not to foreclose on the security. This assumes there are no underlying issues regarding the borrower's ability to continue to service the loan and the level of collateral is expected to be of sufficient quality to secure the principal.

Unimpaired loans extended in this manner are not categorised as either past due or as re-negotiated. As at 31 March 2013 the cumulative value of all loans within this category was €153 million (31 March 2012: €274 million). All of these loans were property loans. There are a small number of loans which are overdue, but not impaired, pending an extension of maturity. As at 31 March 2013, these amounted to €25 million (31 March 2012: €8.8 million).

Some loans have been renegotiated on substantially different terms than before. Typically these loans will include revised covenants and higher margins to reflect higher credit risk as well as having extended maturities. But for these renegotiations, the loans would have been deemed to have been impaired. As at 31 March 2013, the carrying value of all loans renegotiated was €92 million (31 March 2012: €126 million).

2. Collateral

The Group holds collateral against loans to customers. Substantially all third party commercial lending is secured. Collateral is split by type as either specific or general.

Specific collateral is a readily identifiable asset. The majority of specific collateral is in the form of charges over property assets, or over marketable securities (Lombard lending). There is a realistic possibility, if necessary, of both taking possession of, and realising, the collateral. General collateral will be more difficult to both identify and realise. It will usually be a charge over the assets of a business, and is typically attached to leveraged finance assets. It is not practicable to ascribe a specific value to this collateral.

Unimpaired loans (levels 1 to 3) are covered by both specific and general collateral. For category 1, 2 and 3 loans the level of collateral at expected exit is expected to be sufficient to cover the balance sheet exposure. Where a loan is deemed to be impaired (level 4 and 5 assets), the level of the impairment charge is primarily driven by any expected shortfall in the collateral value, though it is also influenced by the ability of the borrower to service the debt.

Collateral is valued independently at the time the loan is made and periodically thereafter on a rolling basis. For physical assets such as property, management are able to roll forward a valuation for reporting purposes *via* a combination of specific knowledge of the property and the application of general property indices.

The table below gives an estimate of the fair value of collateral held by the Group as security against its loans to customers that are individually impaired and past due but not impaired.

	31/03/2013		31/03/2012	
In thousands of euro	Past due but not impaired	Individually impaired	Past due but not impaired	Individually impaired
Tangible assets collateral	33,595	106,132	8,453	114,300
Financial assets collateral	-	17,210	6,252	38,834
TOTAL	**33,595**	**123,342**	**14,705**	**153,134**
Net value of loans	33,079	131,679	14,705	152,152

3. Credit risk analysis

The Group monitors concentrations of credit risk by geographic location and industry sector. The tables below show an analysis of credit risk by location and by sector as of 31 March 2013 and 31 March 2012.

a) Credit risk by location

Location for loans and advances is measured by reference to the location of the borrower. Debt securities are recorded based on the location of the issuer of the security.

In thousands of euro	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2013
Financial assets at fair value through profit or loss [(1)]	69,349	16,357	59,706	5,765	795	175	207	152,354
Hedging derivatives	1,911	23,789	-	1,149	-	-	-	26,849
Loans and receivables to banks	459,589	294,816	53,049	108,020	184,580	35,910	8,160	1,144,124
Loans and receivables to customers	95,857	734,272	125,743	218,587	133,311	42,054	8,232	1,358,056
Available for sale financial assets - debt securities	77,987	93,656	3,749	125,102	33,243	9,171	-	342,908
Other financial assets	69,494	83,107	15,569	61,962	29,929	22,044	7,315	289,420
Sub-total Assets	**774,187**	**1,245,997**	**257,816**	**520,585**	**381,858**	**109,354**	**23,914**	**3,313,711**
Commitments and guarantees	37,699	23,894	54,396	27,478	208	896	30	144,601
TOTAL	**811,886**	**1,269,891**	**312,212**	**548,063**	**382,066**	**110,250**	**23,944**	**3,458,312**

(1) Excluding equity.

In thousands of euro	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2012
Financial assets at fair value through profit or loss (1)	85,668	12,106	21,399	11,816	29,029	-	-	160,018
Hedging derivatives	2,200	15,023	-	11,349	-	-	-	28,572
Loans and receivables to banks	441,896	490,851	79,316	332,185	253,767	52,671	10,068	1,660,754
Loans and receivables to customers	127,521	985,453	40,251	302,854	176,397	42,578	10,649	1,685,703
Available for sale financial assets - debt securities	111,360	213,949	37,210	196,006	28,462	9,873	-	596,860
Other financial assets	154,050	64,098	8,110	39,016	26,442	23,100	5,452	320,268
Sub-total Assets	**922,695**	**1,781,480**	**186,286**	**893,226**	**514,097**	**128,222**	**26,169**	**4,452,175**
Commitments and guarantees	72,815	91,880	15,891	44,923	24,299	3,047	59,564	312,419
TOTAL	**995,510**	**1,873,360**	**202,177**	**938,149**	**538,396**	**131,269**	**85,733**	**4,764,594**

(1) Excluding equity.

b) Credit risk by sector

The sector is based on Global Industry Classification Standards (GICS).

In thousands of euro	31/03/2013	31/03/2012
Financial	1,587,976	2,455,491
Private clients	622,062	561,607
Real estate	407,599	572,338
Industrials	220,888	172,732
Consumer discretionary	163,451	149,592
Government	83,290	369,336
Materials	78,063	84,212
Utilities	66,835	58,882
Consumer staples	59,748	98,440
IT and telecoms	43,032	65,259
Healthcare	36,278	36,917
Energy	12,190	12,823
Other	76,900	126,964
TOTAL	**3,458,312**	**4,764,594**

The "Government" exposure above predominantly consists of UK government securities.

The balances above do not include Cash and amounts due from Central Banks, which are not considered to have a significant credit risk. These amounted to €3,740 million at 31 March 2013 (31 March 2012 : €2,812 million).

In thousands of euro	31/03/2013	31/03/2012
Financial sector		
Short term interbank exposures	1,132,188	1,106,115
Treasury marketable securities - investment grade	91,936	505,647
Cash/investment backed lending	115,334	244,849
Finance companies	25,221	11,623
Other	223,297	587,257
TOTAL FINANCIAL SECTOR	**1,587,976**	**2,455,491**

Short term interbank lending and marketable securities are held for liquidity management purposes.

In thousands of euro	31/03/2013	31/03/2012
Real estate sector		
Senior loans	315,356	450,960
Mezzanine	78,334	110,220
Other	13,909	11,158
TOTAL REAL ESTATE SECTOR	**407,599**	**572,338**

Real estate exposures are supported by income generated by a large number of tenants from a wide variety of industry sectors. Exposures are, broadly, evenly split between the major property types, and are located predominantly within the United Kingdom.

c. Market risk

Market risk arises as a result of the Group's treasury and banking activities and comprises interest rate, foreign exchange and equity and debt position risk. It also arises through the investment activities of the Group, comprising its equity investments.

During the year, exposure to market risk through treasury and banking has continued to be small in relation to capital, as trading activities have been focused on servicing client requirements rather than on proprietary risk-taking. Foreign exchange and interest rate derivative contracts are predominantly used for hedging puposes.

Limits on market risk exposure in N M Rothschild and Sons Limited, which is the Group's largest subsidiary, are set by its Assets and Liabilities Committee. Monitoring of market risk limits and determination of trading profits are undertaken daily, independently of the dealing area. Risk limits are complemented by other measures and controls, including stress testing to estimate the losses that could occur when markets behave in unusually volatile ways and with little liquidity.

Market risks associated with treasury, leveraged finance loan trading and equity positions are described below with a description of risk management and the levels of risk.

1. Equity investments

The Group has exposure to equity price risk through holdings of equity investments and warrants on equity investments. Each of these positions is individually approved by senior management and is monitored on an individual basis. If the price of these equities and of the equities on which derivative instruments are dependent were to fall by 5%, then there would be a post-tax charge to the income statement of €11.6 million (€6.7 million as at 31 March 2012) and a charge to equity of €12.5 million (€18.6 million as at 31 March 2012).

Moreover, the Group is exposed through its investments to the risks affecting the companies in which it invests.

The table below shows the Group's equity price risk in relation to these instruments, by locations. The comparatives for March 2012 have been restated to reflect a change in the categorisation of an asset to "Rest of Europe" from "France".

In thousands of euro	31/03/2013	31/03/2012
UK and Channel Islands	17,654	19,896
France	196,524	198,157
Rest of Europe	97,190	71,648
Switzerland	128,305	149,360
Americas	45,186	41,416
Australia and Asia	27,771	24,593
Other	15,231	21,096
TOTAL	**527,861**	**526,166**

2. Currency risk

The Group takes on exposure to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. The table below summarises exposure to foreign currency exchange rate risk as at 31 March 2013. The net positions in the table are measured by reference to the net carrying amounts of monetary assets and liabilities other than those in a subsidiary's functional currency, and are shown after taking account of positions in derivatives.

	31/03/2013	31/03/2012
€ / USD	1.2826	1.3328
€ / GBP	0.8454	0.8337
€ / BRL	2.5882	2.4288
€ / HKD	9.9563	10.3472

If the Euro strengthened against these currencies by 5%, then the effect on the Group would be a charge to the income statement of €2.9 million (€1.1 million in 2012).

In thousands of euro	31/03/2013	31/03/2012
USD	62,852	54,196
BRL	2,836	2,811
GBP	(1,946)	18,899
HKD	(497)	29
NZD	(679)	(1,282)
Other	(360)	(756)

3. Interest rate risk

The following table summarises exposure to interest rate risk in the UK, Swiss and Guernsey banks by showing the impact on the fair value of interest-bearing assets and liabilities, and of interest rate derivatives, if base interest rates in each currency shown moved up by 100 basis points.

At 31 March 2013, the businesses in France held loans of €98.7 million, of which €12 million were at fixed interest rates, and available-for-sale debt securities of €48.4 million, of which €6.2 million were at fixed interest rates.

In thousands of euro	31/03/2013	31/03/2012
USD	(707)	23
EUR	(405)	45
GBP	923	(477)
CHF	912	449
Other	(122)	8
TOTAL	**601**	**48**

D. Liquidity risk

Management of liquidity risk is of fundamental importance to the operating entities of the Group, to ensure that they can meet their liabilities as they fall due.

The Group's four main banking groups each has to maintain their liquidity on a standalone basis subject to their own internal liquidity policy and the external regulatory liquidity regime of its domestic supervisor. Their liquidity policies have also been reviewed and approved by the Group Assets and Liabilities Committee, which receives and reviews their liquidity information on a regular basis.

Liquidity is monitored daily, independently of the front office Treasury staff responsible for day-to-day liquidity management. The banking entities are also subject to liquidity guidelines set by their regulator.

At the Group's banking entities, liquidity is measured based on behavioural adjustments and stress tests. The behaviour of assets and liabilities may, in certain scenarios, be less favourable than foreseen by their contractual maturity. For instance, there is the possibility that customer loans will not be repaid at their contractual term.

The liquidity of the Group's four main banking groups is managed independently of each other. This is summarised below.

N M Rothschild & Sons Limited (NMR)

NMR measures its liquidity risk quantitatively against a Liquidity Coverage Ratio (LCR) limit. This is in line with the requirements of the FSA's liquidity regime. The LCR considers NMR's eligible "Buffer" assets against the cumulative net cash flows payable under its most severe stress test. Only those assets of the highest quality can be treated as eligible for inclusion in the LCR.

NMR's liquidity policy requires it to keep an LCR in excess of 100% at the 1-month time horizon. At 31 March 2013, the ratio measured was 169% (31 March 2012: 234%).

Rothschild Bank International Limited (RBI)

RBI complies with the liquidity regime of the Guernsey Financial Services Commission (GFSC) which prescribes cumulative cash flow deficit limits for periods up to the 1-month time horizon using standard behavioural adjustments (i.e. not institution specific).

At 31 March 2013, the RBI regulatory liquidity ratio for the 8-day to 1-month period as a percentage of total deposits was 15% (31 March 2012 9%); well in excess of the limit set by the GFSC of -5%.

Rothschild Bank Zurich (RBZ)

RBZ's liquidity policy includes a behavioural adjustment applied across different client types, which allows for approximately one third of client deposits to be withdrawn over 30 days. Although the regulatory framework would permit significant mismatches within the 30-day time bucket, RBZ maintains a more conservative approach to liquidity.

Internal limits provide for RBZ to be cumulatively cash positive in all periods (after behavioural adjustment). The behavioural adjustment is complemented by an additional requirement that 20% of all client call deposits are held in cash and assets realisable within 48 hours.

RBZ's liquid assets at 31 March 2013 were 476% of liquid liabilities, as measured for regulatory purposes (31 March 2012: 468%). The regulatory limit is 100%.

Rothschild & Cie Banque (RCB)

RCB's liquidity assets composed of clients' accounts, UCITS and outstanding income that is invested daily on money markets. The Treasury Committee and intermediaries, held monthly, authorise counterparts for these investments.

RCB's liquidity ratio corresponds to the ratio of cash assets and short-term loans to short-term liabilities. It is calculated on a monthly basis, with the minimum threshold set at 100%.

At 31 March 2013, RCB's one month liquidity ratio was 416% compared with 272% at 31 March 2012.

I. Contractual Maturity

The following table shows the Group's financial assets and liabilities, analysed by remaining contractual maturity at the balance sheet date.

In thousands of euro	Demand - 1 month	1 month - 3 months	3 months - 1 year	1 year - 2 years	2 years - 5 years	> 5 years	No contractual maturity	31/03/2013
Cash and balances at central banks	3,739,675	-	-	-	-	-	-	3,739,675
Financial assets at FVTPL	39,641	56,920	6,908	1,035	628	125,055	29,929	260,116
Hedging derivatives	8,055	-	2,650	8,398	7,746	-	-	26,849
AFS financial assets	342	3,477	51,426	51,180	108,634	129,371	420,100	764,530
Loans and advances to banks	1,068,587	69,619	992	4,871	55	-	-	1,144,124
Loans and advances to customers	464,508	157,008	315,367	92,710	296,094	32,369	-	1,358,056
Other financial assets	222,326	28,604	34,008	-	4,482	-	-	289,420
TOTAL ASSETS	**5,543,134**	**315,628**	**411,351**	**158,194**	**417,639**	**286,795**	**450,029**	**7,582,770**
Financial liabilities at FVTPL	27,092	14,082	8,242	945	-	1,170	-	51,531
Hedging derivatives	-	-	784	2,079	20,900	-	-	23,763
Deposits by banks and central bank	99,052	4,036	40,116	29,120	153,854	-	-	326,178
Due to customers	4,405,064	287,945	323,529	262,859	276,855	31,612	-	5,587,864
Debt securities in issue	78	1,432	-	-	-	-	-	1,510
Subordinated loan capital	-	-	-	30,461	-	-	-	30,461
Other financial liabilities	72,149	41,608	2,611	1,323	194	4,561	5	122,451
TOTAL LIABILITIES	**4,603,435**	**349,103**	**375,282**	**326,787**	**451,803**	**37,343**	**5**	**6,143,758**

2. Undiscounted cashflows of liabilities and commitments

The following table shows contractual undiscounted cash flows payable by the Group (i.e. including future interest payments) on its financial liabilities and commitments, analysed by remaining contractual maturity at the balance sheet date. This table does not reflect the liquidity position of the Group.

Loan commitments are analysed at the earliest date they can be drawn down.

In thousands of euro	Demand - 1 month	1 month - 3 months	3 months - 1 year	1 year - 2 years	2 years - 5 years	> 5 years	No contractual maturity	31/03/2013
Hedging derivatives	-	-	784	2,079	20,900	-	-	23,763
Deposits by banks and central bank	99,408	4,301	42,955	32,195	157,248	-	-	336,107
Due to customers	4,425,569	294,467	354,228	277,242	295,781	36,173	-	5,683,460
Debt securities in issue	78	1,432	-	-	-	-	-	1,510
Subordinated liabilities	-	-	292	30,811	-	-	-	31,103
Other financial liabilities	72,149	41,608	2,611	1,323	194	4,561	5	122,451
Gross loan commitments	18,356	-	14,082	-	20,625	-	-	53,063
TOTAL LIABILITIES including commitments	**4,615,560**	**341,809**	**414,952**	**343,650**	**494,748**	**40,734**	**5**	**6,251,457**

E. Fair value of financial instruments

The fair value of financial instruments is determined at the end of the financial year in accordance with the accounting principles and methods described in this report. The fair value of each class of financial asset and liability is shown below.

Carried at amortised cost

	31/03/2013		31/03/2012	
In thousands of euro	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans and receivables to banks	1,144,124	1,144,124	1,660,754	1,660,754
Loans and receivables to customers	1,358,056	1,313,471	1,685,703	1,621,559
TOTAL	**2,502,180**	**2,457,595**	**3,346,457**	**3,282,313**
Financial liabilities				
Due to banks and central bank	326,100	326,100	344,099	344,099
Due to customers	5,587,864	5,612,109	5,619,059	5,627,160
Debt securities in issue	1,510	1,510	175,195	175,211
Subordinated debt	30,461	28,481	29,321	27,122
TOTAL	**5,945,935**	**5,968,200**	**6,167,674**	**6,173,592**

Carried at fair value

In thousands of euro	31/03/2013 Total	31/03/2013 Measured using level 1	2	3	31/03/2012 Total	31/03/2012 Measured using level 1	2	3
Financial assets								
Financial assets - trading	128,559	23,568	104,991	-	132,934	15,854	115,280	1,800
Financial assets at fair value through profit or loss	131,557	6,429	125,128	-	96,877	5,851	91,026	-
Available-for-sale financial assets	764,530	354,587	363,757	46,186	1,056,408	620,537	399,375	36,496
TOTAL	**1,024,646**	**384,584**	**593,876**	**46,186**	**1,286,219**	**642,242**	**605,681**	**38,296**
Financial liabilities								
Financial liabilities at fair value through profit or loss	**51,531**	-	51,531	-	54,841	-	54,841	-
TOTAL	**51,531**	**-**	**51,531**	**-**	**54,841**	**-**	**54,841**	**-**

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from market data to a significant extent).
Level 3: inputs for the asset or liability that are not based primarily on observable market data (unobservable inputs). An example would be a discounted cash flow on an instrument with uncertain cash flows.

Assets measured at fair value based on Level 3 as of 31 March 2013

There were no significant transfers between assets valued at level 1 and at level 2 in the period.

The following table presents the movement in assets valued using level 3 valuation methods in the period:

In thousands of euro	Available-for-sale financial assets
Opening balance	**38,296**
Total gains and (losses) through income statement	(6,461)
Total gains and (losses) through shareholders' funds	9,137
Purchases	2,295
Settlements	(4,707)
Transfers from other assets into/(out of) level 3	7,158
Exchange	194
Others	274
CLOSING BALANCE	**46,186**

V. Notes to the Consolidated Balance Sheet

NOTE 1. Financial assets and liabilities at fair value through profit or loss

In thousands of euro	31/03/2013	31/03/2012
Trading instruments	58,744	106,803
Financial assets designated at fair value through profit or loss	131,557	96,877
Derivative financial instruments	69,815	26,131
AT THE END OF THE PERIOD	**260,116**	**229,811**
of which financial assets at fair value through profit or loss - listed	*29,997*	*21,705*
of which financial assets at fair value through profit or loss - unlisted	*230,119*	*208,106*

Trading instruments

In thousands of euro	31/03/2013	31/03/2012
Public bills and similar securities	4,000	4,999
Bonds	31,262	79,948
Equities	23,482	15,862
Other financial instruments	-	5,994
AT THE END OF THE PERIOD	**58,744**	**106,803**

Financial assets designated at fair value through profit or loss

In thousands of euro	31/03/2013	31/03/2012
Equities	84,280	53,931
Other financial instruments	47,277	42,946
AT THE END OF THE PERIOD	**131,557**	**96,877**

A derivative is a financial instrument, the value of which is derived from another financial instrument, an index or some other variable (the "underlying"). Typically the underlying is an interest rate, a currency exchange rate or the price of a debt or equity security. Derivatives require little or no net investment or a lower investment than a non-derivative financial instrument to obtain the same sensitivity to changes in the underlying.

Derivative instruments are carried at fair value, shown in the balance sheet as separate totals of positive replacement values (assets) and negative replacement values (liabilities). Positive replacement values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour if the counterparties default. Negative replacement values represent the cost to the Group's counterparties of replacing all their transactions with the Group with a fair value in the counterparties' favour if the Group were to default.

Positive and negative replacement values on different transactions are only netted if there is legal right of set-off, the transactions are with the same counterparty and the cash flows will be settled on a net basis. Changes in replacement values of derivative instruments are recognised in trading income unless they qualify as hedges for accounting purposes.

Derivatives may be transacted for trading or hedging purposes. Trading involves taking positions with the intention of profiting from changes in market variables such as interest rates. The Group also enters into derivative transactions for the purpose of hedging exposures in the non-trading book. The accounting treatment of hedge transactions depends on the nature of the hedging relationship and whether the hedge qualifies as such for accounting purposes. Derivative transactions that qualify as hedges for accounting purposes are either fair value or cash flow hedges. Further information relating to hedging derivatives is provided in note 2.

Trading derivative financial instruments

In thousands of euro	31/03/2013 *Notional principal*	31/03/2013 Positive fair value	31/03/2013 Negative fair value	31/03/2012 *Notional principal*	31/03/2012 Positive fair value	31/03/2012 Negative fair value
Interest rate contracts						
Firm	*158,911*	2,027	(2,607)	*118,792*	1,344	(10,644)
Conditional	*14,000*	-	-	*14,000*	-	-
Foreign exchange contracts						
Firm	*5,659,322*	65,835	(45,429)	*4,126,458*	18,967	(37,013)
Conditional	*373,314*	1,953	(1,937)	*634,007*	4,020	(3,976)
Equity instruments						
Firm	-	-	-	-	-	-
Conditional	*35*	-	(35)	-	1,800	(35)
Credit derivatives						
Firm	*18,043*	-	(1,523)	*20,786*	-	(3,173)
Conditional	-	-	-	-	-	-
AT THE END OF THE PERIOD	***6,223,625***	**69,815**	**(51,531)**	***4,914,043***	**26,131**	**(54,841)**

NOTE 2. Hedging derivatives

In thousands of euro	31/03/2013 *Notional principal*	31/03/2013 Positive fair value	31/03/2013 Negative fair value	31/03/2012 *Notional principal*	31/03/2012 Positive fair value	31/03/2012 Negative fair value
Interest rate contracts						
Firm	*970,485*	26,699	(22,292)	*1,258,572*	23,096	(26,660)
Conditional	-	-	-	-	-	-
Foreign exchange contracts						
Firm	*133,636*	150	(1,471)	*209,920*	5,476	-
Conditional	-	-	-	-	-	-
AT THE END OF THE PERIOD	***1,104,121***	**26,849**	**(23,763)**	***1,468,492***	**28,572**	**(26,660)**

The schedule of cash flows hedged is as follows:

In thousands of euro	< 1 year	> 1 year < 3 years	> 3 years < 5 years	> 5 years < 10 years	> 10 years
Cash inflows (assets)	250	352	-	-	-
Cash outflows (liabilities)	(2,199)	(4,756)	(713)	-	-
COST AT 31 MARCH 2013	**(1,949)**	**(4,404)**	**(713)**	**-**	**-**

Fair Value Hedges

The Group's fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of fixed rate lending, fixed rate debt securities and of fixed rate borrowing.

For the year ended 31 March 2013, the Group recognised a net profit of €87 thousand (net loss of €260 thousand for 31 March 2012) representing the change in fair value of the ineffective portions of fair value hedges.

The fair value of derivatives designated as fair value hedges was €25,379 thousand at 31 March 2013 and €19,407 thousand at 31 March 2012.

Cash flow Hedges

The Group is exposed to variability in future interest cash flows on non-trading assets and issued debt securities that receive or pay interest at variable rates. Gains and losses on the effective portion of interest rate swaps designated as cash flow hedges are recorded in shareholders' equity. Gains or losses on any ineffective portion of these swaps are recognised immediately in the income statement.

For the year ended 31 March 2013, the Group recognised a gain of €20 thousand in the income statement in respect of the ineffective portion of cash flow hedges. As at 31 March 2012, the Group recognised a loss of €361 thousand in the income statement.

The fair value of derivatives designated as cash flow hedges at 31 March 2013 was €(22,293) thousand and €(17,494) thousand at 31 March 2012.

NOTE 3. Available-for-sale financial assets

In thousands of euro	31/03/2013	31/03/2012
AFS debt securities		
Public bills and similar securities	67,783	260,584
Bonds and similar securities	186,057	234,056
Notes and other securities	126,028	138,987
Sub-total, gross of impairments	**379,868**	**633,627**
of which listed securities	*273,004*	*508,897*
of which unlisted securities	*106,864*	*124,730*
Accrued interest	26,090	28,274
Sub-total, gross of impairments	**405,958**	**661,901**
Impairments	(61,527)	(61,867)
Total AFS debt securities	**344,431**	**600,034**
AFS equity securities		
Affiliates and long term securities	287,538	255,630
Other equities	261,498	272,103
Sub-total, gross of impairments	**549,036**	**527,733**
of which listed securities	*136,803*	*153,465*
of which unlisted securities	*412,233*	*374,268*
Impairments	(128,937)	(71,359)
Total AFS equity securities	**420,099**	**456,374**
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**764,530**	**1,056,408**

The significant increase in the level of impairments relating to equity securities is explained in Note 27.

Movements in available-for-sale financial assets

In thousands of euro	31/03/2013	31/03/2012
At the beginning of the period	**1,056,408**	**1,675,939**
Additions	47,823	1,609,109
Acquisition of subsidiaries	8,652	-
Disposals (sale and redemption)	(384,270)	(2,268,062)
Reclassifications and other movements	8,039	(16,499)
Gains/ (losses) from changes in fair value, recognised directly in equity	44,353	(3,300)
Impairment losses transferred from AFS reserve to income statement (1)	46,208	-
Impairment losses recognised in income statement	(66,793)	(12,358)
Exchange differences	4,110	71,579
AT THE END OF THE PERIOD	**764,530**	**1,056,408**

(1) More explanations in Note 27.

In application of the amendments to IAS 39 and IFRS 7 adopted by the European Commission on 15 October 2008, on 1 July 2008 the Group transferred from available-for-sale financial assets to loans and advances to customers those financial assets to which the definition of loans and advances to customers would apply on the reclassification date.

On the reclassification date and on 31 March 2013, Paris Orléans had the financial capacity to keep these loans to their maturity date or for the foreseeable future.

The reclassified financial assets are shown in the following table:

In thousands of euro	31/03/2013	31/03/2012
Amortised cost of reclassified loans and advances at the beginning of the period	**186,935**	**245,350**
Impairment	(3,499)	(4,404)
Disposals (sale and redemption)	(82,701)	(66,101)
Translation differences and other movements	7,712	12,090
AMORTISED COST OF RECLASSIFIED LOANS AND ADVANCES AT THE END OF THE PERIOD	108,447	186,935
Fair value of financial assets reclassified at the beginning of the period	**177,673**	**240,310**
Disposals (sale and redemption)	(82,701)	(66,101)
Changes in fair value of reclassified financial assets between 1 April 2012 and 31 March 2013	8,792	(2,192)
Other movements	(559)	5,656
FAIR VALUE OF FINANCIAL ASSETS RECLASSIFIED AT THE END OF THE PERIOD	103,205	177,673

After the transfer to loans and advances, those financial assets contributed the following amounts, after associated funding costs, to profit before tax.

In thousands of euro	31/03/2013	31/03/2012
Interest income	2,571	2,622
Impairment	(3,499)	(4,404)
Other gains and losses	(1,965)	(330)
TOTAL	(2,893)	(2,112)

NOTE 4. Loans and advances to banks

In thousands of euro	31/03/2013	31/03/2012
Interbank demand deposits and overnight loans	592,009	630,087
Interbank term deposits and loans	176,525	337,458
Reverse repos and loans secured by bills	374,628	691,891
Total	**1,143,162**	**1,659,436**
Accrued interest	962	1,318
Loans and advances to banks - Gross amount	**1,144,124**	**1,660,754**
Allowance for credit losses and receivables to bank	-	-
AT THE END OF THE PERIOD	1,144,124	1,660,754

NOTE 5. Loans and advances to customers

In thousands of euro	31/03/2013	31/03/2012
Overdrafts on current accounts - customers	58,561	63,590
Loans to customers - retail	424,745	467,414
Loans to customers - corporate	969,812	1,247,083
Total	**1,453,118**	**1,778,087**
Accrued interest	11,550	12,335
Loans and advances to customers – Gross amount	**1,464,668**	**1,790,422**
Allowance for credit losses on loans and advances to customers	(106,612)	(104,719)
AT THE END OF THE PERIOD	**1,358,056**	**1,685,703**

Allowance for credit losses on loans and receivables

	31/03/2013			31/03/2012		
In thousands of euro	Specific provision	Collective provision	Total	Specific provision	Collective provision	Total
Allowance for credit losses on loans and advances to customers	(71,493)	(35,119)	(106,612)	(58,430)	(46,289)	(104,719)

At 31 March 2013, loans and advances to customers include finance lease receivables:

In thousands of euro	Total future receipts	Less unrecognised interest income	Present value of net finance lease assets
Up to 1 year	77,032	(13,270)	63,762
Between 1 and 5 years	116,360	(19,136)	97,224
Over 5 years	5,670	(484)	5,186
AT THE END OF THE PERIOD	**199,062**	**(32,890)**	**166,172**

NOTE 6. Other assets

In thousands of euro	31/03/2013	31/03/2012
Guarantee deposits paid	10,482	10,513
Settlement accounts on securities transactions	53,912	96,725
Other sundry assets	248,681	241,926
Sundry assets	**313,075**	**349,164**
Prepaid expenses	22,212	15,595
Accounts receivable and accrued income	222,685	213,153
Estimated accounts	**244,897**	**228,748**
AT THE END OF THE PERIOD	**557,972**	**577,912**

NOTE 7. Investments accounted for by the equity method

In thousands of euro	Continuation Investments NV	Rivoli Participation	Comepar	JRAC Proprietary Investments LP Incorporated	Fircosoft Group	Sélection 1818	Quintus fund	St Julian's Property	Other	Total
As at 31/03/2011	**3,332**	**396**	**-**	**23,018**	**-**	**17,850**	**14,265**	**6,149**	**638**	**65,648**
Of which goodwill	-	-	*915*	-	-	*9,355*	-	-	-	*10,270*
Of which allowance for impairment	-	-	*(915)*	-	-	-	-	-	-	*(915)*
Profit for the period 2011/2012	(250)	459	-	(1,833)	67	717	1,526	1,020	-	1,706
Change in percentage ownership	(5)	196	-	-	1,780	-	-	-	-	1,971
Exchange differences on translation	129	-	-	1,414	35	-	(58)	427	46	1,993
Shareholders' dividends	-	-	-	-	-	-	(889)	(360)	-	(1,249)
Gains/(losses) from changes in fair value	(88)	-	-	-	-	-	-	-	62	(26)
Increase/(decrease) in Shareholdings	(2,132)	-	-	(1,495)	-	-	(3,006)	-	270	(6,363)
Impact of acquisitions and disposals on non-controlling interests	-	(7)	-	-	-	-	-	-	-	(7)
Other	61	-	-	18	145	-	-	(31)	(198)	(5)
As at 31/03/2012	**1,047**	**1,044**	**-**	**21,122**	**2,027**	**18,567**	**11,838**	**7,205**	**818**	**63,667**
Of which goodwill	-	-	*915*	-	*1,780*	*9,355*	-	-	-	*12,050*
Of which allowance for impairment	-	-	*(915)*	-	-	-	-	-	-	*(915)*
Profit for the period 2012/2013	177	423	-	2,880	137	324	2,174	397	(358)	6,154
Change in percentage ownership	-	1,431	-	506	-	-	-	-	243	2,180
Exchange differences on translation	27	-	-	1,076	(19)	-	(147)	(102)	39	874
Shareholders' dividends	-	(2,401)	-	(1,986)	-	(600)	(288)	(470)	-	(5,745)
Gains/(losses) from changes in fair value	(24)	-	-	-	18	-	377	-	(20)	351
Increase / (decrease) in Shareholdings	-	-	-	(6,156)	-	-	2,213	-	-	(3,943)
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other	11	(2)	-	-	(33)	-	(1)	(129)	505	351
As at 31/03/2013	**1,238**	**495**	**-**	**17,442**	**2,130**	**18,291**	**16,166**	**6,901**	**1,226**	**63,889**
Of which goodwill	-	-	-	-	*1,780*	*9,355*	-	-	-	*11,135*
Of which allowance for impairment	-	-	-	-	-	-	-	-	-	-

Information related to associates as at 31 March 2013

In thousands of euro	Gross assets	Net banking income or net operating income	Net income
Continuation Investments NV (1)	3,153	755	458
Rivoli Participation (consolidated subgroup) (1)	14,904	14,104	1,415
JRAC Proprietary Investments LP Incorporated	36,912	7,994	5,563
Fircosoft Group (consolidated subgroup) (1)	40,745	9,465	521
Sélection 1818 (formerly Sélection R)	47,643	12,618	953
Quintus fund	33,831	6,038	3,314
St Julian's Property (1)	13,801	1,256	472

(1) Financial year ended 31 December 2012.

NOTE 8. Tangible fixed assets

In thousands of euro	01/04/2012	Consolidation of new subsidiaries	Additions	Disposals	Write offs	Depreciation charge	Exchange rate movement	Other movements	31/03/2013
Operating land and buildings	388,105	681	4,373	(5,099)	-	-	(4,256)	(130)	383,674
Assets used to generate lease income	13,025	-	3,129	(2,175)	-	-	(150)	-	13,829
Other tangible fixed assets	134,329	453	13,458	(3,134)	(187)	-	(659)	3,504	147,764
Total tangible fixed assets - Gross amount	**535,459**	**1,134**	**20,960**	**(10,408)**	**(187)**	**-**	**(5,065)**	**3,374**	**545,267**
Amortisation and allowances - operating land and buildings	(88,250)	(418)	-	1,104	-	(13,079)	889	92	(99,662)
Amortisation and allowances - assets used to generate lease income	(6,707)	-	-	1,760	-	(1,882)	46	-	(6,783)
Amortisation and allowances - other tangible fixed assets	(68,479)	(332)	-	2,303	187	(13,119)	329	(3,607)	(82,718)
Total amortisation and allowances	**(163,436)**	**(750)**	**-**	**5,167**	**187**	**(28,080)**	**1,264**	**(3,515)**	**(189,163)**
TOTAL TANGIBLE FIXED ASSETS - NET AMOUNT	**372,023**	**384**	**20,960**	**(5,241)**	**-**	**(28,080)**	**(3,801)**	**(141)**	**356,104**

NOTE 9. Intangible fixed assets

In thousands of euro	01/04/2012	Consolidation of new subsidiaries	Additions	Disposals	Write offs	Depreciation charge	Exchange rate movement	Other movements	31/03/2013
Intangible fixed assets - Gross amount	225,383	1,454	993	(340)	(33)	-	(265)	1,476	228,668
Amortisation and allowances - Intangible fixed assets	(34,580)	(373)	-	163	32	(9,409)	49	(1,428)	(45,546)
TOTAL INTANGIBLE FIXED ASSETS - NET AMOUNT	**190,803**	**1,081**	**993**	**(177)**	**(1)**	**(9,409)**	**(216)**	**48**	**183,122**

NOTE 10. Goodwill

In thousands of euro	Rothschild & Cie Banque	Concordia Holding	Total
Gross amount as at 01/04/2012	**43,889**	**60,421**	**104,310**
Additions	3,718	-	3,718
Disposal and other decreases	-	-	-
Translation difference and other movements	-	47	47
Gross amount as at 31/03/2013	**47,607**	**60,468**	**108,075**
Accumulated impairment	-	-	-
NET AMOUNT AS AT 31/03/2013	**47,607**	**60,468**	**108,075**

The Group acquired control of HDF Finance on 24 July 2012, through both cash and transfer of existing assets to the new combined business. As a result of this transaction, the Group has recognised €3.7 million of goodwill.

As at 31 March 2013, the Group performed an annual impairment test for each of the cash generating units (CGU) to which goodwill has been allocated.

The recoverable amount of CGU was calculated based on multiple criteria. For Concordia Holding, peer-group stock-market multiples, deal multiples and discounted future cash flows have been used. For RCB, trading multiples have been applied to the normalised profit after tax. Additionally, a sum-of-the-parts valuation has been performed, in which each RCB business has been valued separately with consistent valuation methods and in line with market standards.

For Concordia Holding CGU, the discounted cash flows correspond to the consolidated net profit after tax, which have been determined using a business plan based on projections for the next five years. The key assumptions which affect the valuation are the ratio of Profit before tax/ revenues, the sustainable growth rate and the cost of capital.

A sustainable growth rate of 2.0% has been used, which derives from comparable external market sources. The cost of capital is determined on the basis of a market risk premium based on comparable M&A and wealth management businesses. The cost of equity rate applied to future cash flows is 11.5%.

For Concordia Holding, some sensitivity tests have been carried out to measure the impact on its recoverable value by varying assumptions such as profitability, long-term growth or cost of equity. An increase of 50 basis points applied to the cost of capital would lead to a decrease of 3.4% in the recoverable value and would not generate any impairment. Similarly, a decrease of 100 basis points in long-term growth rates would lead to a decrease of 3.1% in the recoverable value and would not generate any impairment. For profitability, a 1% decrease in Profit before tax/ revenues ratio would lead to a decrease of 4.8% in the recoverable value and would not generate any impairment.

For Rothschild & Cie Banque CGU, sensitivity tests showed that a 10% fall in the value of each of its underlying business would not result in the impairment of the goodwill allocated to this CGU.

At 31 March 2013, the recoverable amount of each CGU was higher than their carrying amount. The Group did not, therefore, record any goodwill impairment in the year.

NOTE 11. Due to banks

In thousands of euro	31/03/2013	31/03/2012
Interbank demand deposits and overnight	92,292	77,123
Interbank term deposits and borrowings	231,157	263,476
Borrowings secured by repurchase agreement	-	-
Due to banks	**323,449**	**340,599**
Accrued interest	2,651	3,424
AT THE END OF THE PERIOD	**326,100**	**344,023**

NOTE 12. Due to customers

In thousands of euro	31/03/2013	31/03/2012
Customer demand	3,597,791	3,315,021
Term deposits - customers	1,698,172	1,895,022
Borrowings secured by bills	249,502	376,610
Customer deposits	**5,545,465**	**5,586,653**
Accrued interest	42,399	32,406
AT THE END OF THE PERIOD	**5,587,864**	**5,619,059**

NOTE 13. Debt securities in issue

In thousands of euro	31/03/2013	31/03/2012
Securities with a short term maturity	1,510	101,600
Securities with a medium term maturity	-	70,001
Debt securities in issue	**1,510**	**171,601**
Accrued interest	-	3,594
AT THE END OF THE PERIOD	**1,510**	**175,195**

NOTE 14. Other liabilities, accruals and deferred income

In thousands of euro	31/03/2013	31/03/2012
Settlement accounts on securities transactions	57,833	105,455
Accounts payable	59,066	56,378
Sundry creditors	90,653	83,687
Other liabilities	**207,552**	**245,520**
Due to employees	406,633	381,085
Other accrued expenses and deferred income	85,747	88,787
Estimated accounts	**492,380**	**469,872**
AT THE END OF THE PERIOD	**699,932**	**715,392**

NOTE 15. Provisions

In thousands of euro	01/04/2012	Charge	Reversal	Discounting	Exchange rate movement	Other movements	31/03/2013
Allowance for counterparty risk	2,264	5	(24)	-	274	881	3,400
Provision for claims or litigation	4,112	6,607	(2,760)	-	(245)	(597)	7,117
Property related provisions	3,629	-	(2,239)	10	(9)	95	1,486
Retirement benefit provisions	171,232	-	-	-	-	(1,233)	169,999
Other provision	4,762	165	(1,421)	-	9	(14)	3,501
TOTAL	**185,999**	**6,777**	**(6,444)**	**10**	**29**	**(868)**	**185,503**

The regulation of the financial services industry, and the Swiss private banking sector in particular, continues to evolve. At the current time, the Swiss Federal Council is considering measures which will allow Swiss banks to provide the USA Department of Justice with information about their business with USA persons whose assets were not declared to the USA tax authorities. Once these measures have been implemented, it is understood that the USA Department of Justice will issue the terms of a program which will allow Swiss banks to engage with it in order to resolve any issues. This resolution might involve the imposition of a financial penalty upon a participating bank. No provision has been made in the accounts at 31 March 2013 in respect of this investigation since at the current time it is not possible to know how these investigations will progress and what, if any, impact they will have on our Swiss private banking business.

Separately, advance payments have been made in respect of the regularisation of the tax status of UK customers of Swiss banks in line with the agreement between the UK and the Swiss governments. The expectation is that the advance payments will be recovered in due course as settlements are made on behalf of UK clients and, accordingly, no provision has been made against these receivables.

The directors have also considered the impact of the decision of the Supreme Court in Switzerland concerning retrocession payments received in the past by banks and responses received from our private banking clients following a recent mailing in accordance with the recommendations of FINMA, the Swiss financial regulator, together with other asserted or potential claims.

Information on retirement benefit provisions is set out in note 37.

NOTE 16. Subordinated debt

In thousands of euro	31/03/2013	31/03/2012
Perpetual Floating Rate Subordinated Notes - 2015 (US$39 million)	30,407	29,262
Subordinated debt	**30,407**	**29,262**
Accrued interest	54	59
AT THE END OF THE PERIOD	**30,461**	**29,321**

NOTE 17. Impairments

Changes in the impairment of assets can be analysed as follows:

In thousands of euro	01/04/2012	Acquisition of subsidiaries	Charge	Reversal	Written off	Exchange rate movement and other movements	31/03/2013
Loans and advances to customers	(104,719)	-	(24,650)	12,221	10,038	498	(106,612)
Available-for-sale financial assets	(133,226)	(644)	(68,039)	2,685	6,964	1,796	(190,464)
Other assets	(13,045)	(298)	(13,079)	759	4,692	(1,706)	(22,677)
TOTAL	**(250,990)**	**(942)**	**(105,768)**	**15,665**	**21,694**	**588**	**(319,753)**

NOTE 18. Deferred tax

Deferred taxes are calculated on all temporary differences using the liability method.

The movement on the deferred tax account is as follows:

In thousands of euro	31/03/2013	31/03/2012
Deferred tax assets at the beginning of the period	**125,660**	**102,880**
Deferred tax liabilities at the beginning of the period	**56,542**	**61,492**
NET AMOUNT (AT THE BEGINNING OF THE PERIOD)	**69,118**	**41,388**
Recognised in income statement		
Income statement (charge)/credit	4,421	(6,918)
Recognised in equity		
Defined benefit pension arrangements	1,441	15,215
Available for sale financial assets	970	2,768
Cash flow hedges	449	4,844
Reclassification	(10,678)	8,478
Derecognition of joint venture	-	(123)
Payments/(refunds)	2	(1,392)
Exchange differences	(904)	4,777
Other	(170)	81
NET AMOUNT (AT THE END OF THE PERIOD)	**64,649**	**69,118**
Deferred tax assets at the end of the period	**121,486**	**125,660**
Deferred tax liabilities at the end of the period	**56,837**	**56,542**

Deferred tax net assets and liabilities are attributable to the following items:

In thousands of euro	31/03/2013	31/03/2012
Accelerated tax depreciation	13,768	12,802
Defined benefit pension liabilities	29,677	31,638
Provisions	1,522	1,965
Deferred profit share arrangements	38,421	36,078
Cash flow hedges	4,743	4,442
Losses carried forward	32,041	19,730
Available-for-sale financial assets	(1,037)	16,855
Other temporary differences	2,351	2,150
DEFERRED TAX NET ASSETS AT THE END OF THE PERIOD	**121,486**	**125,660**

As at 31 March 2013, the Group's main banking subsidiary NMR recognised deferred tax assets corresponding to losses carried forward. At the end of the financial year, the Group assessed the recovery of these losses as probable. Estimated profit projections were updated for this subsidiary at 31 March 2013, based on the most recent revenue projections; these showed that NMR's operations should generate sufficient taxable profits to absorb its carried forward losses over a period of around five years.

In the United States, Canada and Asia, deductible temporary differences have not given rise to the recognition of deferred tax assets.

In thousands of euro	31/03/2013	31/03/2012
Defined benefit pension liabilities	-	39
Available-for-sale financial assets	28,267	26,945
Other temporary differences	28,570	29,558
DEFERRED TAX NET LIABILITIES AT THE END OF THE PERIOD	56,837	56,542

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set off and the balance relates to income tax levied by the same tax authority on the same taxable entity. There must also be the intention and the will to settle on a net basis or to realise the assets and liabilities simultaneously.

The deferred tax expense/(income) in the income statement comprises the following temporary differences:

In thousands of euro	31/03/2013	31/03/2012
Accelerated tax depreciation	(1,374)	(67)
Defined benefit pension liabilities	3,091	3,207
Allowances for loan losses	(653)	289
Tax losses carried forward	(912)	(378)
Deferred profit share arrangements	(2,196)	3,694
Available-for-sale financial assets	(2,124)	(214)
Other temporary differences	(253)	387
INCOME TAX EXPENSE OF THE PERIOD	(4,421)	6,918

VI. Notes to the Consolidated Income statement

NOTE 19. Net interest income

Interest income

In thousands of euro	31/03/2013	31/03/2012
Interest income - loans to banks	12,609	23,485
Interest income - loans to customers	64,162	75,779
Interest income - instruments available-for-sale	14,676	24,530
Interest income - derivatives	30,085	23,860
Interest income - other financial assets	1,431	1,581
TOTAL	122,963	149,235

As at 31 March 2013, interest income inclued €8.3 million in respect of interest income accrued on impaired financial assets (€7.9 million at 31 March 2012).

Interest expense

In thousands of euro	31/03/2013	31/03/2012
Interest expense - due to banks	(5,988)	(7,868)
Interest expense - due to customers	(47,410)	(54,788)
Interest expense - debt securities in issue	(73)	(7,195)
Interest expense - subordinated borrowings	(320)	(235)
Interest expense - derivatives	(17,733)	(21,151)
Interest expense - other financial assets	(2,796)	(3,397)
TOTAL	(74,320)	(94,634)

NOTE 20. Net fee and commission income

Fee and commission income

In thousands of euro	31/03/2013	31/03/2012
Fees for advisory work and other services	756,158	719,126
Portfolio and other management fees	280,093	284,312
Banking and credit-related fees and commissions	4,280	2,384
Other fees	17,652	19,629
TOTAL	**1,058,183**	**1,025,451**

Fee and commission expense

In thousands of euro	31/03/2013	31/03/2012
Fees for advisory work and other services	(8,437)	(10,356)
Portfolio and other management fees	(26,425)	(33,739)
Banking and credit-related fees and commissions	(53)	(222)
Other fees	(4,624)	(3,667)
TOTAL	**(39,539)**	**(47,984)**

NOTE 21. Net gains/(losses) on financial instruments at fair value through profit or loss

In thousands of euro	31/03/2013	31/03/2012
Net income - debt securities and related derivatives – trading	1,109	1,061
Net income - equity securities and related derivatives – trading	493	(269)
Net income - forex operations	24,527	28,981
Net income - other trading operations	1,826	1,891
Net income - financial instruments designated at fair value through profit or loss	7,106	3,005
Net income - hedging derivatives	89	(260)
TOTAL	**35,150**	**34,409**

During the year ended 31 March 2013, the net income on other trading operations comprises a gain of €1.7 million (gain of €2.2 million at 31 March 2012) relating to changes in the fair value of credit derivatives embedded into synthetic CDOs (Collateralised Debt Obligations) held in the portfolio of available-for-sale assets. Synthetic CDOs are hybrid fixed-income instruments composed of a host contract in the debt portion of the instrument, and an embedded derivative in the form of a credit derivative, changes in the fair value of which are recognised in the income statement.

As well as the gains and losses on embedded derivatives, gains and losses on financial instruments at fair value through profit or loss include the changes in fair value (excluding accrued interest) of financial instruments held in the trading portfolio and classified as financial instruments designated at fair value through profit or loss by option. These also include gains and losses on hedging transactions, foreign exchange gains and losses and gains or losses arising from the ineffectiveness of hedging instruments.

In thousands of euro	31/03/2013	31/03/2012
Increase in the fair value of hedging instruments	2,243	19,787
Decrease in fair value of hedged instruments	(2,157)	(20,047)

NOTE 22. Net gains/(losses) on available-for-sale financial assets

In thousands of euro	31/03/2013	31/03/2012
Gains or losses on sales of long term securities	1,910	34,683
Impairment losses on long term securities	(1,471)	(6,474)
Gains or losses on sales of other available-for-sale financial assets	35,351	24,037
Impairment losses on other available-for-sale financial assets	(11,880)	(2,551)
Available-for-sale dividend income	10,807	10,477
TOTAL	**34,717**	**60,172**

As explained in note 27, available-for-sale dividend income relating to Banque Privée Edmond de Rothschild is now included in Net income/expense from other assets. The amount relating to 2011/2012 has been reclassified.

NOTE 23. Net income from other activities

Other operating income

In thousands of euro	31/03/2013	31/03/2012
Income from leasing	11,249	11,418
Other income	4,008	2,859
TOTAL	**15,257**	**14,277**

Other operating expenses

In thousands of euro	31/03/2013	31/03/2012
Expenses from assets used to generate lease income	(5,145)	(5,481)
Other expenses	(183)	(465)
TOTAL	**(5,328)**	**(5,946)**

NOTE 24. Operating expenses

In thousands of euro	31/03/2013	31/03/2012
Staff costs	(696,139)	(686,434)
Administrative expenses	(218,964)	(228,529)
TOTAL	**(915,103)**	**(914,963)**

NOTE 25. Amortisation, depreciation and impairment of tangible and intangible fixed assets

In thousands of euro	31/03/2013	31/03/2012
Depreciation and amortisation		
Amortisation of intangible assets	(9,409)	(7,844)
Depreciation of tangible assets	(26,199)	(19,594)
Impairment allowance expense		
Impairment allowance on intangible assets	-	(1)
Impairment allowance on tangible assets	-	(285)
TOTAL	**(35,608)**	**(27,724)**

NOTE 26. Impairment of debt and provisions for counterparty risk

In thousands of euro	Impairment	Impairment written back	Irrecoverable loans	Recovered loans	31/03/2013	31/03/2012
Loans and receivables	(24,650)	22,259	(10,038)	1,673	(10,756)	(14,135)
Debt securities	(8,664)	5,709	(3,805)	303	(6,457)	(5,910)
Other assets	(13,263)	7,160	(8,111)	-	(14,214)	(6,193)
TOTAL	**(46,577)**	**35,128**	**(21,954)**	**1,976**	**(31,427)**	**(26,238)**

NOTE 27. Net income/expense from other assets

In thousands of euro	31/03/2013	31/03/2012
Impairment of long-standing shareholding	(46,208)	-
Long-standing shareholding dividend	5,535	4,875
Gains or losses on sales of tangible or intangible assets	(84)	102
Gain or loss on sale of associates	50	784
TOTAL	**(40,707)**	**5,761**

Net income/expense from other assets include impairment losses on long term securities of €46.2 million relating to the Group's 8.4% equity investment in Banque Privée Edmond de Rothschild SA (BPER). BPER, headquartered in Geneva, is listed on the Swiss stock exchange SIX and operates in the private banking and asset management sector.

Dating back to the 1970's, this equity investment represents a long-standing holding by the Rothschild banking group. In November 2007 the Paris Orléans SCA Group first included this investment as an available-for-sale financial asset in its consolidated accounts following the acquisition of a controlling interest in the Rothschilds Continuation Holdings AG group (which owns this investment *via* a subsidiary company).

This investment has been consistently fair valued since 2007 in accordance with IFRS, using the listed price as a basis, and the change in value being taken into the AFS reserve. In November 2007 this price was significantly higher than at present, the decline in the price being a result of a combination of global economic and general banking industry difficulties since 2008, and more recently challenges specifically facing the Swiss private banking and asset management sector.

Whilst the listed price of BPER at 31 March 2013 is considerably ahead of the original cost to the Rothschild banking group, it is the significant decline in the listed price since 2007 that is to be used in considering the impairment decision. Taking into account both IFRS current requirements (the forthcoming IFRS 9, with its proposed OCI approach, is still not approved) and the Group's accounting policy, the Directors have decided to impair the investment in BPER.

Finally, it should be noted that the decision to impair does not impact the net asset position of the Group, as the only impact on the balance sheet is, in effect, to transfer the loss between components of consolidated reserves - the carrying value continues to be recorded using the listed price. This accounting adjustment (as there is no transaction) has no impact on the cashflow of the Group.

NOTE 28. Income tax expense

In thousands of euro	31/03/2013	31/03/2012
Current tax	44,454	25,086
Deferred tax	(4,421)	6,918
TOTAL	**40,033**	**32,004**

The net tax charge can be analysed between current tax charge and deferred tax charge.

Current tax

In thousands of euro	31/03/2013	31/03/2012
Tax charge for the current period	39,558	24,520
Prior year adjustments	60	(933)
Prior year losses utilised	-	22
Unrecoverable dividend withholding tax	3,772	705
Other	1,064	772
TOTAL	**44,454**	**25,086**

Deferred tax

In thousands of euro	31/03/2013	31/03/2012
Temporary differences	(3,248)	4,285
Changes in tax rates	1,982	2,845
Prior year adjustment	(3,015)	(2,310)
Other	(140)	2,098
TOTAL	**(4,421)**	**6,918**

Temporary differences in the year ended 31 March 2013 include a credit of €3.6 million relating to the Banque Privée Edmond de Rothschild impairment charge of €46.2 million (note 27). There is a corresponding debit in equity.

Reconciliation of the tax charge

In thousands of euro	Base	Tax at 33⅓%
Net income	**90,359**	
Reconciling items		
Income (loss)of companies accounted for by the equity method	(6,154)	
Corporate income tax	40,033	
Income of consolidated companies before tax	**124,238**	**41,413**
Consolidation adjustments (deferred tax, fair value adjustments, provisions and reversals of provisions for impairment, other)		(7,028)
Losses to be carried forward		5,593
Taxation differences (French social contribution, long-term capital gains tax, venture capital companies, foreign tax rate)		(9,971)
Permanent differences		9,357
Temporary differences and other		669
Tax on consolidated companies		**40,033**
Effective tax rate		
Net income - Group share	47,423	
Non-controlling interests	42,936	
Corporate income tax	40,033	
GROSS INCOME	**130,392**	
Effective tax rate	**30.70%**	

In 2011/2012, the Group effective tax rate was 18.44%. It should be noted that the effective tax rate for 2012/2013 would have been 25% without the BPER impairment. The increase in the effective tax rate is primarily due to the BPER impairment, and due to the lower level of non-taxable capital gains this year, the new French dividend tax at 3% and the tax increases in France following the Group reorganisation.

NOTE 29. Commitments given and received

Commitments given

In thousands of euro	31/03/2013	31/03/2012
Loan commitments	**53,063**	**117,337**
Given to banks	-	-
Given to customers	53,063	117,337
Guarantee commitments	**91,539**	**82,050**
Given to banks	13,444	28,390
Given to customers	78,095	53,660
Other commitments	**240,226**	**349,001**
Underwriting commitments	94,390	143,943
Other commitments given	145,836	205,058

Commitments received

In thousands of euro	31/03/2013	31/03/2012
Loan commitments	**11**	**14,584**
Received from banks	11	14,584
Received from customers	-	-
Guarantee commitments	**37,231**	**57,581**
Received from banks	-	-
Received from customers	37,231	57,581
Other commitments	**7,400**	**9,300**
Other commitments received	7,400	9,300

A system of deferred remuneration arrangements is in place at several entities throughout the Group. As of 31 March 2013, other commitments given include €55.4 million in respect of commitments to employees in connection with deferred remuneration, which has not yet been accrued in the balance sheet. This will be paid to them on condition that they are still effectively employed by the Group on each anniversary date (€53.7 million as at 31 March 2012).

Operating lease commitments

	31/03/2013		31/03/2012	
In thousands of euro	Land and buildings	Other	Land and buildings	Other
Up to 1 year	34,532	349	30,473	362
Between 1 and 5 years	94,685	533	94,611	659
Over 5 years	77,657	-	32,024	34
TOTAL	**206,874**	**882**	**157,108**	**1,055**

NOTE 30. Group reorganisation

The Group announced a reorganisation on 4 April 2012. The aim of this reorganisation was to simplify the Group structure and improve day-to-day management.

The main consequence of this reorganisation for the Company has been the acquisition of certain shares previously held by third parties in certain subsidiaries (Rothschild & Cie Banque (RCB), Financière Rabelais and Rothschilds Continuation Holdings (RCH) of Paris Orléans, in exchange for 38,387,442 new ordinary shares in Paris Orléans. This reorganisation, approved at the Extraordinary General Meeting of shareholders on 8 June 2012, increased the percentage of interest from 50.27% to 97.28% for RCH, from 22.61% to 98.73% for RCB and from 97.19% to 99.93% for Paris Orléans and its direct subsidiaries.

As at 31 March 2013, Paris Orléans' share capital comprised 70,903,029 shares with a par value of €2 each. At the end of the year, the shares held by Group companies in other Group companies or in Paris Orléans itself resulted in the consolidating entity holding 99.93% of its own capital. At the end of the year, the shares held by Group companies in other Group companies or in Paris Orléans itself were as follows:

- 2.57% of RCH held by ESOP Services AG;
- 8.95% of Rothschild Concordia AG held by Rothschild Holding AG;
- 2.54% of Paris Orléans held by NM Rothschild & Sons Limited;
- lastly, treasury shares held by Paris Orléans amounted to 0.98% of the capital including 26,854 shares held through a liquidity contract to manage the share's liquidity (see note 32).

The change in ownership following the reorganisation has not changed the method of consolidation of these subsidiaries as they were previously fully consolidated, with appropriate minority interests being recognised prior to the ownership change.

NOTE 31. Earnings per share

The Group has presented its earnings per share figures on two bases - using the reported results as one basis and focusing on the underlying performance as the other. The differences are explained below.

Year to 31 March 2013 *In millions of euro*	Results as reported	Recalculate Group share based on shareholdings at 31 March 2013	Reverse BPER impairment	Underlying performance
Net income - Group share	47.4	(16.2)	30.6	61.9
Non-controlling interests	42.9	16.2	11.9	71.1
Consolidated net income	**90.4**	**-**	**42.6**	**132.9**
Average shares in issue - 000s	61,108			68,410
Earnings per share (euro)	**€0.78**			**€0.90**

Year to 31 March 2012 *In millions of euro*	Results as reported	Recalculate Group share based on shareholdings at 31 March 2013	Reverse BPER impairment	Underlying performance
Net income - Group share	37.2	16.2	-	53.4
Non-controlling interests	104.3	(16.2)	-	88.1
Consolidated net income	**141.5**	**-**	**-**	**141.5**
Average shares in issue - 000s	29,914			68,410
Earnings per share (euro)	**€1.24**			**€0.78**

Earnings per share

Earnings per share are calculated by dividing Net income - Group share by the weighted average number of ordinary shares in issue during the year. There are no instruments that could in the future dilute the capital (share warrants, etc.). Therefore, diluted earnings per share are the same as basic earnings per share. After adjustment for treasury shares, the weighted average number of shares in issue during the year was 61,108,157 shares (2011/2012: 29,913,953 shares).

Earnings per share for the year ended 31 March 2013 are €0.78 compared to €1.24 last year. As there were no gains or losses on activities discontinued or held for sale, the earnings per share on continuing activities are the same as earnings per share.

Underlying earnings per share

Underlying earnings per share for the year ended 31 March 2013 are €0.90 against €0.78 last year. These amended earnings per share figures are calculated after making two adjustments. First, the division of income between the Group share and Non-controlling interests has been recalculated as if the Group reorganisation, referred to in note 30, had taken place on 1 April 2011. Had this been the case, the Group share of net income on this pro forma basis would have been €31.2 million for 2012/2013 compared to €47.4 million as reported in the consolidated income statement. Furthermore, the number of shares used in calculating the underlying earnings per share figures is the same as those in issue following the Group reorganisation. Secondly, the impact of impairing the long-standing investment in Banque Privée Edmond de Rothschild has been reversed from the 2012/2013 results (this impairment is described in detail in note 27).

NOTE 32. Liquidity contract

In 2008, Paris Orléans entered into a liquidity contract with Rothschild & Cie Banque in order to improve the share's liquidity, regulate the share price and avoid unjustified differences between market price and fair value.

When this contract was in place, 150,000 Paris Orléans shares were made available to the liquidity manager. At 31 March 2013, the liquidity available to the liquidity manager amounted to €3.9 million, and the shares contracted amounted to 26,854 Paris Orléans shares.

NOTE 33. Net cash and cash equivalents

For the purposes of drawing up the cash flow statement, the "cash and cash equivalents" items are analysed as follows:

In thousands of euro	31/03/2013	31/03/2012
Cash accounts and accounts with central banks (assets)	3,739,675	2,812,774
Accounts (assets) and call loans/borrowings with banks	619,089	656,613
Cash equivalents (UCITS)	56,492	98,022
Cash accounts, accounts with central banks, loans/borrowings with banks (liabilities)	(92,446)	(77,128)
TOTAL	**4,322,810**	**3,490,281**

Cash equivalents are classified as level 1 for fair value measurement purposes, i.e. they are financial instruments listed on active markets and their prices are not adjusted.

NOTE 34. Related parties

The transactions during the year and balances at the end of the year between Group companies which are fully consolidated are eliminated on consolidation. Transactions and balances with companies accounted for by the equity method are shown separately in the table below.

Executive Directors of the Company are individuals who have the authority and responsibility for planning and directing the activities of the Paris Orléans Group. They comprise the three officers of PO Gestion.

Other related parties are the members of the Supervisory Board of Paris Orléans, people with active control of the Group, people with active control in the parent company of Paris Orléans as Rothschild Concordia SAS directors, companies that are controlled by the principal officers or any person directly or indirectly responsible for management or control of the activities of Paris Orléans. They also include close members of the family of any person who controls, exercises joint control or significant influence on Paris Orléans and persons related to Executive Directors and members of Supervisory Board of Paris Orléans or its parent company.

	31/03/2013			31/03/2012		
In thousands of euro	Companies accounted for by the equity method	Executive Directors of the Company	Other related parties	Companies accounted for by the equity method	Executive Directors of the Company	Other related parties
Assets						
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	89	119	18,452	-	29,731	35
Other assets	244	-	7,412	-	-	19,201
TOTAL	**333**	**119**	**25,864**	**-**	**29,731**	**19,236**
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	5,123	4,692	180,954	8,127	9,991	171,692
Debt securities in issue	-	-	-	-	-	-
Other liabilities	646	-	135	995	-	132
TOTAL	**5,769**	**4,692**	**181,089**	**9,122**	**9,991**	**171,824**
Loan and guarantee commitments						
Loan commitments given	-	2,908	2,981	-	-	-
Guarantee commitments given	-	-	-	-	6,774	-
Loan commitments received	-	-	-	-	-	-
Guarantee commitments received	-	-	-	-	-	-
TOTAL	**-**	**2,908**	**2,981**	**-**	**6,774**	**-**
Realised operating income from transactions with related parties						
Interest received	-	-	189	-	-	-
Interest paid	-	(8)	(3,242)	-	-	(1,788)
Commissions received	622	-	-	-	-	-
Commissions paid	(3,349)	-	(162)	(2,190)	-	-
Other income	225	-	629	1,109	-	657
TOTAL	**(2,502)**	**(8)**	**(2,586)**	**(1,081)**	**-**	**(1,131)**
Other expenses	(703)	-	71	(444)	-	(16)
TOTAL	**(703)**	**-**	**71**	**(444)**	**-**	**(16)**

NOTE 35. Fees to Statutory Auditors

	Cailliau Dedouit et Associés				KPMG Audit			
	2012/2013		2011/2012		2012/2013		2011/2012	
	In thousands of euro	*%*	*In thousands of euro*	*%*	*In thousands of euro*	*%*	*In thousands of euro*	*%*
Audit								
Fees related to statutory audit, certification, examination of:								
Paris Orléans (parent company)	167	42%	171	45%	167	5%	171	5%
Subsidiaries fully consolidated	217	55%	209	55%	2,522	75%	2,638	81%
Sub-total	384	97%	380	100%	2,689	80%	2,809	86%
Fees related to audit services and related assignment								
Paris Orléans (parent company)	-	-	-	-	61	2%	3	-
Subsidiaries fully consolidated	13	3%	-	-	12	-	-	-
Sub-total	13	3%	-	-	73	2%	3	-
Other benefits from the network of consolidated subsidiaries								
Law, tax, social	-	-	-	-	460	14%	267	8%
Other	-	-	-	-	139	4%	182	6%
Sub-total	-	-	-	-	599	18%	449	14%
TOTAL	397	100%	380	100%	3,361	100%	3,261	100%

NOTE 36. Transactions with Directors of the Company

The executive directors of the Company, as set out in note 34, received the following remuneration in 2012/2013:

In thousands of euro	
Fixed remuneration	41.7
Variable remuneration	-
Directors' fees	100.0
Payments in kind	11.7
TOTAL SHORT-TERM BENEFITS	153.4

No other long-term benefits were granted to Directors. Corporate officers did not benefit from payments in shares in respect of 2012/2013 and no severance benefits were provided for termination of work contracts.

NOTE 37. Retirement benefit obligations

Defined post-employment benefits and other post-employment benefit

The Group supports various pension schemes for the employees of operating subsidiaries. Where material, these are described below.

The NMR Pension Fund (NMRP) is operated by NM Rothschild & Sons Limited (NMR) for the benefit of employees of certain Rothschild group companies in the United Kingdom. The Fund comprises a defined benefit section, which closed to new entrants in April 2003, and a defined contribution section, established with effect from April 2003.
After the balance sheet date, NMR and certain subsidiaries of the NMR group entered into a trust agreement for the benefit of NMRP. The trust arrangement gives the pension fund security over certain NMR group assets which would provide up to £50 million of value to NMRP in the event that specific financial triggers are breached. The financial triggers relate to the NMR group's ongoing viability and any breach is therefore considered extremely unlikely. The NMR group retains control of the assets and there will be no change of treatment in the financial statements with any income continuing to be recognised in the Group's results. The trust agreement expires on 30 September 2016.

The NMR Overseas Pension Fund (NMROP) is operated for the benefit of employees of certain Rothschild group companies outside the United Kingdom. The defined benefit section also closed to new entrants and a defined contribution section was opened in April 2003.

The latest formal actuarial valuations of the NMRP and the NMROP were carried out as at 31 March 2010 and 31 March 2012 respectively. The value of the defined benefit obligation has updated to 31 March 2013 by qualified independent actuaries in a manner intended to be consistent with the movement in the asset values. As required by IAS 19, the value of the defined benefit obligation and current service cost have been measured using the projected unit credit method.

Rothschild North America Inc. maintains an unfunded qualified non-contributory defined benefit pension plan and other pension agreements for certain employees (RNAP). Neither the plan nor the pension agreements provide for health or other benefits for employees or retirees. The last time that new benefits were accrued was January 2001.

Rothschild Bank AG, Zurich (RBZ), operates a funded pension scheme for the benefit of employees of certain Rothschild group employees in Switzerland (RBZP). This scheme has been set up on the basis of the Swiss method of defined contributions but does not fulfil all the criteria of a defined contribution pension plan according to IAS 19. Current employees and pensioners (former employees or their survivors) receive benefits upon retiring as well as in the event of death or invalidity. These benefits are financed through employer and employee contributions.

Additionally, certain companies in the Group have smaller unfunded obligations in respect of pensions and other post-employment benefits.

The principal actuarial assumptions used as at the balance sheet date were as follows:

	31/03/2013			31/03/2012		
	NMRP & NMROP	RBZP	RNAP	NMRP & NMROP	RBZP	RNAP
Discount rate	4.5%	1.7%	1.9%	4.8%	2.4%	2.5%
Retail price inflation	3.4%	n/a	n/a	3.3%	n/a	n/a
Consumer price inflation	2.4%	n/a	n/a	2.3%	n/a	n/a
Expected return on plan assets	5.7%	2.8%	n/a	6.4%	3.3%	n/a
Expected rate of salary increases	4.4%	1.0%	n/a	4.3%	1.0%	n/a
Expected rate of pensions increases in payment:	n/a	0.0%	n/a	n/a	0.0%	n/a
Capped at 5.0%	*3.3%*	*n/a*	*n/a*	*3.2%*	*n/a*	*n/a*
Capped at 2.5%	*2.2%*	*n/a*	*n/a*	*2.2%*	*n/a*	*n/a*
Male pensioner aged 60	27.9	23.9	23.5	27.8	23.8	23.5
Female pensioner aged 60	28.5	26.5	25.7	28.5	26.4	25.7
Male pensioner aged 60 in 20 years time	29.5	26.2	n/a	29.4	26.1	n/a
Female pensioner aged 60 in 20 years time	29.3	28.6	n/a	29.3	28.5	n/a

Amounts recognised in the balance sheet at 31 March 2013

In thousands of euro	NMRP & NMROP	RBZP	RNAP	Other	31/03/2013
Present value of funded obligations	819,960	181,984	-	-	1,001,944
Fair value of plan assets	(703,084)	(181,517)	-	-	(884,601)
Sub-total	**116,876**	**467**	**-**	**-**	**117,343**
Present value of unfunded obligations	-	-	36,758	9,812	46,570
Total (recognised)	**116,876**	**467**	**36,758**	**9,812**	**163,913**
Unrecognised plan assets	-	6,086	-	-	6,086
Total (recognised and unrecognised)	**116,876**	**6,553**	**36,758**	**9,812**	**169,999**
LIABILITY	**116,876**	**6,553**	**36,758**	**9,812**	**169,999**
ASSET	**-**	**-**	**-**	**-**	**-**

Amounts recognised in the balance sheet at 31 March 2012

In thousands of euro	NMRP & NMROP	RBZP	RNAP	Other	31/03/2012
Present value of funded obligations	753,366	174,607	-	-	927,973
Fair value of plan assets	(634,419)	(172,104)	-	-	(806,523)
Sub-total	**118,947**	**2,503**	**-**	**-**	**121,450**
Present value of unfunded obligations	-	-	35,051	9,368	44,419
Total (recognised)	**118,947**	**2,503**	**35,051**	**9,368**	**165,869**
Unrecognised plan assets	-	5,283	-	-	5,283
Total (recognised and unrecognised)	**118,947**	**7,786**	**35,051**	**9,368**	**171,152**
LIABILITY	**118,947**	**7,786**	**35,051**	**9,368**	**171,152**
ASSET	**-**	**-**	**-**	**-**	**-**

Changes in the assets of non-recognised plans are recognised through retained earnings.

Movement in defined benefit obligation

In thousands of euro	31/03/2013	31/03/2012
At the beginning of the period	**972,392**	**830,025**
Current service cost net of contribution paid by other plan participants	13,912	12,534
Interest cost	41,611	41,118
Actuarial losses/(gains) through equity	71,407	68,175
Benefits paid	(41,326)	(37,023)
Past service costs	(1,850)	818
Settlements	-	(211)
Exchange and other adjustments	(7,632)	56,956
AT THE END OF THE PERIOD	**1,048,514**	**972,392**

Movement in plan assets

In thousands of euro	31/03/2013	31/03/2012
At the beginning of the period	**806,523**	**731,119**
Expected return on plan assets	40,433	42,293
Actuarial losses/(gains) through equity	51,047	(13,910)
Contributions by the Group	37,759	32,503
Benefits paid	(40,791)	(34,601)
Exchange and other adjustments	(10,370)	49,119
AT THE END OF THE PERIOD	**884,601**	**806,523**

At 31 March 2013, the major categories of plan assets as a percentage of total plan assets are as follows:

In %	31/03/2013			31/03/2012		
	NMRP	NMROP	RBZP	NMRP	NMROP	RBZP
Equities	36%	43%	23%	34%	49%	20%
Bonds	15%	15%	47%	15%	14%	45%
Cash	19%	21%	4%	23%	24%	13%
Hedge funds and private equity	26%	17%	22%	28%	13%	20%
Property and others	4%	4%	4%	-	-	3%

The actual return on plan assets in the year was a gain of €91.5 million (€28.4 million at 31 March 2012). The expected rate of return is derived from the weighted average of the long-term expected rates of return on the asset classes in the Trustees' intended long-term investment strategies. A deduction is then made from the expected return on assets for the expenses incurred in running the schemes.

Amounts recognised in the income statement relating to defined benefit post-employment plans

In thousands of euro	31/03/2013	31/03/2012
Current service cost (net of contributions paid by other plan participants)	13,912	12,534
Interest cost	41,611	41,118
Expected return on plan assets	(40,433)	(42,293)
Past service cost	(1,852)	818
(Gains)/losses on curtailment or settlement	-	(211)
TOTAL (INCLUDED IN THE STAFF CHARGES)	**13,238**	**11,966**

The experience adjustments arising on the plan assets and liabilities were as follows:

In thousands of euro	31/03/2013	31/03/2012
Actual less expected return on assets	51,047	(13,910)
Experience gains and (losses) arising on liabilities	441	(6,152)

Amounts recognised in statement of comprehensive income

In thousands of euro	31/03/2013	31/03/2012
Actuarial gains/(losses) recognised in the year	(20,360)	(82,085)
Cumulative actuarial losses recognised in the statement of comprehensive income	(194,762)	(174,402)

Defined contribution schemes

During the financial year, the cost of retirement benefits provided on a defined contribution basis is recognised through profit and loss as follows:

In thousands of euro	31/03/2013	31/03/2012
Retirement expenses - defined contribution schemes	15,670	15,711
AT THE END OF THE PERIOD	**15,670**	**15,711**

NOTE 38. Segmental information

As explained in section III, Accounting principles and valuation methods, section A Consolidation methods, the business segmental information has been changed to reflect better the businesses of the Group. The 2011/2012 comparative figures have been adjusted accordingly.

The segmental analysis is prepared from non-IFRS data used internally for assessing business performance; which is then adjusted to conform to the Group's statutory financial accounting policies.

The adjustments, described as "statutory adjustments", mainly represent the treatment of profit share paid to French partners as non-controlling interests, accounting for deferred bonuses over the period earned, the application of IAS 19 for defined benefit pension schemes and reallocation of impairments.

Segmental split by business

In thousands of euro	Global Financial Advisory	Asset Management (1)	Other (2)	Total before statutory adjustments	Statutory adjustments	31/03/2013
Net banking income	**740,680**	**350,256**	**56,284**	**1,147,220**	**(137)**	**1,147,083**
Operating expenses	(644,865)	(294,701)	(81,897)	(1,021,463)	70,752	(950,711)
Impairments	-	21	(12,288)	(12,267)	(19,160)	(31,427)
Operating income	**95,815**	**55,576**	**(37,901)**	**113,490**	**51,455**	**164,945**
Share of profits of associated entities						6,154
Net income/expense from other assets						(40,707)
GROUP PROFIT BEFORE TAX						**130,392**

(1) Asset Management comprises Wealth & Asset Management and Merchant Banking businesses.
(2) Other comprises Central cost, Legacy businesses, including Specialist Finance, and other.

In thousands of euro	Global Financial Advisory	Asset Management (1)	Other (2)	Total before statutory adjustments	Statutory adjustments	31/03/2012
Net banking income	**710,980**	**354,897**	**69,025**	**1,134,902**	**78**	**1,134,980**
Operating expenses	(640,562)	(263,619)	(104,363)	(1,008,544)	65,857	(942,687)
Impairments	-	(2,229)	(12,603)	(14,832)	(11,406)	(26,238)
Operating income	**70,418**	**89,049**	**(47,941)**	**111,526**	**54,529**	**166,055**
Share of profits of associated entities						1,706
Net income/expense from other assets						5,761
GROUP PROFIT BEFORE TAX						**173,522**

(1) Asset Management comprises Wealth & Asset Management and Merchant Banking businesses.
(2) Other comprises Central cost, Legacy businessess, including Specialist Finance, and other.

Net banking income split by geography

In thousands of euro	United Kingdom & Channel Islands	France	Switzerland	Americas	Asia and Australia	Other	TOTAL
31/03/2013	415,543	248,303	88,639	167,285	59,162	168,151	1,147,083
31/03/2012	340,380	324,742	96,519	157,190	68,661	147,488	1,134,980

NOTE 39. Other non-controlling interests

The non-controlling interests consist of:

In thousands of euro	31/03/2013	31/03/2012
Perpetual Fixed Rate Subordinated Notes 9 per cent (£125 million)	174,930	177,402
Perpetual Floating Rate Subordinated Notes (€150 million)	61,182	61,824
Perpetual Floating Rate Subordinated Notes (US$200 million)	60,034	57,773
Other non-controlling interests	186,783	687,312
NON-CONTROLLING INTERESTS	**482,929**	**984,311**

NOTE 40. Consolidation scope

Company names	Country of activity	31/03/2013 % Group voting interest	31/03/2013 % Group ownership interest	31/03/2012 % Group voting interest	31/03/2012 % Group ownership interest	Consolidation method[(1)] 31/03/2013	Consolidation method[(1)] 31/03/2012
Anterana Holdings AG Glarus	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Arrow Capital Pty Limited	Australia	100.00	97.28	100.00	50.27	FC	FC
Arrow Hawthorn Pty Limited	Australia	-	-	100.00	50.27	-	FC
Arrow Investment Pty Limited	Australia	-	-	100.00	50.27	-	FC
Blackpoint Management Limited	Channel Islands	100.00	94.76	90.00	21.08	FC	FC
Capital Professions Finance Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Casquets Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Centrum Jonquille	Luxembourg	100.00	99.93	100.00	97.19	FC	FC
Centrum Narcisse	Luxembourg	100.00	99.93	100.00	97.19	FC	FC
Centrum Orchidée	Luxembourg	100.00	99.93	100.00	97.19	FC	FC
Chaptal Investissements SAS	France	100.00	99.93	100.00	97.19	FC	FC
Charter Oak Group Limited	USA	100.00	97.28	100.00	50.27	FC	FC
City Business Finance Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Comepar (consolidated sub-group)	France	-	-	25.00	24.30	-	EM
Concordia Holding SARL	France	100.00	99.93	100.00	97.19	FC	FC
Continuation Computers Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Continuation Investments NV	Netherlands	39.33	37.23	39.33	33.78	EM	EM
Creafin S.A	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Elgin Capital LLP	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Elgin Capital Services Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Elsinore Part. e Serv. Ltda.	Brazil	100.00	97.28	100.00	50.27	FC	FC
Equitas S.A.	Switzerland	100.00	71.95	100.00	37.18	FC	FC
ESOP Services AG	Switzerland	100.00	97.43	100.00	91.81	FC	FC
FA International Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
FAC Carry LP	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Fin PO SA	Luxembourg	100.00	99.93	100.00	97.19	FC	FC
Financière Rabelais	France	100.00	99.93	-	-	FC	-
Fineline Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Fineline Media Finance Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Fircosoft SAS	France	26.33	26.32	26.33	25.59	EM	EM
First Board Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
First Court Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Five Arrows (Scotland) General Partner Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Capital AG	Switzerland	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Capital GP Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Capital Limited	British Virgin Islands	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Capital Markets LLC	USA	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Co-investments Feeder III L.P.	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Co-Investments Feeder V S.C.A SICAR	Luxembourg	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Films Pty Limited	Australia	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Finance Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Friends & Family Feeder LP	USA	100.00	97.28	100.00	50.27	FC	FC
Five Arrows International Holdings Inc.	USA	-	-	100.00	50.27	-	FC
Five Arrows Investments S.C.A. SICAR	Luxembourg	100.00	98.61	100.00	73.73	FC	FC
Five Arrows Leasing Group Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC

Company names	Country of activity	31/03/2013		31/03/2012		Consolidation method[(1)]	
		% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/03/2013	31/03/2012
Five Arrows Leasing Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Leasing Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Management Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Managers S.A.	Luxembourg	100.00	98.34	100.00	69.03	FC	FC
Five Arrows Managers SAS	France	100.00	98.34	100.00	69.03	FC	FC
Five Arrows Mezzanine Debt Holder SA	Luxembourg	100.00	85.61	100.00	44.24	FC	FC
Five Arrows Mezzanine Holder LP	Channel Islands	88.00	85.61	88.00	44.24	FC	FC
Five Arrows Mezzanine Investments Sàrl	Luxembourg	100.00	98.61	100.00	73.73	FC	FC
Five Arrows Partners LP	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Principal Investments International Feeder S.C.A. SICAR	Luxembourg	100.00	98.61	100.00	73.73	FC	FC
Five Arrows Proprietary Feeder LP	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Five Arrows Secondary Opportunities III FCPR	Luxembourg	100.00	99.05	100.00	73.73	FC	FC
Five Arrows Staff Co-investment LP	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Francarep Inc	USA	100.00	99.93	100.00	97.19	FC	FC
GIE Rothschild	France	100.00	98.73	100.00	22.61	FC	FC
Guernsey Global Trust Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Guernsey Loan Asset Securitisation Scheme Ltd	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
International Property Finance (Spain) Ltd	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Jardine Rothschild Asia Capital (Luxembourg) Sarl	Luxembourg	100.00	49.30	100.00	36.86	EM	EM
Jardine Rothschild Asia Capital (Singapore) Pte Ltd	Singapore	100.00	49.30	100.00	36.86	EM	EM
Jofran Ltd	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
JRAC (GP) Ltd	Channel Islands	100.00	49.30	100.00	36.86	EM	EM
JRAC Carry LP Incorporated	Channel Islands	45.44	44.80	45.44	33.50	EM	EM
JRAC Proprietary Investments LP Incorporated	Channel Islands	50.00	49.30	50.00	36.86	EM	EM
JRE Asia Capital (Hong Kong) Ltd	Hong Kong	100.00	49.30	100.00	36.86	EM	EM
JRE Asia Capital (Mauritius) Ltd	Mauritius	33.34	32.87	33.34	24.58	EM	EM
JRE Asia Capital Advisory Services (India) Private Limited	India	100.00	49.30	100.00	36.86	EM	EM
JRE Asia Capital Investments Limited (HK SPV)	Hong Kong	100.00	49.30	100.00	36.86	EM	EM
JRE Asia Capital Limited	Cayman Islands	50.00	49.30	50.00	36.86	EM	EM
JRE Asia Capital Management Ltd	Cayman Islands	100.00	49.30	100.00	36.86	EM	EM
JRE Equity Investment Fund Management (Shanghai) Co.. Ltd	China	100.00	49.30	100.00	36.86	EM	EM
K Développement SAS	France	100.00	99.93	100.00	97.19	FC	FC
Lanebridge Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Lanebridge Investment Advisory Ltd	United Kingdom	100.00	97.28	-	-	FC	-
Lanebridge Investment Management Ltd	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Lease Portfolio Management Ltd	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
LF Rothschild Inc.	USA	100.00	97.28	100.00	50.27	FC	FC
Maison (CI) Ltd	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Marplace (No 480) Ltd	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Master Nominees Inc.	British Virgin Islands	100.00	71.95	100.00	37.18	FC	FC
MBCA Holdings Ltd	Zimbabwe	3.30	3.21	3.30	1.66	EM	EM
MBCA Ltd	Zimbabwe	100.00	3.21	100.00	1.66	EM	EM
Messine Managers Investissements SAS	France	100.00	99.93	100.00	97.19	FC	FC
Messine Participations SAS	France	100.00	98.64	100.00	22.59	FC	FC

Company names	Country of activity	31/03/2013		31/03/2012		Consolidation method (1)	
		% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/03/2013	31/03/2012
Montaigne Rabelais SAS	France	100.00	98.73	100.00	22.61	FC	FC
Mustang Capital Partners Inc.	Canada	-	-	100.00	50.27	-	FC
N M Rothschild & Sons (Asia) NV	Netherlands Antilles	100.00	97.28	100.00	50.27	FC	FC
N M Rothschild & Sons (Brasil) Limiteda	Brazil	100.00	97.28	100.00	50.27	FC	FC
N M Rothschild & Sons (Denver) Inc.	USA	-	-	100.00	50.27	-	FC
N M Rothschild & Sons Ltd	United Kingdom	100,00	97.28	100.00	50.27	FC	FC
N M Rothschild Banking Ltd	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
N M Rothschild Corporate Finance Ltd	United Kingdom	-	-	100.00	50.27	-	FC
N M Rothschild Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Narcisse Investissements SAS	France	-	-	100.00	97.19	-	FC
NC Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
NCCF Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
New Court Nominees Private Limited	Singapore	100.00	97.28	100.00	50.27	FC	FC
New Court Property Services	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
New Court Securities Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
NMR Australia Pty Limited	Australia	100.00	97.28	100.00	50.27	FC	FC
NMR Consultants NV	Netherlands Antilles	100.00	97.28	100.00	50.27	FC	FC
NMR Europe (UK partnership)	United Kingdom	100.00	98.01	100.00	36.44	FC	FC
NMR International NV	Netherlands Antilles	100.00	97.28	100.00	50.27	FC	FC
O C Investments Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Old Court Ltd	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Paris Orléans Holding Bancaire (POHB) SAS	France	100.00	99.93	100.00	97.19	FC	FC
Paris Orléans SCA	France	100.00	99.93	100.00	97.19	parent company	parent company
Plusrare Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
PO Capinvest 1 SAS	France	100.00	99.93	100.00	97.19	FC	FC
PO Capinvest 2 SAS	France	100.00	99.93	100.00	97.19	FC	FC
PO Développement SAS (ex-Alexanderplatz Investissements)	France	100.00	99.93	100.00	97.19	FC	FC
PO Fonds SAS (ex-Colisée Investissements)	France	100.00	99.93	100.00	97.19	FC	FC
PO Invest 1 SA	Luxembourg	62.86	62.81	62.86	61.09	FC	FC
PO Invest 2 SA	Luxembourg	93.78	93.71	99.93	97.12	FC	FC
PO Mezzanine SAS (ex-Franoption)	France	100.00	99.93	100.00	97.19	FC	FC
PO Participations	Luxembourg	100.00	99.93	100.00	97.19	FC	FC
PO Titrisation	Luxembourg	60.00	59.97	60.00	58.31	FC	FC
Ponthieu Ventures SAS	France	-	-	100.00	97.19	-	FC
Print Finance Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
PT Rothschild Indonesia	Indonesia	100.00	97.28	100.00	50.27	FC	FC
Quintus European Mezzanine (GP) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Quintus European Mezzanine Fund Limited partnership	Channel Islands	50.00	48.64	50.00	25.13	EM	EM
R Capital Management SAS	France	95.00	94.19 (2)	95.00	46.28 (2)	FC	FC
R Immobilier SAS	France	100.00	98.71	100.00	22.61	FC	FC
RAIL Limited	Hong Kong	100.00	97.28	100.00	50.27	FC	FC
RBZ Fiduciary Ltd.	Switzerland	100.00	71.95	100.00	37.18	FC	FC
RCF (Israel) BV	Netherlands	100.00	98.01	100.00	36.44	FC	FC
RCF (Russia) BV	Netherlands	100.00	98.01	100.00	36.44	FC	FC

Company names	Country of activity	31/03/2013		31/03/2012		Consolidation method (1)	
		% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/03/2013	31/03/2012
RCH Finance (CI) Ltd	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Rivoli Participations SAS (consolidated sub-group)	France	30.56	30.55	23.62	22.95	EM	EM
Rothschild - Kurumsal Finansman Hizetleri Limited Sirketi	Turkey	100.00	98.01	100.00	36.44	FC	FC
Rothschild & Cie SCS	France	99.98	98.71 (2)	99.98	22.61 (2)	FC	FC
Rothschild & Cie Banque SCS	France	99.99	98.73 (2)	44.99	22.61 (2)	FC	FC
Rothschild & Cie Gestion SCS	France	99.99	98.71 (2)	99.99	22.61 (2)	FC	FC
Rothschild & Sons Financial Advisory Services (Beijing) Co. Ltd	China	100.00	97.28	100.00	50.27	FC	FC
Rothschild (Canada) Holdings Limited	Canada	100.00	97.28	100.00	50.27	FC	FC
Rothschild (Canada) Inc.	Canada	100.00	97.28	100.00	50.27	FC	FC
Rothschild (Canada) Securities Limited	Canada	100.00	97.28	100.00	50.27	FC	FC
Rothschild (Hong Kong) Limited	Hong Kong	100.00	97.28	100.00	50.27	FC	FC
Rothschild (India) Private Limited	India	100.00	97.28	100.00	50.27	FC	FC
Rothschild (Mexico) SA de CV	Mexico	100.00	97.28	100.00	50.27	FC	FC
Rothschild (Middle East) Limited (consolidated sub-group)	Dubai	100.00	98.01	100.00	36.44	FC	FC
Rothschild (Singapore) Limited	Singapore	100.00	97.28	100.00	50.27	FC	FC
Rothschild (South Africa) Foundation	South Africa	100.00	97.28	100.00	50.27	FC	FC
Rothschild (South Africa) Proprietary Limited	South Africa	100.00	97.28	100.00	50.27	FC	FC
Rothschild Advisory partners AG	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Rothschild Asia Holdings Limited	Hong Kong	100.00	97.28	100.00	50.27	FC	FC
Rothschild Asset Management (Japan) Limited	Japan	100.00	97.28	100.00	50.27	FC	FC
Rothschild Asset Management Holdings (CI) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Rothschild Asset Management Holdings AG	Switzerland	100.00	97.28	100.00	50.27	FC	FC
Rothschild Asset Management Inc.	USA	100.00	97.28	100.00	50.27	FC	FC
Rothschild Assurance & Courtage SCS	France	99.83	98.54	99.83	22.57	FC	FC
Rothschild Australia Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Australia Limited	Australia	100.00	97.28	100.00	50.27	FC	FC
Rothschild Bank (CI) Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Bank AG	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Rothschild Bank International Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Rothschild China Holding AG	Switzerland	100.00	97.28	100.00	50.27	FC	FC
Rothschild Concordia AG	Switzerland	100.00	97.43	100.00	91.81	FC	FC
Rothschild Corporate Fiduciary Services Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Credit Management Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Employee Trustees Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Europe BV	Netherlands	100.00	98.01	100.00	36.44	FC	FC
Rothschild Europe SNC (French partnership)	France	100.00	98.01	100.00	36.44	FC	FC
Rothschild GmbH	Germany	100.00	98.01	100.00	36.44	FC	FC
Rothschild Gold Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild HDF Investment Adviser Limited	United Kingdom	100.00	94.76	100.00	21.08	FC	FC
Rothschild HDF Investment Solutions SAS	France	63.00	94.76	-	-	FC	-
Rothschild Holding AG	Switzerland	73.96	71.95	73.96	37.18	FC	FC
Rothschild Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Inc.	USA	100.00	97.28	100.00	50.27	FC	FC

Company names	Country of activity	31/03/2013		31/03/2012		Consolidation method[1]	
		% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/03/2013	31/03/2012
Rothschild India Holding AG	Switzerland	100.00	97.28	100.00	50.27	FC	FC
Rothschild Investment Banking Services LLP	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Investments Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Investments Solutions SAS	France	100.00	98.71	100.00	22.61	FC	FC
Rothschild Japan K.K.	Japan	-	-	100.00	50.27	-	FC
Rothschild Latin America NV	Netherlands Antilles	100.00	97.28	100.00	50.27	FC	FC
Rothschild Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Malaysia Sendirian Berhad	Malaysia	100.00	97.28	100.00	50.27	FC	FC
Rothschild Management AG	Switzerland	-	-	100.00	91.81	-	FC
Rothschild Mexico (Guernsey) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Rothschild Nominees Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Nordic AB	Sweden	100.00	98.01	100.00	36.44	FC	FC
Rothschild North America Inc.	USA	100.00	97.28	100.00	50.27	FC	FC
Rothschild Polska Sp. z o.o.	Poland	100.00	98.01	100.00	36.44	FC	FC
Rothschild Portugal Limitada	Portugal	100.00	98.01	100.00	36.44	FC	FC
Rothschild Private Fund Management Limited	United Kingdom	100.00	79.55	100.00	41.10	FC	FC
Rothschild Private Trust Holdings AG	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Rothschild Realty Group Inc.	USA	100.00	97.28	100.00	50.27	FC	FC
Rothschild Realty Inc.	USA	100.00	97.28	100.00	50.27	FC	FC
Rothschild Reserve Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild S.A.	Spain	100.00	98.01	100.00	36.44	FC	FC
Rothschild S.p.a.	Italy	100.00	98.01	100.00	36.44	FC	FC
Rothschild Services I Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Services II Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschild Switzerland (CI) Trustees Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust (Bermuda) Limited	Bermuda	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust (Singapore) Limited	Singapore	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust (Switzerland) Limited	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust B.V.I. Limited	British Virgin Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust Canada Inc.	Canada	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust Cayman Limited	Cayman Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust Corporation Limited	United Kingdom	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust Financial Services Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust Guernsey Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust New Zealand Limited	New Zealand	100.00	71.95	100.00	37.18	FC	FC
Rothschild Trust Protectors Limited	Canada	100.00	71.95	100.00	37.18	FC	FC
Rothschild Ventures Asia Pte Limited	Singapore	100.00	97.28	100.00	50.27	FC	FC
Rothschild Ventures Inc.	USA	-	-	100.00	50.27	-	FC
Rothschild Vermögensverwaltungs-GmbH	Germany	100.00	71.95	100.00	37.18	FC	FC
Rothschild Wealth Management (Americas) AG	Switzerland	100.00	71.95	100.00	37.18	FC	FC
Rothschild Wealth Management (Hong Kong) Limited	Hong Kong	100.00	71.95	100.00	37.18	FC	FC
Rothschild Wealth Management (Singapore) Limited	Singapore	100.00	71.95	100.00	37.18	FC	FC
Rothschild Wealth Management (UK) Limited	United Kingdom	100.00	79.55	100.00	41.10	FC	FC
Rothschilds Continuation Finance (CI) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC

Company names	Country of activity	31/03/2013		31/03/2012		Consolidation method (1)	
		% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/03/ 2013	31/03/ 2012
Rothschilds Continuation Finance BV	Netherlands	69.00	67.56	85.00	57.98	FC	FC
Rothschilds Continuation Finance Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschilds Continuation Finance PLC	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschilds Continuation Holdings AG	Switzerland	98.74	97.28	56.32	50.27	FC	FC
Rothschilds Continuation Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Rothschilds Finance (CI) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Rotrust Nominees Limited	United Kingdom	100.00	71.95	100.00	37.18	FC	FC
RTB Protectors	British Virgin Islands	100.00	71.95	100.00	37.18	FC	FC
RTB Trustees AG	Switzerland	100.00	71.95	100.00	37.18	FC	FC
RTS Geneva SA	Switzerland	100.00	71.95	100.00	37.18	FC	FC
S y C (International) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Sagitas AG Glarus	Switzerland	100.00	71.95	100.00	37.18	FC	FC
SCS Holding SAS	France	100.00	97.28	100.00	50.27	FC	FC
Second Board Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Second Continuation Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Second Court Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Sélection 1818 SA	France	34.00	33.54	34.00	7.68	EM	EM
Shield Holdings (Guernsey) Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Shield MBCA Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Shield Securities Limited	Channel Islands	100.00	97.28	100.00	50.27	FC	FC
Shield Trust Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Southern Arrows Proprietary Limited	South Africa	100.00	97.28	100.00	50.27	FC	FC
SPCA Deux SAS	France	100.00	99.93	100.00	97.19	FC	FC
Specialist Fleet Services Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
St. Julian's Properties Limited	Channel Islands	50.00	48.64	50.00	25.13	EM	EM
State Securities Holdings Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
State Securities plc	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
State Security Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Third Board Limited	Channel Islands	100.00	71.95	100.00	37.18	FC	FC
Third New Court Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
Transaction R SCS	France	99.73	98.73 (2)	98.34	22.23 (2)	FC	FC
Verseau SAS	France	95.00	94.95	95.00	92.33	FC	FC
Walbrook Assets Limited	United Kingdom	100.00	97.28	100.00	50.27	FC	FC
338 East LLC	USA	100.00	97.28	100.00	50.27	FC	FC

(1) FC: full consolidation.
EM: equity method.
(2) before profit share.

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 March 2013, on:

- the audit of the accompanying consolidated financial statements of Paris Orléans S.C.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by Management. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code ("*Code de commerce*") relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

- Your Group accounts for impairments in order to cover for credit risks inherent in its activities.

Our work consisted of assessing the appropriateness of the processes used by the management, in reviewing the control procedures implemented to identify and measure such exposures and their valuation, in examining data and available documentation used, in assessing the underlying assumptions and making sure appropriate disclosure is included in the notes to the financial statements, particularly note 17.

- Your Group performs accounting estimates related to the assessment of the fair value of available-for-sale financial assets, intangible assets and goodwill.

Our work consisted in assessing the appropriateness of the processes used by the management, in reviewing, when applicable, independent valuation reports, in examining data and available documentation used, in assessing the underlying assumptions and making sure appropriate disclosure is included in the notes to the financial statements, particularly notes 3, 9, 10, 22 and 25.

We also assessed whether these estimates were reasonable.

However, we point out that these estimates are based on forecasts that are therefore uncertain; realized outcomes could differ significantly from these forecasts.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

3. Specific verification and information

As required by law we have also verified, in accordance with professional standards applicable in France, the information related to the Group presented in the Management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense, 26 June 2013	Paris, 26 June 2013
KPMG Audit FS II	**Cailliau Dedouit et Associés**
Pascal Brouard *Partner*	Jean-Jacques Dedouit *Partner*

Parent company balance sheet as at 31 March 2013

Assets

In thousands of euro	Notes	31/03/2013 Gross value	31/03/2013 Depreciation, amortisation and provisions	31/03/2013 Net carrying amount	31/03/2012 Net carrying amount
Non-current assets					
Intangible assets	1				
Concessions, patents, brand and software		211	182	29	48
Total intangible assets		**211**	**182**	**29**	**48**
Property, plant and equipment	2				
Land		-	-	-	-
Buildings		15	15	-	-
Other property, plant and equipment		546	348	198	213
Total property, plant and equipment		**561**	**363**	**198**	**213**
Non-current financial assets					
Investments in group and other companies	3	1,457,099	1,470	1,455,629	772,270
Portfolio holdings	4	24,940	8,436	16,504	17,196
Receivables related to portfolio holdings		-	-	-	11
Loans	5	1,607	-	1,607	3,391
Other non-current financial assets		6	-	6	6
Total non-current financial assets		1,483,652	9,906	1,473,746	792,874
Total non-current assets		**1,484,424**	**10,451**	**1,473,973**	**793,135**
Current assets					
Accounts receivable	6	84,818	781	84,037	118,269
Marketable securities	7				
Treasury stock		460	-	460	702
Other securities		22,535	416	22,119	16,173
Cash	8	57,405	-	57,405	33,251
Prepaid expenses		310	-	310	305
Total current assets		**165,528**	**1,197**	**164,331**	**168,700**
Unrealised translation losses	9	3,473	-	3,473	2,738
TOTAL ASSETS		**1,653,425**	**11,648**	**1,641,777**	**964,573**

Liabilities and shareholders' equity

In thousands of euro	Notes	31/03/2013	31/03/2012
Shareholders' equity	10		
Share capital		141,806	65,031
Share premium		979,624	505,082
Reserves			
Legal reserves		6,475	6,475
Regulated reserves		-	-
Other reserves		153,044	153,044
Retained earnings		68,163	198,346
Net income for the period		119,878	(114,297)
Regulated provisions		217	171
Total shareholders' equity		**1,469,207**	**813,852**
Provisions for contingencies and charges	11		
Provisions for contingencies		2,201	1,364
Total provisions for contingencies and charges		**2,201**	**1,364**
Liabilities			
Financial liabilities			
Borrowings and other financial liabilities - Banks	12	86,944	89,753
Borrowings and other financial liabilities - Others		-	-
Operating liabilities	13		
Accounts payable		776	725
Tax and social liabilities		2,206	1,628
Other liabilities			
Miscellaneous liabilities	14	79,171	55,877
Deferred income		-	-
Total liabilities		**169,097**	**147,983**
Unrealised translation gains		1,272	1,374
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,641,777**	**964,573**

Parent company income statement for the year ended 31 March 2013

In thousands of euro	Notes	2012/2013	2011/2012
Income transactions			
Operating income transactions			
Operating income	15	2,513	2,106
Operating expenses	16	(9,371)	(11,395)
Net operating income		(6,858)	(9,289)
Other income transactions			
Income from investments in group and other companies and portfolio holdings	17	6,381	13,679
Other financial income	18	1,538	1,969
Capital gains (losses) on disposals of marketable securities	19	52	34
Recoveries of provisions on other income transactions	20	588	1 646
Financial expenses	21	(1,903)	(4,521)
Charges to provisions on other income transactions	20	(836)	(382)
Income from other income transactions		5,820	12,425
Income from joint ventures			
Share of profit (loss)		-	-
Current income before tax		**(1,038)**	**3,136**
Capital transactions			
Capital gains on disposals of investments in group and other companies and portfolio holdings	22	1,150	3,657
Recoveries of impairment of investments in group and other companies and portfolio holdings	23	121,769	1,005
Capital losses on disposals of investments in group and other companies and portfolio holdings		-	(528)
Charges to impairment of investments in group and other companies and portfolio holdings	24	(174)	(121,769)
Income from capital transactions		**122,745**	**(117,635)**
Income tax	25	1,829	(202)
NET INCOME		**119,878**	**(114,297)**

APPENDIX

I. Highlights of the financial year

The financial year ended 31 March 2013 was marked by Paris Orléans' announcement on 4 April 2012 of the reorganisation that constitutes a major step forward in the Group's ongoing international development and in the simplification of its structure.

This reorganisation includes the grouping under Paris Orléans of virtually all the capital of Rothschild & Cie Banque (RCB), which owns the French banking activities, of Financière Rabelais SAS, one of RCB's main partner shareholders and the grouping of all the capital of Rothschilds Continuation Holdings AG (RCH), the holding company for the Group's other operating subsidiaries, including N.M. Rothschild & Sons Limited (NMR) in the United Kingdom.

The acquisitions of RCB (€214.6 million), Financière Rabelais SAS (€89.3 million) and RCH (€257.7 million) shares were effected through capital contributions paid for by the issuance of new Paris Orléans shares, approved by an Extraordinary General Meeting of Shareholders held on 8 June 2012. At this meeting, it was also decided to change the company's legal structure to that of a limited partnership (*société en commandite par actions*). Paris Orléans SCA's capital therefore increased to €141.8 million at 31 March 2013 compared to €65.0 million at the end of the previous financial year.

Following on from the above-mentioned transactions, the shares in RCB, Financière Rabelais and RCH received as part of the Contribution were transferred on 11 July 2012 to Paris Orléans Holding Bancaire (POHB) SAS, a wholly-owned subsidiary of Paris Orléans SCA, at their net carrying amount. In respect of this transaction, Paris Orléans SCA received new POHB shares at a total value of €561.6 million. POHB is the subsidiary which holds all the banking assets held indirectly by Paris Orléans SCA. The gross carrying amount of Paris Orléans SCA's equity interest in POHB now totals €1,335.5 million. At 31 March 2013, the net carrying amount and the gross carrying amount were the same due to the reversal in full during the year of an impairment charge of €121.4 million, booked in the previous year, in respect of POHB.

As the result of this impairment reversal, Paris Orléans SCA ended the 2012/2013 financial year with a profit of €119.9 million compared with a loss of €114.3 million the previous year.

II. Subsequent events

No significant adjusting events have occured after the 31 March 2013 closing date.

III. Accounting principles and valuation methods

To ensure operating continuity and consistency of methods and to adhere to the principles of prudence and reliability, the financial statements are prepared in accordance with the provisions of French law (1999 General Chart of Accounts) and with the accounting principles generally accepted in France.

To provide relevant reporting on the company's business, the income statement is presented in accordance with the so-called TIAP model for other non-current holdings in the passive investment portfolio ("portfolio holdings") recommended by the French Accounting Standards Authority *(Autorité des normes comptables)* for financial companies.

Income transactions are split into two: operating income transactions (at the top of the income statement) and other income transactions (primarily financial transactions).

Current income corresponds to "income from ordinary activities", i.e. "all activities in which the company engages in the normal course of its business, and any related activities that it carries out on an accessory basis or as an extension of its ordinary activities".

Operating profit does, however, include non-recurring income and expenses from events which are clearly separate from the company's ordinary activities and which are not, therefore, deemed to occur on a frequent or regular basis.

Capital transactions include transactions concerning holdings classified as non-current assets.

The main accounting policies applied are as follows:

- Intangible assets and property, plant and equipment are valued at their acquisition cost and amortised and depreciated in the following manner:

	Estimated useful life	Method
Start-up costs	3 years	straight-line
Software	3 years	straight-line
Buildings	20 years	straight-line
Plant and general improvements	8 to 10 years	straight-line
Vehicles	5 years	straight-line
Office equipment	3 years	declining-balance
Office furniture	10 years	straight-line

- Current financial assets are valued at their historical acquisition cost. The values of holdings denominated in foreign currencies are translated into euro at the exchange rate in effect on the transaction date. All loans and receivables denominated in foreign currencies classified among non-current financial assets are translated at the closing rate of the financial year.

Investments in group and other companies and portfolio holdings are recognised at their acquisition cost. An impairment loss is recognised when fair value is below acquisition cost.

The fair values of investments in group and other companiers and portfolio holdings are recognised in the following manner:

- Unlisted securities: market value. The latter is obtained using either the company's share of the book or re-appraised net assets of the holding or the price used for a recent transaction on the security;

- Treasury stock: average price in the final month of the financial year;

- Listed securities: last quoted price of the financial year.

- Funds: impairment is recognised when the acquisition cost or cumulated investments in the fund exceed the company's share of the fund's adjusted net asset value as certified by the fund's auditors or the redemption value as determined by the issuer. The portion of unrealised capital losses linked to currency effects is recognised separately from impairment, which relates solely to changes in the value of the underlying assets.

The value of the portfolio at 31 March 2013 was measured using the same method as applied in the preceding financial year.

Dividends are recorded in the month in which it is decided to distribute them.

Regarding FCPR-type venture capital funds, in accordance with market practice, only amounts actually called up since the 2002 financial year are now booked, and the unfunded capital commitment is recorded as an off-balance sheet item.

Sales of shareholdings, long-term portfolio holdings or investment securities are recognised using the first-in first-out (FIFO) method, i.e. the longest-held securities will be deemed to be the first sold.

Receivables are recognised at their nominal value. An impairment loss is recognised when the inventory value is lower than the carrying cost. Receivables denominated in foreign currencies are translated at the closing rate of the financial year.

Marketable securities are recognised at their acquisition cost. When their overall inventory value is lower than their acquisition cost, an impairment loss is recognised. The book value is equal to the closing price for the financial year.

Transactions denominated in foreign currencies are recognised at the rate on the transaction date. At the end of the financial year, all assets and liabilities are converted at the closing rate. For items covered by an exchange rate hedge, these are offset so that only the net balances are shown. Depreciation is recognised to take into account unrealised losses; only the uncovered portions of transactions for which an exchange rate hedge has been set in place are subject to depreciation.

Paris Orléans SCA uses foreign currency-denominated loans to hedge certain of its acquisitions of securities and other assets denominated in US dollars. The exchange difference between the historical rate and the weighted average rate on the loans is recognised as the loan principal is repaid. This accounting treatment resulted in a €137 thousand net expense for the period.

IV. Notes to the parent company balance sheet

NOTE 1. Intangible assets

There were no concessions, patents, brand and software acquisitions or disposals during the financial year.
The changes in intangible assets during the year were as follows:

In thousands of euro	01/04/2012	Acquisitions	Disposals	31/03/2013
Non-current assets				
Concessions, patents, brand and software	211	-	-	211
Total non-current assets	211	-	-	211
		Increases	Decreases	
Depreciation				
Concessions, patents, brand and software	163	19	-	182
Total depreciation	163	19	-	182
TOTAL NET VALUES	48	(19)	-	29

NOTE 2. Property, plant and equipment

Changes in property, plant and equipment during the financial year were as follows:

In thousands of euro	01/04/2012	Acquisitions	Disposals	31/03/2013
Property, plant and equipment				
I - Land	-	-	-	-
II - Other				
Buildings	15	-	-	15
Plant and improvements	10	-	-	10
Vehicles	256	26	-	282
Office equipment	78	-	-	78
Office furniture	150	26	-	176
Total gross values	509	52	-	561
		Increases	Decreases	
Depreciation				
II - Other				
Buildings	15	-	-	15
Plant and improvements	5	1	-	6
Vehicles	119	49	-	168
Office equipment	77	1	-	78
Office furniture	80	16	-	96
Total depreciation	296	67	-	363
TOTAL NET VALUES	213	(15)	-	198

NOTE 3. Investments in group and other companies

At 31 March 2013, the gross values of the company's investments in group and other companies could be analysed in the following manner:

In thousands of euro	31/03/2013
Paris Orléans Holding Bancaire (POHB) SAS	1,335,455
K Développement SAS	94,698
Finatis SA	12,287
Other investments in group and other companies for a value less than €10m	14,659
TOTAL INVESTMENTS IN GROUP AND OTHER COMPANIES	**1,457,099**

The movements for the 2012/2013 financial year are summarised in the table below:

In thousands of euro	01/04/2012	Acquisitions/ Increases	Sales/Disposals/ Reclassifications	31/03/2013
Gross values	895,489	1,124,221	562,611	1,457,099
Total gross values	**895,489**	**1,124,221**	**562,611**	**1,457,099**
		Increases	Decreases	
Impairment	123,219	5	121,754	1,470
Total Impairment	**123,219**	**5**	**121,754**	**1,470**
TOTAL NET VALUES	**772,270**	**1,124,216**	**(440,857)**	**1,455,629**

As mentioned in the section "Highlights of the financial year" in these notes to the financial statements, the changes in equity interests during the year almost exclusively reflected the transfers under the reorganisation decided by the Extraordinary General Meeting of Shareholders on 8 June 2012 of 586,668 shares in RCB corresponding to 55.01% of the capital, 4,801 shares in Financière Rabelais SAS corresponding to 100% of the capital and 587,129 shares in RCH corresponding to 43.33% of the capital for amounts of, respectively, €214,574 thousand, €89,344 thousand and €257,691 thousand, and the subsequent transfer of these shares on 11 July 2012 to POHB for a total amount of €561,608 thousand.

In addition, a partial impairment provision of €121,430 thousand recorded the previous year in respect of POHB which holds all the Group's banking assets, was written back during the year: in accordance with French accounting regulations, at the end of each accounting year, Paris Orléans SCA reassesses the value of its portfolio of participating interests. In the context of this analysis, the value-in-use of the POHB shares held by Paris Orléans SCA was determined based on its re-valued net assets on the basis of the valuations used for RCH and for RCB. These valuations are based on multiple criteria: discounted cash flows and peer-group multiples for RCH, and sum of parts valuation of operating divisions, earnings aggregates and peer-group multiples for RCB.

The Company also wrote back impairment provisions on participating interests in the subsidiaries Francarep Inc., in an amount of €321 thousand which benefited from the satisfactory performance of its residual investment portfolio.

NOTE 4. Portfolio holdings

This heading includes all non-current strategic portfolio investments that cannot be classified as "investment in group and other companies". The changes during financial year 2012/2013 may be analysed in the following manner:

In thousands of euro	01/04/2012	Acquisitions/ Increases	Sales/Disposals/ Reclassifications	31/03/2013
Gross values	25,479	428	967	24,940
Total gross values	**25,479**	**428**	**967**	**24,940**
		Increases	Decreases	
Impairment	8,283	168	15	8,436
Total Impairment	**8,283**	**168**	**15**	**8,436**
TOTAL NET VALUES	**17,196**	**260**	**952**	**16,504**

There were few movements in 2012/2013. Acquisitions amounted to €428 thousand and concerned solely Rallye shares whiles sales/disposals concerned mainly the capital returns by various funds for a total of €668 thousand (of which €523 thousand related to the Doughty Hanson 4 fund), and Rallye shares for a total of €299 thousand.

At 31 March 2013, the estimated value of the portfolio of participating interests and investments came to €42,475 thousand, of which €9,088 thousand was in treasury shares and €2,148 thousand was in investment certificates.

NOTE 5. Loans

This heading comprises exclusively a loan granted to K Développement SAS, whose residual principal amounted to €1,600 thousand at 31 March 2013, plus accrued interest not yet due amounting to €7 thousand. The loan has a maturity of less than one year.

NOTE 6. Accounts receivable

The €84,818 thousand total consisted of:

- group and associated companies' advances and current accounts (€80,968 thousand), primarily in connection with the cash pooling programme, and current accounts related to the tax consolidation group (€3,584 thousand);
- an amount receivable from the tax authorities of €209 thousand;
- miscellaneous trade receivables and miscellaneous debit balances for €57 thousand.

All of these receivables are due.

The impairment of €781 thousand related to advances made to an investment subsidiary that encountered financial difficulties.

NOTE 7. Marketable securities

Marketable securities consist of:

- 26,854 treasury shares (held in accordance with a liquidity contract) of €460 thousand. At 31 March 2013, the estimated value of the marketable securities was €468 thousand, with an unrealised gain of €8 thousand;
- the other securities (€22,535 thousand) consist solely of mutual funds and short-term liquid investments. As at 31 March 2013, the fair value of these securities amounted to €22,120 thousand, giving an unrealised loss of €416 thousand for which a provision was made whereas the unrealised gain amounted to €1 thousand.

NOTE 8. Cash

The amount recorded under this heading totalled €57,405 thousand at 31 March 2013, corresponding to an increase compared to the previous financial year. During the 2012/2013 financial year, Paris Orléans SCA benefited in particular from cash received from its investment subsidiaries following disposals made by these subsidiaries, with part of these amounts deposited in term accounts.

NOTE 9. Unrealised translation losses

Unrealised foreign exchange losses corresponding to the difference between the equivalent value in euro at the closing price for portfolio investments and other long-term investments denominated in US dollars, on the one hand, and their historical value on the other hand, represented €3,473 thousand as at 31 March 2013.

This amount, reduced by unrealised foreign exchange gains, gave rise to a provision for currency risk. These dollar-denominated portfolio investments and other long-term investments are covered by currency hedging.

NOTE 10. Shareholders' equity

Changes in shareholders' equity during financial year 2012/2013 may be analysed in the following manner:

In thousands of euro	Share capital	Share premium	Legal reserves	Other reserves	Retained earnings	Regulated provisions	Net income for the period	Total shareholders' equity
Shareholders' equity as 01/04/2012	65,031	505,082	6,475	153,044	198,346	171	(114,297)	813,852
Capital increase	76,775	474,542	-	-	-	-	-	551,317
Appropriation of net income for FY 2011/2012	-	-	-	-	(114,297)	-	114,297	-
Distribution of dividends (1)	-	-	-	-	(15,886)	-	-	(15,886)
Net income for FY 2012/2013	-	-	-	-	-	-	119,878	119,878
Change in investment provision	-	-	-	-	-	46		46
SHAREHOLDERS' EQUITY AS 31/03/2013	**141,806**	**979,624**	**6,475**	**153,044**	**68,163**	**217**	**119,878**	**1,469,207**

(1) The dividends distributed during financial year 2012/2013 in respect of the previous year were €372 thousand lower than the amount approved in the second resolution proposed to the Combined General Meeting of 27 September 2012, as no dividends were paid on treasury stock (investment certificates).

The transfers of shares in RCB, RCH and Financière Rabelais SAS, described in Note 3, under the capital increases approved by the Combined General Meeting of Shareholders on 8 June 2012 were settled by the allocation of 38,387,442 new shares. This issue of new shares resulted in an increase in the share capital of €76,775 thousand with a gross issue premium of €484,833 thousand to which expenses incurred in relation to the issuance of new capital (solely fees) amounting to €10,292 thousand net of theoretical tax were charged in accordance with the applicable regulations.

At 31 March 2013, the company's capital was composed of 70,757,989 shares and 145,040 investment certificates with a nominal value of €2 each. The 38,387,442 new shares issued during the year correspond to remuneration of the various contributions as approved by the Combined General Meeting of Shareholders on 8 June 2012.

Treasury shares

As at 31 March 2013, Paris Orléans SCA holds 145,040 of its own investment certificates (i.e. all the securities issued in this category) and 548,464 own shares, including 26,854 shares held as part of the liquidity contract.

NOTE 11. Provisions for contingencies and charges

Provisions may be analysed in the following manner:

In thousands of euro	01/04/2012	Charge for the period	Recovery for the period (provision used)	Recovery for the period (provision unused)	31/03/2013
Provisions for contingencies	1,364	837	-	-	2,201
Insufficient hedging of foreign currency risk	-	-	-	-	-
Lawsuit	-	-	-	-	-
Translation charges on USD funds	1,364	837	-	-	2,201
Provisions for charges	-	-	-	-	-
TOTAL PROVISION FOR CONTINGENCIES AND CHARGES	**1,364**	**837**	**-**	**-**	**2,201**

Non-application of the preferential method: the non-application of the preferential method of accounting for retirement commitments, as recommended by French General Chart of Accounts, did not have a material impact on the total assets or current income of the company.

The provision for foreign exchange risk at the financial year end corresponds to the net translation difference after deduction of negative translation differences (see details in note 9).

NOTE 12. Borrowings and financial liabilities – banks

Borrowings and financial liabilities to banks may be analysed as follows:

In thousands of euro	Total	Maturity: Less than 1 year	Between 1 and 5 years	> 5 years
Medium-term loan	70,345	35,159	35,186	-
US-dollar denominated loan	6,120	6,120	-	-
GBP denominated loan	10,052	10,052	-	-
Bank overdrafts	180	180	-	-
Accrued interest	247	247	-	-
TOTAL BORROWING AND FINANCIAL LIABILITIES	**86,944**	**51,758**	**35,186**	**-**

These loans have a variable rate of interest.

Loan principal amortised or repaid over the financial year amounted to €23,643 thousand and US$7,282 thousand respectively, whereas new loans taken out in the financial year amounted to €12,000 thousand and US$27,062 thousand.

NOTE 13. Operating liabilities

These include accounts payable of €776 thousand and tax and social liabilities of €2,206 thousand for 2012/2013. All amounts are due in less than one year.

NOTE 14. Other liabilities

The €79,171 thousand recorded under this heading consists of group advances and current accounts plus accrued interest granted by the subsidiaries as part of cash pooling arrangements in an amount of €79,163 thousand and of sundry liabilities for the remaining €8 thousand.

All of these liabilities are due.

V. Notes to the parent company income statement

Paris Orléans SCA ended its financial year 2012/2013 with a net income of €119.9 million compared to a loss of €114.3 million the previous year. The net income in 2012/2013 was attributable mainly to a positive result on capital transactions (+€122.7 million) thanks to the reversal in full of the impairment charge recorded the previous year in respect of equity investments held by POHB SAS for an amount of €121.4 million. POHB is the subsidiary which holds all the banking assets held indirectly by Paris Orléans SCA.

The company recorded a current loss before tax of €1 million compared with current income before tax of €3.1 million in 2011/2012. This is explained by the absence of any dividends from K Développement SAS during the year whereas dividends totalling €10.5 million had been received in 2011/2012.

Income tax amounted to €1.8 million corresponding in particular to a theoretical tax expense of €5.1 million relating to the expenses incurred in relation to the issuance of new capital which were charged to the issue premium generated on the share contributions approved by the Extraordinary General Meeting of shareholders on 8 June 2012. This charge was partly offset by tax income received from a subsidiary within the framework of the tax group.

NOTE 15. Operating income

Expenses re-billed to related companies amounted to €1,248 thousand and accounted for around half the company's operating income. Consequently, amounts of €50 thousand and €25 thousand were respectively charged in Rothschild Concordia SAS, parent company of Paris Orléans SCA, and in Rivoli Participation SAS. The majority of the remaining operating income came from the reversal of a €1,241 thousand impairment charge on a current account advance granted to an investment subsidiary whose results improved.

NOTE 16. Operating expenses

In thousands of euro	2012/2013	2011/2012
Purchases and external charges	2,694	3,287
Taxes other than those on income	965	922
Salaries and payroll taxes	5,424	5,558
Depreciation and amortisation	87	82
Impairment	-	429
Other expenses	201	1 117
TOTAL OPERATING EXPENSES	**9,371**	**11,395**

These expenses mainly consist of:

- actual operating expenses, excluding any expenses passed on to the subsidiaries, amounted to €8,075 thousand (0.55% of shareholders' equity) ;
- the auditors' fees came to €504 thousand in 2012/2013.

The amount of auditors' fees breaks down as follows:

- fees for the statutory audit of the financial statements for the 2012/2013 financial year: €399 thousand all charges included (€334 thousand without value added tax);
- fees for due diligence work directly linked to the statutory audit of the accounts: €105 thousand all charges included (€88 thousand without value added tax).

NOTE 17. Income from investments in group and other companies and portfolio holdings

Details regarding income from investments in group and other companies and portfolio holdings during financial year 2012/2013 are provided in the table below:

In thousands of euro	2012/2013	2011/2012
Dividends/Investments in group and other companies		
Finatis SA	566	566
K Développement SAS	-	10 450
AlexanderPlatz Voltaire Strasse (APVS)	-	(15)
Total dividends/Investments in group and other companies	**566**	**11 001**
Dividends/Portfolio holdings		
Perenco Rio Del Rey (ex Total E&P Cameroun)	4,714	1,485
Rallye SA	979	979
Norsea Pipeline	45	57
Other Dividends/Portfolio holdings < €50 thousand	7	12
Total dividends/Portfolio holdings	**5,745**	**2,533**
Loans Interest/Investments in group and other companies		
K Développement SAS	70	145
Total loans Interest/Investments in group and other companies	**70**	**145**
TOTAL INCOME FROM INVESTMENTS IN GROUP AND OTHER COMPANIES AND PORTFOLIO HOLDINGS	**6,381**	**13,679**

NOTE 18. Other financial income

Other financial income totalled €1,538 thousand and comprised:

- interest income on forward contracts and certificates of deposit in an amount of €724 thousand;
- €645 thousand of interest on advances granted to Group companies, in particular K Développement SAS (advances in euro and in US dollars), PO Fonds SAS and Verseau SAS in amounts of respectively €361 thousand, €101 thousand and €91 thousand;
- foreign exchange gains, which amounted to €169 thousand in 2012/2013.

NOTE 19. Capital gains (losses) on disposals of marketable securities

This item was positive by €52 thousand due to capital gains of €194 thousand on sales of marketable securities which included €170 thousand on the sale of treasury shares under the liquidity contract. This amount was however largely offset by capital losses on disposals of marketable securities amounting to €142 thousand.

NOTE 20. Charges to/Recoveries of provisions on other income transactions

Reversal of provisions and impairment on other revenue transactions amounted to €588 thousand and concerned one specific transferable security, which benefited from rises in European equity indices.

Charges to provisions and impairment on other revenue transactions related to exchange rate risk for €836 thousand.

NOTE 21. Financial expenses

In thousands of euro	2012/2013	2011/2012
Medium-term borrowings	1,634	2,272
Other financial expense	2	1,744
Other interest expense	234	490
Translation charges	33	15
TOTAL OF FINANCIAL EXPENSES	1,903	4,521

Interest expense on medium-term bank borrowings decreased slightly under the combined effects of the reduction in debt and the decrease on interest rates compared with the previous year. Other interest expenses decreased due to the decrease in group current account advances granted by the subsidiaries following asset disposals by them.

NOTE 22. Capital gains on disposals of investments in group and other companies and portfolio holdings

In respect of FY 2012/2013, the €1,150 thousand recorded under this heading concerns solely the portfolio holdings. Capital gains on disposals of investments in group and other companies and portfolio holdings were once again down sharply relative to the previous year due to a decrease in distributions by investment funds which amounted to €966 thousand in 2012/2013 compared with €3,219 thousand the previous year. The €184 thousand balance of this heading concerns one specific investment in listed shares.

NOTE 23. Recoveries of impairment of investments in group and other companies and portfolio holdings

This heading totalled €121,769 thousand and included:

- reversals in an amount of €121,755 thousand of impairment charges on investments in group and other companies and concerned mainly POHB and, to a much lesser extent, the US subsidiary Francarep Inc, for €321 thousand following the revaluation of its residual portfolio of investment funds;
- and reversals of impairment charges relating to various investment funds of €15 thousand.

NOTE 24. Charges for impairment of investments in group and other companies and portfolio holdings

Charges for Impairment amounted to €174 thousand, with two investment funds accounting for €148 thousand. These charges were down significantly compared with 2011/2012 which had included the impairment charge in respect of POHB described in Note 23.

NOTE 25. Income tax

Income tax in 2012/2013 comprised a tax expense of €4,937 thousand in respect of the tax group headed by Paris Orléans SCA (consisting of theoretical tax of €5,146 thousand on expenses charged to the issue premium – see Note 10 – reduced by a tax credit of €209 thousand) and a tax income of €3,584 thousand received from POHB, which is consolidated for tax purposes, and the 3% tax on dividends paid during the year, which amounted to €477 thousand.

VI. Other information

A. Employee data

The average headcount of 27 people in financial year 2012/2013 included 24 executives and 3 other employees compared to 26 people the previous year.

B. Compensation of management bodies

In respect of their functions as corporate officers of Paris Orléans SCA for 2012/2013, members of the Supervisory Board received €153 thousand in attendance fees and €6.4 thousand in benefits in kind.

C. Tax consolidation

Paris Orléans SCA is the head of a tax group that includes the following companies:

- Paris Orléans Holding Bancaire SAS (POHB);
- Concordia Holding SARL.

This tax group, whose option for application of the Group tax regime expires on 31 March 2014 and is valid for a period of five years.

As part of the tax consolidation process, each subsidiary in the tax consolidation group calculates its income tax as if it were taxed on a standalone basis.

The tax loss carry-forward at the standard income tax rate for the tax consolidation group headed by Paris Orléans SCA amounted to €10,530 thousand as at 31 March 2013.

D. Consolidation

Paris Orléans SCA, the parent company of the Paris Orléans group, drew up consolidated financial statements as of 31 March 2013. Its own financial statements are consolidated into the Rothschild Concordia SAS group, which is domiciled at 23 bis avenue de Messine 75008 Paris.

E. Forward financial instruments

Paris Orléans SCA put in place two interest rate hedging transactions in July 2009 and subsequently in January 2010:

- a fixed interest rate swap at 2.51% against 3-month Euribor, the notional swap amounted to €11.4 million at 31 March 2013 and maturing on 22 January 2015;
- a fixed interest rate swap at 2.22% against 3-month Euribor for a nominal amount of €8 million at 31 March 2013 and expiring on 28 January 2015.

Their valuation is established in accordance with banks' internal calculation methods based on available sources of information, including, in particular, the information customarily used by the market, it being specified that their reliability and accuracy are not guaranteed by these banking institutions.

At 31 March 2013, the first swap has a negative fair value of €383 thousand and the second swap has also a negative fair value of €234.1 thousand.

F. Off-balance sheet commitments

The off-balance sheet commitments at 31 March 2013 are presented in the table below:

In thousands of euro	Total	Executive managers	Subsidiaries	Investments	Other related companies	Other
Commitments given						
Retirement benefits (1)	-	-	-	-	-	-
Commitments given to Norsea Pipeline limited	289	-	-	-	-	289
Investment commitments in various funds	3	-	-	-	-	3
TOTAL COMMITMENTS GIVEN	**292**	**-**	**-**	**-**	**-**	**292**
Retirement commitments	-	-	-	-	-	-
Commitments received	-	-	-	-	-	-
TOTAL COMMITMENTS RECEIVED	**-**	**-**	**-**	**-**	**-**	**-**
Reciprocal commitments	-	-	-	-	-	-

(1) This expense is outsourced with an insurance company.

The main changes in off-balance sheet commitments during the year related to the ending of commitments received in connection with non-utilised credit lines due to their utilisation during the year.

Change in financial commitments in 2012/2013

In thousands of euro	31/03/2013	31/03/2012
Commitments given		
Guarantees given and other commitments	289	289
Investment commitments in various funds	3	26
TOTAL	**292**	**315**
Commitments received		
Undrawn lines of credit	-	14,573
TOTAL	**-**	**14,573**

Paris Orléans SCA confirms that it has not omitted any significant current off-balance sheet commitment as defined by the accounting standards in effect.

G. Analysis of subsidiaries and participating interests

Companies or groups of companies *In millions of euro*	Share Capital	APIC, reserves and retained earnings excluding net income for the period	Share of capital held *(in %)*	Carrying value of shares held Gross	Net	Outstanding loans and advances from the company	Guarantees given by the company	Gross revenues (excluding VAT) for the last financial year	Net income for the last financial year	Dividends received by the company during the financial year
A. Subsidiaries *(company holds at least 50% of capital)*										
Paris Orléans Holding Bancaire (POHB)SAS (Paris)	729.6	477.7	100%	1,335.5	1,335.5	-	-	-	14.8	-
K Développement SAS (Paris)	99.0	70.3	94.52 %(4)	94.7	94.7	-	-	-	76.1	-
Francarep Inc. (USA) (2)	-	3.9	100%	5.6	4.1	-	-	-	0.2	-
Messine Manager Investissement SAS (Paris)	5.0	5.4	90.72%	9.1	9.1	-	-	-	0.7	-
B - Participating interests *(company holds 5% to 50% of capital)*										
Finatis SA (Paris) (1) (2) (3)	85.0	334.0	5%	12.3	12.3	-	-	42,665.0	170.0	0.6

(1) Consolidated figures.
(2) Financial year ended 31 December 2012 (used rate: 1€ = 1.2826 USD).
(3) Reserves and net income (group share).
(4) Paris Orléans holds 100% of the economic rights.

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended 31 March 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 March 2013, on:

- the audit of the accompanying financial statements of Paris Orléans S.C.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair vie w of the assets and liabilities and of the financial position of the Company as at 31 March 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code ("*Code de commerce*") relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

As stated in paragraph "Accounting principles and valuation methods" of the notes to the financial statements, your company accounts for impairments, when necessary, in order to cover for the risk of a decrease in fair value of participating interests and portfolio holdings.

.../...

.../...

In assessing the significant accounting estimates applied by your company for the year ended 31 March 2013, we have verified, on the basis of the information available and tests of detail on a sample, the appropriateness and the accurate application of these methods described in the notes to the financial statements.

However, we point out that these estimates are based on forecasts that are therefore uncertain; realised outcomes could differ significantly from these forecasts.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management report, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code ("*Code de commerce*") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management report.

Paris La Défense, 26 June 2013

KPMG Audit FS II

Pascal Brouard

Partner

Paris, 26 June 2013

Cailliau Dedouit et Associés

Jean-Jacques Dedouit

Partner

General information

PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

PO Gestion SAS Managing partner	**Mark Crump** Group Finance Director

STATEMENT BY THE PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

"We hereby certify, that to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the business, its results and the financial condition of the Company and of its consolidated group of companies, as well as a description of the principal risks and uncertainties to which they are exposed."

Paris, 26 June 2013

PO Gestion SAS Managing partner Represented by David de Rothschild, Chairman	**Mark Crump** Group Finance Director

PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Statutory Auditors

Cailliau Dedouit et Associés SA

Represented by Mr Jean-Jacques Dedouit

19, rue Clément Marot
75008 Paris, France

Start date of first term: 24 June 2003
Date of last renewal: 27 September 2011
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

KPMG Audit FS II SAS

Represented by Mr Pascal Brouard

Immeuble Le Palatin – 3, cours du Triangle
92939 Paris La Défense Cedex, France

Start date of first term: 27 September 2011
Date of last renewal: n/a
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

Alternate Auditors

Didier Cardon

19, rue Clément Marot
75008 Paris, France

Start date of first term: 29 September 2009
Date of last renewal: 27 September 2011
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

KPMG Audit FS I SAS

Immeuble Le Palatin – 3, cours du Triangle
92939 Paris La Défense Cedex, France

Start date of first term: 27 September 2011
Date of last renewal: n/a
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

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PARIS ORLÉANS