PARIS ORLÉANS

Release *Paris, 26 June 2013*

Annual results

2012/2013

Robust performance in a challenging environment

- Overall revenue in 2012/2013 was €1,147 million compared to €1,135 million in 2011/2012
- Operating income is at the same level as last year at €165 million
- Net income – Group share in 2012/2013 was €47 million compared to €37 million in 2011/2012
- Underlying Net income – Group share [1] in 2012/2013 was €62 million compared to €53 million in 2011/2012, resulting in an underlying Earnings per share of €0.90 compared to €0.78
- Global Financial Advisory revenue increased in a volatile market for global M&A reflecting an improvement in market share and our strong leadership
- Wealth and Asset Management had a challenging year with revenue flat and lower profits. Thanks to positive markets and a net inflow of €0.6 billion, including assets related to the acquisition of HDF Finance, assets under management increased by 7% to €38.4 billion
- Merchant Banking business being developed with an expanded offering. Assets under management amounted to €2.9 billion
- Cost savings initiatives starting to enhance operating efficiency of the Group

"Whilst the environment we face remains challenging, as it has since the start of the global financial crisis, the full year results underscore the strength and resilience of our business model. We have improved our market position during this period, and our strong international presence means the Group is well positioned to benefit from better market conditions, as and when they arise in the future", said Nigel Higgins and Olivier Pécoux, Group co-Chief Executive Officers. "*The Group's stable and long-term shareholding structure, its solid financial position and the quality of its people will allow us to continue to pursue our strategy of developing the Group's activities and capturing the synergies between our main businesses."*

[1] See details in Appendix 1

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Key figures

(in €m)	**2011/2012**	**2012/2013**	*Var*	*Var %*
Revenues	**1,135**	**1,147**	***12***	*1%*
Staff costs	(686)	(696)	*(10)*	*(1)%*
Administrative expenses	(229)	(219)	*10*	*4%*
Depreciation and amortisation	(28)	(36)	*(8)*	*(27)%*
Loan provisions and impairment charges	(26)	(31)	*(5)*	*(21)%*
Operating Income	**166**	**165**	***(1)***	*(1)%*
Other income / expense	7	11	*4*	*57%*
Impairment of BPER	-	(46)	*(46)*	*n/a*
Profit before tax	**173**	**130**	***(43)***	*(25)%*
Income tax	(32)	(40)	*(8)*	*(25)%*
Consolidated net income	**141**	**90**	***(51)***	***(36)%***
Non-controlling interests	(104)	(43)	*61*	*59%*
Net income - Group share	**37**	**47**	***10***	***26%***
Non-controlling interests as if Group's reorganisation occured 1 April 2011	16	(16)	*(32)*	*n/a*
Impairment of BPER - Group share	-	31	*31*	*n/a*
Underlying Net income - Group share	**53**	**62**	***9***	***16%***
Earnings per share	*1.24 €*	*0.78 €*		
Underlying Earnings per share	***0.78 €***	***0.90 €***		
ROE	*5.1%*	*4.1%*		
Underlying ROE	***4.5%***	***5.1%***		

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 Net income – Group share. First, the division of income between the Group share and Non-controlling interests has been recalculated, as if the Group reorganisation had taken place on 1 April 2011. Secondly, the impact of impairing the long-standing shareholding in Banque Privée Edmond de Rothschild ("BPER") has been reversed from the 2012/2013 results (these adjustments are described in detail in Appendix 1 – page 8).

Business review

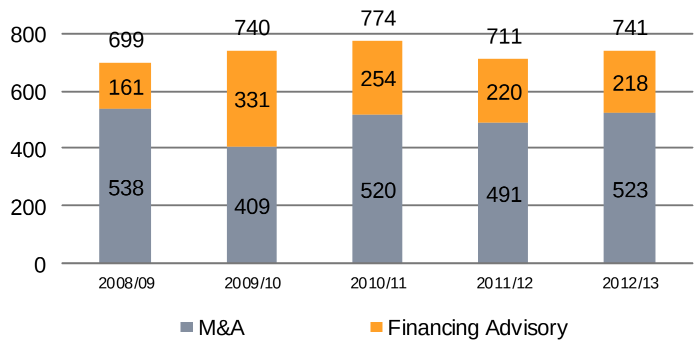
We have two main activities within our Group: Global Financial Advisory which focuses on providing advice in the areas of M&A, debt, restructuring and equity; and Asset Management in a broad sense which comprises Wealth & Asset Management and Merchant Banking. In addition, we have a Specialist Finance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

Global Financial Advisory

Although activity in the first half of the year was slow, with revenues down on the prior period, the second half was particularly strong. As a result, for the 12 months to March 2013 Global Financial Advisory revenues were €741 million, up 4% from €711 million in the prior year. This has been achieved despite difficult global market conditions (European M&A market by deal value down by 14% [2] compared to last year).

We benefited from the breadth of our offering and our geographic diversification, with improved M&A revenues (+6% at €523 million for 2012/2013 versus €491 million for 2011/2012) offsetting a flat year in Financing Advisory (-1% at €218 million for 2012/2013 versus €220 million for 2011/2012) despite European equity capital markets activity being below last year and US corporate default rates being near historic lows, albeit supported by buoyant debt capital markets.

Revenues by product over 5 years (in € million)



Revenue in Europe and in Latin America was up, with a particularly strong performance in the United Kingdom, flat in North America (increases in M&A, offset by lower Restructuring revenue) and down slightly in aggregate in the rest of the world.

During the year we advised on M&A and Financing Advisory transactions with a total value of some US$400 billion [3], which was an increase of 20% compared to the previous year. We continue to rank among the top advisers in the world, ranking 5th globally and 1st in Europe by number of completed M&A transactions. [4]

Among the largest publicly announced M&A and Financing Advisory transactions completed during the financial year on which Rothschild advised were the following:

- GDF SUEZ on the acquisition of the remaining 30% stake in International Power (€9.5 billion)
- Nestlé on the acquisition of Pfizer Nutrition (US$11.8 billion)
- Redecard on the tender offer and delisting from BM&F Bovespa's Novo Mercardo (US$6.8 billion)
- Eight Iberian bottlers of The Coca-Cola Company on their eight-way merger (€5.1 billion)
- Sberbank on the acquisition of Denizbank from Dexia (US$3.5 billion)

[2] Source: Thomson Reuters (completed basis, any European involvement)
[3] Source: Thomson Reuters and Rothschild internal data
[4] Source : Thomson Reuters, completed deals

- Consortium of Marubeni, POSCO and STX on the acquisition of a 30% equity interest in the Roy Hill Iron Ore Project (A$3.5 billion)
- ThyssenKrupp on the disposal of Inoxum by way of a merger with Outokumpu (€2.7 billion)
- Cookson on the demerger of its Performance Materials Division (£2.1 billion)
- Group of Noteholders on the restructuring of Deutsche Annington (€4.3 billion)
- Seat Pagine Gialle on the restructuring of its capital structure (€2.7 billion)
- Peel Ports on the refinancing and associated hedging arrangements (£1.6 billion)
- Tereos on bank and bond refinancing (€1.5 billion)
- Government of Portugal on the recapitalisation of Banif (€1.1 billion) and CGD, BCP and BPI (€6.6 billion)
- Volkswagen on the issuance of mandatory convertible notes (€2.5 billion)
- CLP Holdings on its share placing (US$1.0 billion)

Wealth and Asset Management

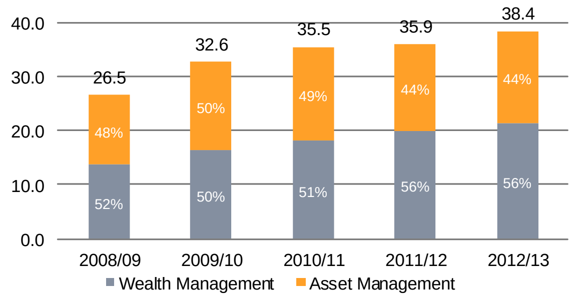
2012/2013 was a challenging year for our Wealth and Asset Management activities with revenue flat at €281 million (previous year: €284 million), and lower profits. The continuing low risk appetite amongst clients and the interest rate environment had an adverse effect on both revenues and the margins we can achieve.

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

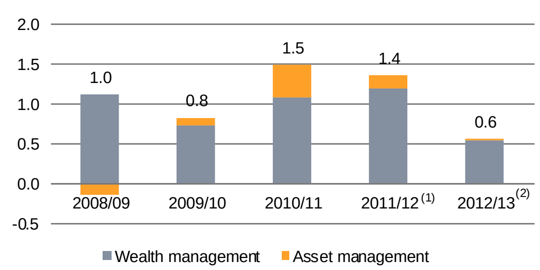
Our European onshore Wealth Management businesses are growing, especially in the United Kingdom, despite the generally weak economic conditions in Europe and are well-positioned for the future. However, the continuing pressure on our businesses, including that arising from increased regulation, means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

Our institutional Asset Management business continues to innovate in product development to grow into new markets and we expect positive sales growth in future years.

Assets under Management over 5 years



Net new assets over 5 years



(1) 2011/12: net new assets exclude the outflow of €1.5 billion of assets under management linked to the partial sale of Sélection R in France.

(2) 2012/13:net new assets include the inflow of €0.8 billion of assets under management linked to the merger with HDF Finance in France

Merchant Banking

Our Merchant Banking division 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 compared to €71 million the previous year. Those revenues included:

- €31 million of management fees (€19 million in 2011/2012),
- €37 million of capital gains (€49 million in 2011/2012),
- €20 million of recurring investment income, interest and dividends (€19 million in 2011/2012)
- less €19 million of provisions (€16 million in 2011/2012),

During the FY 2012/2013, disposal proceeds 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.

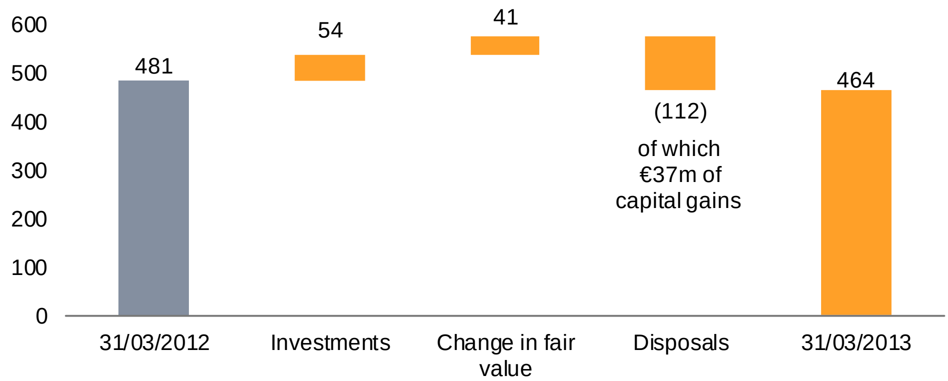
The Group is expanding its Merchant Banking offering, with the launch of a new fund initiative, Five Arrows Credit Solutions, a fund targeted at capturing opportunities in the European high yielding junior credit market (on both primary and secondary opportunities). It held its first closing at €235 million in May 2013. Merchant Banking also achieved a first closing of €130 million for Oberon, its European senior credit fund.

Assets under management at 31 March 2013 were €2.9 billion, the same as last year.

Merchant Banking net asset value of Group's private equity assets

in €m	31/03/2012	31/03/2013
Managed private equity funds	123	128
Proprietary investments	211	193
Other	147	143
Total	**481**	**464**

Changes in the net asset value over one year (in €m)



Specialist Finance

In 2008, the Group decided to focus on Specialist Finance to promote its niche leasing business and to withdraw over time from corporate lending.

The legacy banking book continues to reduce in line with our plans to exit this corporate lending business. Legacy drawings fell to €570 million as at 31 March 2013, down from €805 million as at 31 March 2012. The legacy position is now one-third of what it was in 2008.

Operating expenses

Staff costs

For the year ended 31 March 2013, staff costs were €696.1 million compared to €686.4 million in the prior year. The increase of €9.7 million is largely due to higher variable staff compensation in connection with better revenues in Global Financial Advisory. A programme of resource optimisation in Global Financial Advisory was launched in FY 2011/2012 and will have a full impact in FY 2013/2014.

Overall Group headcount was down 3% from 2,836 to 2,764.

Administrative expenses

For the year ended 31 March 2013, administrative expenses were €218.9 million compared to €228.5 million for 2011/2012, representing a decrease of €9.6 million, reflecting, in part, our cost reduction initiatives in central costs and support functions.

Impairment charges and loan provisions

For the year ended 31 March 2013, impairment charges and loan provisions were €31.4 million compared to €26.2 million for 2011/2012. Of this amount, €10 million of charges are related to the legacy banking book compared to €13 million for last year, and the remainder largely relate to Global Financial Advisory receivables and Merchant Banking write downs on specific debt investments.

Profit before tax

Profit before tax includes the impact of a €46 million impairment relating to the long-standing shareholding in Banque Privée Edmond de Rothschild (“BPER”). This impairment is described in more detail in Appendix 1 – page 8.

Income taxes

For the year ended 31 March 2013, the income tax charge was €40 million, split between a current tax charge of €44 million and deferred tax credit of €4 million, giving an effective tax rate of 30.7%. It should be noted that the effective tax rate would have been 25% without the BPER impairment. This compares to a tax charge for 2011/2012 of €32 million, an effective tax rate of 18.4%.

The increase in the effective tax rate is primarily due to 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.

Non-controlling interests

The charge for Non-controlling interests fell significantly, from €104 million at 31 March 2012 to €43 million as at 31 March 2013 due to the impact of the June 2012 Group reorganisation with the increase in ownership to 97.3% of RCH and 98.7% of RCB.

Liquidity – Capital management

The Group continues to maintain a high level of liquidity. On 31 March 2013, surplus cash placed with central banks accounted for 56% of total assets compared to 50% one year prior.

Shareholders' equity, excluding non-controlling interests, increased from €720.8 million to €1,228.9 million at 31 March 2013 following the reorganisation which took place in June 2012.

Group solvency ratio

The Group is regulated by the French Prudential Authority (ACP: *Autorité de Contrôle Prudentiel*) as a Financial Company ("*Compagnie Financière*"). Its regulatory ratios are communicated to the ACP on 30 June and 31 December of each year. On these dates, the Group's tier 1 capital and global solvency ratios were significantly above the minimum Basel II levels.

The most recent ratios, used for internal reporting purposes, and the prior year comparatives, are set out below.

	31/03/2012	31/03/2013	Basel II minimum
Tier 1 ratio	14.1%	19.7%	4%
Global solvency ratio	24.8%	25.9%	8%

Source: PO unaudited figures

Dividend

A dividend of €0.50 per share, same as last year, will be proposed by the Managing Partner, PO Gestion SAS, at the Paris Orléans Annual General Meeting on 26 September 2013 called to approve the financial statements for the year ended 31 March 2013. The Managing Partner will propose to shareholders the right to elect for payment of the dividend, for the total amount of the dividend which they are entitled to, either in cash or new shares of Paris Orléans.

Medium term outlook

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.

Appendix 1: Special items impacting the results

To reflect better the underlying performance of the Group, two adjustments have been made to Net Income – Group share, Earnings per share and Return on Equity.

Impact of the non-controlling interests of the June 2012 reorganisation

In June 2012, the shareholders approved an important step in the process to simplify the structure of our Group. The reorganisation involved the acquisition of certain shares previously held by third parties in two subsidiaries (Rothschild & Cie Banque – "RCB" and Rothschilds Continuation Holdings – "RCH") of Paris Orléans, in exchange for new ordinary shares in Paris Orléans. The division of income between the Group share and Non-controlling interests has been recalculated, as if the Group reorganisation had taken place on 1 April 2011:

- For FY 2011/2012 the Net income – Group share would have increased by €16.2 million
- For FY 2012/2013 the Net income – Group share would have decreased by €16.2 million.

Impairment of an investment group

Profit before tax includes 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 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 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 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 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.

About Paris Orléans, the parent company of Rothschild

Paris Orléans operates in the following areas:

- *Global Financial Advisory provides advisory services for mergers and acquisitions, debt financing and restructuring, and equity capital markets;*
- *Wealth and Asset Management, including institutional asset management; and*
- *Merchant Banking which comprises third party private equity business and proprietary investments.*

Paris Orléans SCA is a French partnership limited by shares (société en commandite par actions) with a share capital of €141,806,058. Paris trade and companies registry 302 519 228. Registered office: 23 bis avenue de Messine, 75008 Paris, France. Paris Orléans is listed on NYSE Euronext in Paris, Compartment A - ISIN Code: FR0000031684

For information, please contact:

Paris Orléans

23 bis, avenue de Messine
75008 Paris
Internet: www.paris-orleans.com

Investor relations:

Marie-Laure Becquart
mlb@paris-orleans.com

Tel.: +33 (0)1 53 77 65 10

UK Press and Media

Smithfield - +44 (0)20 7360 4900

John Kiely - jkiely@smithfieldgroup.com

Alex Simmons - asimmons@smithfieldgroup.com

French Press and Media

DGM Conseil - + 33 1 40 70 11 89

Michel Calzaroni - m.calza@dgm-conseil.fr

Olivier Labesse - labesse@dgm-conseil.fr

Financial calendar

■ 9 August 2013 after market close	Financial information for the first quarter of FY 2013/2014
■ 26 September 2013 – 9.30 am - CET	Annual Shareholders General Meeting
■ 26 November 2013 after market close	Results of the first half-year of the 2013/2014 financial year
■ 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