PARIS ORLÉANS

Half-year financial report

First half of the 2012/2013 financial year

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1. Half-year activity report

The Supervisory Board of Paris Orléans SCA ("Paris Orléans"), met on 29 November 2012 to consider the consolidated financial statements for the half-year from 1 April to 30 September 2012; these accounts had been previously approved by PO Gestion SAS ("PO Gestion"), managing partner of Paris Orléans.

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, the 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.

Summary profit & loss

In € million	30/09/2012	30/09/2011
Operating revenues	**510.0**	**590.7**
Staff costs	(328.9)	(335.1)
Administrative expenses	(105.9)	(112.3)
Amortisation and depreciation	(17.0)	(11.9)
Impairment charges and loan provisions	(5.2)	(13.1)
Operating profit	**53.0**	**118.3**
Profit before tax	**54.9**	**121.9**
Provision for taxes	(15.8)	(18.8)
Consolidated net income	**39.1**	**103.1**
Net income – attributable to non-controlling interests	3.6	60.7
Net income – attributable to equity holders of the parent company	**35.5**	**42.4**

Operating revenues at 30 September 2012 were €510.0 million, representing a decline of €80.7 million from the same period in 2011/12. The fall is due to the challenging global economic climate, especially in Europe, resulting in a decrease in the number of transactions in the worldwide M&A market and to a slowdown in Merchant Banking business activity with a lower level of asset disposals compared to last year: capital gains decreased by €24.4 million.

Operating profit was €53.0 million, a fall from €118.3 million for the same period in 2011/2012. By contrast, operating profit remains at the same level as at the second half of the 2011/2012 financial year. The decrease in revenues as compared with this second half of the 2011/2012 financial year was offset by a decrease in administrative and staff costs.

Net income attributable to equity holders of the parent company was €35.5 million, compared with €42.4 million for the same period in the prior year.

“The half-year results reflect the difficult environment in which we are operating” said Nigel Higgins and Olivier Pécoux, co-Chief Executive Officers of the Group. *“However, we have improved our market position during this period, and our strong international presence means the Group is well positioned to benefit from improving market conditions in the future. The Group’s stable and long-term shareholding structure, its solid financial position and the quality of its teams should allow us to continue implementing our strategy of developing the business activities.”*

Business trends

In € million	30/09/2012	30/09/2011
Global Financial Advisory and Specialist Finance	329.1	376.0
Wealth Management and Asset Management	141.2	151.6
Merchant Banking	39.7	63.1
Group total	**510.0**	**590.7**

Global Financial Advisory and Specialist Finance

The Global Financial Advisory and Specialist Finance activity had a slow start in the first quarter of the 2012/2013 financial year (with revenues of €143 million), but improved in the second quarter (with revenues of €186 million), to reach for the first six months revenues of €329.1 million compared to €376.0 million for the comparable period in 2011/2012.

The Global Financial Advisory business saw a fall in revenue of 14% in the first half of 2012/13, whereas the worldwide M&A market fell 21%[1] during the same period. Thus Global Financial Advisory improved its market position and has advised on 4 of the 10 largest European M&A transactions announced in the six months to September 2012.

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[1] Source: Thomson Reuters - 9 November 2012 (6 months to September 2012 vs. 6 months to September 2011, completed basis).

Rothschild advised on a number of large and complex M&A transactions completed in the six months to September 2012; notably on:

- GDF Suez's acquisition of the remaining 30% stake in International Power (€9.5 billion),
- Sberbank's acquisition of DenizBank from Dexia (US$3.5 billion),
- Alibaba Group's privatisation and delisting of Alibaba.com (US$2.5 billion),
- Intel's strategic investment in ASML (US$4.1 billion), and
- Codelco's acquisition of a 24.5% stake in Anglo American Sur (US$2.8 billion).

Financing advisory (debt advisory, restructuring and equity advisory) continues to perform well despite lower global restructuring activity and equity issuance. Notable restructuring transactions completed in the six months to September 2012 include Kloeckner Pentaplast (€1.2 billion) and Seat Pagine Gialle (€2.7 billion).

Our debt advisory team advised on Inmet's debut 8.75% Senior Unsecured Notes issue (US$1.5 billion) and Techem's bond and bank refinancing (€1.3 billion).

Completed equity advisory assignments in the period have included the Portuguese State's injection of capital into BCP, BPI and CGD (€6.6 billion) and KfW's selldown in Deutsche Post (€0.9 billion).

Whilst the uncertain global economic climate is affecting activity levels across the industry, we believe that our approach of providing impartial, creative and long term ideas and advice to clients across a range of products and industry sectors, coupled with our global franchise, positions us well going forward and has allowed us to improve our global market position.

Specialist Finance includes the Corporate Banking business in the UK, which reduced its portfolio by a further €84 million in the first six months of the financial year, in line with expectations.

Wealth and Asset Management

Wealth and Asset Management revenues were €141.2 million for the first six months compared to €151.6 million for the comparable period in 2011/2012, representing a decrease of 7%.

Wealth and Asset Management had a slow start to the financial year. Revenues were impacted by the uncertainty in the financial markets resulting in lower brokerage fees due to clients' risk aversion.

The Group had €39.0 billion of assets under management as at 30 September 2012, compared with €37.1 billion as at 31 March 2012. The increase is a combination of market appreciation, net inflows and the impact of the acquisition of HDF Finance.

Looking ahead, the Group expects to successfully convert the healthy asset pipeline into positive net client inflows over the course of the year, as it was for the first half year, mainly in the Wealth Management side of the business, although increasing taxes and low investment returns are adversely affecting clients' willingness to invest.

Furthermore, the merger of Rothschild & Cie Gestion and HDF Finance multi-management activities, to form Rothschild HDF Investment Solutions, is expected to benefit the Group's performance in the longer term, although integration costs relating to this acquisition will limit the benefits in the current financial year.

Merchant Banking

Merchant Banking activities generated revenues of €39.7 million in the first six months of 2012/2013, compared to revenues of €63.1 million for the same period in 2011/12 which benefited from a particularly high level of asset disposals, especially with the SIACI refinancing.

Merchant Banking disposals during the first half of the year amounted to €57.1 million generating capital gains of €24.7 million. This was partially offset by provisions against certain portfolio assets of €9.1 million (accounted in "Operating Revenues" and "Impairment charges and loan provisions").

During the period the division invested €7.0 million in new minority stakes, €2.3 million in a follow-on investment and €3.7 million was drawn down by third party funds.

Merchant Banking held a final closing for its Five Arrows Secondary Opportunities III ("FASO III") fund during the first half, with a total committed capital of €259 million, in excess of its initial expectations of €200 million. A first investment was closed for €91 million in which FASO III committed €50 million (the rest being third party co-Investors).

Operating expenses

Staff costs

For the six months ended 30 September 2012, staff costs were €328.9 million compared to €335.1 million for the same period in the prior year. The decrease of €6.2 million principally results from lower headcount levels in the first six months of 2012/2013 as compared to the same period in 2011/2012. The 2012/2013 figure includes €6 million of restructuring costs.

Administrative expenses

For the first six months of 2012/2013, administrative expenses were €105.9 million compared to €112.3 million for the same period in 2011/2012, representing a decrease of €6.4 million, attributable to cost reduction initiatives.

Impairment charges and loan provisions

For the first six months of 2012/2013, impairment charges and loan provisions were €5.2 million compared to €13.1 million for the same period in 2011/2012, representing a decrease of €7.9 million following the continuing reduction of the Corporate banking book exposures and a more stable, albeit weak, economic environment.

Provision for income taxes

For the six months ended 30 September 2012, the provision for taxes was €15.8 million, which reflects an effective tax rate of 28.8%. This compares to a provision for taxes for the six months ended 30 September 2011 of €18.8 million, an effective tax rate of 15.4% for the period.

The increase in the effective tax rate is primarily due to the new French dividend tax, the change in UK corporate tax rates impacting the level of deferred tax assets, as well as a higher level of asset disposal gains last half year compared to the first half of 2012/2013.

Balance sheet

The summary balance sheet demonstrates the Group's strong liquidity, the continuing reduction in the Corporate Banking book exposures and the positive effect on capital of the Group's reorganisation, as described above.

In € million	30/09/2012	3103/2012
Cash and advances to banks and central banks	4,891.6	4,473.5
Loans to customers	1,492.3	1,685.7
Available for sale assets	783.8	1,056.4
Others	1,686.8	1,707.9
Total Assets	**8,854.5**	**8,923.5**
Due to banks	434.3	344.1
Due to customers	5,772.1	5,619.1
Others	965.8	1,255.2
Shareholders' equity – Group share	1,175.4	720.8
Non-controlling interests	506.9	984.3
Total Liabilities	**8,854.5**	**8,923.5**

Liquidity – financial structure

The Group has maintained a high level of liquidity since the onset of the credit crisis in 2007 by reducing the level of commitments on its balance sheet and lengthening its maturities. On 30 September 2012, cash and advances to banks and central banks accounted for 55% of the assets compared with 50% six months ago.

Shareholders' equity – Group share increased from €720.8 million to €1,175.4 million at 30 September 2012 following the reorganisation of the Group.

Group solvency ratio

	30/06/2011	31/12/2011	30/06/2012	Basel II minimum
Tier 1 ratio	12.9%	13.7%	18.1%	4%
Global solvency ratio	22.3%	24.9%	24.3%	8%

Source: Paris Orléans, unaudited financial data.

The Group is regulated by the French Prudential Supervisory 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.

At these dates, the Group's tier 1 capital and global solvency ratios were both well above the minimum Basel II levels. The increase of the Tier 1 ratio is linked to the reorganisation of the Group, and the reduction of non-controlling interests in the Regulatory capital.

Medium-term outlook

Despite macroeconomic uncertainty and an evolving regulatory framework, the Group's stable and long-term shareholding structure, its solid financial position and the quality of its teams allow it to continue implementing its strategy of developing its business activities.

Following the reorganisation and as previously announced, the Group has undertaken various initiatives to enable it to both expand development through synergies between its three main operating businesses, and to reduce gross operating costs by around €20 million within two to three years, especially regarding support functions. In addition, various initiatives were launched in 2011/2012 and 2012/2013 in Global Financial Advisory, which are expected to save approximately €25 million gross per annum in the year ending 31 March 2013.

2. Condensed half-year consolidated financial statements

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PARIS ORLEANS

Consolidated balance sheet as at 30 September 2012

Assets

In thousands of euros	Notes	30/09/2012	31/03/2012
Cash and amounts due from central banks		3 728 175	2 812 774
Financial assets at fair value through profit or loss	1	193 397	229 811
Hedging derivatives	2	36 277	28 572
Available-for-sale financial assets	3	783 773	1 056 408
Loans and advances to banks	4	1 163 440	1 660 754
Loans and advances to customers	5	1 492 296	1 685 703
Current tax assets		26 945	15 025
Deferred tax assets	16	124 275	125 660
Other assets	6	563 693	577 912
Investments accounted for by the equity method	7	66 963	63 667
Tangible fixed assets		378 788	372 062
Intangible fixed assets		188 363	190 803
Goodwill	8	108 133	104 310
TOTAL ASSETS		**8 854 518**	**8 923 461**

Liabilities and shareholders' equity

In thousands of euros	Notes	30/09/2012	31/03/2012
Due to central banks		78	76
Financial liabilities at fair value through profit or loss	1	53 977	54 841
Hedging derivatives	2	27 662	26 660
Due to banks	9	434 282	344 023
Due to customers	10	5 772 080	5 619 059
Debt securities in issue	11	26 866	175 195
Current tax liabilities		20 143	11 268
Deferred tax liabilities	16	49 912	56 542
Other liabilities, accruals and deferred income	12	568 672	715 392
Provisions	13	188 051	185 999
Subordinated debt	14	30 427	29 321
Shareholders' equity		**1 682 368**	**1 705 085**
Shareholders' equity - Group share		**1 175 448**	**720 774**
Share capital		141 806	65 032
Share premium		978 913	505 082
Income and expenses directly recognised in shareholders' equity		(49 729)	(16 695)
Available-for-sale reserves		*(42 953)*	*20 058*
Cash flow hedge reserves		*(17 852)*	*(7 003)*
Translation reserves		*11 076*	*(29 750)*
Consolidated reserves		68 978	130 183
Net income - Group share		35 480	37 172
Non-controlling interests	30	**506 920**	**984 311**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8 854 518**	**8 923 461**

PARIS ORLEANS

Consolidated income statement as at 30 September 2012

In thousands of euros	Notes	30/09/2012	30/09/2011
+ Interest income	17	66 095	77 077
- Interest expense	17	(39 893)	(49 949)
+ Fee income	18	456 289	513 151
- Fee expense	18	(22 910)	(25 908)
+/- Net gains / (losses) on financial instruments at fair value through profit or loss	19	17 265	11 434
+/- Net gains / (losses) on available-for-sale financial assets	20	29 802	59 114
+ Other operating income	21	5 939	9 059
- Other operating expenses	21	(2 585)	(3 238)
Net banking income		**510 002**	**590 740**
- Operating expenses	22	(434 809)	(447 429)
- Amortisation, depreciation and impairment of tangible and intangible fixed assets		(17 003)	(11 907)
Gross operating income		**58 190**	**131 404**
- Impairment of debt and provisions for counterparty risk	23	(5 195)	(13 078)
Operating income		**52 995**	**118 326**
+/- Net income from companies accounted for by the equity method	7	1 888	2 088
+/- Net income/expense from other assets	24	7	1 488
Profit before tax		**54 890**	**121 902**
- Income tax expense	25	(15 787)	(18 768)
CONSOLIDATED NET INCOME		**39 103**	**103 134**
Non-controlling interests		**3 623**	**60 778**
Net income - Group share		**35 480**	**42 356**

Earnings per share

In euros	30/09/2012	30/09/2011
Basic earnings per share - Group share	0.66	1.42
Diluted earnings per share - Group share	0.66	1.42
Basic earnings per share - continuing operations	0.66	1.42
Diluted earnings per share - continuing operations	0.66	1.42

Statement of comprehensive income

In thousands of euros	30/09/2012	30/09/2011
Consolidated net income	**39 103**	**103 134**
Translation differences	26 611	40 319
Revaluation of available-for-sale financial assets	(39 023)	(60 886)
of which (gains) / losses transferred to income	*(16 484)*	*(46 028)*
Cash flow hedge derivatives revaluation	(4 526)	(10 832)
Actuarial gains / (losses) on defined benefit pension funds	(7 369)	(50 552)
Gains and losses recognised directly in equity for companies accounted for by the equity method	2 390	1 570
Tax	(176)	17 262
Other	-	(268)
Total gains and losses recognised directly in equity	**(22 093)**	**(63 387)**
TOTAL COMPREHENSIVE INCOME	**17 010**	**39 747**
attributable to equity shareholders	*11 375*	*1 254*
attributable to non-controlling interests	*5 635*	*38 493*

Reconciliation of movements in consolidated shareholders' equity and non-controlling interests

In thousands of euros	Capital and associated reserves			Consolidated reserves	Unrealised or deferred capital gains or losses (net of tax)				Net income, Group share	Share-holders' equity, Group share	Share-holders' equity, non-controlling interests	Total shareholders' equity
							Changes in value of financial instruments					
	Share capital	Share premium	Treasury shares		Related to translation differences	Linked to revaluation	Available-for-sale Reserves	Hedging Reserves				
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
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)**
Changes in value of financial instruments having an impact on equity	-	-	-	-	-	-	20 552	(281)	-	20 271	(14 363)	5 908
Changes in value of financial instruments recognised in income	-	-	-	-	-	-	(46 877)	(41)	-	(46 918)	(1 915)	(48 833)
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	-	-	-	-	-	-	-	-	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	484 834	-	-	-	-	-	-	-	561 608	-	561 608
Elimination of treasury shares	-	-	(500)	-	-	-	-	-	-	(500)	-	(500)
Dividends paid	-	-	-	(15 331)	-	-	-	-	-	(15 331)	(9 479)	(24 810)
Sub-total of changes linked to transactions with shareholders	**76 774**	**484 834**	**(500)**	**(15 331)**	**-**	**-**	**-**	**-**	**-**	**545 777**	**(9 479)**	**536 298**
Changes in value of financial instruments having an impact on equity	-	-	-	-	-	-	(11 464)	(3 958)	-	(15 422)	(10 763)	(26 185)
Changes in value of financial instruments recognised in income	-	-	-	-	-	-	(15 881)	214	-	(15 667)	(66)	(15 733)
Actuarial gains/ (losses) on defined benefit funds	-	-	-	(7 284)	-	-	-	-	-	(7 284)	(1 041)	(8 325)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	-	(7 693)	(7 693)
2012/2013 Net income for the period	-	-	-	-	-	-	-	-	35 480	35 480	3 623	39 103
Effect of acquisitions and disposals on non-controlling interests	-	-	-	(72 759)	23 189	-	(32 813)	(6 584)	-	(88 967)	(468 400)	(557 367)
Translation differences and other changes	-	(11 003) (2)		(2 503)	17 637	-	(2 853)	(521)	-	757	16 428	17 185
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2012	**141 806**	**978 913**	**(10 340)**	**79 318**	**11 076**	**-**	**(42 953)**	**(17 852)**	**35 480**	**1 175 448**	**506 920**	**1 682 368**

(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 of 8 June 2012. The new Paris Orléans shares have a nominal value of €2 and a share premium of €12.63 arose on their issue.

(2) The Paris Orléans group incurred expenses in relation to the issuance of new capital. Expenses totalling €11,003k have been incurred directly by Paris Orléans the company and have been charged against share premium. Expenses totalling €2,499k were incurred by a subsidiary undertaking, directly in connection with the issuance of new capital, and have been charged against retained earnings.

Cash flow statement

In thousands of euros	30/09/2012	30/09/2011
Consolidated net income	**39 103**	**103 134**
+/- Depreciation and amortisation expense on tangible fixed assets and intangible assets	17 903	12 941
+/- Impairments and net allocation to provisions	11 402	16 341
+/- Net (income) / loss from companies accounted for by the equity method	(1 888)	(2 088)
+/- Net loss / (gain) from investing activities	(21 950)	(51 653)
+/- Net loss / (gain) from financing activities	-	1 626
+/- Other movements	28	(42)
Tax (benefit) / expense	15 787	5 800
Total non-monetary items included in consolidated net income and other adjustments	**21 282**	**(17 075)**
+/- Interbank transactions	431 702	265 764
+/- Customer transactions	346 412	631 047
+/- Transactions related to other financial assets and liabilities	(29 687)	(62 896)
+/- Transactions related to other non-financial assets and liabilities	(132 955)	(159 791)
- Tax paid	(14 462)	-
Net decrease / (increase) in cash related to operating assets and liabilities	**601 010**	**674 124**
Net cash inflow / (outflow) related to operating activities (A)	**661 395**	**760 183**
+/- Inflow / (outflow) related to financial assets and long-term investments	254 794	535 585
+/- Inflow / (outflow) related to tangible and intangible fixed assets	(9 079)	(46 147)
Net cash inflow / (outflow) related to investment activities (B)	**245 715**	**489 438**
+/- Cash flows from/(to) shareholders	(32 503)	(30 378)
+/- Other net cash flows from financing activities	(170 958)	(371 367)
Net cash inflow / (outflow) related to financing activities (C)	**(203 461)**	**(401 745)**
Impact of exchange rates changes on the cash and cash equivalents (D)	**242**	**-**
NET INFLOW / (OUTFLOW) OF CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)	**703 891**	**847 876**
Net cash in acquired subsidiaries	1 822	-
Net cash and cash equivalents at the beginning of the period	**3 490 281**	**1 540 682**
Cash and amounts due/from central banks	2 812 699	962 616
Accounts (assets and liabilities), demand deposit and loans with banks	677 582	578 066
Net cash and cash equivalents at the end of the period	**4 195 994**	**2 388 558**
Cash and amounts due/from central banks	3 728 097	1 921 107
Accounts (assets and liabilities), demand deposits and loans with banks	467 897	467 451
NET INFLOW / (OUTFLOW) OF CASH	**703 891**	**847 876**

Notes to the consolidated financial statements

I. Highlights of the first half year of the financial year

Operating revenues at 30 September 2012 were €510.0 million, representing a decline of €80.7 million from the same period in 2011/12. The fall is due to the challenging global economic climate, especially in Europe, resulting in a decrease in the number of transactions in the worldwide M&A market and to a slowdown in Merchant Banking business activity with a lower level of asset disposals compared to last year: capital gains decreased by €24.4 million.

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Net income attributable to equity holders of the parent company was €35.5 million, compared with €42.4 million for the same period in the prior year.

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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.

II. Preparation of the financial statements

A. Information concerning the company

The consolidated financial statements of Paris Orléans Group for the first half 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 National Accounting Council (Conseil National de la Comptabilité). The statements cover the period from 1 April 2012 to 30 September 2012 and, unless otherwise indicated, are established in thousands of euros (€k).

The consolidated accounts were approved by PO Gestion S.A.S., the managing partner of Paris Orléans Group, on 20 November 2012.

At 30 September 2012, the Group's holding company was Paris Orléans S.C.A., 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 Eurolist market of Euronext Paris (Compartment B).

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. Subsequent events

No other significant events occurred after the 30 September 2012 closing date.

III. Accounting principles and valuation methods

The accounting principles and valuation methods applied by the Group for the half-year summary consolidated financial statements are identical to those applied and described in the annual financial statements for the year ended 31 March 2012, with the addition of IAS 34 relating to interim financial reporting.

Under Regulation no. 243/2010, the European Union adopted the Improvements to International Financial Reporting Standards recommended by the International Accounting Standards Board (IASB) in the framework of its annual improvement process, which aims at streamlining and clarifying the international accounting standards. In accordance with the amended standards, as the breakdown of assets by business segment and by geographic segment is not included in the information regularly provided to management, the segment information disclosed now relates solely to elements of profit or loss.

The Group has not opted for early application of new standards, amendments and interpretations adopted by the European Union or the IASB where their application in 2012 is optional.

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.

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 Orleans' Group and its principal subsidiaries, the manager and the Supervisory Board have delegated certain functions and responsibilities to be carried out by a number of committees, of which some are at a Group level and others are at the operating subsidiaries' level.

Group Committees:

• Group Risk Committee

• Group Compliance Committee

• Group Audit Committee

• Group Assets & Liabilities Commitee

• Group Remuneration 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 funding of our lending and trading activities. 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 programme all the Group’s entities and offices’ financial controls and checks the design and effectiveness of the control framework. Audits are performed according to a multiyear audit cycle based on the assessment of risks. The audit plan is submitted every year to the Group Audit Committee for approval.

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 :

- Credit risk;
- Market risk;
- Liquidity risk.

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 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.

Available-for-sale financial assets and particularly debt securities include valuations of synthetic CDOs (Collaterised Debt Obligations), which are accounted in Financial liabilities at fair value through profit and loss. At 30 September 2012, the amount was €2.3 million.

The tables below disclose the maximum exposure to credit risk at 30 September 2012 and at 31 March 2012 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

In thousands of euros	Category 1	Category 2	Category 3	Past due but not impaired	Category 4	Category 5	Impairment allowance	30/09/2012
Financial assets at fair value through profit or loss (excluding equity)	124 277	-	-	-	-	-	-	124 277
Hedging derivatives	36 277	-	-	-	-	-	-	36 277
Loans and receivables to banks	1 163 440	-	-	-	-	-	-	1 163 440
Loans and receivables to customers	1 036 066	87 178	208 967	64 960	186 437	13 228	(104 540)	1 492 296
Available-for-sale financial assets - debt securities	343 163	9 665	10 458	-	37 025	43 026	(64 446)	378 891
Other financial assets	227 157	-	-	44 220	1 292	10 033	(12 954)	269 748
Sub-total Assets	**2 930 380**	**96 843**	**219 425**	**109 180**	**224 754**	**66 287**	**(181 940)**	**3 464 929**
Commitments and guarantees	174 993	-	-	-	-	-	-	174 993
TOTAL	**3 105 373**	**96 843**	**219 425**	**109 180**	**224 754**	**66 287**	**(181 940)**	**3 639 922**

In thousands of euros	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 (excluding equity)	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. 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:

In thousands of euros	30/09/2012					31/03/2012				
	Past due but not impaired					Past due but not impaired				
	< 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 banks	-	-	-	-	-	-	-	-	-	-
Loans and receivables to customers	32 489	21 744	2 044	8 683	64 960	3 955	961	7 594	2 195	14 705
Other financial assets	13 130	13 317	10 765	7 008	44 220	3 962	1 227	2 196	2 669	10 054
TOTAL	**45 619**	**35 061**	**12 809**	**15 691**	**109 180**	**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 30 September 2012 the cumulative value of all loans within this category was €243 million (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 30 September 2012, these amounted to €44 million (March 2012: €8.8 million).

Some loans were 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 30 September 2012 the carrying value of all loans renegotiated was €99 million (March 2012: €126 million).

2. Collateral

The Group holds collateral against loans to customers and debt securities. Substantially all third party commercial lending is secured. Collateral is split by type as either specific or general.

Specific collateral is readily identifiable. The majority of specific collateral is in the form of charges over property assets, or over marketable securities (Lombard lending). If necessary there is a realistic possibility 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 general floating 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. 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.

In thousand of euros	30/09/2012		31/03/2012	
	Past due but not impaired	Individually impaired	Past due but not impaired	Individually impaired
Tangible assets collateral	60 002	112 943	8 453	114 300
Financial assets collateral	4 385	22 357	6 252	38 834
TOTAL	**64 387**	**135 300**	**14 705**	**153 134**
Net value of loans	64 960	137 074	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 30 September 2012 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 euros	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	30/09/2012
Financial assets at fair value through profit or loss (1)	63 176	23 910	29 846	5 954	1 391	-	-	124 277
Hedging derivatives	2 195	32 798	-	1 284	-	-	-	36 277
Loans and receivables to banks	437 454	299 947	47 147	186 978	154 792	31 135	5 987	1 163 440
Loans and receivables to customers	101 683	896 499	34 318	263 033	148 822	38 955	8 986	1 492 296
Available-for-sale financial assets - debt securities	84 744	116 473	4 172	126 985	39 974	6 543	-	378 891
Other financial assets	87 717	32 259	13 171	69 117	44 549	16 325	6 610	269 748
Sub-total Assets	**776 969**	**1 401 886**	**128 654**	**653 351**	**389 528**	**92 958**	**21 583**	**3 464 929**
Commitments and guarantees	25 754	60 336	12 940	44 612	24 315	3 938	3 098	174 993
TOTAL	**802 723**	**1 462 222**	**141 594**	**697 963**	**413 843**	**96 896**	**24 681**	**3 639 922**

(1) excluding equity

In thousands of euros	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 euros	30/09/2012	31/03/2012
Financial	1 797 582	2 455 491
Real estate	520 734	572 338
Private clients	523 957	561 607
Government	119 301	369 336
Industrials	156 719	172 732
Consumer discretionary	163 024	149 592
Consumer staples	84 295	98 440
Materials	85 980	84 212
IT and telecoms	38 886	65 259
Utilities	65 759	58 882
Healthcare	30 087	36 917
Energy	11 256	12 823
Other	42 342	126 964
TOTAL	**3 639 922**	**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 €3,728 million at 30 September 2012 (31 March 2012 : €2,812 million).

Financial and real estate sector exposures may be analysed as follows:

In thousands of euros	30/09/2012	31/03/2012
Financial sector		
Short term interbank exposures	1 192 718	1 106 115
Treasury marketable securities - investment grade	144 631	505 647
Cash/ investment backed lending	169 078	244 849
Finance companies	43 320	11 623
Other	247 835	587 257
TOTAL FINANCIAL SECTOR	**1 797 582**	**2 455 491**

Short term interbank lending and marketable securities are held for liquidity management purposes.

In thousands of euros	30/09/2012	31/03/2012
Real estate sector		
Senior loans	418 703	450 960
Mezzanine	88 220	110 220
Other	13 811	11 158
TOTAL REAL ESTATE SECTOR	**520 734**	**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 UK.

C. Market risk

Market risk arises as a result of the Group’s activities in interest rate, currency, equity and debt markets and comprises interest rate, foreign exchange and equity and debt position risk.

During the year, exposure to market risk 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 €4.2 million (€6.7 million as at 31 March 2012) and a charge to equity of €17.1 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 euros	30/09/2012	31/03/2012
France	183 372	198 157
UK and Channel Islands	23 700	19 896
Switzerland	107 740	149 360
Rest of Europe	73 247	71 648
Americas	37 666	41 416
Australia and Asia	25 789	24 593
Other	20 448	21 096
TOTAL	**471 962**	**526 166**

2. 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.

In thousands of euros	30/09/2012	31/03/2012
USD	(26)	23
EUR	(467)	45
GBP	(1 195)	(477)
CHF	401	449
Other	2	8
TOTAL	**(1 285)**	**48**

At 30 September 2012, the businesses in France held loans of €112.6 million, of which €29.4 million were at fixed interest rates, and available-for-sale debt securities of €79.8 million, of which €23.6 million were at fixed interest rates.

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.

For 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 and 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 30 September 2012, the ratio measured was 175% (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 30 September 2012, the RBI regulatory liquidity ratio for the 8 day to 1 month period as a percentage of total deposits was 22.0% (31 March 2012 9.0%); well in excess of the limit set by the GFSC of -5.0%.

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 30 September 2012 were 468% 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 30 September 2012, RCB's one month liquidity ratio was 281% compared with 272% at 31 March 2012.

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 euros	**Demand - 1m**	**1m - 3m**	**3m - 1y**	**1y - 2y**	**2y - 5y**	**>5 yr**	**No contractual maturity**	**30/09/2012**
Cash and balances at central banks	3 728 175	-	-	-	-	-	-	**3 728 175**
Financial assets at FVTPL	51 689	10 458	7 290	1 279	9 636	91 328	21 717	**193 397**
Hedging derivatives	244	-	15 617	4 419	15 997	-	-	**36 277**
AFS financial assets	2 506	2 155	32 798	124 768	102 361	116 599	402 586	**783 773**
Loans and advances to banks	1 084 039	66 745	5 958	2 328	4 315	55	-	**1 163 440**
Loans and advances to customers	413 122	174 831	285 725	220 065	361 018	37 535	-	**1 492 296**
Other financial assets	178 076	46 425	24 712	2 402	156	7 101	10 876	**269 748**
TOTAL ASSETS	**5 457 851**	**300 614**	**372 100**	**355 261**	**493 483**	**252 618**	**435 179**	**7 667 106**
Financial liabilities at FVTPL	28 143	13 370	6 908	3 802	1 719	35	-	**53 977**
Hedging derivatives	-	-	554	1 429	25 679	-	-	**27 662**
Deposits by banks and central bank	175 687	1 077	43 952	-	213 644	-	-	**434 360**
Due to customers	4 394 342	109 204	568 192	223 044	477 298	-	-	**5 772 080**
Debt securities in issue	25 311	1 555	-	-	-	-	-	**26 866**
Subordinated loan capital	-	-	-	-	30 427	-	-	**30 427**
Other financial liabilities	57 297	19 097	3 167	-	175	4 877	16 936	**101 549**
TOTAL LIABILITIES	**4 680 780**	**144 303**	**622 773**	**228 275**	**748 942**	**4 912**	**16 936**	**6 446 921**

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:

In thousands of euros	30/09/2012		31/03/2012	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans and receivables to banks	1 163 440	1 163 440	1 660 754	1 660 754
Loans and receivables to customers	1 492 296	1 427 832	1 685 703	1 621 559
TOTAL	**2 655 736**	**2 591 272**	**3 346 457**	**3 282 313**
Financial liabilities				
Due to banks and central bank	434 282	434 282	344 099	344 099
Due to customers	5 772 080	5 785 878	5 619 059	5 627 160
Debt securities in issue	26 866	26 867	175 195	175 211
Subordinated debt	30 427	28 560	29 321	27 122
TOTAL	**6 263 655**	**6 275 587**	**6 167 674**	**6 173 592**

Carried at fair value:

In thousands of euros	30/09/2012				31/03/2012			
	TOTAL	Measured using			TOTAL	Measured using		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Financial assets - trading	96 821	16 535	80 286	-	132 934	15 854	115 280	1 800
Financial assets at fair value through profit or loss	96 576	5 228	91 348	-	96 877	5 851	91 026	-
Available-for-sale financial assets	783 773	230 198	518 528	35 047	1 056 408	483 247	536 665	36 496
TOTAL	**977 170**	**251 961**	**690 162**	**35 047**	**1 286 219**	**504 952**	**742 971**	**38 296**
Financial liabilities								
Financial liabilities at fair value through profit or loss	53 977	-	53 977	-	54 841	-	54 841	-
TOTAL	**53 977**	**-**	**53 977**	**-**	**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 30 September 2012

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 euros	Available-for-sale financial assets
Opening balance	**38 296**
Total gains and (losses) through income statement	(1 823)
Total gains and (losses) through shareholders' funds	260
Purchases	258
Settlements	(2 153)
Transfers into/ (out of) level 3	-
Exchange	283
Others	(74)
Closing balance	**35 047**

V. Notes to the Balance Sheet

Note 1 - Financial assets and liabilities at fair value through profit or loss

In thousands of euros	30/09/2012	31/03/2012
Trading instruments	59 667	106 803
Financial assets designated at fair value through profit or loss	96 576	96 877
Derivative financial instruments	37 154	26 131
AT THE END OF THE PERIOD	**193 397**	**229 811**
of which financial assets at fair value through profit or loss - listed	*21 763*	*21 705*
of which financial assets at fair value through profit or loss – unlisted	*171 634*	*208 106*

Trading instruments

In thousands of euros	30/09/2012	31/03/2012
Public bills and similar securities	3 000	4 999
Bonds	30 938	79 948
Equities	16 469	15 862
Other financial instruments	9 260	5 994
AT THE END OF THE PERIOD	**59 667**	**106 803**

Financial assets designated at fair value through profit or loss

In thousands of euros	30/09/2012	31/03/2012
Equities	52 651	53 931
Other financial instruments	43 925	42 946
AT THE END OF THE PERIOD	**96 576**	**96 877**

Trading derivative financial instruments

In thousands of euros	30/09/2012			31/03/2012		
	Notional principal	Positive fair value	Negative fair value	*Notional principal*	Positive fair value	Negative fair value
Interest rate contracts						
- Firm	*136 410*	1 945	(6 794)	*118 792*	1 344	(10 644)
- Conditional	*14 000*	-	-	*14 000*	-	-
Foreign exchange contracts						
- Firm	*5 078 124*	34 296	(43 940)	*4 126 458*	18 967	(37 013)
- Conditional	*246 368*	913	(913)	*634 007*	4 020	(3 976)
Equity instruments						
- Firm	-	-	-	-	-	-
- Conditional	*35*	-	(35)	-	1 800	(35)
Commodity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Credit derivatives						
- Firm	*21 296*	-	(2 295)	*20 786*	-	(3 173)
- Conditional	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-
AT THE END OF THE PERIOD	***5 496 233***	**37 154**	**(53 977)**	***4 914 043***	**26 131**	**(54 841)**

Note 2 - Hedging derivatives

In thousands of euros	30/09/2012			31/03/2012		
	Notional principal	Positive fair value	Negative fair value	*Notional principal*	Positive fair value	Negative fair value
Interest rate contracts						
- Firm	*1 080 764*	27 251	(27 662)	*1 258 572*	23 096	(26 660)
- Conditional	-	-	-	-	-	-
Foreign exchange contracts						
- Firm	*156 911*	9 026	-	*209 920*	5 476	-
- Conditional	-	-	-	-	-	-
Equity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Commodity instruments						
- Firm	-	-	-	-	-	-
- Conditional	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-
AT THE END OF THE PERIOD	***1 237 675***	**36 277**	**(27 662)**	***1 468 492***	**28 572**	**(26 660)**

Note 3 - Available-for-sale financial assets

In thousands of euros	30/09/2012	31/03/2012
AFS debt securities		
Public bills and similar securities	92 398	260 584
Bonds and similar securities	193 156	234 056
Notes and other securities	134 753	138 987
Sub total	**420 307**	**633 627**
of which listed securities	*306 122*	*508 897*
of which unlisted securities	*114 185*	*124 730*
Accrued interest	25 326	28 274
Sub total	**445 633**	**661 901**
Impairment	(64 446)	(61 867)
TOTAL OF AFS DEBT SECURITIES	**381 187**	**600 034**
AFS equity securities		
Affiliates and long term securities	214 400	255 630
Other equities	268 691	272 103
Equities and other variable income securities	**483 091**	**527 733**
of which listed securities	*157 607*	*153 465*
of which unlisted securities	*325 484*	*374 268*
Impairment	(80 505)	(71 359)
TOTAL OF AFS EQUITY SECURITIES	**402 586**	**456 374**
TOTAL OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	**783 773**	**1 056 408**

Movements in available-for-sale financial assets

In thousands of euros	30/09/2012	31/03/2012
AT THE BEGINNING OF THE PERIOD	**1 056 408**	**1 675 939**
Additions	32 897	1 609 109
Change of scope	7 561	-
Disposals (sale and redemption)	(286 022)	(2 268 062)
Reclassifications and other movements	(3 467)	(16 499)
Gains/(losses) from changes in fair value	(28 353)	(3 300)
Impairment	(9 652)	(12 358)
Exchange differences	14 401	71 579
AT THE END OF THE PERIOD	**783 773**	**1 056 408**

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 receivables those financial assets to which the definition of loans and receivables would apply on the reclassification date.

On the reclassification date and on 30 September 2012, 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 euros	30/09/2012	31/03/2012
Amortised cost of reclassified loans and receivables at the beginning of the period	**186 935**	**245 350**
Impairment	(1 737)	(4 404)
Disposals (sale and redemption)	(43 514)	(66 101)
Translation differences and other movements	7 170	12 090
Amortised cost of reclassified loans and receivables at the end of the period	**148 854**	**186 935**
Fair value of financial assets reclassified at the beginning of the period	**177 673**	**240 310**
Disposals (sale and redemption)	(43 514)	(66 101)
Changes in fair value of reclassified financial assets between 1 April 2012 and 30 September 2012	725	(2 192)
Other movements	3 323	5 656
Fair value of financial assets reclassified at the end of the period	**138 207**	**177 673**

After the transfer to loans and receivables, those financial assets contributed the following amounts, after associated funding costs, to profit before tax.

In thousands of euros	30/09/2012	31/03/2012
Interest income	1 631	2 622
Impairment	(1 737)	(4 404)
Other gains and losses	(1 013)	(330)
TOTAL	**(1 119)**	**(2 112)**

Note 4 - Loans and advances to banks

In thousands of euros	30/09/2012	31/03/2012
Interbank demand deposits and overnight loans	555 802	630 087
Interbank term deposits and loans	93 313	337 458
Reverse repos and loans secured by bills	513 191	691 891
Total	**1 162 306**	**1 659 436**
Accrued interest	1 134	1 318
Loans and advances to banks - Gross amount	**1 163 440**	**1 660 754**
Allowance for credit losses and receivables to bank	-	-
AT THE END OF THE PERIOD	**1 163 440**	**1 660 754**

Note 5 - Loans and advances to customers

In thousands of euros	30/09/2012	31/03/2012
Overdrafts on current accounts - customers	46 789	63 590
Loans to customers - retail	378 292	467 414
Loans to customers - corporate	1 158 046	1 247 083
Total	**1 583 127**	**1 778 087**
Accrued interest	13 709	12 335
Loans and advances to customers – Gross amount	**1 596 836**	**1 790 422**
Allowance for credit losses on loans and advances to customers	(104 540)	(104 719)
AT THE END OF THE PERIOD	**1 492 296**	**1 685 703**

Allowance for credit losses on loans and receivables

In thousands of euros	30/09/2012			31/03/2012		
	Specific provision	Collective provision	TOTAL	Specific provision	Collective provision	TOTAL
Allowance for credit losses on loans and advances to customers	(62 592)	(41 948)	**(104 540)**	(58 430)	(46 289)	**(104 719)**

Note 6 - Other assets

In thousands of euros	30/09/2012	31/03/2012
Guarantee deposits paid	6 309	10 513
Settlement accounts on securities transactions	34 646	96 725
Other sundry assets	280 269	241 926
Sundry assets	**321 224**	**349 164**
Dividends to allocate	910	-
Prepaid expenses	16 239	15 595
Accounts receivable and accrued income	225 320	213 153
Estimated accounts	**242 469**	**228 748**
AT THE END OF THE PERIOD	**563 693**	**577 912**

Note 7 - Investments accounted for by the equity method

In thousands of euros	Continuation Investments NV	Rivoli Participation	Comepar	JRE Partners	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	(51)	150	-	871	2	(114)	1 030	-	-	1 888
Change in percentage ownership	-	1 062	-	(2 618)	-	-	-	-	58	(1 498)
Exchange differences on translation	53	-	-	879	-	-	242	335	29	1 538
Shareholders' dividends	-	-	-	(829)	-	(600)	(287)	-	-	(1 716)
Gains / (losses) from changes in fair value	56	-	-	-	33	-	769	-	(6)	852
Increase / (decrease) in Shareholdings	-	31	-	-	-	-	2 231	-	-	2 262
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other	(14)	(24)	-	-	(67)	-	-	74	-	(31)
As at 30/09/2012	**1 091**	**2 263**	**-**	**19 425**	**1 995**	**17 853**	**15 823**	**7 614**	**899**	**66 963**
Of which goodwill	-	*483*	*915*	-	*1 780*	*9 355*	-	-	-	*12 533*
Of which allowance for impairment	-	-	*(915)*	-	-	-	-	-	-	*(915)*

Note 8 - Goodwill

In thousands of euros	*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	-	105	105
Gross amount as at 30/09/2012	**47 607**	**60 526**	**108 133**
Accumulated impairment	-	-	-
Net amount as at 30/09/2012	**47 607**	**60 526**	**108 133**

The Group acquired control of HDF Finance on 24 July 2012, through a combination of cash and the 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 30 September 2012, there is no indication that any goodwill carried by the Group could be impaired.

Note 9 - Due to banks

In thousands of euros	30/09/2012	31/03/2012
Interbank demand deposits and overnight	172 436	77 123
Interbank term deposits and borrowings	258 437	263 476
Borrowings secured by repurchase agreement	-	-
Due to banks	**430 873**	**340 599**
Accrued interest	3 409	3 424
AT THE END OF THE PERIOD	**434 282**	**344 023**

Note 10 - Due to customers

In thousands of euros	30/09/2012	31/03/2012
Customer demand	3 668 976	3 315 021
Term deposits - customers	1 721 878	1 895 022
Borrowings secured by bills	349 959	376 610
Customer deposits	**5 740 813**	**5 586 653**
Accrued interest	31 267	32 406
AT THE END OF THE PERIOD	**5 772 080**	**5 619 059**

Note 11 - Debt securities in issue

In thousands of euros	30/09/2012	31/03/2012
Securities with a short term maturity	26 634	101 600
Securities with a medium term maturity	-	70 001
Securities with a long term maturity and bonds	-	-
Debt securities in issue	**26 634**	**171 601**
Accrued interest	232	3 594
AT THE END OF THE PERIOD	**26 866**	**175 195**

Note 12 - Other liabilities, accruals and deferred income

In thousands of euros	30/09/2012	31/03/2012
Settlement accounts on securities transactions	47 004	105 455
Accounts payable	54 068	56 378
Sundry creditors	97 889	83 687
Other liabilities	**198 961**	**245 520**
Due to employees	280 187	381 085
Other accrued expenses and deferred income	89 524	88 787
Estimated accounts	**369 711**	**469 872**
AT THE END OF THE PERIOD	**568 672**	**715 392**

Note 13 - Provisions

In thousands of euros	01/04/2012	Charge	Reversal	Discoun-ting	Exchange rate movement	Other movements	30/09/2012
Allowance for counterparty risk	2 264	-	(10)	-	-	(4)	2 250
Provision for claims or litigation	4 112	-	(1 839)	-	13	4	2 290
Property related provisions	3 629	-	-	-	168	5	3 802
Retirement benefit provisions	171 232	-	-	-	-	3 800	175 032
Other provision	4 762	-	(55)	-	10	(40)	4 677
TOTAL	**185 999**	**-**	**(1 904)**	**-**	**191**	**3 765**	**188 051**

Note 14 - Subordinated debt

In thousands of euros	30/09/2012	31/03/2012
Perpetual Floating Rate Subordinated Notes - 2015 (US$39 million)	30 364	29 262
Subordinated debt	**30 364**	**29 262**
Accrued interest	63	59
AT THE END OF THE PERIOD	**30 427**	**29 321**

Note 15 - Impairments

Changes in the impairment of assets can be analysed as follows:

In thousands of euros	01/04/2012	Change of scope	Charge	Reversal	Written off	Exchange rate movement and other movements	30/09/2012
Loans and receivables	(104 719)	-	(9 192)	6 666	7 069	(4 364)	(104 540)
Available-for-sale financial assets	(133 226)	(734)	(9 704)	439	(54)	(1 672)	(144 951)
Other assets	(13 045)	(298)	(3 655)	2 160	25	(177)	(14 990)
TOTAL	**(250 990)**	**(1 032)**	**(22 551)**	**9 265**	**7 040**	**(6 213)**	**(264 481)**

Note 16 - 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 euros	30/09/2012	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 credit	(4 479)	(6 918)
Recognised in equity		
Defined benefit pension arrangements	(956)	15 215
Available-for-sale financial assets	4 893	2 768
Cash flow hedges	786	4 844
Reclassification	(1 144)	8 478
Derecognition of joint venture	-	(123)
Payments / (refunds)	(24)	(1 392)
Exchange differences	5 634	4 777
Other	535	81
NET AMOUNT (AT THE END OF THE PERIOD)	**74 363**	**69 118**
Deferred tax assets at the end of the period	**124 275**	**125 660**
Deferred tax liabilities at the end of the period	**49 912**	**56 542**

Deferred tax net assets and liabilities are attributable to the following items:

In thousands of euros	30/09/2012	31/03/2012
Accelerated tax depreciation	13 092	12 802
Deferred profit share arrangements	34 677	36 078
Defined benefit pension liabilities	31 568	31 638
Available-for-sale financial assets	17 980	16 855
Cash flow hedges	5 398	4 442
Losses carried forward	20 312	19 730
Provisions	767	1 965
Other temporary differences	482	2 150
DEFERRED TAX NET ASSETS AT THE END OF THE PERIOD	**124 275**	**125 660**

As at 30 September 2012, 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 30 September 2012, 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 euros	30/09/2012	31/03/2012
Defined benefit pension liabilities	62	39
Available-for-sale financial assets	34 941	26 945
Other temporary differences	14 909	29 558
DEFERRED TAX NET LIABILITIES AT THE END OF THE PERIOD	**49 912**	**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 euros	30/09/2012	31/03/2012
Accelerated tax depreciation	294	(67)
Defined benefit pension liabilities	482	3 207
Allowances for loan losses	146	289
Tax losses carried forward	896	(378)
Due to staff cost	3 040	3 694
Deferred profit share arrangements	(449)	-
Available-for-sale financial assets	-	(214)
Other temporary differences	70	387
INCOME TAX EXPENSE FOR THE PERIOD	**4 479**	**6 918**

VI. Notes to the Income statement

Note 17 - Net interest income

Interest income

In thousands of euros	30/09/2012	30/09/2011
Interest income - loans to banks	7 435	14 030
Interest income - loans to customers	34 127	38 091
Interest income - instruments available-for-sale	7 399	13 023
Interest income - derivatives	15 089	11 242
Interest income - other financials assets	2 045	691
TOTAL	**66 095**	**77 077**

Interest expense

In thousands of euros	30/09/2012	30/09/2011
Interest expense - due to banks	(3 408)	(3 951)
Interest expense - due to customers	(25 165)	(28 682)
Interest expense - debt securities in issue	(305)	(4 894)
Interest expense - subordinated borrowings	(172)	(104)
Interest expense - derivatives	(9 960)	(10 011)
Interest expense - other financials assets	(883)	(2 307)
TOTAL	**(39 893)**	**(49 949)**

Note 18 - Net fee and commission income

Fee and commission income

In thousands of euros	30/09/2012	30/09/2011
Fees for advisory work and other services	306 978	360 527
Portfolio and other management fees	135 490	133 105
Banking and credit-related fees and commissions	3 313	2 477
Other fees	10 508	17 042
TOTAL	**456 289**	**513 151**

Fee and commission expense

In thousands of euros	30/09/2012	30/09/2011
Fees for advisory work and other services	(4 360)	(5 094)
Portfolio and other management fees	(16 558)	(15 815)
Banking and credit-related fees and commissions	(36)	(287)
Other fees	(1 956)	(4 712)
TOTAL	**(22 910)**	**(25 908)**

Note 19 - Net gains/(losses) on financial instruments at fair value through profit or loss

In thousands of euros	30/09/2012	30/09/2011
Net income – debt securities and related derivatives – trading	(242)	242
Net income – equities securities and related derivatives – trading	168	(182)
Net income – forex operations	13 195	13 715
Net income – other trading operations	1 032	(1 466)
Net income – financial instruments designated at fair value through profit or loss	2 965	(925)
Net income – hedging derivatives	147	50
TOTAL	**17 265**	**11 434**

Note 20 - Net gains/(losses) on available-for-sale financial assets

In thousands of euros	30/09/2012	30/09/2011
Gains or losses on sales of long term securities	1 901	32 915
Impairment losses on long term securities	(1 031)	(3 488)
Gains or losses on sales of other available-for-sale financial assets	21 370	19 362
Impairment losses on other available-for-sale financial assets	(6 918)	(142)
Available-for-sale dividend income	14 480	10 467
TOTAL	**29 802**	**59 114**

Note 21 - Net income from other activities

Other operating income

In thousands of euros	30/09/2012	30/09/2011
Income from leasing	5 528	6 055
Other income	411	3 004
TOTAL	**5 939**	**9 059**

Other operating expenses

In thousands of euros	30/09/2012	30/09/2011
Expenses from assets used to generate lease income	(2 540)	(2 987)
Other expenses	(45)	(251)
TOTAL	**(2 585)**	**(3 238)**

Note 22 - Operating expenses

In thousands of euros	30/09/2012	30/09/2011
Staff costs	(328 911)	(335 101)
Administrative expenses	(105 898)	(112 328)
TOTAL	**(434 809)**	**(447 429)**

Note 23 - Impairment of debt and provisions for counterparty risk

In thousands of euros	Impairment	Impairment written back	Irrecoverable loans	Recovered loans	30/09/2012	30/09/2011
Loans and receivables	(9 192)	12 908	(6 241)	826	(1 699)	(6 308)
Debt securities	(1 931)	243	-	146	(1 542)	(3 766)
Other assets	(3 655)	3 701	(2 000)	-	(1 954)	(3 004)
TOTAL	**(14 778)**	**16 852**	**(8 241)**	**972**	**(5 195)**	**(13 078)**

Note 24 - Net income/expense from other assets

In thousands of euros	30/09/2012	30/09/2011
Gains or losses on sales of tangible or intangible assets	3	47
Gain or loss on sale of associates	4	1 441
TOTAL	**7**	**1 488**

Note 25 - Income tax expense

The net tax charge can be analysed between current tax charges and deferred tax charges:

Current tax

In thousands of euros	30/09/2012	30/09/2011
Tax charges for the current period	10 773	12 475
Prior year adjustments	(839)	(246)
Prior year losses utilised	-	22
Unrecoverable dividend withholding tax	636	447
Other	738	268
TOTAL	**11 308**	**12 966**

Deferred tax

In thousands of euros	30/09/2012	30/09/2011
Temporary differences	2 894	3 984
Changes in tax rates	1 439	1 076
Prior year adjustment	403	137
Other	(257)	605
TOTAL	**4 479**	**5 802**

Reconciliation of the tax charge

In thousands of euros	Base	Tax at $33^{1/3}$ %
Net income	**39 103**	
Reconciling items		
Profit / (loss) of companies accounted for by the equity method	(1 888)	
Corporate income tax	15 787	
Income of consolidated companies before tax	**53 002**	**17 667**
Consolidation adjustments (deferred tax, fair value adjustments, provisions and reversals of provisions for impairment, other)		(2 027)
Losses to be carried forward		(239)
Taxation differences (French social contribution, long-term capital gains tax, venture capital companies, foreign tax rate)		(3 611)
Permanent differences		3 585
Temporary differences and other		412
Tax on consolidated companies		**15 787**
Effective tax rate		
Net income - Group share	35 480	
Non-controlling interests	3 623	
Corporate income tax	15 787	
GROSS INCOME	**54 890**	
EFFECTIVE TAX RATE	**28.76%**	

In 2011/2012, the Group effective tax rate was 18.44%.

Note 26 - Commitments given and received

Commitments given

In thousands of euros	30/09/2012	31/03/2012
Loan commitments	**85 778**	**117 337**
Given to banks	-	-
Given to customers	85 778	117 337
Guarantee commitments	**89 214**	**82 050**
Given to banks	28 584	28 390
Given to customers	60 630	53 660
Other commitments	**330 441**	**349 001**
Underwriting commitments	134 042	81 124
Other commitments given	196 399	267 877

Commitments received

In thousands of euros	30/09/2012	31/03/2012
Loan commitments	**12 547**	**14 584**
Received from banks	12 547	14 584
Received from customers	-	-
Guarantee commitments	**41 031**	**57 581**
Received from banks	-	-
Received from customers	41 031	57 581
Other commitments	**7 400**	**9 300**
Other commitments received	7 400	9 300

Deferred remuneration arrangements are in place at several entities throughout the Group. As of 30 September 2012, other commitments given include €53.4 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).

Note 27 - 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 euros	30/09/2012	31/03/2012
Cash accounts and accounts with central banks (assets)	3 728 175	2 812 774
Accounts (assets) and call loans/borrowings with banks	593 351	656 613
Cash equivalents (UCITS)	47 055	98 022
Cash accounts, accounts with central banks, loans/borrowings with banks (liabilities)	(172 587)	(77 128)
TOTAL	**4 195 994**	**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 28 - Related parties

	30/09/2012			31/03/2012		
In thousands of euros	Companies accounted for by the equity method	Main Directors of the entity or of controlling companies	Other related parties	Companies accounted for by the equity method	Main Directors of the entity or of controlling companies	Other related parties
Assets						
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	-	-	580	-	1	35
Other assets	231	-	7 579	-	-	19 201
TOTAL	**231**	**-**	**8 159**	**-**	**1**	**19 236**
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	8 562	15 597	59 137	8 127	9 991	70 701
Debt securities in issue	-	-	-	-	-	-
Other liabilities	858	-	107	995	-	132
TOTAL	**9 420**	**15 597**	**59 244**	**9 122**	**9 991**	**70 833**
Loan and guarantee commitments						
Loan commitments given	-	-	-	-	-	-
Guarantee commitments given	-	6 774	-	-	6 774	-
Loan commitments received	-	-	-	-	-	-
Guarantee commitments received	-	-	-	-	-	-
TOTAL	**-**	**6 774**	**-**	**-**	**6 774**	**-**
Realised operating income from transactions with related parties						
Interest received	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Commissions received	-	-	-	-	-	-
Commissions paid	(863)	-	-	(2 190)	-	-
Other income	404	-	368	1 109	-	657
TOTAL	**(459)**	**-**	**368**	**(1 081)**	**-**	**657**
Other expenses	-	-	-	(444)	-	(16)
TOTAL	**-**	**-**	**-**	**(444)**	**-**	**(16)**

Note 29 - Segmented information

Segmental split by business

In thousands of euros	Global Financial Advisory and Specialist Finance	Wealth Management and Asset Management	Merchant Banking	Intersegment eliminations	30/09/2012
Income					
External sales	329 054	141 198	39 750	-	510 002
Intersegment revenues	8 073	-	507	(8 580)	-
Net banking income	**337 127**	**141 198**	**40 257**	**(8 580)**	**510 002**
Operating income by segment before non analysed expenses	119 671	34 259	20 875	-	174 805
Expenses not analysed					(121 810)
Operating income					**52 995**
Results of companies accounted for by the equity method	1	(115)	2 002	-	1 888
Net gains or losses on other assets	28	-	(21)	-	7
Taxes					(15 787)
Consolidated net income					**39 103**

Segmental split by geography

In thousands of euros	France	United Kingdom and Channel Islands	Switzerland	Americas	Asia and Australia	Other	Intersegment eliminations	30/09/2012
Net banking income	111 303	175 431	48 380	81 499	19 126	74 263	-	**510 002**

Segmental split by business

In thousands of euros	Global Financial Advisory and Specialist Finance	Wealth Management and Asset Management	Merchant Banking	Intersegment eliminations	30/09/2011
Income					
External sales	376 021	151 588	63 131	-	590 740
Intersegment revenues	5 740	790	-	(6 530)	-
Net banking income	**381 761**	**152 378**	**63 131**	**(6 530)**	**590 740**
Operating income by segment before non analysed expenses	161 423	57 304	46 767	(6 530)	258 964
Expenses not analysed					(140 638)
Operating income					**118 326**
Results of companies accounted for by the equity method	990	1 363	(265)	-	2 088
Net gains or losses on other assets	1 493	(5)	-	-	1 488
Taxes					(18 768)
Consolidated net income					**103 134**

Segmental split by geography

In thousands of euros	France	United Kingdom and Channel Islands	Switzerland	Americas	Asia and Australia	Other	Intersegment eliminations	30/09/2011
Net banking income	187 788	155 210	55 575	95 634	24 035	72 498	-	**590 740**

The comparatives for September 2011 have been restated to be consistent with the methodology used in the current period.

Note 30 - Other non-controlling interests

The non-controlling interests consist of:

In thousands of euros	30/09/2012	31/03/2012
Perpetual Fixed Rate Subordinated Notes 9 per cent (£125 million)	185 646	177 402
Perpetual Floating Rate Subordinated Notes (€150 million)	64 930	61 824
Perpetual Floating Rate Subordinated Notes (US$200 million)	59 950	57 773
Other non-controlling interests	196 394	687 312
Non-controlling interests	**506 920**	**984 311**

Note 31 - Consolidation scope

As at 30 September 2012, the Group consolidation scope with its main entities can be summarised as follows:

Company names	Country of activity	30/09/2012		31/03/2012		Consolidation method	
		% of control	% of interest	% of control	% of interest	30/09/2012	31/03/2012
Global Financial Advisory and Specialist Finance							
Concordia Holding Sarl	France	100.00	99.93	100.00	97.19	F.C.	F.C.
Rothschild Concordia AG	Switzerland	100.00	97.43	100.00	91.81	F.C.	F.C.
Rothschilds Continuation Holdings AG (1)	Switzerland	98.74	97.28	56.32	50.27	F.C.	F.C.
NM Rothschild & Sons Limited	United Kingdom	100.00	97.28	100.00	50.27	F.C.	F.C.
Rothschild & Cie Banque (1)	France	99.99	98.73	44.99	8.51	F.C.	F.C.
Rothschild Europe BV	The Netherlands	100.00	98.01	100.00	29.39	F.C.	F.C.
Wealth Management and Asset Management							
Rothschild Holding AG	Switzerland	73.96	71.95	73.96	37.18	F.C.	F.C.
Merchant Banking							
Paris Orléans SA	France	100.00	99.93	100.00	97.19	Parent company	Parent company
Five Arrows Investments S.C.A. SICAR	Luxembourg	100.00	98.61	100.00	73.73	F.C.	F.C.
Main incoming units							
Financière Rabelais (1)	France	100.00	99.93	-	-	F.C.	-
Rothschild HDF Investment Solutions	France	63.00	62.20	-	-	F.C.	-

(1) Change following the reorganisation - for more detail refer to the Highlights section on page 16.

Note 32 - Pro forma information

Following an Extraordinary General Meeting on 8 June 2012, Paris Orléans has increased its ownership in its main subsidiaries. Since then, Paris Orléans controls 98.74% of Rothschilds Continuation Holdings AG and 99.99% of Rothschild & Cie Banque. Prior to this change and at the start of the period, the interests of Paris Orléans were respectively 56.32% and 44.99%.

This change in ownership has not changed the method of consolidation of these subsidiaries as they were fully consolidated, with appropriate minority interests being recognised prior to the ownership change.

If this change in ownership had occured at the start of the period, the Group share of consolidated net income would have been €19.3 million for the pro forma against €35.5 million included in the financial statements, and the non-controlling interests share of consolidated net income would have been €19.8 million for the pro forma against €3.6 million included in the financial statements.

3. Statutory Auditors' review report on the condensed half-year consolidated financial statements

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Following our appointment as statutory auditors by your General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Paris Orléans S.C.A. for the six-month period ended 30 September 2012,
- the verification of information contained in the half-year activity report.

These condensed half-year consolidated financial statements are the responsibility of the Managing Partner. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Specific verification

We have also verified information provided in the half-year activity report on the condensed half-year consolidated financial statements that were the object of our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris La Défense, 29 November 2012
KPMG Audit FS II
Pascal Brouard
Partner

Paris, 29 November 2012
Cailliau Dedouit et Associés
Stéphane Lipski
Partner

4. Persons responsible for the half-year financial report

Persons responsible for the half-year financial report

PO Gestion SAS	**Mark Crump**
Managing Partner	Group Finance Director

Statement by the persons responsible for the half-year financial report

"We hereby declare that, to the best of our knowledge and belief, the summary interim consolidated financial statements for the past six-month period included in the interim financial report have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of the Company and the companies in the consolidated group, and that the interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the main related-party transactions and a discussion of the principal risks and uncertainties for the remaining six months of the year."

Paris, 29 November 2012

PO Gestion SAS	**Mark Crump**
Managing Partner	Group Finance Director
Represented by	
Nigel Higgins and Olivier Pecoux,	
Chief Executive Officers	

About Paris Orléans, the parent company of the Rothschild group

Paris Orléans operates in three main areas:

- *Global Financial Advisory provides advisory services for mergers and acquisitions, debt financing and restructuring, and equity capital markets;*
- *Wealth Management and Asset Management, including institutional asset management;*
- *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 B - ISIN Code: FR0000031684

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Financial calendar

- 15 February 2013 Financial information for the third quarter of the 2012/2013 financial year
- 27 June 2013 Financial year 2012/2013 results