PARIS ORLÉANS

Half-year financial results

First half of the 2013/2014 financial year

Contents

1.	**Half-year activity report**	**3**
2.	**Condensed half-year consolidated financial statements**	**13**
3.	**Statutory Auditors' review on the condensed half-year consolidated financial statements**	**52**
4.	**Persons responsible for the half-year financial report**	**53**

1. Half-year activity report

The Supervisory Board of Paris Orléans SCA met on 26 November 2013 to consider the consolidated financial statements for the half-year from 1 April 2013 to 30 September 2013; these accounts had been previously approved by PO Gestion SAS, Managing Partner of Paris Orléans.

Summary Income Statement

(in €m)	2012/2013 6 months as restated (1)	2013/2014 6 months	*Var*	*Var %*
Revenues	**504**	**493**	***(11)***	***(2)%***
Staff costs	(333)	(314)	*19*	*6%*
Administrative expenses	(106)	(111)	*(5)*	*(5)%*
Depreciation and amortisation	(17)	(17)	-	-
Impairments	(5)	1	*6*	*120%*
Operating Income	**43**	**52**	***9***	***20%***
Other income / expense (net)	8	4	*(4)*	*(50)%*
Impairment of BPER	-	(22)	*(22)*	*n/a*
Profit before tax	**51**	**34**	***(17)***	***(34)%***
Income tax	(15)	(23)	*(8)*	*(51)%*
Consolidated net income	**36**	**11**	***(25)***	***(69)%***
Non-controlling interests	(3)	(24)	*(21)*	*(643)%*
Net income - Group share	**33**	**(13)**	***(46)***	***n/a***
Underlying Net income - Group share (2)	**17**	**2**	***(15)***	***(88)%***
Earnings per share	*0.61 €*	*(0.19€)*		
ROE	*7.6%*	*(2.2)%*		

(1) It should be noted that the comparative consolidated income statement has been restated to reflect the introduction of IAS 19 Employee Benefits (revised). More details are provided in Appendix 4 on page 12.

(2) The Underlying results are set out in Appendix 2 on page 11.

Business trends

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

Global Financial Advisory

Global Financial Advisory revenues for the six months to September 2013 were €299.6 million (of which M&A advisory was €204.6 million and financing advisory was €95.0 million), down 3% compared to the same period in the prior year (€308.5 million of which M&A advisory was €206.4 million and Financing advisory was €102.1 million) but up 12% quarter on quarter. Revenue for the first six months was flat across most regions compared to the same period last year.

In comparison, global M&A deal values for the six months to September 2013 were down by 12% and global M&A deal numbers were down 20%[1] compared to the same period in the prior year.

Our revenue performance continues to be less volatile than the market due to our geographic breadth and diversity by industry sector, client type and product offering.

We continue to work on some of the largest and most complex transactions globally. For example, Rothschild is acting as financial advisor to Publicis on its recently announced US$35.1 billion cross-border merger with Omnicom to create Publicis Omnicom Group, to KPN on its sale of E-Plus to Telefonica Germany for US$11.4 billion and to the ABI Committee of Noteholders regarding Punch Taverns' £2.4 billion restructuring. Moreover, we continue to advise on more European M&A transactions than any of our competitors.

Rothschild advised the following clients on significant M&A and financing advisory assignments that completed in the half year to September 2013:

- *Sprint Nextel's disposal of a 78% stake to SoftBank (US$21.6bn)*
- *BPCE's buy-back by the Banques Populaires and the Caisses d'Epargne of Natixis' Cooperative Investment Certificates (€12.1bn)*
- *VINCI Concessions' acquisition of a 95% stake in ANA Aeroportos de Portugal (€3.1bn)*
- *Casino's acquisition of a 50% stake in Monoprix from Galeries Lafayette (€1.2bn)*
- *Electra Partners' disposal of Allflex to BC Partners (US$1.3bn)*
- *CSM's disposal of its global bakery supplies businesses to Rhone Group (US$1.3bn)*
- *PAI Partners' acquisition of R&R Ice Cream from Oaktree Capital Management*
- *Bankia's market selldown in Mapfre (US$1.3bn)*
- *Arcapita's Chapter 11 filing (US$2.6bn)*
- *Rizzo Bottiglieri De Carlini Armatori's restructuring of its financial indebtedness (€0.6bn)*
- *Royal Mail's IPO debt financing (£1.4bn)*

[1] *Source: Thomson Reuters. Completed transactions (deals including Financial Advisory)*

Wealth and Asset Management

Assets under management have increased by 4% to €39.7 billion (€38.4 billion as at 31 March 2013) due to market appreciation of €1.2 billion and net inflows of €0.1 billion. The net new assets were driven by inflows in Wealth Management (€0.5 billion), partially offset by outflows in Asset Management (€0.4 billion). In a market where economic and financial uncertainty is high, Rothschild funds have out-performed their benchmark since the start of the calendar year.

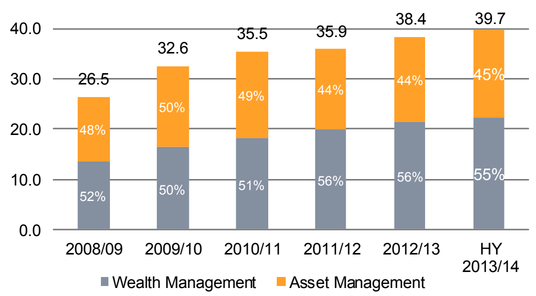
During the first six months of 2013/2014, Wealth and Asset Management generated revenue of €143.7 million, 3% better than the same period last year (€139.9 million). Revenue growth is mostly driven by the rise of assets under management.

Our European onshore Wealth Management businesses are growing in the United Kingdom, France, Belgium, Switzerland and Germany. Strategic investments have been made with the hire of an onshore Italian team, a Swiss International Team and within the Trust business, with senior appointments for our Russian and Hong Kong subsidiaries.

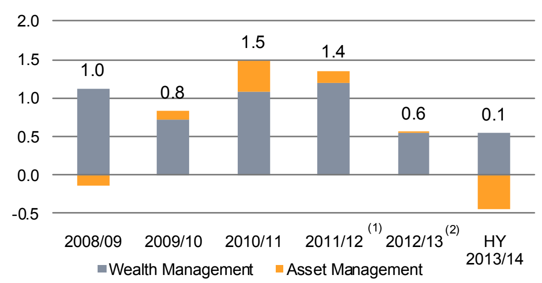
Looking ahead, in Wealth Management, the Group expects to successfully convert the current healthy asset pipeline into positive net client inflows over the course of the year, as it was for the first half year. However, the continuing pressure on our businesses arising from increased regulation, especially in Switzerland including the uncertainty in respect of the US Department of Justice Program, means that conditions will remain difficult in 2013/2014.

Our institutional Asset Management business continues to invest in product development and expects to see the benefit of this in the year 2014/2015.

Assets under Management (in €bn)



Net new assets (in €bn)



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

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

Merchant Banking

During the first six months to September 2013, Merchant Banking generated revenues of €26.0 million compared to €38.7 million the previous year. These revenues include:

- €16.6 million of management fees (€15.9 million for six months to September 2012),
- €8.0 million of capital gains (€21.4 million for six months to September 2012),
- €4.6 million of other investment income, including interest and dividends (€10.7 million for six months to September 2012);
- less €3.2 million of provisions (€9.3 million for six months to September 2012).

During the first six months to September 2013, disposal proceeds amounted to €24 million generating capital gains of €8 million. Moreover, this division invested €31 million, of which €13 million was in proprietary investments and €18 million was in funds managed by Merchant Banking.

The Group expanded its product offering with the launch of a new fund initiative, Five Arrows Credit Solutions ("FACS"), a fund targeted at capturing opportunities in the European high yielding junior credit market (on both primary and secondary opportunities) which held its second closing at €262 million. As at September 2013, the European senior credit fund (Oberon I) raised €170 million.

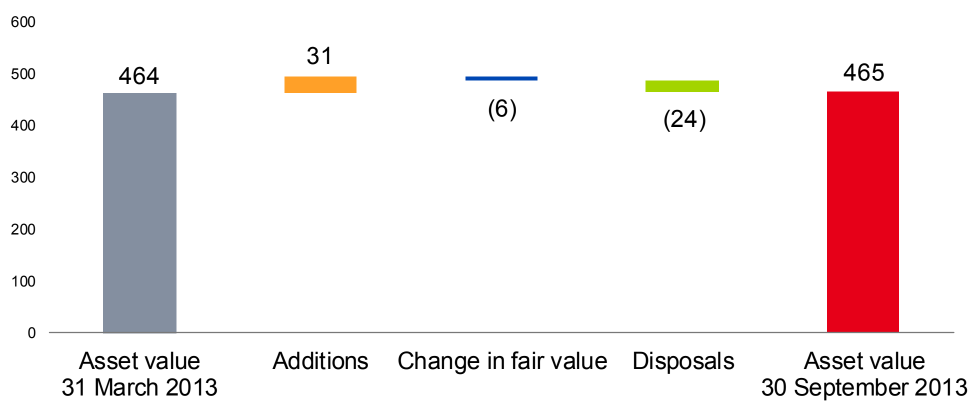
Largely reflecting the launch of FACS, assets under management at 30 September 2013 were €3.1 billion. As at end of November 2013, following the departure of the R Capital Management team, assets under management amounted to €3.0 billion, which represents an increase of €0.1 billion compared to March 2013.

Merchant Banking has a good pipeline of investment opportunities and disposals. Recently, the Group successfully sold 50% of its stake in the Numéricable Group in its IPO at a price significantly above its carrying value.

Merchant Banking asset value of Group's private equity assets

in €m	**31/03/2012**	**30/09/2012**	**31/03/2013**	**30/09/2013**
Managed private funds	123	120	128	139
Paris Orléans Proprietary investments	341	308	321	315
Other	17	17	15	11
Total gross assets	**481**	**445**	**464**	**465**

Changes in the asset value over six months (in €m)



Specialist Finance

The legacy banking book continues to reduce in line with our plans to exit this corporate lending business. Legacy drawings fell to €470 million as at 30 September 2013, down from €570 million as at 31 March 2013.

Operating expenses

Staff costs

For the six months ended 30 September 2013, staff costs were €314 million compared to €333 million for the same period in the prior year. The decrease of €19 million results from lower headcount levels in the first six months of 2013/2014 as compared to the same period in 2012/2013 and a one-off credit of €7 million arising from changes made to the UK defined benefit pension schemes that reduce past pension costs. The programme of resource optimisation in Global Financial Advisory, launched in FY 2011/2012, continues to yield results.

It should be noted that due to new accounting standards applicable from 1 April 2013 relating to employee benefits, the first six months of both financial years include an additional charge of €4 million in respect of defined benefit pensions. More details are provided in Appendix 4 on page 12.

Overall Group headcount was down from 2,836 as at 30 September 2012 to 2,776 as at September 2013.

Administrative expenses

For the first six months to September 2013, administrative expenses were €111 million compared to €106 million for the same period in 2012/2013. The increase of €5 million is related to the acquisition of HDF in July 2012 and higher legal costs including a provision for the tax settlement between the UK and Swiss authorities. As announced previously, a number of projects are underway to rationalise support costs.

Impairment charges and loan provisions

For the first six months to September 2013, impairment charges and loan provisions were almost nil compared to a charge of €5 million for the same period in 2012/2013, mainly as a result of recoveries on previously provided assets.

Banque Privée Edmond de Rothschild

A further impairment of €22 million relating to the 8.4% shareholding in Banque Privée Edmond de Rothschild ("BPER") has been taken for the six months ended 30 September 2013, reflecting a further decline in value. The nature of this impairment was described in detail in the Annual report 2012/2013.

Provision for income taxes

For the six months ended 30 September 2013, the income tax charge was €23 million, made up of a current tax charge of €16 million and deferred tax charge of €7 million, giving an effective tax rate of 66.3%. The effective tax rate would have been 33% without the BPER impairment and the impact on deferred tax assets of the reduction in future UK corporation tax rates from 23% to 20%.

Non-controlling interests

For the six months ended 30 September 2013, the charge for Non-controlling interests was €24 million compared to €3 million for the same period in 2012/2013. The change is largely due to losses incurred in the prior period before the June 2012 Group reorganisation being attributed to former minority interests.

Liquidity – Capital

The Group continues to maintain a high level of liquidity. On 30 September 2013, cash placed with central banks and banks accounted for 56% of total assets, the same level as in March 2013.

Shareholders' equity, excluding non-controlling interests, decreased from €1,225 million as at 31 March 2013 to €1,160 million as at 30 September 2013. This decline was mainly due to dividends (€35 million), actuarial losses on defined benefit pensions (€20 million) and the net loss for the period.

Group solvency ratio

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

The most recent ratios are set out below:

	31/03/2013	30/6/2013	30/9/2013	Basel II minimum
Tier 1 ratio	19.7%	19.5%	18.4%	4%
Global solvency ratio	25.9%	25.5%	24.4%	8%

Source: PO - unaudited figures

Equity scheme

At the combined general meeting of shareholders on 26 September 2013, the Managing Partner announced that Paris Orléans would implement an Equity Scheme for the senior employees and executive corporate officers of the company and its subsidiaries, to promote the alignment of interests between the Rothschild family, minority shareholders and the Equity Scheme participants.

The Equity Scheme has been implemented on 11 October 2013. The initial Equity Scheme participants are the Global Financial Advisory partners, as well as members of the Group Management Committee, representing 57 persons operating in 10 countries around the world.

Under the Equity Scheme rules, the Equity Scheme participants have been required to invest in Paris Orléans shares and for each share owned they are granted four share-options. Shares invested are subject to a four-year lock-up period and the share-options granted are subject to a vesting period before exercise. The Equity Scheme participants have invested in a total of 780,000 Paris Orléans shares representing 1.1% of Paris Orléans' share capital on 11 October 2013. The shares invested in were existing Paris Orléans shares.

The total number of Paris Orléans shares that may be acquired following exercise of share-options granted amounts to 3,120,000 shares representing 4.1% of Paris Orléans' share capital on 11 October 2013. A quarter of the share-options vest on each of the third, fourth, fifth and sixth anniversary of the Equity Scheme and the share-options are exercisable on the vesting dates at a price of €17.50, €18.00, €19.00 and €20.00 per share.

This successful implementation of the Equity Scheme will strengthen the unification of the Group; reinforce its culture and competitive positioning by developing a sense of common goals and ownership within the Group, enabling it to be more effective and efficient across all of its businesses.

Medium-term outlook

Faced with a fluctuating environment, with relatively low M&A volume which is not expected to improve in the very short term, our priorities are focused on improvement in profitability, cost discipline and capturing the synergies between our three core businesses.

Despite economic uncertainty and an evolving regulatory framework, especially in the Wealth Management business in Switzerland, the Group's stable, long-term shareholding structure, its solid financial position and the quality of its people will allow it to continue the development of its activities. Because of this, the Group remains confident in its ability to deliver stronger returns to shareholders in the longer term.

Appendix 1: Quarterly progression of revenues

In €m		**2012/2013**	**2013/2014**
Global Financial Advisory	1st quarter	136.9	141.6
	2nd quarter	171.6	158.0
	YTD	**308.5**	**299.6**
Asset Management [1]	1st quarter	101.5	82.9
	2nd quarter	77.1	86.8
	YTD	**178.6**	**169.7**
Other [2]	1st quarter	13.2	13.3
	2nd quarter	13.8	12.7
	YTD	**27.0**	**26.0**
Statutory adjustments	1st quarter	(5.8)	(2.3)
	2nd quarter	(3.9)	0.0
	YTD	**(9.7)**	**(2.3)**
Total Group Revenues	**1st quarter**	**245.8**	**235.5**
	2nd quarter	**258.6**	**257.5**
	YTD	**504.4**	**493.0**

Notes

1. Asset Management comprises Wealth & Asset Management and Merchant Banking business
2. Other comprises Central cost, legacy business, including Specialist Finance and other

Appendix 2: Underlying Net income – Group share

The underlying performance of the Group can be better understood by normalising the results reported, which involves making two adjustments. Underlying Net income – Group share for the six months to September 2013 was €2 million compared to €17 million for the six months to September 2012, resulting in an underlying Earnings per share of €0.02 compared to €0.24.

2013 / 2014

The impact of impairing the long-standing shareholding in Banque Privée Edmond de Rothschild (“BPER”) has been reversed from the six months results to September 2013.

(in €m)	**2013/2014 6 months**	**Underlying performance adjustment** : Reversal of BPER impairment	**2013/2014 6 months after adjustment**
Operating Income	**52**	**-**	**52**
Other income / expense	4	-	4
Impairment of BPER	(22)	22	-
Profit before tax	**34**	**22**	**56**
Income tax	(23)	(2)	(25)
Consolidated net income	**11**	**20**	**31**
Non-controlling interests	(24)	(5)	(29)
Net income - Group share	**(13)**	**15**	**2**

2012 / 2013

The division of income between the Group share and Non-controlling interests has been recalculated, as if the Group reorganisation, which took place on 8 June 2012, had taken place on 1 April 2012.

(in €m)	**2012/2013 6 months as restated**	**Pro forma adjustment** : Non-controlling interests as if Group's reorganisation occured 1/4/12	**2012/2013 6 months as restated & after adjustment**
Operating Income	**43**	**-**	**43**
Other income / expense	8	-	8
Impairment of BPER	**-**	-	-
Profit before tax	**51**	**-**	**51**
Income tax	(15)	-	(15)
Consolidated net income	**36**	**-**	**36**
Non-controlling interests	(3)	(16)	(19)
Net income - Group share	**33**	**(16)**	**17**

Appendix 3: Notes to financial information for half year 2013/2014

1. In line with the new segmental information presented in the annual 2012/2013 Paris Orléans' consolidated accounts, the Group's revenues by business have been changed to reflect better the businesses of the Group (this applies to both 2012/2013 and 2013/2014 data).

2. Statutory adjustments for revenues mainly represent reallocation of impairments, offset by various other IFRS adjustments. The segmental analysis is prepared from non-IFRS data used internally.

3. Revenues now exclude dividend income relating to Banque Privée Edmond de Rothschild SA, in line with the treatment adopted in the annual 2012/2013 Paris Orléans' consolidated accounts. Accordingly, figures for the first half year of 2012/ 2013 have been restated.

Appendix 4: Change in accounting standards since 1 April 2013

IAS 19 Employee Benefits (revised) requires changes in the recognition and measurement of defined benefits expenses.

The most significant impact for the Group is to increase the net pension expense in the Income Statement by the difference between the current expected return on plan assets and the return calculated by applying the IAS 19 discount rate.

As a result of these changes, the income statement for the year ended 31 March 2013 has been restated and the prior year charge for defined benefit pensions is now €8.1 million greater. The Net income - Group share for the prior year has been reduced by €5.7 million.

In the six months ended 30 September 2012, the income statement has also been restated with an additional prior year charge for pensions of €4 million, in accordance with IAS 19 (revised). The effect on the Income Statement for the six months ended 30 September 2013 is similar.

Finally, one additional change that has resulted from the adoption of IAS 19 (revised) by the Group's Swiss actuaries. This is that its mortality assumptions have become more prudent. The effect is to increase the Swiss defined benefit fund obligation by around 4% or €7 million. The balance sheet comparatives have been revised to reflect this change with shareholders' funds reducing by €4 million.

2. Condensed half-year consolidated financial statements

Consolidated balance sheet as at 30 September 2013 **14**

Assets 14

Liabilities and shareholders' equity 15

Consolidated income statement for the six months ended 30 September 2013 **16**

Statement of comprehensive income for the six months ended 30 September 2013 **17**

Reconciliation of movements in consolidated shareholders' equity and non-controlling interests **18**

Cash flow statement **19**

Notes to the consolidated financial statements **20**

I. Highlights of the first half year of the financial year 20

II. Preparation of the financial statements 20

III. Accounting principles and valuation methods 21

IV. Financial risk management 23

V. Notes to the Balance Sheet 33

VI. Notes to the Income statement 42

PARIS ORLEANS

Consolidated balance sheet as at 30 September 2013

Assets

In thousands of euros	Notes	30/09/2013	31/03/2013 as restated
Cash and amounts due from central banks		3,551,026	3,739,675
Financial assets at fair value through profit or loss	1	244,474	260,116
Hedging derivatives	2	14,765	26,849
Available-for-sale financial assets	3	790,350	764,530
Loans and advances to banks	4	1,050,450	1,144,124
Loans and advances to customers	5	1,308,018	1,358,056
Current tax assets		10,994	10,264
Deferred tax assets	14	108,609	123,021
Other assets	6	480,139	557,972
Investments accounted for by the equity method		58,264	63,889
Tangible fixed assets		357,962	356,104
Intangible fixed assets		179,722	183,122
Goodwill	7	108,060	108,075
TOTAL ASSETS		**8,262,833**	**8,695,797**

Liabilities and shareholders' equity

In thousands of euros	Notes	30/09/2013	31/03/2013 as restated
Due to central banks		75	78
Financial liabilities at fair value through profit or loss	1	80,847	51,531
Hedging derivatives	2	17,937	23,763
Due to banks	8	276,082	326,100
Due to customers	9	5,352,648	5,587,864
Current tax liabilities		15,453	18,878
Deferred tax liabilities	14	54,744	56,837
Other liabilities, accruals and deferred income	10	575,448	701,443
Provisions	11	199,795	192,724
Subordinated debt	12	28,850	30,461
Shareholders' equity		**1,660,954**	**1,706,118**
Shareholders' equity - Group share		**1,159,763**	**1,224,782**
Share capital		141,806	141,806
Share premium		978,255	978,255
Unrealised or deferred capital gains and losses		8,954	4,264
Available-for-sale reserves		*42,465*	*36,493*
Cash flow hedge reserves		*(11,520)*	*(15,087)*
Translation reserves		*(21,991)*	*(17,142)*
Consolidated reserves		43,710	58,710
Net income - Group share		(12,962)	41,747
Non-controlling interests	29	**501,191**	**481,336**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,262,833**	**8,695,797**

PARIS ORLEANS

Consolidated income statement for the six months ended 30 September 2013

In thousands of euros	Notes	30/09/2013	30/09/2012 as restated
+ Interest income	15	47,638	66,095
- Interest expense	15	(25,481)	(39,893)
+ Fee income	16	467,122	456,289
- Fee expense	16	(22,222)	(22,910)
+/- Net gains / (losses) on financial instruments at fair value through profit or loss	17	16,920	17,265
+/- Net gains / (losses) on available-for-sale financial assets	18	6,894	24,267
+ Other operating income	19	6,817	5,939
- Other operating expenses	19	(4,777)	(2,585)
Net banking income		**492,911**	**504,467**
- Operating expenses	20	(424,684)	(438,869)
- Amortisation, depreciation and impairment of tangible and intangible fixed assets		(16,536)	(17,003)
Gross operating income		**51,691**	**48,595**
- Impairment of debt and provisions for counterparty risk	21	337	(5,195)
Operating income		**52,028**	**43,400**
+/- Net income from companies accounted for by the equity method		264	1,888
+/- Net income/ (expense) from other assets	22	(18,325)	5,542
Profit before tax		**33,967**	**50,830**
- Income tax expense	23	(22,531)	(14,907)
CONSOLIDATED NET INCOME		**11,436**	**35,923**
Non-controlling interests		**24,398**	**3,284**
Net income - Group share		**(12,962)**	**32,639**

Earnings per share

In euros		30/09/2013	30/09/2012 as restated
Basic and diluted earnings per share - Group share	25	(0.19)	0.61
Basic and diluted earnings per share - Continuing operations	25	(0.19)	0.61
Basic and diluted earnings per share - Underlying performance	25	0.02	0.24

Statement of comprehensive income

In thousands of euros	30/09/2013	30/09/2012 as restated
Consolidated net income	**11,436**	**35,923**
Translation differences	(5,813)	26,634
Revaluation of available-for-sale financial assets	9,922	(39,023)
of which (gains) / losses transferred to income	*(42)*	*(16,484)*
Revaluation of cash flow hedge derivatives	4,884	(4,526)
Actuarial gains / (losses) on defined benefit pension funds	(15,476)	(3,309)
Unrealised gains and losses accounted for by the equity method	(870)	2,390
Tax	(8,299)	(1,055)
Total unrealised gains and losses	**(15,652)**	**(18,889)**
Net income and unrealised gains and losses	**(4,216)**	**17,034**
of which Group share	*(27,743)*	*11,392*
of which non-controlling interests	*23,527*	*5,642*

The translation gains in the six months ended September 2012 resulted from a strengthening of the GBP and USD during that period against the Euro, which meant that GBP and USD subsidiaries with net assets enjoyed a translation gain on consolidation. In contrast, the USD has fallen against the Euro in the six months ended 30 September 2013, meaning that the same USD subsidiaries suffer a translation loss on consolidation.

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 and 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		Translation reserves	Available-for-sale reserves	Hedging reserves				
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)	-	-	-
Change of accounting policies (IAS 19) (2)	-	-	-	(3,819)	-	-	-	-	(3,819)	(1,481)	(5,300)
Shareholders' equity at 1 April 2012	**65,032**	**505,082**	**(9,840)**	**173,376**	**(29,750)**	**20,058**	**(7,003)**	**-**	**716,955**	**982,830**	**1,699,785**
Increase in share capital	76,774	484,835	-	-	-	-	-	-	561,609	-	561,609
Elimination of treasury shares	-	-	411	-	-	-	-	-	411	-	411
Dividends paid	-	-	-	(14,990)	-	-	-	-	(14,990)	(66,876)	(81,866)
Sub-total of changes linked to transactions with shareholders	**76,774**	**484,835**	**411**	**(14,990)**	**-**	**-**	**-**	**-**	**547,030**	**(66,876)**	**480,154**
Net gains/ (losses) from changes in fair value	-	-	-	-	-	39,844	(2,127)	-	37,717	(4,604)	33,113
Net (gains)/ losses transferred to income on disposal	-	-	-	-	-	(30,522)	214	-	(30,308)	(252)	(30,560)
Net (gains)/ losses transferred to income on impairment	-	-	-	-	-	30,936	-	-	30,936	12,030	42,966
Actuarial gains/ (losses) on defined benefit funds (2)	-	-	-	(13,459)	19	-	-	-	(13,440)	(348)	(13,788)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	(14,819)	(14,819)
2012/2013 Net income for the year (2)	-	-	-	-	-	-	-	41,747	41,747	42,260	84,007
Effect of acquisitions and disposals on non-controlling interests	-	-	-	(73,122)	23,733	(32,812)	(6,584)	-	(88,785)	(469,757)	(558,542)
Translation differences and other changes	-	(11,662)	-	(3,666)	(11,144)	8,989	413	-	(17,070)	872	(16,198)
SHAREHOLDERS' EQUITY AT 31 March 2013	**141,806**	**978,255**	**(9,429)**	**68,139**	**(17,142)**	**36,493**	**(15,087)**	**41,747**	**1,224,782**	**481,336**	**1,706,118**
Allocation of profit	-	-	-	41,747	-	-	-	(41,747)	-	-	-
Shareholders' equity at 1 April 2013	**141,806**	**978,255**	**(9,429)**	**109,886**	**(17,142)**	**36,493**	**(15,087)**	**-**	**1,224,782**	**481,336**	**1,706,118**
Increase in share capital	-	-	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	(1,275)	-	-	-	-	-	(1,275)	-	(1,275)
Dividends paid	-	-	-	(35 294)(1)	-	-	-	-	(35,294)	(6,943)	(42,237)
Sub-total of changes linked to transactions with shareholders	**-**	**-**	**(1,275)**	**(35,294)**	**-**	**-**	**-**	**-**	**(36,569)**	**(6,943)**	**(43,512)**
Net gains/ (losses) from changes in fair value	-	-	-	-	-	6,932	3,673	-	10,605	249	10,854
Net (gains)/ losses transferred to income on disposal	-	-	-	-	-	(389)	-	-	(389)	31	(358)
Net (gains)/ losses transferred to income on impairment	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/ (losses) on defined benefit funds	-	-	-	(19,464)	-	-	-	-	(19,464)	61	(19,403)
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	(7,005)	(7,005)
2013/2014 Net income for the period	-	-	-	-	-	-	-	(12,962)	(12,962)	24,398	11,436
Effect of acquisitions and disposals on non-controlling interests	-	-	-	(114)	9	-	-	-	(105)	9,525	9,420
Translation differences and other changes	-	-	-	(600)	(4,858)	(571)	(106)	-	(6,135)	(461)	(6,596)
SHAREHOLDERS' EQUITY AT 30 September 2013	**141,806**	**978,255**	**(10,704)**	**54,414**	**(21,991)**	**42,465**	**(11,520)**	**(12,962)**	**1,159,763**	**501,191**	**1,660,954**

(1) This allocation includes €34.6 million of dividends to PO shareholders and a total of €0.7 million of dividends to PO Gestion SAS and PO Commandités SAS.

(2) Due to a change in accounting for pension cost, the net income for 2012/2013 year and actuarial gains/(losses) on defined benefit funds for 2012/2013 year have been restated along with the opening reserves balances. Further information concerning the adjustment is set out in the notes to consolidated financial statements in Section III Accounting Principles and Valuation Methods.

Cash flow statement

In thousands of euros	30/09/2013	30/09/2012 as restated
Consolidated net income	**11,436**	**35,923**
+/- Depreciation and amortisation expense on tangible fixed assets and intangible assets	16,536	17,003
+/- Impairments and net allocation to provisions	23,464	11,402
+/- Net (income) / loss from companies accounted for by the equity method	(264)	(1,888)
+/- Net loss / (gain) from investing activities	(6,039)	(21,950)
+/- Other movements	858	927
Tax (benefit) / expense	22,531	15,787
Total non-monetary items included in consolidated net income and other adjustments	**57,086**	**21,281**
+/- Interbank transactions	(106,625)	431,702
+/- Customer transactions	(185,178)	346,412
+/- Transactions related to other assets and liabilities	(11,974)	(159,462)
- Tax paid	(16,985)	(14,462)
Net decrease / (increase) in cash related to operating assets and liabilities	**(320,762)**	**604,190**
Net cash inflow / (outflow) related to operating activities (A)	**(252,240)**	**661,394**
+/- Inflow / (outflow) related to financial assets and long-term investments	(55,388)	254,794
+/- Inflow / (outflow) related to tangible and intangible fixed assets	(12,462)	(9,079)
Net cash inflow / (outflow) related to investment activities (B)	**(67,850)**	**245,715**
+/- Cash flows from/(to) shareholders	(34,092)	(32,502)
+/- Other net cash flows from financing activities	(3,043)	(170,958)
Net cash inflow / (outflow) related to financing activities (C)	**(37,135)**	**(203,460)**
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)	**(357,225)**	**703,891**
Net cash in acquired subsidiaries	-	1,822
Net cash and cash equivalents at the beginning of the period	**4,322,810**	**3,490,281**
Cash and amounts due/from central banks	3,739,597	2,812,699
Accounts (assets and liabilities), demand deposit and loans with banks	583,213	677,582
Net cash and cash equivalents at the end of the period	**3,965,585**	**4,195,994**
Cash and amounts due/from central banks	3,550,951	3,728,097
Accounts (assets and liabilities), demand deposits and loans with banks	414,634	467,897
NET INFLOW / (OUTFLOW) OF CASH	**(357,225)**	**703,891**

Notes to the consolidated financial statements

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

Operating revenues to 30 September 2013 were €492.9 million, compared with €504.5 million for the first six months for the comparable period in 2012/2013, representing a decline of €11.6 million. The marginal decline is due to a combination of an increase in net fee income of €11 million, especially in the Wealth and Asset Management business, less a lower level of Merchant Banking asset disposals (capital gains decreased by €20 million) compared to this time last year.

Operating profit was €52.0 million, ahead of €43.4 million for the first six months for the comparable period in 2012/2013, with a fall in operating expenses of €10 million largely compensating for the lower revenues. Impairment of debt and provisions for counterparty risk reduced by €5.5 million between the two periods to a credit of €0.3 million, primarily due to the recovery of a previously written-off debt security.

In the period, the Group suffered a further impairment of €21.9 million on its 8.4% long-standing equity interest in Banque Privée Edmond de Rothschild SA as reported in net income / expense from other assets. Furthermore the tax charge for the period gave an effective tax rate of 66.33% compared to 28.76% for this time last year due in large part to the Banque Privée Edmond de Rothschild SA impairment and change of UK corporation tax rates from 23% to 20% impacting on deferred tax assets.

Non-controlling interests were €3.3 million this time last year, compared to €24.4 million for this half year. The change between periods being is largely due to losses incurred in the prior period and before the Group reorganisation (referred to below) being attributed to former minority interests.

As a consequence, net income attributable to equity holders of the parent company was a loss of €12.9 million, compared with a profit of €32.6 million for the same period in the prior year.

Finally, it should be noted that the comparative consolidated income statement and consolidated balance sheet have been restated to reflect the introduction of IAS 19 Employee Benefits (revised). This results in changes to the recognition and measurement of defined benefit pension expense – further information is set out in section III to the notes, Accounting principles and valuation methods. In summary, the impact of the change on the consolidated income statement for the 2012/13 financial year was an increase of €8.1 million for defined benefit pensions' expense.

Group Reorganisation

As previously reported, the Group announced a reorganisation in 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 limited partnership (société en commandite par actions).

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

PO Gestion SAS, 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 2013/2014 are presented in accordance with the IFRS standards in force at the reporting date, as adopted in the European Union by EC Regulation No. 1606/2002. The format used for the summary financial statements is a banking format. It is consistent with Recommendation No. 2009-R-04 of 2 July 2009 of the French Accounting Standards Authority (Autorité des normes comptables). The statements cover the period from 1 April 2013 to 30 September 2013 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 15 November 2013 and considered by PO Supervisory Board on 26 November 2013.

At 30 September 2013, 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 A).

B. General principles

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

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

C. Subsequent events

At the combined general meeting of shareholders on 26 September 2013, the Managing Partner announced that Paris Orléans would implement an Equity Scheme for the senior employees and executive corporate officers of the company and its subsidiaries, to promote the alignment of interests between the Rothschild family, minority shareholders and the Equity Scheme participants.

The Equity Scheme has been implemented on 11 October 2013. The initial Equity Scheme participants are the Global Financial Advisory partners, as well as members of the Group Management Committee, representing 57 persons operating in 10 countries around the world.

Under the Equity Scheme rules, the Equity Scheme participants have been required to invest in Paris Orléans shares and for each share owned they are granted four share-options. Shares invested are subject to a four-year lock-up period and the share-options granted are subject to a vesting period before exercise. The Equity Scheme participants have invested in a total of 780,000 Paris Orléans shares representing 1.10% of Paris Orléans' share capital on 11 October 2013. The shares invested in were existing Paris Orléans shares.

The total number of Paris Orléans shares that may be acquired following exercise of the number of share-options granted amounts to 3,120,000 shares representing 4.10% of Paris Orléans' share capital at the date of this announcement. A quarter of the share-options vest on each of the third, fourth, fifth and sixth anniversary of the Equity Scheme and the share-options are exercisable on the vesting dates at a price of €17.50, €18.00, €19.00 and €20.00 per share.

This successful implementation of the Equity Scheme will strengthen the unification of the Group; reinforce its culture and competitive positioning by developing a sense of common goals and ownership within the Group, enabling it to be more effective and efficient across all of its businesses.

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 2013, except for the IAS 19 and IFRS 13 changes explained below, with the addition of IAS 34 relating to interim financial reporting.

IAS 19 Employee Benefits (revised) requires changes in the recognition and measurement of defined benefits expenses.

The most significant impact for the Group is to increase the net pension expense in the Income Statement by the difference between the current expected return on plan assets and the return calculated by applying the IAS 19 discount rate.

As a result of these changes, the income statement for the year ended 31 March 2013 has been restated and the prior year charge for defined benefit pensions is now €8.1 million greater. The Net income - Group share for the prior year has been reduced by €5.7 million.

In the six months ended 30 September 2012, the income statement has also been restated in accordance with IAS 19 (revised) with an additional prior period year charge for pensions of €4 million (of which the Group share after tax is €3 million). The effect on the Income Statement for the six months ended 30 September 2013 is similar.

Finally, one additional change results from the adoption of IAS 19 (revised) by the Group's Swiss actuaries. This is that its mortality assumptions have become more prudent. The effect is to increase the Swiss defined benefit fund obligation by around 4% or €7 million. The balance sheet comparatives have been revised to reflect this change with shareholders' funds reducing by €4 million.

IFRS 13 is a new accounting standard which defines fair value and specifies disclosures required about fair value measurements. The consequences for PO Group from this standard are expected to be limited to changes in the way it discloses information about the fair value of its financial assets. IFRS 13 has applied prospectively as from 1 April 2013 and does not have a significant impact as at 30 September 2013.

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 2013 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 Managing Partner and the Supervisory Board have delegated certain functions and responsibilities to be carried out by a number of committees.

Group Committees:

- Group Assets & Liabilities Commitee
- Group Audit Committee
- Group Remuneration Committee
- Group Risk Committee

The terms of reference and membership of these committees are regularly reviewed.

These committees monitor compliance of the Group's activities with relevant laws and regulations on a consolidated basis.

Risk management is coordinated at Paris Orléans level, through the Group Chief Risk Officer and the Risk function throughout the Group.

Responsibility for managing specific risks rests with individual businesses which are required to establish processes for identifying, evaluating and managing the key risks they face. In addition, the businesses are required, where appropriate, to establish separately constituted committees, to approve policies, set limits, monitor exceptions and make recommendations on operational, liquidity, market and credit risk decisions.

The risks faced by the Group’s principal operating subsidiaries can be categorised as follows:

Credit Risk arises from the potential failure of counterparties and customers to meet their obligations.

Market Risk arises from changes in the market value of assets and liabilities. Financial instruments, including derivatives, are used to provide clients with solutions to meet their commercial objectives. Financial instruments are also used to manage the Group’s exposure to market risk arising from movements in exchange rates, interest rates and volatility levels. Market risk from trading activities is subject to appropriate limits and is measured and monitored independently of traders.

Liquidity Risk arises from the 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 program the financial controls in all the Group's entities and offices and checks the design and effectiveness of the control framework. Audits are performed according to a multiyear audit cycle based on an assessment of risks. The audit plan is submitted every year to the Group Audit Committee for approval.

Strategy in using financial instruments

The use of financial instruments is fundamental to the Group's banking and treasury activities. The Group provides a range of lending products to its clients and funds these activities by means of deposit taking and other borrowings.

The Group invests in debt securities in order to provide a portfolio of liquid assets to assist in the management of liquidity risk and to hedge interest rate risk arising on its banking activities. The Group uses derivative financial instruments to meet clients' requirements and to manage its exposure to interest rate and currency risk arising from its banking activities. Further information on derivative contracts is set out in notes 1 and 2 of section V.

The key risks arising from the Group's activities involving financial instruments are risks relating to credit, market and liquidity. The Group's approach to these risks and a summary of the Group's exposure to them is set out below.

B. Credit risk

Credit risk arises from all exposures to clients and counterparties relating to the Group's lending, trading and investment activities.

Overall limits on credit risk are set out in the Group Credit Risk Policy. Credit risk limits within the Group's banking entities are set, where appropriate, with reference to individual clients or counterparties and to country. Additionally, each banking entity is required to have a credit risk policy that is consistent with the Group's overall policy and in line with the requirements of local regulators.

Exposure to credit risk is managed by detailed analysis of client and counterparty creditworthiness prior to entering into an exposure, and by continued monitoring thereafter. A significant proportion of the Group's lending exposures is secured on property or assets; the Group monitors the value of any collateral obtained. The Group also uses netting agreements to restrict credit exposure to other financial counterparties. For internal monitoring purposes, credit exposure on loans and debt securities is measured as the principal amount outstanding plus accrued interest. Credit exposure on derivatives is measured as the current replacement value plus an allowance for the potential change in replacement value.

Credit exposures on loans and debt securities are reviewed on a quarterly basis and for this purpose they are classified as follows:

Category 1	Exposures where the payment of interest or principal is not in doubt and which are not part of categories 2 to 5.
Category 2	Exposures where the payment of interest or principal is not in doubt, but which require closer observation than usual due to some deterioration in the position of the client, for example: poor trading results; difficult conditions in the client's market sector; competitive or regulatory threats; or the potential impact from currency or other factors.
Category 3	Exposures where there has been further deterioration in the position of the client. Although the exposure is not considered to be impaired, the relationship requires close monitoring by the front office team.
Past due but not impaired financial assets	A financial asset is considered to be past due when the counterparty has failed to make a payment when contractually due. Financial assets that are past due but not impaired are exposures for which a provision is not considered necessary despite non-payment of the contractual obligations.
Category 4	Exposures that are considered to be impaired and which carry a provision against part of the loan (unless collateral exists which exceeds the exposure's carrying value). At least some recovery is expected to be made.
Category 5	Exposures that are considered to be impaired and which carry a full provision. No significant recovery of value is expected.

All Group companies map their own credit monitoring to these categories for the purposes of Group reporting.

The tables below disclose the maximum exposure to credit risk at 30 September 2013 and at 31 March 2013 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	30/09/2013
Financial assets at fair value through profit or loss (excluding equity)	140,938	-	-	-	-	-	-	140,938
Hedging derivatives	14,765	-	-	-	-	-	-	14,765
Loans and receivables to banks	1,050,450	-	-	-	-	-	-	1,050,450
Loans and receivables to customers	959,795	87,508	138,837	35,970	153,976	29,534	(97,602)	1,308,018
Available-for-sale financial assets - debt securities	278,122	9,911	18,925	-	37,534	38,718	(57,411)	325,799
Other financial assets	261,472	447	557	20,510	10,902	16,526	(25,308)	285,106
Sub-total Assets	**2,705,542**	**97,866**	**158,319**	**56,480**	**202,412**	**84,778**	**(180,321)**	**3,125,076**
Commitments and guarantees	187,108	1,386	1,640	-	1,710	-	-	191,844
TOTAL	**2,892,650**	**99,252**	**159,959**	**56,480**	**204,122**	**84,778**	**(180,321)**	**3,316,920**

In thousands of euros	Category 1	Category 2	Category 3	Past due but not impaired	Category 4	Category 5	Impairment allowance	31/03/2013
Financial assets at fair value through profit or loss (excluding equity)	152,354	-	-	-	-	-	-	152,354
Hedging derivatives	26,849	-	-	-	-	-	-	26,849
Loans and receivables to banks	1,144,124	-	-	-	-	-	-	1,144,124
Loans and receivables to customers	972,298	101,990	154,130	33,079	170,530	32,641	(106,612)	1,358,056
Available-for-sale financial assets - debt securities	290,432	9,504	13,768	-	52,898	37,833	(61,527)	342,908
Other financial assets	262,169	2,999	-	16,393	16,084	11,974	(20,199)	289,420
Sub-total Assets	**2,848,226**	**114,493**	**167,898**	**49,472**	**239,512**	**82,448**	**(188,338)**	**3,313,711**
Commitments and guarantees	137,159	3,609	3,151	-	682	-	-	144,601
TOTAL	**2,985,385**	**118,102**	**171,049**	**49,472**	**240,194**	**82,448**	**(188,338)**	**3,458,312**

Available-for-sale debt securities include valuations of synthetic CDOs (Collateralised Debt Obligations), which are accounted in Financial liabilities at fair value through profit or loss. At 30 September 2013, the amount was €0.7 million (31 March 2013: €1.5 million).

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	30/09/2013					31/03/2013				
	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 customers	7,980	767	3,969	23,254	35,970	5,179	3,521	21,658	2,721	33,079
Other financial assets	8,232	5,405	2,184	4,689	20,510	1,072	7,219	6,608	1,494	16,393
TOTAL	**16,212**	**6,172**	**6,153**	**27,943**	**56,480**	**6,251**	**10,740**	**28,266**	**4,215**	**49,472**

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 2013 the cumulative value of all loans within this category was €150 million (March 2013: €153 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 2013, these amounted to €29 million (March 2013: €25 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 2013 the carrying value of all loans renegotiated was €59 million (March 2013: €92 million).

2. Collateral

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

Specific collateral is a readily identifiable asset. The majority of specific collateral is in the form of charges over property assets, or over marketable securities (Lombard lending). There is a realistic possibility, if necessary, of both taking possession of, and realising, the collateral. General collateral will be more difficult to both identify and realise. It will usually be a charge over the assets of a business, and is typically attached to leveraged finance assets. It is not practicable to ascribe a specific value to this collateral.

Unimpaired loans (levels 1 to 3) are covered by both specific and general collateral. For category 1, 2 and 3 loans the level of collateral at expected exit is expected to be sufficient to cover the balance sheet exposure. Where a loan is deemed to be impaired (level 4 and 5 assets), the level of the impairment charge is primarily driven by any expected shortfall in the collateral value, though it is also influenced by the ability of the borrower to service the debt.

Collateral is valued independently at the time the loan is made and periodically thereafter on a rolling basis. For physical assets such as property, management are able to roll forward a valuation for reporting purposes via a combination of specific knowledge of the property and the application of general property indices.

The table below gives an estimate of the fair value of collateral held by the Group as security against its loans to customers that are individually impaired and past due but not impaired.

In thousand of euros	30/09/2013		31/03/2013	
	Past due but not impaired	Individually impaired	Past due but not impaired	Individually impaired
Tangible assets collateral	36,899	91,763	33,595	106,132
Financial assets collateral	-	14,764	-	17,210
TOTAL	**36,899**	**106,527**	**33,595**	**123,342**
Net value of loans	35,970	119,929	33,079	131,679

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 2013 and 31 March 2013.

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	30/09/2013
Financial assets at fair value through profit or loss (1)	68,479	17,905	38,364	12,305	21	193	3,671	140,938
Hedging derivatives	896	12,873	-	996	-	-	-	14,765
Loans and receivables to banks	624,551	192,328	48,029	96,506	56,128	21,319	11,589	1,050,450
Loans and receivables to customers	139,331	674,783	129,694	194,000	120,804	38,642	10,764	1,308,018
Available-for-sale financial assets - debt securities	62,701	91,874	3,000	121,982	37,418	8,824	-	325,799
Other financial assets	94,646	68,463	17,194	50,068	32,799	16,532	5,404	285,106
Sub-total Assets	**990,604**	**1,058,226**	**236,281**	**475,857**	**247,170**	**85,510**	**31,428**	**3,125,076**
Commitments and guarantees	39,959	49,325	68,698	32,922	60	851	29	191,844
TOTAL	**1,030,563**	**1,107,551**	**304,979**	**508,779**	**247,230**	**86,361**	**31,457**	**3,316,920**

(1) excluding equity

In thousands of euros	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2013
Financial assets at fair value through profit or loss (1)	69,349	16,357	59,706	5,765	795	175	207	152,354
Hedging derivatives	1,911	23,789	-	1,149	-	-	-	26,849
Loans and receivables to banks	459,589	294,816	53,049	108,020	184,580	35,910	8,160	1,144,124
Loans and receivables to customers	95,857	734,272	125,743	218,587	133,311	42,054	8,232	1,358,056
Available-for-sale financial assets - debt securities	77,987	93,656	3,749	125,102	33,243	9,171	-	342,908
Other financial assets	69,494	83,107	15,569	61,962	29,929	22,044	7,315	289,420
Sub-total Assets	**774,187**	**1,245,997**	**257,816**	**520,585**	**381,858**	**109,354**	**23,914**	**3,313,711**
Commitments and guarantees	37,699	23,894	54,396	27,478	208	896	30	144,601
TOTAL	**811,886**	**1,269,891**	**312,212**	**548,063**	**382,066**	**110,250**	**23,944**	**3,458,312**

(1) excluding equity

b) Credit risk by sector

The sector is based on Global Industry Classification Standards (GICS).

In thousands of euros	30/09/2013	31/03/2013
Financial	1,711,009	1,587,976
Private clients	579,306	622,062
Real estate	316,225	407,599
Consumer discretionary	154,326	163,451
Industrials	132,187	220,888
Government	65,650	83,290
Consumer staples	63,916	59,748
Materials	63,557	78,063
Utilities	45,331	66,835
IT and telecoms	35,915	43,032
Healthcare	29,934	36,278
Energy	8,472	12,190
Other	111,092	76,900
TOTAL	**3,316,920**	**3,458,312**

The "Government" exposure above predominantly consists of high quality 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 €3,551 million at 30 September 2013 (31 March 2013 : €3,740 million).

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

In thousands of euros	30/09/2013	31/03/2013
Financial sector		
Short term interbank exposures	1,217,651	1,132,188
Treasury marketable securities - investment grade	106,107	91,936
Cash/ investment backed lending	98,814	115,334
Finance companies	71,048	25,221
Other	217,389	223,297
TOTAL FINANCIAL SECTOR	**1,711,009**	**1,587,976**

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

In thousands of euros	30/09/2013	31/03/2013
Real estate sector		
Senior loans	221,525	315,356
Mezzanine	67,886	78,334
Other	26,814	13,909
TOTAL REAL ESTATE SECTOR	**316,225**	**407,599**

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 treasury and banking activities and comprises interest rate, foreign exchange and equity and debt position risk. It also arises through the investment activities of the Group, comprising its equity investments.

During the period, exposure to market risk through treasury and banking has continued to be small in relation to capital, as trading activities have been focused on servicing client requirements rather than on proprietary risk-taking. Foreign exchange and interest rate derivative contracts are predominantly used for hedging puposes.

Limits on market risk exposure in N M Rothschild and Sons Limited, which is the Group's largest subsidiary, are set by its Assets and Liabilities Committee. Monitoring of market risk limits and determination of trading profits are undertaken daily, independently of the dealing area. Risk limits are complemented by other measures and controls, including stress testing to estimate the losses that could occur when markets behave in unusually volatile ways and with little liquidity.

Market risks associated with treasury, leveraged finance loan trading and equity positions are described below with a description of risk management and the levels of risk.

1. Equity investments

The Group has exposure to equity price risk through holdings of equity investments and warrants on equity investments. Each of these positions is individually approved by senior management and is monitored on an individual basis.

If the price of these equities and of the equities on which derivative instruments are dependent were to fall by 5%, then there would be a post-tax charge to the income statement of €10.2 million (€11.6 million as at 31 March 2013) and a charge to equity of €14.6 million (€12.5 million as at 31 March 2013).

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.

In thousands of euros	30/09/2013	31/03/2013
France	195,228	196,524
UK and Channel Islands	14,885	17,654
Switzerland	106,110	128,305
Rest of Europe	118,989	97,190
Americas	98,947	45,186
Australia and Asia	22,947	27,771
Other	10,257	15,231
TOTAL	**567,363**	**527,861**

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	30/09/2013	31/03/2013
USD	(652)	(707)
EUR	(870)	(405)
GBP	(662)	923
CHF	1,084	912
Other	(1,138)	(122)
TOTAL	**(2,238)**	**601**

At 30 September 2013, the businesses in France held loans of € 82.0 million, of which €11.4 million were at fixed interest rates, and available-for-sale debt securities of €42.2 million, of which €6.1 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.

At the Group’s banking entities, liquidity is measured based on behavioural adjustments and stress tests. The behaviour of assets and liabilities may, in certain scenarios, be less favourable than foreseen by their contractual maturity. For instance, there is the possibility that customer loans will not be repaid at their contractual term.

The liquidity of the Group’s four main banking groups is managed independently of each other. This is summarised below.

N M Rothschild & Sons Limited (“NMR”)

NMR measures its liquidity risk quantitatively against a Liquidity Coverage Ratio (LCR) limit. This is in line with the requirements of the FSA's liquidity regime. The LCR considers NMR’s eligible “Buffer” assets against the cumulative net cash flows payable under its most severe stress test. Only those assets of the highest quality can be treated as eligible for inclusion in the LCR.

NMR's liquidity policy requires it to keep an LCR in excess of 100% at the 1-month time horizon. At 30 September 2013, the ratio measured was 131% (31 March 2013: 169%).

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 2013, the RBI regulatory liquidity ratio for the 8 day to 1 month period as a percentage of total deposits was 18% (31 March 2013 15%); well in excess of the limit set by the GFSC of -5%.

Rothschild Bank Zurich ("RBZ")

RBZ's liquidity policy includes a behavioural adjustment applied across different client types, which allows for approximately one third of client deposits to be withdrawn over 30 days. Although the regulatory framework would permit significant mismatches within the 30-day time bucket, RBZ maintains a more conservative approach to liquidity.

Internal limits provide for RBZ to be cumulatively cash positive in all periods (after behavioural adjustment). The behavioural adjustment is complemented by an additional requirement that 20% of all client call deposits are held in cash and assets realisable within 48 hours.

RBZ's liquid assets at 30 September 2013 were 432% of liquid liabilities, as measured for regulatory purposes (31 March 2013: 476%). The regulatory limit is 100%.

Rothschild & Cie Banque ("RCB")

RCB's liquidity assets are composed of clients' accounts, UCITS and outstanding income that is invested daily on money markets.The Treasury Committee and intermediaries, held monthly, authorise the counterparties 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 2013, RCB's one month liquidity ratio was 301% compared with 416% at 31 March 2013.

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	30/09/2013
Cash and balances at central banks	3,551,026	-	-	-	-	-	-	**3,551,026**
Financial assets at FVTPL	70,656	10,355	2,375	13	-	133,015	28,060	**244,474**
Hedging derivatives	1,423	-	488	12,748	106	-	-	**14,765**
AFS financial assets	9,347	12,854	77,987	25,969	62,448	137,842	463,903	**790,350**
Loans and advances to banks	1,040,965	5,294	49	4,142	-	-	-	**1,050,450**
Loans and advances to customers	556,460	170,512	213,891	124,469	177,282	65,404	-	**1,308,018**
Other financial assets	259,269	8,279	16,946	222	390	-	-	**285,106**
TOTAL ASSETS	**5,489,146**	**207,294**	**311,736**	**167,563**	**240,226**	**336,261**	**491,963**	**7,244,189**
Financial liabilities at FVTPL	66,544	8,077	3,379	1,064	1,168	615	-	**80,847**
Hedging derivatives	207	-	176	1,226	16,328	-	-	**17,937**
Due to banks and central banks	68,825	3,134	25,452	11,900	166,846	-	-	**276,157**
Due to customers	4,561,109	69,668	116,278	469,577	104,315	31,701	-	**5,352,648**
Subordinated debt	-	-	-	28,850	-	-	-	**28,850**
Other financial liabilities	138,380	17,886	3,925	625	-	4,249	-	**165,065**
TOTAL LIABILITIES	**4,835,065**	**98,765**	**149,210**	**513,242**	**288,657**	**36,565**	**-**	**5,921,504**

E. Fair value of financial instruments

The fair value of financial instruments is determined at the end of the financial period 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	30/09/2013		31/03/2013	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans and advances to banks	1,050,450	1,050,450	1,144,124	1,144,124
Loans and advances to customers	1,308,018	1,275,748	1,358,056	1,313,471
TOTAL	**2,358,468**	**2,326,198**	**2,502,180**	**2,457,595**
Financial liabilities				
Due to banks and central banks	276,157	276,157	326,178	326,178
Due to customers	5,352,648	5,365,413	5,587,864	5,612,109
Subordinated debt	28,850	27,401	30,461	28,481
TOTAL	**5,657,655**	**5,668,971**	**5,944,503**	**5,966,768**

Carried at fair value:

In thousands of euros	30/09/2013				31/03/2013			
	TOTAL	Measured using			TOTAL	Measured using		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Financial assets - trading	97,585	7,678	89,907	-	128,559	23,568	104,991	-
Financial assets at fair value through profit or loss	146,889	6,349	140,540	-	131,557	6,429	125,128	-
Available-for-sale financial assets	790,350	280,545	452,510	57,295	764,530	241,802	476,542	46,186
TOTAL	**1,034,824**	**294,572**	**682,957**	**57,295**	**1,024,646**	**271,799**	**706,661**	**46,186**
Financial liabilities								
Financial liabilities at fair value through profit or loss	80,847	-	80,847	-	51,531	-	51,531	-
TOTAL	**80,847**	**-**	**80,847**	**-**	**51,531**	**-**	**51,531**	**-**

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 2013

There were no significant transfers between assets valued at level 1 and at level 2 in the period.

The following table presents the movement in assets valued using level 3 valuation methods in the period:

In thousands of euros	Available-for-sale financial assets
Opening balance	**46,186**
Total gains and (losses) through income statement	177
Total gains and (losses) through shareholders' funds	3,971
Purchases	15,889
Settlements	(7,806)
Transfers from other assets into/(out of) level 3	-
Exchange	(225)
Other	(897)
Closing balance	**57,295**

V. Notes to the Balance Sheet

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

In thousands of euros	30/09/2013	31/03/2013
Trading instruments	48,806	58,744
Financial assets designated at fair value through profit or loss	146,889	131,557
Trading derivative financial instruments	48,779	69,815
AT THE END OF THE PERIOD	**244,474**	**260,116**
of which financial assets at fair value through profit or loss - listed	*13,993*	*29,997*
of which financial assets at fair value through profit or loss – unlisted	*230,481*	*230,119*

Trading instruments

In thousands of euros	30/09/2013	31/03/2013
Public bills and similar securities	5,000	4,000
Bonds	29,620	31,262
Equities	7,679	23,482
Other financial instruments	6,507	-
AT THE END OF THE PERIOD	**48,806**	**58,744**

Financial assets designated at fair value through profit or loss

In thousands of euros	30/09/2013	31/03/2013
Equities	95,857	84,280
Other financial instruments	51,032	47,277
AT THE END OF THE PERIOD	**146,889**	**131,557**

Trading derivative financial instruments

In thousands of euros	30/09/2013			31/03/2013		
	Notional principal	**Positive fair value**	**Negative fair value**	***Notional principal***	**Positive fair value**	**Negative fair value**
Interest rate contracts						
- Firm	*108,505*	322	(2,575)	*158,911*	2,027	(2,607)
- Conditional	*14,001*	-	-	*14,000*	-	-
Foreign exchange contracts						
- Firm	*5,566,669*	47,411	(76,430)	*5,659,322*	65,835	(45,429)
- Conditional	*239,760*	1,046	(1,082)	*373,314*	1,953	(1,937)
Equity instruments						
- Firm	-	-	-	-	-	-
- Conditional	*35*	-	(35)	*35*	-	(35)
Credit derivatives						
- Firm	*16,872*	-	(725)	*18,043*	-	(1,523)
- Conditional	-	-	-	-	-	-
AT THE END OF THE PERIOD	***5,945,842***	**48,779**	**(80,847)**	***6,223,625***	**69,815**	**(51,531)**

Note 2 - Hedging derivatives

In thousands of euros	30/09/2013			31/03/2013		
	Notional principal	**Positive fair value**	**Negative fair value**	***Notional principal***	**Positive fair value**	**Negative fair value**
Interest rate contracts						
- Firm	*753,052*	13,862	(17,193)	*970,485*	26,699	(22,292)
- Conditional	-	-	-	-	-	-
Foreign exchange contracts						
- Firm	*105,127*	903	(744)	*133,636*	150	(1,471)
- Conditional	-	-	-	-	-	-
AT THE END OF THE PERIOD	***858,179***	**14,765**	**(17,937)**	***1,104,121***	**26,849**	**(23,763)**

Note 3 - Available-for-sale financial assets

In thousands of euros	30/09/2013	31/03/2013
AFS debt securities		
Public bills and similar securities	67,342	67,783
Bonds and similar securities	118,748	152,896
Notes and other securities	115,100	97,662
Sub total	**301,190**	**318,341**
of which individually impaired	*(51,430)*	*(55,613)*
of which collectivelly impaired	*(5,981)*	*(5,914)*
Accrued interest	25,335	26,090
TOTAL AFS DEBT SECURITIES	**326,525**	**344,431**
AFS equity securities		
Affiliates and long term securities	204,600	221,713
Other equities	259,225	198,386
TOTAL EQUITY SECURITIES	**463,825**	**420,099**
of which individually impaired	*(149,653)*	*(128,937)*
TOTAL OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	**790,350**	**764,530**

Movements in available-for-sale financial assets

In thousands of euros	30/09/2013	31/03/2013
AT THE BEGINNING OF THE PERIOD	**764,530**	**1,056,408**
Additions	78,125	47,823
Acquisition of subsidiaries	-	8,652
Disposals (sale and redemption)	(37,312)	(384,270)
Reclassifications and other movements	(1,388)	8,039
Gains/ (losses) from changes in fair value, recognised directly in equity	10,350	44,353
Impairment losses transferred from AFS reserve to income statement	-	46,208
Impairment losses recognised in income statement	(17,786)	(66,793)
Exchange differences	(6,169)	4,110
AT THE END OF THE PERIOD	**790,350**	**764,530**

The high level of impairments relating to equity securities for the period is explained in note 22.

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 2013, Paris Orléans had the financial capacity to keep these loans to their maturity date or for the foreseeable future.

The reclassified financial assets are shown in the following table:

In thousands of euros	30/09/2013	31/03/2013
Amortised cost of reclassified loans and receivables at the beginning of the period	**108,447**	**186,935**
Impairment	(404)	(3,499)
Disposals (sale and redemption)	(58,755)	(82,701)
Translation differences and other movements	879	7,712
Amortised cost of reclassified loans and receivables at the end of the period	**50,167**	**108,447**
Fair value of financial assets reclassified at the beginning of the period	**103,205**	**177,673**
Disposals (sale and redemption)	(58,755)	(82,701)
Changes in fair value of reclassified financial assets	7,644	8,792
Other movements	(642)	(559)
Fair value of financial assets reclassified at the end of the period	**51,452**	**103,205**

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	30/09/2013	31/03/2013
Interest income	1,177	2,571
Impairment	(404)	(3,499)
Other gains and losses	(2,201)	(1,965)
TOTAL	**(1,428)**	**(2,893)**

Note 4 - Loans and advances to banks

In thousands of euros	30/09/2013	31/03/2013
Interbank demand deposits and overnight loans	401,469	592,009
Interbank term deposits and loans	58,277	176,525
Reverse repos and loans secured by bills	589,709	374,628
Total	**1,049,455**	**1,143,162**
Accrued interest	995	962
Loans and advances to banks - Gross amount	**1,050,450**	**1,144,124**
Allowance for credit losses on receivables to banks	-	-
AT THE END OF THE PERIOD	**1,050,450**	**1,144,124**

Note 5 - Loans and advances to customers

In thousands of euros	30/09/2013	31/03/2013
Overdrafts on current accounts - customers	88,265	58,561
Loans to customers - retail	510,162	424,745
Loans to customers - corporate	795,790	969,812
Total	**1,394,217**	**1,453,118**
Accrued interest	11,403	11,550
Loans and advances to customers – Gross amount	**1,405,620**	**1,464,668**
Allowance for credit losses on loans and advances to customers	(97,602)	(106,612)
AT THE END OF THE PERIOD	**1,308,018**	**1,358,056**

Allowance for credit losses on loans and advances to customers

In thousands of euros	30/09/2013			31/03/2013		
	Specific provision	Collective provision	TOTAL	Specific provision	Collective provision	TOTAL
Allowance for credit losses on loans and advances to customers	(63,581)	(34,021)	**(97,602)**	(71,493)	(35,119)	**(106,612)**

Note 6 - Other assets

In thousands of euros	30/09/2013	31/03/2013
Guarantee deposits paid	8,292	10,482
Settlement accounts on securities transactions	51,937	53,912
Other sundry assets	183,690	248,681
Sundry assets	**243,919**	**313,075**
Prepaid expenses	16,134	22,212
Accounts receivable and accrued income	220,086	222,685
Estimated accounts	**236,220**	**244,897**
AT THE END OF THE PERIOD	**480,139**	**557,972**

Note 7 - Goodwill

In thousands of euros	*Rothschild & Cie Banque*	*Concordia Holding*	TOTAL
Gross amount as at 01/04/2013	**47,607**	**60,468**	**108,075**
Additions	-	-	-
Disposal and other decreases	-	-	-
Translation difference and other movements	-	(15)	(15)
Gross amount as at 30/09/2013	**47,607**	**60,453**	**108,060**
Accumulated impairment	-	-	-
Net amount as at 30/09/2013	**47,607**	**60,453**	**108,060**

As at 30 September 2013, there is no indication that any goodwill carried by the Group could be impaired.

Note 8 - Due to banks

In thousands of euros	30/09/2013	31/03/2013
Interbank demand deposits and overnight	49,609	92,292
Interbank term deposits and borrowings	211,268	231,157
Borrowings secured by repurchase agreement	12,499	-
Due to banks	**273,376**	**323,449**
Accrued interest	2,706	2,651
AT THE END OF THE PERIOD	**276,082**	**326,100**

Note 9 - Due to customers

In thousands of euros	30/09/2013	31/03/2013
Customer demand	3,810,757	3,597,791
Customer term deposits	1,277,270	1,698,172
Borrowings secured by bills	241,335	249,502
Customer deposits	**5,329,362**	**5,545,465**
Accrued interest	23,286	42,399
AT THE END OF THE PERIOD	**5,352,648**	**5,587,864**

Note 10 - Other liabilities, accruals and deferred income

In thousands of euros	30/09/2013	31/03/2013
Settlement accounts on securities transactions	77,434	57,833
Accounts payable	50,943	59,066
Sundry creditors	106,422	92,164
Other liabilities	**234,799**	**209,063**
Due to employees	239,884	406,633
Other accrued expenses and deferred income	100,765	85,747
Estimated accounts	**340,649**	**492,380**
AT THE END OF THE PERIOD	**575,448**	**701,443**

Included in sundry creditors are amounts previously reported in debt securities in issue. As at 30 September 2013, the balance of €1.5 million was unchanged from 31 March 2013.

Note 11 - Provisions

In thousands of euros	01/04/2013	Charge	Reversal	Discoun-ting	Exchange rate movement	Other movements	30/09/2013
Allowance for counterparty risk	3,400	(5)	(49)	-	(8)	12	3,350
Provision for claims or litigation	7,117	7,300	(1,633)	-	(12)	(14)	12,758
Property related provisions	1,486	-	(15)	4	(71)	-	1,404
Retirement benefit provisions	177,220	-	-	-	(624)	2,485	179,081
Other provision	3,501	(99)	(233)	-	(12)	45	3,202
TOTAL	**192,724**	**7,196**	**(1,930)**	**4**	**(727)**	**2,528**	**199,795**

The Group's accounting policy for provisions and contingencies remains unchanged from that reported in the 2012/13 annual consolidated financial statements. In particular, from time to time the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

The Swiss Government and the U.S. Department of Justice announced, on 29 August 2013, the details of a Program through which qualifying Swiss banks may reach agreement with the U.S. Department of Justice on a resolution of their status in connection with any potential liability for U.S. tax-related or monetary transactions offences arising out of the past servicing of U.S. clients with undeclared Swiss accounts. The Swiss government has encouraged Swiss banks to consider participating in the Program and has committed to take steps necessary to permit effective participation in the Program under applicable Swiss law. We are currently considering whether or not to participate in the Program and, if so, in which Category we would participate (as defined in the Program). It is not possible at the current time to assess the amount of any financial liability which might be imposed upon our Swiss private banking business pursuant to a decision to participate in the Program.

At 31 March 2013 we reported that no provision had been made against advance payments made by our Swiss private banking business in respect of the regularisation of the tax status of UK customers in line with the agreement between the UK and the Swiss governments. Subsequent to completing the 2012/13 annual consolidated financial statements, it became clear that the level of unregularised accounts was lower than expected and therefore the advance payments would not be recovered in full. Consequently a provision was made to cover the shortfall, in accordance with the guidance received from FINMA.

Finally, the directors report that there have been no further developments in respect of the impact of the decision of the Supreme Court in Switzerland concerning retrocession payments received in the past by banks.

Note 12 - Subordinated debt

In thousands of euros	30/09/2013	31/03/2013
Perpetual Floating Rate Subordinated Notes - 2015 (US$39 million)	28,818	30,407
Subordinated debt	**28,818**	**30,407**
Accrued interest	32	54
AT THE END OF THE PERIOD	**28,850**	**30,461**

Note 13 - Impairments

In thousands of euros	01/04/2013	Charge	Reversal	Written off	Exchange rate movement and other movements	30/09/2013
Loans and receivables	(106,612)	(3,864)	2,735	10,404	(265)	(97,602)
Available-for-sale financial assets	(190,464)	(24,211)	522	6,487	602	(207,064)
Other assets	(22,677)	(6,160)	495	566	940	(26,836)
TOTAL	**(319,753)**	**(34,235)**	**3,752**	**17,457**	**1,277**	**(331,502)**

As explained in note 22, an impairment charge of €21.9 million has been made in the six months to 30 September 2013 in respect of the Group's long-standing shareholding in Banque Privée Edmond de Rothschild SA. This is included in the movements of available-for-sale financial assets and is in addition to the €46.2 million charged in the second half of the year ended 31 March 2013.

Note 14 - 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	30/09/2013	31/03/2013
Deferred tax assets at the beginning of the period	**123,021**	**125,660**
Deferred tax liabilities at the beginning of the period	**56,837**	**56,542**
NET AMOUNT (AT THE BEGINNING OF THE PERIOD)	**66,184**	**69,118**
Recognised in income statement		
Income statement (charge)/credit	(7,119)	4,421
Recognised in equity		
Defined benefit pension arrangements	(3,929)	2,977
Available-for-sale financial assets	728	970
Cash flow hedges	(1,099)	449
Reclassification	673	(10,678)
Payments / (refunds)	(57)	2
Exchange differences	(563)	(904)
Other	(954)	(170)
NET AMOUNT (AT THE END OF THE PERIOD)	**53,865**	**66,184**
Deferred tax assets at the end of the period	**108,609**	**123,021**
Deferred tax liabilities at the end of the period	**54,744**	**56,837**

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

In thousands of euros	30/09/2013	31/03/2013
Accelerated tax depreciation	10,798	13,768
Defined benefit pension liabilities	29,324	31,212
Provisions	1,356	1,522
Deferred profit share arrangements	26,452	38,421
Cash flow hedges	3,677	4,743
Losses carried forward	38,616	32,041
Available-for-sale financial assets	(1,596)	(1,037)
Other temporary differences	(18)	2,351
DEFERRED TAX NET ASSETS AT THE END OF THE PERIOD	**108,609**	**123,021**

As at 30 September 2013, the Group's main banking subsidiary NMR recognised deferred tax assets corresponding to losses carried forward.

At the end of the financial year, the Group assessed the recovery of these losses as probable. Estimated profit projections were updated for this subsidiary at 30 September 2013, based on the most recent revenue projections; these showed that NMR's operations should generate sufficient taxable profits to absorb its carried forward losses over a period of around five years.

In the United States, Canada and Asia, deductible temporary differences have not given rise to the recognition of deferred tax assets.

In thousands of euros	30/09/2013	31/03/2013
Defined benefit pension liabilities	9	-
Cash flow hedges	108	-
Available-for-sale financial assets	22,470	28,267
Other temporary differences	32,157	28,570
DEFERRED TAX NET LIABILITIES AT THE END OF THE PERIOD	**54,744**	**56,837**

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	30/09/2013	31/03/2013
Accelerated tax depreciation	3,032	(1,374)
Defined benefit pension liabilities	(1,766)	3,091
Allowances for loan losses	170	(653)
Tax losses carried forward	(2,117)	(912)
Deferred bonus arrangements	10,484	(2,196)
Available-for-sale financial assets	(1,950)	(2,124)
Other temporary differences	(734)	(253)
INCOME STATEMENT CHARGE/(CREDIT) FOR THE PERIOD	**7,119**	**(4,421)**

VI. Notes to the Income statement

Note 15 - Net interest income

Interest income

In thousands of euros	30/09/2013	30/09/2012
Interest income - loans to banks	3,998	7,435
Interest income - loans to customers	27,306	34,127
Interest income - instruments available-for-sale	4,980	7,399
Interest income - derivatives	10,234	15,089
Interest income - other financials assets	1,120	2,045
TOTAL	**47,638**	**66,095**

Interest expense

In thousands of euros	30/09/2013	30/09/2012
Interest expense - due to banks	(2,051)	(3,408)
Interest expense - due to customers	(16,948)	(25,165)
Interest expense - debt securities in issue	-	(305)
Interest expense - subordinated borrowings	(103)	(172)
Interest expense - derivatives	(6,058)	(9,960)
Interest expense - other financial assets	(321)	(883)
TOTAL	**(25,481)**	**(39,893)**

Note 16 - Net fee and commission income

Fee income

In thousands of euros	30/09/2013	30/09/2012
Fees for advisory work and other services	310,841	306,978
Portfolio and other management fees	147,363	135,490
Banking and credit-related fees and commissions	1,955	3,313
Other fees	6,963	10,508
TOTAL	**467,122**	**456,289**

Fee expense

In thousands of euros	30/09/2013	30/09/2012
Fees for advisory work and other services	(4,244)	(4,360)
Portfolio and other management fees	(15,345)	(16,558)
Banking and credit-related fees and commissions	(133)	(36)
Other fees	(2,500)	(1,956)
TOTAL	**(22,222)**	**(22,910)**

Note 17 - Net gains/(losses) on financial instruments at fair value through profit or loss

In thousands of euros	30/09/2013	30/09/2012
Net income – debt securities and related derivatives – trading	547	(242)
Net income – equities securities and related derivatives – trading	988	168
Net income – forex operations	11,624	13,195
Net income – other trading operations	884	1,032
Net income – financial instruments designated at fair value through profit or loss	2,877	2,965
Net income – hedging derivatives	-	147
TOTAL	**16,920**	**17,265**

Note 18 - Net gains/(losses) on available-for-sale financial assets

In thousands of euros	30/09/2013	30/09/2012
Gains or losses on sales of long term securities	389	1,901
Impairment losses on long term securities	(98)	(1,031)
Gains or losses on sales of other available-for-sale financial assets	1,350	21,370
Impairment losses on other available-for-sale financial assets	(1,825)	(6,918)
Available-for-sale dividend income	7,078	8,945
TOTAL	**6,894**	**24,267**

As explained in note 22, available-for-sale dividend income relating to Banque Privée Edmond de Rothschild SA is now included in Net income / expense from other assets. The amount relating to the six months to 30 September 2012 has been reclassified.

Note 19 - Net income from other activities

Other operating income

In thousands of euros	30/09/2013	30/09/2012
Income from leasing	5,618	5,528
Other income	1,199	411
TOTAL	**6,817**	**5,939**

Other operating expenses

In thousands of euros	30/09/2013	30/09/2012
Expenses from assets used to generate lease income	(2,757)	(2,540)
Other expenses	(2,020)	(45)
TOTAL	**(4,777)**	**(2,585)**

Note 20 - Operating expenses

In thousands of euros	30/09/2013	30/09/2012
Staff costs	(313,931)	(332,971)
Administrative expenses	(110,753)	(105,898)
TOTAL	**(424,684)**	**(438,869)**

Included in staff costs in the six months to 30 September 2013 is a one-off credit of €7.2 million arising from changes made to the two UK defined benefit pension schemes that reduced past service cost.

Note 21 - Impairment of debt and provisions for counterparty risk

In thousands of euros	Impairment	Impairment written back	Irrecoverable loans	Recovered loans	30/09/2013	30/09/2012
Loans and receivables	(3,864)	13,139	(10,404)	435	(694)	(1,699)
Debt securities	(406)	1,824	(1,720)	6,071	5,769	(1,542)
Other assets	(6,160)	1,066	(852)	1,208	(4,738)	(1,954)
TOTAL	**(10,430)**	**16,029**	**(12,976)**	**7,714**	**337**	**(5,195)**

Included in debt securities analysis is a recovery of €5.8 million relating to an asset which was previously written-off. The recovery reflects the fair value of the asset at 30 September 2013 that was realised in October 2013.

Note 22 - Net income/expense from other assets

In thousands of euros	30/09/2013	30/09/2012
Impairment of long-standing shareholding	(21,882)	-
Long-standing shareholding dividend	3,859	5,535
Gains or losses on sales of tangible or intangible assets	28	3
Gain or loss on sale of associates	(330)	4
TOTAL	**(18,325)**	**5,542**

Net income / expense from other assets include impairment losses for the six months to 30 September 2013 of €21.9 million (second half of the year to 31 March 2013: €46.2 million) relating to the Group's 8.4% equity investment in Banque Privée Edmond de Rothschild SA. This investment, which is accounted for as an available-for-sale financial asset, has been consistently fair valued since 2007 in accordance with IFRS using the listed price.

Note 23 - Income tax expense

In thousands of euros	30/09/2013	30/09/2012
Current tax	15,412	11,308
Deferred tax	7,119	3,599
TOTAL	**22,531**	**14,907**

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

Current tax

In thousands of euros	30/09/2013	30/09/2012
Tax charges for the current period	10,144	10,773
Prior year adjustments	654	(839)
Prior year losses utilised	3,554	-
Unrecoverable dividend withholding tax	795	636
Other	265	738
TOTAL	**15,412**	**11,308**

Deferred tax

In thousands of euros	30/09/2013	30/09/2012
Temporary differences	3,235	2,014
Changes in tax rates	5,684	1,439
Prior year adjustment	1,940	403
Prior year losses utilised	(3,554)	-
Other	(186)	(257)
TOTAL	**7,119**	**3,599**

Reconciliation of the tax charge

In thousands of euros	Base	Tax at $33^{1/3}$ %
Net income	**11,436**	
Reconciling items		
Profit / (loss) of companies accounted for by the equity method	(264)	
Corporate income tax	22,531	
Income of consolidated companies before tax	**33,703**	**11,234**
Consolidation adjustments (deferred tax, fair value adjustments, provisions and reversals of provisions for impairment, other)		(881)
Losses to be carried forward		2,335
Taxation differences (French social contribution, long-term capital gains tax, venture capital companies, foreign tax rate)		4,641
Permanent differences		2,242
Temporary differences and other		2,960
Tax on consolidated companies		**22,531**
Effective tax rate		
Net income - Group share	(12,962)	
Non-controlling interests	24,398	
Corporate income tax	22,531	
GROSS INCOME	**33,967**	
EFFECTIVE TAX RATE	**66.33%**	

In 2012/2013, the Group effective tax rate was 28.76%. For the latest period this has risen to 66.33%. The effective tax rate would have been 33% without the Banque Privée Edmond de Rothschild SA impairment (impact before tax of €21.9 million and tax €1.7 million credit) and without the impact of the change of UK corporation tax rates from 23% to 20% on deferred tax assets (€5.7 million) increasing the effective tax rate, as indicated in taxation differences in the analysis above. Furthermore, tax assets have not been recognised in certain businesses that incurred losses in the period.

Note 24 - Commitments given and received

Commitments given

In thousands of euros	30/09/2013	31/03/2013
Loan commitments	**85,415**	**53,063**
Given to banks	-	-
Given to customers	85,415	53,063
Guarantee commitments	**106,429**	**91,539**
Given to banks	27,990	13,444
Given to customers	78,439	78,095
Other commitments	**263,596**	**240,226**
Underwriting commitments	129,315	94,390
Other commitments given	134,281	145,836

Commitments received

In thousands of euros	30/09/2013	31/03/2013
Loan commitments	**38,611**	**11**
Received from banks	38,611	11
Received from customers	-	-
Guarantee commitments	**32,681**	**37,231**
Received from banks	-	-
Received from customers	32,681	37,231
Other commitments	**7,400**	**7,400**
Other commitments received	7,400	7,400

A system of deferred remuneration arrangements is in place at several entities throughout the Group. As of 30 September 2013, in addition the commitments detailed above, a commitments of €56.2 million exist 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 (€55.4 million as at 31 March 2013).

Note 25 - Earnings per share

The Group has presented its earnings per share figures on two bases - using the reported results as one basis and focusing on the underlying performance as the other. The differences are explained below.

Six months ended 30 September 2013	Results as reported	Pro forma adjustment: Recalculate group share based on shareholdings at 30 September 2013	Underlying performance adjustment: Reverse BPER impairment	Underlying performance
In millions of euros				
Net income - Group share	(13.0)	-	14.5	1.5
preferred dividends adjustment	*(0.4)*			*(0.4)*
Non-controlling interests	24.4	-	5.4	29.8
Consolidated net income after preferred dividends adjustment	**11.0**	**-**	**19.9**	**30.9**
Average shares in issue - 000s	68,374			68,374
Earnings per share (euro)	**(0.19)**			**0.02**

Six months ended 30 September 2012 (as restated)	Results as reported	Pro forma adjustment: Recalculate group share based on shareholdings at 30 September 2012	Underlying performance adjustment: Reverse BPER impairment	Underlying performance
In millions of euros				
Net income - Group share	32.6	(16.2)	-	16.4
Non-controlling interests	3.3	16.2	-	19.5
Consolidated net income	**35.9**	**-**	**-**	**35.9**
Average shares in issue - 000s	53,897			68,359
Earnings per share (euro)	**0.61**			**0.24**

Earnings per share

Earnings per share are calculated by dividing Net income - Group share (after deducting accrued preferred dividends, which are not part of the profit earned by ordinary shareholders) by the weighted average number of ordinary shares in issue during the period. As at 30 September 2013, there were no instruments at the period end that could in the future dilute the capital (share warrants, options etc.), although share options have been issued since then, as described in Section II to the notes, Preparation of financial statements, part C subsequent events. Therefore for this reporting period, diluted earnings per share are the same as basic earnings per share.

As there were no gains or losses on activities discontinued or held for sale, the earnings per share on continuing activities are the same as earnings per share.

Underlying earnings per share

Underlying earnings per share for the six months ended 30 September 2013 are €0.02 against €0.24 at this time last year. These amended earnings per share figures are calculated after making certain adjustments, as explained below.

First, the division of income between the Group share and Non-controlling interests at 30 September 2012 has been recalculated as if the Group reorganisation, referred to in Section I to the notes, Highlights of the first half of the financial year, had taken place on 1 April 2012. Had this been the case, the Group share of net income on this pro forma basis would have been €16.4 million for the first half of 2012/2013 compared to €32.6 million as reported in the consolidated income statement, as restated for the revised pension cost accounting policy. Furthermore, the weighted number of shares used in calculating the underlying earnings per share figures is the same as those in issue following the Group reorganisation. It should be noted that the change in the shareholdings following the reorganisation has, for accounting purposes, only affected the division of income between Group share and Non-controlling interests; the other elements of the income statement, such as net banking revenue, gross operating income and operating income would have been the same. It is for this reason that the pro forma information presented here only relates to consolidated net income.

Secondly, the impact of impairing the long-standing investment in Banque Privée Edmond de Rothschild SA has been reversed from the September 2013 results (this impairment is described in detail in note 22). This is not a pro forma restatement; it is made to highlight an event not related to the operating businesses which has materially affected the calculation of reported earnings per share.

Note 26 - 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	30/09/2013	31/03/2013
Cash accounts and accounts with central banks (assets)	3,551,026	3,739,675
Accounts (assets) and call loans/borrowings with banks	438,521	619,089
Cash equivalents (UCITS)	38,241	56,492
Cash accounts, accounts with central banks, loans/borrowings with banks (liabilities)	(62,203)	(92,446)
TOTAL	**3,965,585**	**4,322,810**

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 27 - Related parties

	30/09/2013			31/03/2013		
In thousands of euros	Companies accounted for by the equity method	Executive Directors of the Company	Other related parties	Companies accounted for by the equity method	Executive Directors of the Company	Other related parties
Assets						
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	77	963	19,318	89	119	18,452
Other assets	144	-	2,964	244	-	7,412
TOTAL	**221**	**963**	**22,283**	**333**	**119**	**25,864**
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	4,124	4,599	172,611	5,123	4,692	180,954
Debt securities in issue	-	-	-	-	-	-
Other liabilities	406	-	129	646	-	135
TOTAL	**4,530**	**4,599**	**172,740**	**5,769**	**4,692**	**181,089**
Loan and guarantee commitments						
Loan commitments given	-	2,674	2,747	-	2,908	2,981
Guarantee commitments given	-	-	-	-	-	-
Loan commitments received	-	-	-	-	-	-
Guarantee commitments received	-	-	-	-	-	-
TOTAL	**-**	**2,674**	**2,747**	**-**	**2,908**	**2,981**
Realised operating income from transactions with related parties						
Interest received	-	68	222	-	-	189
Interest paid	-	(4)	(1,538)	-	(8)	(3,242)
Commissions received	-	-	-	622	-	-
Commissions paid	(1,818)	-	-	(3,349)	-	(162)
Other income	279	-	385	225	-	629
TOTAL	**(1,539)**	**64**	**(931)**	**(2,502)**	**(8)**	**(2,586)**
Other expenses	(363)	-	16	(703)	-	71
TOTAL	**(363)**	**-**	**16**	**(703)**	**-**	**71**

Note 28 - Segmental information

Segmental split by business

The segmental analysis is prepared from non IFRS data used internally for assessing business performance; which is then adjusted to conform to the Group's statutory financial accounting policies.

The 'Other' segment includes income from centrally held investments (including from Banque Privée Edmond de Rothschild SA), net interest on central cash balances and borrowings, and head office and other unallocated costs.

The adjustments, described as 'statutory adjustments', mainly represent the treatment of profit share paid to French partners as non-controlling interests, accounting for deferred bonuses over the period earned, the application of IAS 19 (revised) for defined benefit pension schemes, reallocation of impairments, and the impairment charge of €22 million against the investment in Banque Privée Edmond de Rothschild SA.

In thousands of euros	Global Financial Advisory	Asset Management [1]	Other [2]	Total before statutory adjustments	Statutory adjustments	30/09/2013
Net banking income	**299,596**	**169,727**	**25,969**	**495,292**	**(2,381)**	**492,911**
Operating expenses	(277,410)	(148,688)	(38,330)	(464,428)	23,208	(441,220)
Impairments	-	(17)	2,154	2,137	(1,800)	337
Operating income	**22,186**	**21,022**	**(10,207)**	**33,001**	**19,027**	**52,028**
Share of profits of associated entities						264
Net income/expense from other assets						(18,325)
Group profit before tax						**33,967**

[1] Asset Management comprises Wealth & Asset Management and Merchant Banking businesses

[2] Other comprises Central cost, legacy businesses, including Specialist Finance, and other

In thousands of euros	Global Financial Advisory	Asset Management [1]	Other [2]	Total before statutory adjustments	Statutory adjustments	30/09/2012
Net banking income	**308,510**	**178,595**	**27,012**	**514,117**	**(9,650)**	**504,467**
Operating expenses	(287,200)	(146,444)	(43,505)	(477,149)	21,277	(455,872)
Impairments	-	18	(596)	(578)	(4,617)	(5,195)
Operating income	**21,310**	**32,169**	**(17,089)**	**36,390**	**7,010**	**43,400**
Share of profits of associated entities						1,888
Net income/expense from other assets						5,542
Group profit before tax						**50,830**

[1] Asset Management comprises Wealth & Asset Management and Merchant Banking businesses

[2] Other comprises Central cost, legacy businesses, including Specialist Finance, and other

Net banking income by geography

In thousands of euros	United Kingdom and Channel Islands	France	Americas	Other Europe	Switzerland	Asia and Australia	Other	Total
30/09/2013	156,165	134,925	82,903	51,895	42,977	14,665	9,381	**492,911**
30/09/2012	175,431	111,303	81,499	66,627	42,845	19,126	7,636	**504,467**

Note 29 - Non-controlling interests

The non-controlling interests consist of:

In thousands of euros	30/09/2013	31/03/2013
Perpetual Fixed Rate Subordinated Notes 9 per cent (£125 million)	176,895	174,930
Perpetual Floating Rate Subordinated Notes (€150 million)	61,869	61,182
Perpetual Floating Rate Subordinated Notes (US$200 million)	56,898	60,034
Other non-controlling interests	205,529	185,190
Non-controlling interests	**501,191**	**481,336**

Note 30 - Consolidation scope

As at 30 September 2013, the Group consolidation scope with its main entities can be summarised as follows:

Company names	Country of activity	30/09/2013		31/03/2013		Consolidation method	
		% of control	% of interest	% of control	% of interest	30/09/2013	31/03/2013
Concordia Holding Sarl	France	100.00	99.93	100.00	99.93	F.C.	F.C.
Rothschild Concordia AG	Switzerland	100.00	97.43	100.00	97.43	F.C.	F.C.
Rothschilds Continuation Holdings AG	Switzerland	98.74	97.28	100.00	97.28	F.C.	F.C.
NM Rothschild & Sons Limited	United Kingdom	100.00	97.28	100.00	97.28	F.C.	F.C.
Rothschild & Cie Banque SCS	France	99.99	98.73	99.99	98.73	F.C.	F.C.
Rothschild Europe BV	The Netherlands	100.00	98.01	100.00	98.01	F.C.	F.C.
Rothschild Holding AG	Switzerland	73.96	71.95	73.96	71.95	F.C.	F.C.
K Developpement SAS	France	100.00	99.93	100.00	99.93	F.C.	F.C.
Five Arrows Investments S.C.A. SICAR	Luxembourg	100.00	98.61	100.00	98.61	F.C.	F.C.

3. Statutory Auditors' review 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 2013,
- 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.

I. 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.

Without prejudice to the conclusion expressed above, we draw your attention to the accounting policies changes, as well as the related impacts shown in part III « Accounting principles and valuation methods » regarding the application of IAS 19 revised, Employee Benefits, and IFRS 13, fair value measurement.

II. 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, 26 November 2013	Paris, 26 November 2013
KPMG Audit FS II	**Cailliau Dedouit et Associés**
Pascal Brouard	Jean-Jacques Dedouit
Partner	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, 26 November 2013

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 Rothschild

Paris Orléans operates in the following areas:

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

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

For information, please contact:

Paris Orléans

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

Investor relations:

Marie-Laure Becquart
mlb@paris-orleans.com

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

UK Press and Media

Smithfield - +44 (0)20 7360 4900

John Kiely - jkiely@smithfieldgroup.com

Alex Simmons - asimmons@smithfieldgroup.com

French Press and Media

DGM Conseil - + 33 1 40 70 11 89

Olivier Labesse - labesse@dgm-conseil.fr

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

Financial calendar

- 14 February 2014 after market close — Financial information for the third quarter of FY 2013/2014
- 25 June 2014 after market close — Financial year 2013/2014 results