PARIS ORLÉANS

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Financial information

1st quarter

2013/2014

Resilient first quarter revenues

- Global Financial Advisory first quarter revenue robust in all geographies
- Wealth and Asset Management first quarter revenue slightly increased in challenging market conditions
- Merchant Banking revenues decreased due to less investment profits and dividends. The business is developing with new fund initiatives

in € million	2013/2014 First quarter revenues	2012/2013 First quarter revenues
Global Financial Advisory	141.6	136.9
Asset Management [1]	82.9	101.5
Of which Wealth and Asset Management	*71.4*	*67.7*
Of which Merchant Banking	*11.5*	*33.8*
Other [2]	13.3	13.2
Total before statutory adjustments	**237.8**	**251.6**
Statutory adjustments (*see appendix 1*)	(2.3)	(5.8)
Total Group revenues (*see appendix 1*)	**235.5**	**245.8**

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

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

Global Financial Advisory

Global Financial Advisory revenues for the 3 months to June 2013 were €141.6 million (of which M&A advisory was €87.7 million and Financing advisory was €53.9 million), up 3% compared to the same period in the prior year (3 months to June 2012 revenue was €136.9 million of which M&A advisory was €88.7 million and Financing advisory was €48.2 million) but down 26% quarter on quarter, reflecting the volatility of M&A completion activity. In comparison, global M&A deal values for the 3 months to June 2013 were down by 10% [3] compared to the same period in the prior year.

Revenue for the first quarter was flat across most franchises and regions compared to the same point last year, although we are cautiously optimistic that the volume of completed advisory assignments will accelerate into the second half of the year subject to market conditions, as we continue to work on some of the largest and most complex announced transactions globally. For example, Rothschild is acting as sole financial advisor to Publicis on its recently announced $35.1 billion cross-border merger with Omnicom to create Publicis Omnicom Group, as well as to AMR Corporation, parent of American Airlines, on its Chapter 11 restructuring process and $26 billion planned merger with US Airways Group.

Rothschild advised the following clients on significant M&A and Financing Advisory assignments that completed in the quarter to June 2013:

- *Central Bank of Cyprus* on the restructuring and recapitalisation of the country's banking system
- *Severn Trent* in relation to the unsolicited offer from the Long River Partners consortium
- *Almeida Junior* on the acquisition of Westfield's 50% stake in Westfield Almeida Junior, a Brazilian JV, to regain full control
- *Salini* in relation to its merger with Impreglio, the Italian construction company (€1.7 billion)
- *Harry Winston Diamond Corporation* on the sale of its brand diamond jewellery and timepiece division, Harry Winston Inc. to Swatch Group ($1.0 billion)
- *3i Group and Management* on the sale of Civica to OMERS Private Equity (£390 million)
- *Khazanah Nasional* (strategic investment fund of the Government of Malaysia) on its acquisition of CIMB Aviva in consortium with Sun Life Financial (US$600 million)
- *Mid Europe Partners* on the sale of LUX MED Group, the largest private healthcare provider in Poland, to Bupa (€400 million)
- *Groupe FNAC* on its demerger from Kering
- *Koninklijke KPN* on its rights issue (€3.0 billion)
- *Open Grid Europe* on its refinancing (€2.7 billion)
- *CEVA Group (adviser to sponsors)* on its out-of-court €1.3 billion exchange offers and €230 million recapitalisation
- *Volkswagen* on its issuance of new Mandatory Convertible Notes (€1.27 billion)

[3] *Source: Thomson Reuters. Completed transactions*

Wealth & Asset Management

This quarter has seen significant volatility in global equity markets. Despite this, our assets under management stayed firm at €38.4 billion this quarter, the same as at the end of March 2013. Net new assets were slightly positive.

In this challenging environment, revenues for the first quarter of 2013/2014 increased to €71.4 million, compared to €67.7 million for the same quarter last year. The pipeline for new assets remains strong.

Continuing pressures on our businesses, including those from increased regulation, have not changed our previously announced strategic focus of developing a more systematic approach to winning new clients as well as strengthening our organisation.

Merchant Banking

During the first quarter Merchant Banking generated revenues of €11.5 million compared to €33.8 million in the same period last year, due to lower investment profits and dividends. The first quarter of 2012/2013 included €16 million from the sale of one particular investment. Investment revenues are inherently variable in this business as it depends on the timing of realisations.

The division invested €17.1 million during the quarter, of which around half was in equity and debt funds managed by Merchant Banking and half was in Paris Orléans proprietary investments. Disposals generated proceeds of €14.3 million of which €11.5 million was reimbursements and return of capital from proprietary investments which did not generate any capital gains.

The Group is expanding its Merchant Banking 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). It held its first closing at €235 million in May 2013 with a target completion of €400 million.

Specialist finance

The legacy banking book continues to reduce in line with our plans to exit this business. Legacy drawings fell to €499 million as at 30 June 2013, down from €570 million as at 31 March 2013.

Outlook

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

Appendix I: notes to financial information for 1st quarter 2013/2014

1. In line with the new segmental information presented in the 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 2013/2014 and 2012/2013 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 2012/2013 Paris Orléans' consolidated accounts. Accordingly, figures for the first quarter of 2012/ 2013 have been restated.

Appendix 2: Change in accounting standards since 1 April 2013

IAS 19 Employee Benefits (revised) results in changes to the recognition and measurement of defined benefits expenses and certain disclosures.

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

Had these changes been effective for the year ended 31 March 2013, the income statement charge for defined benefit pensions would have been €8.1 million greater, although actuarial losses recognised in other comprehensive income would have been reduced by the same amount.

The Profit before tax would have decreased by €8.1 million and the Net Result – Group share by €5.7 million.

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

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Financial calendar

- 26 September 2013 – 9.30 am - CET — Annual Shareholders General Meeting
- 26 November 2013 after market close — Results of the first half-year of the 2013/2014 financial year
- 14 February 2014 after market close — Financial information for the third quarter of FY 2013/2014
- 25 June 2014 after market close — Financial year 2013/2014 results