

Financial information

3rd quarter

2013/2014

- Global Financial Advisory third quarter revenues were down 16% compared to the same period in the prior year against a backdrop of continued low M&A volumes, but up 27% quarter on quarter due to higher deal completions activity particularly in Europe and the US
- Wealth and Asset Management third quarter revenue rose driven by strong performance fees on Rothschild funds and growth of assets under management
- Merchant Banking third quarter revenues increased year on year due to higher dividend income and lower provisions. The business continues to develop fund initiatives

| <i>In €m</i> | 3 rd Quarter Revenues | | YTD Revenues | |
|---|----------------------------------|--------------|--------------|--------------|
| | 2012/2013 | 2013/2014 | 2012/2013 | 2013/2014 |
| Global Financial Advisory | 239.5 | 200.0 | 548.0 | 499.6 |
| Asset Management | 99.9 | 115.4 | 278.5 | 285.1 |
| <i>Of which Wealth and Asset Management</i> | <i>72.9</i> | <i>86.8</i> | <i>212.8</i> | <i>230.5</i> |
| <i>Of which Merchant Banking</i> | <i>27.0</i> | <i>28.6</i> | <i>65.7</i> | <i>54.6</i> |
| Other | 16.1 | 15.2 | 43.1 | 41.2 |
| Total before statutory adjustments | 355.5 | 330.6 | 869.6 | 825.9 |
| Statutory adjustments <i>(see appendix 2)</i> | 2.5 | (8.8) | (7.2) | (11.1) |
| Total Group revenues | 358.0 | 321.8 | 862.4 | 814.8 |

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 which comprises Wealth & Asset Management and Merchant Banking. In addition, we have a Specialist Finance business, (included in "Other"), which predominantly relates to the legacy banking business.

Global Financial Advisory

Global Financial Advisory revenues for the three months to December 2013 were €200 million (of which M&A advisory was €119 million and financing advisory was €81 million), down 16% compared to the same period in the prior year but up 27% compared to the three months to September 2013 following strong quarter on quarter revenue increases in our core European markets and in the US.

For the nine months to December 2013, Global Financial Advisory revenues were €499.6 million, 9% down compared to the same period last year. By way of comparison, for the nine months to December 2013, global M&A deal values were down by 11% and global M&A deal numbers were down 12%¹ compared to the same period in the prior year.

We continue to work on some of the largest and most complex transactions announced globally. For example, Rothschild is currently acting as financial advisor to Westfield on the separation of its US\$18 billion international business and simultaneous A\$29 billion merger of its Australian/NZ business with Westfield Retail Trust, to Nestlé on the €3.1 billion acquisition of 50% of Galderma, and simultaneous disposal of its stake in L'Oréal for €3.4 billion in cash, and to AZ Electronic Materials on the £1.6 billion recommended cash offer by Merck.

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 three months to December 2013:

- *AMR corporation, parent of American Airlines, on its Chapter 11 restructuring and merger with US Airways (US\$34.0 billion)*
- *Government of Kazakhstan on the take private of Eurasian Natural Resources Corporation PLC (US\$4.7 billion)*
- *Promotora de Informaciones SA, the listed Spanish media company, on the restructuring of its existing debt and raising of a new money facility (US\$3.3 billion combined)*
- *The management and shareholders (Cinven, Carlyle and Altice) on the IPO of Numericable, the sole major cable operator in France (€0.8 billion)*
- *Nationwide on their capital securities issue, counting as Common Equity Tier 1 Capital (£0.6 billion)*
- *Casino on the acquisition of remaining stake in Grupo Pão de Açúcar Arle, Brazil's leading food retailer (US\$0.8 billion)*
- *Gafisa, a leading Brazilian diversified home builder, on the disposal of a 70% stake in Alphaville to Blackstone and Pátria (US\$0.7 billion)*
- *Hellenic Bank on their recapitalisation exercise (€0.4 billion)*

¹ Source: Thomson Reuters. Completed transactions (M&A transactions including Financial Advisers)

Wealth & Asset Management

Wealth & Asset Management revenues for the three months to December 2013 were €36.8 million, up 19% compared to the same period in the prior year (€22.9 million) and up 20% quarter on quarter.

During the first nine months of 2013/2014, Wealth & Asset Management generated revenues of €230.5 million, 8% better than the same period last year (€212.8 million).

Revenue growth was mostly driven by strong performance fees on Rothschild funds and the rise of assets under management. In a market where economic and financial uncertainty is high, Rothschild funds have out-performed their benchmark over the calendar year 2013.

Assets under management were higher at €41.2 billion as at 31 December 2013 (€38.4 billion as at 31 March 2013 and €39.7 billion as at 30 September 2013) due to market appreciation of €2.4 billion and net inflows of €0.4 billion during the first nine months. The net new assets were driven by inflows in Wealth Management (€1.0 billion), partially offset by outflows in Asset Management (€0.6 billion), especially in RAM Inc, our US-based Asset Management business.

Our European onshore Wealth Management businesses are growing in the United Kingdom, France, Belgium, Switzerland and Germany. Strategic investments (the hire of an onshore Italian team and a Swiss international team), made earlier in the year, have started to yield results and are generating positive asset inflow. Looking ahead, in Wealth Management, the Group expects to convert the current healthy asset pipeline into positive net client inflows over the remainder of the year, as it was for the first nine months. However, the continuing pressure on our businesses arising from increased regulation, especially in Switzerland, and 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.

Merchant Banking

Merchant Banking revenues for the three months to December 2013 were €28.6 million, up 6% compared to the same period in the prior year (€27.0 million).

During the first nine months to December 2013, Merchant Banking generated revenues of €54.6 million compared to €65.7 million the previous year. These revenues include:

- €24.7 million of management fees (€24.7 million for nine months to December 2012)
- €27.7 million of capital gains (€41.4 million for nine months to December 2012)
- €5.4 million of other income, including interest and dividends (€15.0 million for nine months to December 2012)
- less €3.2 million of provisions (€15.4 million for nine months to December 2012)

During the first nine months to December 2013, this division invested €49.9 million, of which €21.1 million was in proprietary investments and €28.8 million was in funds managed by Merchant Banking. Disposal proceeds amounted to €54.1 million generating capital gains of €27.7 million.

The fundraising of Five Arrows Credit Solutions (FACS), a fund targeted at capturing opportunities in the European high yielding junior credit market (for both primary and secondary opportunities) is proceeding well. It held its first closing at €235 million in May 2013 and, following further closings, is approaching its target completion of €400 million.

Specialist finance

The legacy banking book continues to reduce in line with our plans to exit this corporate lending business. Legacy drawings fell to €400 million as at 31 December 2013, down from €570 million as at 31 March 2013.

Outlook

Faced with continuing difficult economic trends with a consequent impact on M&A, plus an evolving and complex regulatory framework, especially in the Wealth Management business in Switzerland, the Group is focusing on profitability, flexibility, cost discipline and capturing the synergies between our core businesses. Because of this we are well positioned to benefit from improved market conditions as and when they arise.

Appendix 1: Quarterly progression of revenues

| <i>In €m</i> | | 2012/2013 | 2013/2014 |
|-------------------------------|-------------------------------|------------------|------------------|
| Global Financial Advisory | 1 st quarter | 136.9 | 141.6 |
| | 2 nd quarter | 171.6 | 158.0 |
| | 3 rd quarter | 239.5 | 200.0 |
| | YTD | 548.0 | 499.6 |
| Asset Management ² | 1 st quarter | 101.5 | 82.9 |
| | 2 nd quarter | 77.1 | 86.8 |
| | 3 rd quarter | 99.9 | 115.4 |
| | YTD | 278.5 | 285.1 |
| Other ³ | 1 st quarter | 13.2 | 13.3 |
| | 2 nd quarter | 13.8 | 12.7 |
| | 3 rd quarter | 16.1 | 15.2 |
| | YTD | 43.1 | 41.2 |
| Statutory adjustments | 1 st quarter | (5.8) | (2.3) |
| | 2 nd quarter | (3.9) | 0.0 |
| | 3 rd quarter | 2.5 | (8.8) |
| | YTD | (7.2) | (11.1) |
| Total Group Revenues | 1st quarter | 245.8 | 235.5 |
| | 2nd quarter | 258.6 | 257.5 |
| | 3rd quarter | 358.0 | 321.8 |
| | YTD | 862.4 | 814.8 |

² Asset Management comprises Wealth & Asset Management and Merchant Banking business

³ Other comprises Central cost, legacy business, including Specialist Finance, and other

Appendix 2: Notes to financial information for 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 2012/ 2013 have been restated.

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 €142,208,216. 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

- 25 June 2014 after market close Financial year 2013/2014 results