

Press release

Paris 2 January 2017

Rothschild & Co and Compagnie Financière Martin Maurel announce the completion of their merger

The proposed merger between Rothschild & Co and Compagnie Financière Martin Maurel to create one of France's leading independent private banks announced last June is now successfully complete. The merger will build upon the relationship that has existed between the Rothschild and the Maurel families for three generations. The operational integration of the two private banks Rothschild Patrimoine and Banque Martin Maurel should be finalised in the second half of 2017 so as to create a combined group operating under the name Rothschild Martin Maurel.

Rothschild Martin Maurel will be a leading independent family controlled private banking group operating in France, Belgium and Monaco, with a distinctive market positioning targeted notably at entrepreneurs. The group will have combined AUM of c.€34 billion, offer a particularly broad wealth management, asset management, financing and corporate finance advisory service and enjoy a greater geographic footprint in France.

This announcement comes following:

- a favourable opinion on the proposed merger between Rothschild & Co and Compagnie Financière Martin Maurel on 16 and 17 June 2016 by the employee representative committees of Rothschild's economic and social unit and that of Martin Maurel;
- the signature of the merger agreement by the Managing Partner of Rothschild & Co on 29 July 2016;
- approval from shareholders of both companies in September 2016 at the annual general shareholder meetings of Rothschild & Co and Compagnie Financière Martin Maurel; and the partners of Rothschild & Co separately;
- authorisation of the merger by the Competition Authority in France on 14 October 2016;
- authorisations necessary for the merger from the French Prudential supervisory and resolution authority (Autorité de Contrôle Prudentiel et de Résolution), the European Central Bank, and the French financial markets authority (Autorité des Marchés Financiers)

Prior to this transaction, Rothschild & Co held 2.3% of Compagnie Financière Martin Maurel while the latter held 0.90% in Rothschild & Co. In accordance with the terms of the protocol signed in May 2016, the majority of the transaction was in the form of an exchange of shares on the basis of a parity of 126 Rothschild & Co shares per Compagnie Financière Martin Maurel share. The Maurel family received shares and reinforced its presence in the extended family concert of Rothschild & Co, of which it was already a member. The transaction was financed 62% by issuing 6.1 million new shares and 38% by external bank facilities of €88.3 million. The significant non-family shareholders of Compagnie Financière Martin Maurel had already agreed to tender their shares to the cash offer in accordance with the terms of the initial protocol.

David de Rothschild, Chairman of Rothschild & Co, said, "*The combination of two family controlled businesses that share the same history, the same culture and the same vision of their industry, creates an outstanding company and we are delighted to celebrate this merger today. The transaction is in line with our strategy to accelerate our growth in private wealth and of focusing on annuity style revenues. I am pleased that the Maurel family will maintain its involvement alongside the Rothschild family in the new group.*"

"*Our two groups embody a family model that distinguish and strengthen us when compared to our competitors. This combination allows us to broaden the range of our offerings to all our clients, especially entrepreneurs, thanks to a strengthened and broader range of asset and wealth management products and services,*" underlined Bernard Maurel.

Lucie Maurel Aubert said, "We will be able to develop these offers in Paris and also, thanks to our strong regional presence, in Lyon, Marseille, Aix en Provence, Grenoble and Monaco, while adding the skills of Rothschild and Co in financial advisory and merchant banking. This alliance will enrich our expertise benefitting our customers and our teams and enabling us to meet the challenges of the future with confidence".

The listing of Compagnie Financière Martin Maurel's shares will be suspended as of today. With effect from 4 January 2017, the new shares of Rothschild & Co will be admitted to trading on compartment A of Euronext Paris under ISIN code FR0000031684 and the shares of Compagnie Financière Martin Maurel (ISIN code FR0006321998) will be delisted from the *Marché libre* of Euronext Paris.

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About Rothschild & Co

With a team of c.3 300 talented financial services specialists on the ground in 40 countries across the world, our integrated global network of trusted professionals provide in-depth market intelligence and effective long-term solutions for our clients in Global Advisory, Private Wealth, Asset Management, and Merchant Banking. Rothschild & Co is family-controlled and independent and has been at the centre of the world's financial markets for over 200 years.

Rothschild & Co is a French partnership limited by shares (société en commandite par actions) with a share capital of €142,364,072. Paris trade and companies registry 302 519 228. Registered office: 23 bis avenue de Messine, 75008 Paris, France. Rothschild & Co is listed on Euronext in Paris, Compartment A - ISIN Code: FR0000031684.