

Financial information third quarter

2012/2013

Sharp rise in third quarter revenues

- Global Financial Advisory third quarter revenue particularly strong in Europe as well as in Asia and Latin America
- Wealth and Asset Management third quarter revenue slightly increased in challenging market conditions
- Positive development in Merchant Banking, including the launch of a new fund initiative in November to capture opportunities in the European high yielding junior credit market

<i>In €m</i>	Third quarter Revenues		Nine months Revenues	
	2012/2013	2011/2012	2012/2013	2011/2012
Global Financial Advisory and Specialist Finance	256.8	210.1	585.8	586.1
Wealth and Asset Management	74.5	72.1	215.7	223.7
Merchant Banking	26.6	13.3	66.4	76.4
Total Group Revenues	357.9	295.5	867.9	886.2

Global Financial Advisory and Specialist Finance

Global Financial Advisory and Specialist Finance revenues in the third quarter 2012/2013 were €256.8 million, up 38% and 22%, respectively, compared to the second quarter and last year's third quarter. This was the highest quarterly revenue since 2007/2008.

For the nine months to December 2012, Global Financial Advisory revenue was flat compared to the same period in the previous year against the backdrop of a 6% decline in Global market activity and a 23% decline in the European market¹.

Revenues for the third quarter were particularly strong in our core European markets, as well as in Asia and Latin America, as we advised on many of the largest and most complex M&A and Financing Advisory transactions completed in the period.

Rothschild advised the following clients on significant M&A transactions:

- Nestlé on the acquisition of Pfizer Nutrition (US\$11.8 billion);
- ThyssenKrupp on the sale of its Inoxum stainless steel business to Outokumpu (€2.7 billion);
- Bright Food on the acquisition of a 60% interest in Weetabix (US\$ 1.1 billion);
- Toyota Tsusho on the public tender offer for CFAO (€2.3 billion);
- Cookson on the demerger of its Performance Materials Division (GBP 2.1 billion);
- Hong Kong Exchanges & Clearing on the acquisition of The London Metal Exchange (GBP 1.4 billion); and
- Schiff Nutrition on its sale to Reckitt Benckiser (US\$ 1.45 billion).

Financing Advisory (debt advisory, restructuring and equity advisory) has continued to perform well despite industry-wide low levels of activity. Notable restructuring transactions completed in the third quarter include the debt restructurings of Deutsche Annington (€4.3 billion) and Rede Energia (BRL 1.5 billion). In addition, the Debt Advisory team advised Pages Jaunes (€2.3 billion) and Peel Ports (£1.6 billion). Completed Equity Advisory assignments in the period included advising on the Portuguese State's injection of capital into Banif (€1.4 billion), Queensland Treasury's partial sell-down in QR National (AUD 1.5 billion) and Talanx's IPO (€0.5 billion).

Despite strong revenues during this quarter, we remain cautious in the short term for Global Financial Advisory given the on-going uncertain economic environment.

Specialist Finance, which includes the Corporate Banking business in the UK, reduced its legacy loan portfolio by a further £57 million in the third quarter and £168 million since April 2012, as planned.

¹ Completed M&A by value of deals for the 9 months to December 2012 compared to the same period in 2011 (Source - Thompson Reuters as at 30 January 2013)

Wealth and Asset Management

Wealth and Asset Management revenues were €74.5 million for the third quarter, up 10% and 3%, respectively, compared to the second quarter and last year's third quarter. Third quarter revenues were positively impacted by revenue from the acquisition of HDF Finance multi-management activities and by performance fees.

For the nine months to December 2012, revenues were below last year's level by 4% in a challenging market environment. Clients' risk aversion resulted in lower transaction fees and to a change in product mix towards less risky assets. Moreover, continuing low interest rates adversely impacted revenue on monetary assets.

At the end of December 2012, the Group's assets under management amounted to €39 billion, unchanged since 30 September 2012, and increased compared to end of March 2012 (€37.1 billion).

The merger of Rothschild & Cie Gestion multi-management activity and HDF Finance, to form Rothschild HDF Investment Solutions, is expected to benefit the Group's performance, especially through the launch of new products.

Merchant Banking

During the third quarter, Merchant Banking generated revenues of €26.6 million compared to €4.7 million the second quarter and €13.3 million in the same period last year. Those revenues include €13.2 million of profits from the disposal of the Paprec investment – (French waste recycling company).

Merchant Banking launched a new fund initiative in November, Five Arrows Credit Solutions. This is a fund targeted at capturing opportunities in the European high yielding junior credit market. The division also realised a first closing (at €130 million) for Oberon, its European senior credit fund.

During the first nine months of 2012/2013, Merchant Banking activities generated revenues of €66.4 million, compared to revenues of €76.4 million for the same period last year. Disposals amounted to €96.5 million generating capital gains of €39.7 million. Moreover, this division invested €80.2 million, of which €19.2 million was in proprietary investments and €61 million was in equity funds managed by Merchant Banking.

Outlook

Despite continuing global economic uncertainty and ever evolving regulation, the Group continues to focus on developing synergies between its three main businesses and a strict cost discipline. These factors will allow it to benefit from improved market conditions, as and when they arise, particularly in respect of mergers and acquisitions.

About Paris Orléans, the parent company of the Rothschild group

Paris Orléans operates in three main areas:

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

- 27 June 2013 Financial year 2012/2013 results

Quarterly progression of revenues

<i>In €m</i>		Quarterly progression of revenues	
		2012/2013	2011/2012
Global Financial Advisory and Specialist Finance	1 st quarter	142.9	212.5
	2 nd quarter	186.1	163.5
	3 rd quarter	256.8	210.1
	YTD	585.8	586.1
Wealth and Asset Management	1 st quarter	73.3	79.5
	2 nd quarter	67.9	72.1
	3 rd quarter	74.5	72.1
	YTD	215.7	223.7
Merchant Banking	1 st quarter	35.1	15.2
	2 nd quarter	4.7	47.9
	3 rd quarter	26.6	13.3
	YTD	66.4	76.4
Total Group Revenues	1 st quarter	251.3	307.2
	2 nd quarter	258.7	283.5
	3 rd quarter	357.9	295.5
	YTD	867.9	886.2