PARIS ORLÉANS

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Financial information

1st quarter

2014/2015

Strong first quarter revenues

- Global Financial Advisory's record first quarter revenues supported by particularly strong M&A advisory activity
- Wealth and Asset Management first quarter revenue rose in a volatile market
- Merchant Banking revenues increased significantly due to higher investment profits and dividends

in € million	2014/2015 First quarter revenues	2013/2014 First quarter revenues as restated [1]
Global Financial Advisory	216.2	141.6
Asset Management [2]	114.4	82.9
Of which Wealth and Asset Management	*76.4*	*71.4*
Of which Merchant Banking	*38.0*	*11.5*
Other [3]	16.7	13.3
Total before statutory adjustments	**347.3**	**237.8**
Statutory adjustments [4]	-	(0.6)
Total Group revenues	**347.3**	**237.2**

[1] The comparative revenues have been restated to reflect the introduction of IFRS 10. More details are provided in Appendix 1

[2] Asset management comprises Wealth & Asset Management and Merchant Banking businesses

[3] Comprises Central cost, Legacy businesses, including Banking & Asset Finance, and other

[4] 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

Global Financial Advisory

Global Financial Advisory revenues for the 3 months to June 2014 were €216.2 million (of which M&A advisory was €140.1 million and Financing advisory was €76.1 million), up 53% compared to the same period in the prior year (3 months to June 2013 revenue was €141.6 million of which M&A advisory was €87.7 million and Financing advisory was €53.9 million), and up 14% quarter on quarter.

Revenue for the 3 months to June 2014 represented our best first quarter since the start of the financial crisis. Revenue performance was particularly strong in our European businesses. We are cautiously optimistic that the steady flow of completed and current advisory assignments seen in the first quarter might continue for the rest of the year.

We are currently working on some of the largest and most complex announced transactions globally. For example, Rothschild is acting as financial advisor to Lafarge on its recently announced €60 billion cross-border merger with Holcim, Alstom on the €12.4 billion proposed sale of its Energy Activities to General Electric, and Rolls-Royce on the €2.4 billion acquisition of the 50% it did not already own in RRPS (previously Tognum), a joint venture with Daimler.

Rothschild advised the following clients on significant M&A and Financing Advisory assignments that completed in the quarter to June 2014:

- Westfield, owner of one of the world's largest shopping centre portfolios, on the separation of its international business (US$18 billion) and simultaneous merger of its Australian / New Zealand business with Westfield Retail Trust (A$29 billion)
- Volkswagen, the leading automobile manufacturer, on its public tender offer to Scania's minority shareholders (€6.7 billion)
- PSA Peugeot Citroën, the global car manufacturer, on its capital increase (€3.0 billion), strengthening of its industrial partnership with Dongfeng Motor and renewal of its revolving credit facility (€2.7 billion)
- The Board of Directors of Level 3 Communications, the leading communications provider, on the company's acquisition of tw telecom (US$7.3 billion)
- Rumo Logística, the Brazilian logistics service company, on its merger with América Latina Logística (US$4.7 billion)
- Al Jaber, the diversified Middle Eastern conglomerate, on its debt restructuring (US$4.5 billion)
- The Independent Directors of Olam, the Singapore based leading agri-business, on the cash offer for securities from Temasek (US$4.2 billion)
- The Arora Family on the listing of B&M European Value Retail, the UK general merchandise discount retailer (£2.7 billion)
- Rede Energia, the electricity distribution concessions investor, on its debt restructuring (US$2.3 billion) and sale to Energisa
- AZ Electronic Materials, the producer of specialty chemical materials for the electronics market, on the recommended cash offer by Merck (£1.6 billion)
- Grupo BFA / Bankia, the Spanish commercial bank, on the sell-down of its 4.9% stake in Iberdrola (€1.5 billion)

Wealth & Asset Management

This quarter has continued to be impacted by significant volatility in global equity markets and low interest rates. In parallel, the recovery in equity markets had a positive impact on assets under management, as clients became more active.

Assets under management have increased by 4% this quarter to €44.0 billion as at 30 June 2014 (€42.3 billion as at 31 March 2014) due to net inflows of €0.8 billion and market appreciation of €0.9 billion. The pipeline for new assets remains strong.

During the first quarter of 2014/2015, Wealth & Asset Management generated revenue of €76.4 million, up 7% compared to the same quarter last year (€71.4 million) and flat quarter on quarter. Revenue growth is mostly driven by the rise of assets under management.

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. Investments have been made in London in the Investment team and in Paris and Brussels in the Commercial teams.

Merchant Banking

During the first quarter Merchant Banking generated revenues of €38.0 million compared to €11.5 million in the same period last year. The year-on-year increase is largely attributable to the profit made by Paris Orléans Proprietary Investments on the sale of its investment in Beaugrenelle – the Parisian shopping mall in April 2014.

These revenues include:

- €9.1 million of management fees (€8.1 million for Q1 2013/2014),
- €25.7 million of net investment gains (€2.8 million for Q1 2013/2014),
- €3.9 million of other investment income, including interest and dividends (€1.8 million for Q1 2013/2014);
- less €0.7 million of provisions (€1.2 million for Q1 2013/2014).

The division invested €42.5 million during the quarter, of which around €34.3 million was in equity and debt funds managed by Merchant Banking and €8.2 million was in Paris Orléans proprietary investments. Disposals generated proceeds of €71 million and resulting in €25.7 million of net investment gains.

As noted at the time of the full year results, Merchant Banking closed its Five Arrows Credit Solutions fund (which targets both primary and secondary opportunities in the European high yielding junior credit market) during the quarter at €415 million – exceeding its target of €400 million. Oberon II, the senior debt fund successor to Oberon I (which raised €200 million of capital) is expected to hold its first close in September 2014 with €200 million of capital, and final close by December 2014 with €300 million of capital.

The success of the deployment of the first fund FAPI (“Five Arrows Principal Investments”), combined with a strong current exit pipeline, will allow the team to launch shortly after the end of the quarter its successor fund FAPI II, which is expected to close in excess of the €583 million committed capital secured by its predecessor.

Banking & Asset finance

The legacy banking book continues to reduce in line with our plans to exit the corporate lending business. Legacy drawings fell to €355 million as at 30 June 2014, down from €396 million as at 31 March 2014.

Outlook

The M&A market is showing positive signs at present with deal flow picking up in recent months in Europe, but still in a highly volatile global environment. If this level of activity persists we will see a positive impact on our business performance.

Our priorities remain focused on improving profitability, cost discipline and capturing the synergies between our three core businesses.

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: Change in accounting standards since 1 April 2014

IFRS 10 Consolidated Financial Statements introduces a single model of assessing control.

Control exists where an investor has the power to direct the activities of another entity in order to influence the returns to the investor.

In applying IFRS 10 for 2014/2015, the comparative data for 2013/2014 has been restated.

For this financial information statement, the change has been to increase first quarter revenues for 2013/2014 by €1.7 million.

Financial calendar

- 25 September 2014 – 10.30 am - CET — Annual Shareholders General Meeting
- 25 November 2014 after market close — Results of the first half-year of the 2014/2015 financial year
- 13 February 2015 after market close — Financial information for the third quarter of FY 2014/2015
- 24 June 2015 after market close — Financial year 2014/2015 results

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About Paris Orléans, the parent company of the Rothschild Group

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 & Asset Management, and*
- *Merchant Banking which comprises third party private equity and private debt 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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