

**Rothschilds Continuation Finance B.V.**  
**Amsterdam**

Annual report and accounts  
for the financial year ended 31 March 2009

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## **Report of the management**

Management herewith presents to the shareholder the annual accounts of Rothschilds Continuation Finance B.V. (hereinafter "the Company") for the financial year ended 31 March 2009.

## **General**

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as a finance company for the Rothschild group.

## **Overview of activities**

The principal activity of the Company is to act as a finance Company. The Company has outstanding USD 200,000,000 Subordinated Primary Capital Undated Guaranteed Floating Rate Notes and USD 45,000,000 Subordinated Floating Rate Notes due 2015. The net proceeds from these two issued Notes have been used for granting loans to, and placing deposits with, group companies.

During the year the Company did not start up new activities.

## **Results**

The net asset value of the Company as at 31 March 2009 amounts to EUR 446,808 (2008: EUR 212,984).  
The result for the financial year as per 31 March 2009 amounts to a profit of EUR 233,843 (2008: EUR 189,462 profit).

## **Liquidity and capital resources**

Liquidity has increased and shareholder's equity has increased with the profit for the year. Both are considered sufficient in view of the nature of the Company's business.

## **Financial instruments**

The interest rate risk is addressed and mitigated by a fixed positive margin between rates on borrowings and lending.

## **Staff numbers and employment costs**

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor in the previous year.

## **Declaration by Management**

Management declares that, to the best of their knowledge and belief, the financial statements, prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss account of the Company as well as that the Management Report includes a fair review of the development and performance of the business and financial position of the Company, together with the description of the principal risks and uncertainties it faces.

## **Future outlook**

Management is of the opinion that the present level of activities will be maintained during the next financial year.

Amsterdam, 20 July 2009

O.J.A. van der Nap

G.F. Nicolai

**Rothschilds Continuation Finance B.V., Amsterdam**

**Balance sheet as at 31 March 2009**

(Before the proposed appropriation of the result and expressed in euros)

	Notes	31-03-2009	31-03-2008
<b>Fixed assets</b>			
<b>Financial fixed assets</b>			
Loans to group entities	1	184,668,728	155,048,571
<i>Total fixed assets</i>		<u>184,668,728</u>	<u>155,048,571</u>
<b>Current assets</b>			
<b>Debtors</b>			
Amounts owed by group entities	2	148,460	205,949
Prepayments and accrued income	3	178,970	85,590
Taxation	4	26,136	28,546
Cash and cash equivalents	5	299,994	155,413
<i>Total current assets</i>		<u>653,560</u>	<u>475,498</u>
<b>Current liabilities (due within one year)</b>			
Interest payable on floating rate notes	6	132,108	190,061
Accruals and deferred income	7	74,644	72,453
<i>Total current liabilities</i>		<u>206,752</u>	<u>262,514</u>
<b>Current assets less current liabilities</b>		<u>446,808</u>	<u>212,984</u>
<b>Total assets less current liabilities</b>		185,115,536	155,261,555
<b>Long term liabilities (due after one year)</b>			
Floating Rate Notes	8	184,668,728	155,048,571
<b>Net asset value</b>		<u>446,808</u>	<u>212,984</u>
<b>Capital and reserves</b>			
Share capital	9	18,172	18,672
General reserves		194,793	4,850
Unappr. results		233,843	189,462
<i>Total shareholder's equity</i>		<u>446,808</u>	<u>212,984</u>

The accompanying notes form an integral part of these financial statements.

**Profit and loss account for the financial year ended 31 March 2009**  
(Expressed in euros)

	Notes	31-03-2009	31-03-2008
<b>Finance activities</b>			
Interest income	10	6,333,786	9,636,367
Interest expense	11	<u>(6,071,709)</u>	<u>(9,372,118)</u>
<i>Net interest income</i>		262,077	264,249
<b>Other financial income and expenses</b>			
Currency exchange rate differences		<u>13,870</u>	<u>(14,548)</u>
<i>Total other financial income and expenses</i>		13,870	(14,548)
<b>Result before taxation</b>		<u>275,947</u>	<u>249,701</u>
Corporate income tax	12	(42,104)	(60,239)
<b>Result after taxation</b>		<u><u>233,843</u></u>	<u><u>189,462</u></u>

The accompanying notes form an integral part of these financial statements.

**Notes to the annual accounts for the financial year ended 31 March 2009**

**General**

The Company was incorporated as a private company with limited liability under the laws of The Netherlands on 15 March 1984 and has its statutory seat in Amsterdam. The shareholders are Rothschilds Continuation Finance Holdings Limited, United Kingdom, PO Capinvest 3 S.A.S., France and Banque Privée Edmond de Rothschild S.A., Switzerland. The principal activity of the Company is to act as a finance company and its place of business is at Prins Bernhardplein 200, 1097 JB Amsterdam.

**Basis of presentation**

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Dutch Civil Code, the most significant of which are as follows:

**a. Foreign currencies**

Assets and liabilities in foreign currencies are translated into euros at their exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are translated into euros at the exchange rate in effect at the time of the transactions. The resulting currency exchange rate differences are taken to the profit and loss account.

The exchange rates used in the annual accounts are:

	<u>31.03.2009</u>	<u>31.03.2008</u>
1 EUR = USD (US dollar)	1.32670	1.58015

**b. Assets and liabilities**

Assets and liabilities are shown at face value, unless stated otherwise in the notes.

**c. Recognition of income**

Income and expenses, including taxation, are recognised and reported on accrual basis.

**d. Corporate income tax**

Provisions for taxation have been made in accordance with rulings previously obtained from the Netherlands tax Authorities.

**Rothschilds Continuation Finance B.V., Amsterdam**

			31-03-2009	31-03-2008
			EUR	EUR
<b>Balance sheet</b>				
<b>1 Loans to group entities</b>				
NMR International N.V.	USD	45,000,000	33,918,746	28,478,309
NMR International N.V.	USD	100,000,000	75,374,991	63,285,131
NM Rothschild & Sons Ltd	USD	100,000,000	75,374,991	63,285,131
			<u>184,668,728</u>	<u>155,048,571</u>
<p>The loan to NMR International N.V. has been advanced for an indefinite period, subject to the repayment dates of the relevant Floating Rate Notes and repayment is due on demand.</p>				
Balance as per 1 April			155,048,571	
Increase/(decrease) due to exchange rate differences			<u>29,620,157</u>	
Balance as per 31 March			<u>184,668,728</u>	
<p>The loans are unsecured. Interest on the loans is determined periodically, being interest on the corresponding Floating Rate Notes payable plus a margin of at least 1/8% per annum.</p>				
<b>2 Amounts owed by group entities</b>				
Loan interest receivable (NM Rothschild & Sons Ltd)			9,160	5,255
Loan interest receivable (NMR International N.V.)			9,160	5,255
Loan interest receivable (NMR International N.V.)			<u>130,140</u>	<u>195,439</u>
			<u>148,460</u>	<u>205,949</u>
<b>3 Prepayments and accrued income</b>				
VAT receivable			2,690	11,227
NM Rothschild & Sons Ltd			168,711	74,364
C/A group entities			-	57
Other accrued income			7,479	(58)
Bank interest receivable			<u>90</u>	<u>-</u>
			<u>178,970</u>	<u>85,590</u>
<b>4 Taxation</b>				
Corporate income tax			26,136	37,551
Withholding tax			<u>-</u>	<u>(9,005)</u>
			<u>26,136</u>	<u>28,546</u>
<p>Final corporate income tax assessments have been received for the financial years up to and including 2007/2008.</p>				
<b>5 Cash and cash equivalents</b>				
Current account			14,370	58,662
Current account			97,987	96,751
Deposit account			59,500	-
Deposit account			<u>128,137</u>	<u>-</u>
			<u>299,994</u>	<u>155,413</u>
<b>6 Interest payable on floating rate notes</b>				
Interest payable on floating rate note (USD 45,000,000)			114,834	182,183
Interest payable on floating rate note (USD 200,000,000)			<u>17,274</u>	<u>7,878</u>
			<u>132,108</u>	<u>190,061</u>

**Rothschilds Continuation Finance B.V., Amsterdam**

		31-03-2009	31-03-2008
		EUR	EUR
<b>7 Accruals and deferred income</b>			
	Tax advisor fee	2,500	2,500
	Audit fee	17,500	17,500
	Administration fee	3,228	5,725
	Dividends payable	46,728	46,728
	Other payables	4,688	-
		<u>74,644</u>	<u>72,453</u>
<b>8 Floating Rate Notes</b>			
	Due 2015	USD 45,000,000	33,918,746
	Undated	USD 200,000,000	28,478,309
		<u>150,749,982</u>	<u>126,570,262</u>
		<u>184,668,728</u>	<u>155,048,571</u>

Floating Rate Notes due 2015 bear interest at a rate which is 1/4% per annum above LIBOR rates for six-month US dollar deposits. The payment of principal and interest on the Notes is unconditionally guaranteed on a subordinated basis by Rothschilds Continuation Limited.

Undated Floating Rate Notes of USD 200,000,000 have no final maturity date but may be redeemed in whole or in part subsequent to August 1991. The Notes are subordinated in that principal and interest on the notes will only be payable to the extent that after such payments the Company or the guarantor, Rothschilds Continuation Limited, as the case may be, would remain solvent.

A remedy for non-payment of interest thereon is not provided unless a dividend has been paid or declared by the Company or the guarantor in the six months prior to the relevant interest payment date. The Undated Floating Rate Notes bear interest at a rate which is 1/4% per annum above LIBOR rates for six-month US dollar deposits. The guarantee of Rothschilds Continuation Limited will only take effect following default by the Company or the dissolution of the Company or the winding-up of the guarantor and will be effectuated by the substitution of the guarantor as principal debtor under the Notes in place of the Company.

Balance as per 1 April	155,048,571
Increase/(decrease) due to exchange rate differences	<u>29,620,157</u>
Balance as per 31 March	<u>184,668,728</u>



**9 Capital and reserves**

The authorised share capital of the Company is divided into 10,878 Ordinary A shares of EUR 8.26 each and 1,000 Ordinary B shares of EUR 1 each, amounting to EUR 90,852.28.

For expressing the Dutch guilder capital in euros, the Company made use of article 2.178c BW.

During the year the directors have adopted a resolution to convert all of the Cumulative Preference Shares into Ordinary B Shares. The conversion rate has been one of Ordinary B Share for each Cumulative Preference Share. Subsequently, the Company has repurchased 500 Ordinary B Shares for no consideration.

As of 31 March 2009, 2,200 Ordinary A shares with a total nominal value of EUR 18,172 were issued and fully paid.

In the annual general meeting of shareholders held on 26 November 2008 a dividend of EUR 385,000 and an interim dividend of EUR 15,000 paid to the shareholders on 3 March 2008 was confirmed, ratified and approved. It was further resolved to add the remaining balance of the unappropriated result 2007/2008 to the general reserves.

	<u>Share capital</u>	<u>Preferred share capital</u>	<u>General reserves</u>	<u>Unappr. results</u>
Balance as per 01.04.2007	18,172	500	212,036	192,839
Paid-in / (repaid)	-		-	-
Transfer			192,839	(192,839)
Dividend (Ordinary Shares)	-		(400,000)	-
Dividend (Preference Shares)	-		(25)	-
Result for the period	-		-	189,462
Balance as per 01.04.2008	<u>18,172</u>	<u>500</u>	<u>4,850</u>	<u>189,462</u>
Paid-in / (repaid)	-		-	-
Transfer	-		189,462	(189,462)
Conversion of B-shares	500	(500)		
Repurchase of B-shares	(500)		500	
Dividend (Preference Shares)	-		(19)	-
Result for the period	-		-	233,843
Balance as per 31.03.2009	<u>18,172</u>	<u>-</u>	<u>194,793</u>	<u>233,843</u>

	31-03-2009	31-03-2008
	EUR	EUR
<b>Profit and loss account</b>		
<b>10 Interest income</b>		
From group companies	6,329,216	9,626,045
From bank	4,570	10,322
	<u>6,333,786</u>	<u>9,636,367</u>
<b>11 Interest expense</b>		
Floating Rate Notes	(6,071,699)	(9,372,092)
Other	(10)	(26)
	<u>(6,071,709)</u>	<u>(9,372,118)</u>
<b>12 Corporate income tax</b>		
Tax-charge for C.I.T. 2008/2009 (2007/2008)	(55,150)	(68,894)
Additional tax-charge for C.I.T. 2005/2006	-	8,655
Release of tax-charge for C.I.T. 2006/2007	2,851	-
Release of tax-charge for C.I.T. 2007/2008	10,195	-
	<u>(42,104)</u>	<u>(60,239)</u>
<b>13 Reimbursable expenses</b>		

The general and administrative expenses and the bank charges are borne by NM Rothschild & Sons Limited.

**Staff numbers and employment costs**

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

**Directors**

The Company has two (previous year: two) managing directors, who do not receive a remuneration. The Company has no (previous year: none) supervisory directors.

Amsterdam, 20 July 2009

O.J.A. van der Nap

G.F. Nicolai

**Other information**

**Appropriation of results**

Under the restriction that Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal reserves, the remaining reserves and unappropriated results are - in accordance with the Company's articles of association - at the disposal of the shareholder.

The management proposes to the shareholder to add the result for the year to the other reserves.

**Audit of annual accounts**

The auditor's report is set forth on the following page.

**Subsequent events**

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

**Rothschilde Continuatie Finance B.V., Amsterdam**

**Auditor's report**

To: the Shareholders and Board of Directors of Rothschilds Continuation Finance B.V.

## **Auditor's report**

### **Report on the financial statements**

We have audited the accompanying financial statements 2009 of Rothschilds Continuation Finance B.V., Amsterdam, which comprise the balance sheet as at 31 March 2009, the profit and loss account for the year then ended and the notes.

#### *Management's responsibility*

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of Rothschilds Continuation Finance B.V as at 31 March 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 20 July 2009

KPMG ACCOUNTANTS N.V.

E.D.H. Vinke-Smits RA