

Rothschilds Continuation Finance B.V.
Amsterdam

Annual report and accounts
for the financial year ended 31 March 2012



KPMG Audit
Document to which our report dated

12 JUL 2012

also refers.
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Rothschilds Continuation Finance B.V., Amsterdam

Report of the management

Management herewith presents to the shareholders the annual accounts of Rothschilds Continuation Finance B.V. (hereinafter "the Company") for the financial year ended 31 March 2012.

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.

At the date of signing of these accounts Mr. van der Nap and Mr. Nicolai have resigned as Managing Directors of the Company.

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

Results

The net asset value of the Company as at 31 March 2012 amounts to EUR 889,425 (31 March 2011: EUR 658,921). The result for the financial year as per 31 March 2012 amounts to a profit of EUR 230,504 (31 March 2011: EUR 203,690 profit).

Liquidity and capital resources

Liquidity has increased and shareholders' equity has increased as the profit for the year. Both liquidity and shareholders' equity 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.

Risk management

All funds raised by the issue of Floating Rate Notes have been on-lent to fellow-subidiaries within the Rothschilds Continuation Holdings AG group. Payment of principal and interest by the company on its Floating Rate Notes is guaranteed by Rothschilds Continuation Limited. Floating Rate Notes have similar conditions as the loans to group companies. The Company faces limited FX risk related to the time differential between receipt and subsequent payment of its accrued interest in US Dollars. However, it should be noted that due to the fact that the Company has bank accounts in foreign currencies, a currency exchange rate result is recognized in the profit and loss account.

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.

Audit committee

The Audit Committee function for the Company has been executed within the Rothschilds Continuation Holdings A.G. Audit Committee as the Company is a controlled subsidiary. During the financial year the members of the Audit Committee convened once on 8 March 2011. The members of the Audit Committee of Rothschilds Continuation Holdings A.G. are:

- Mr. Peter Smith - Chairman
- Mr. Sylvain Hefes
- Mr. Bernie Myers
- Mrs. Judith Spriesser

The RCH Audit Committee meets four times a year, but only on one occasion does it consider the Company's accounts.

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, 12 July 2012

M. de Boer



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Balance sheet as at 31 March 2012
(Before the proposed appropriation of the result and expressed in Euros)

	Notes	31 March 2012	31 March 2011
Fixed assets			
Financial fixed assets			
Loans to group entities	1	183,823,529	172,541,287
<i>Total fixed assets</i>		183,823,529	172,541,287
Current assets			
Debtors			
Amounts owed by group entities	2	83,470	55,419
Prepayments and accrued income	3	135,155	72,308
Cash and cash equivalents	4	763,607	575,001
<i>Total current assets</i>		982,233	702,728
Current liabilities (due within one year)			
Interest payable on floating rate notes	5	67,945	41,112
Taxation	6	2,485	(17,216)
Accruals and deferred income	7	22,377	19,911
<i>Total current liabilities</i>		92,807	43,807
Current assets less current liabilities		889,425	658,921
Total assets less current liabilities		184,712,954	173,200,208
Long term liabilities (due after one year)			
Floating Rate Notes	8	183,823,529	172,541,287
Net asset value		889,425	658,921
Shareholders' equity			
Share capital	9	18,172	18,172
General reserves		640,749	437,059
Unappropriated results		230,504	203,690
<i>Total shareholders' equity</i>		889,425	658,921

The accompanying notes on page 6 - 10 form an integral part of these financial statements.



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Profit and loss account for the financial year ended 31 March 2012
(Expressed in Euros)

	Notes	31 March 2012	31 March 2011
Finance activities			
Interest income	10	1,666,466	1,694,170
Interest expense	11	(1,398,705)	(1,416,653)
<i>Net interest income</i>		267,761	277,517
Other financial income and expenses			
Other interest income	12	433	-
Currency exchange rate differences		30,379	(20,926)
<i>Total other financial income and expenses</i>		30,812	(20,926)
Result before taxation		298,573	256,591
Corporate income tax	13	(68,069)	(52,901)
Result after taxation		230,504	203,690

The accompanying notes on page 6 - 10 form an integral part of these financial statements.



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Notes to the annual accounts for the financial year ended 31 March 2012

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 at the date of approval of these accounts are Rothschilds Continuation Finance Holdings Limited, United Kingdom, K Développement S.A.S., France, Integritas B.V., The Netherlands 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 Apollolaan 133, 1077 AR 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:

	31.03.2012	31.03.2011
1 EUR = USD (US dollar)	1.33280	1.41995
1 EUR = GBP (Pound sterling)	0.83365	0.88413

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.



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31 March 2012 31 March 2011
EUR EUR

Notes to the Balance sheet

1 Loans to group entities	Maturity date			31 March 2012	31 March 2011
NMR International N.V.	Due 2015	USD	45,000,000	33,763,505	31,691,257
NMR International N.V.	undated	USD	100,000,000	75,030,012	70,425,015
NM Rothschild & Sons Ltd	undated	USD	100,000,000	75,030,012	70,425,015
				<u>183,823,529</u>	<u>172,541,287</u>

The loans to NMR International N.V. have been advanced for an indefinite period, subject to the repayment dates of the relevant Floating Rate Notes and repayment is due on demand. The loan advanced to NM Rothschild & Sons Ltd has a repayment date in line with the appropriate note issued.

Balance as per 1 April 2011	172,541,287
Increase/(decrease) due to exchange rate differences	11,282,242
Balance as per 31 March 2012	<u>183,823,529</u>

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.

2 Amounts owed by group entities		
Loan interest receivable (NM Rothschild & Sons Ltd)	2,344	1,712
Loan interest receivable (NMR International N.V.)	2,344	1,712
Loan interest receivable (NMR International N.V.)	78,782	51,995
	<u>83,470</u>	<u>55,419</u>

3 Prepayments and accrued income		
VAT receivable	3,285	598
NM Rothschild & Sons Ltd	124,392	64,232
Other accrued income	7,478	7,478
	<u>135,155</u>	<u>72,308</u>

4 Cash and cash equivalents		
Current account	108,607	95,909
Current account	-	432
Deposit account	655,000	215,000
Deposit account	-	264,092
	<u>763,607</u>	<u>575,001</u>

The balances in the current accounts are at the company's direct disposal.
The deposit expires at 4 April 2012 and carries interest at 0,0647%.

5 Interest payable on floating rate notes		
Interest payable on floating rate note (USD 45,000,000)	63,776	38,130
Interest payable on floating rate note (USD 200,000,000)	4,169	2,982
	<u>67,945</u>	<u>41,112</u>

6 Taxation		
Corporate income tax 2009/2010	-	(7,625)
Corporate income tax 2010/2011	-	(9,591)
Corporate income tax 2011/2012	2,485	-
	<u>2,485</u>	<u>(17,216)</u>

Final corporate income tax assessments have been received for the financial years up to and including 2009/2010.



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		31 March 2012	31 March 2011
		EUR	EUR
7 Accruals and deferred income			
Tax advisor fee		2,500	2,500
Audit fee		15,000	15,000
Administration fee		4,877	1,060
Other payables		-	1,351
		<u>22,377</u>	<u>19,911</u>
8 Floating Rate Notes			
Due 2015	USD 45,000,000	33,763,505	31,691,257
Undated	USD 200,000,000	150,060,024	140,850,030
		<u>183,823,529</u>	<u>172,541,287</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 2011	172,541,287
Increase/(decrease) due to exchange rate differences	<u>11,282,242</u>
Balance as per 31 March 2012	<u>183,823,529</u>



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9 Shareholders' equity

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.

As of 31 March 2011 2,200 Ordinary A shares with a total nominal value of EUR 18,172 were issued and fully paid.
The result for the financial year ended 31 March 2011 has been transferred to the general reserves.

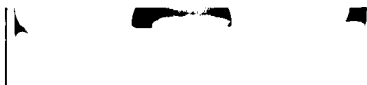
	<u>Share capital</u>	<u>General reserves</u>	<u>Unappropriated results</u>
Balance as per 01.04.2010	18,172	428,644	208,415
Paid-in / (repaid)	-	-	-
Transfer	-	208,415	(208,415)
Dividend (Preference Shares)	-	(200,000)	-
Result for the period	-	-	203,690
Balance as per 01.04.2011	<u>18,172</u>	<u>437,059</u>	<u>203,690</u>
Paid-in / (repaid)	-	-	-
Transfer	-	203,690	(203,690)
Dividend (Preference Shares)	-	-	-
Result for the period	-	-	230,504
Balance as per 31.03.2012	<u>18,172</u>	<u>640,749</u>	<u>230,504</u>



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	31 March 2012	31 March 2011
	EUR	EUR
Profit and loss account		
10 Interest income		
From group companies	1,664,743	1,693,284
From bank	1,723	886
	<u>1,666,466</u>	<u>1,694,170</u>
11 Interest expense		
Floating Rate Notes	(1,398,645)	(1,416,653)
Other	(60)	-
	<u>(1,398,705)</u>	<u>(1,416,653)</u>
12 Other interest income		
Interest taxation	433	-
	<u>433</u>	<u>-</u>
13 Corporate income tax		
Discounts and penalties	(1,799)	-
Tax-charge for C.I.T. 2011/2012	(64,643)	-
Tax-charge for C.I.T. 2010/2011	(1,627)	(52,901)
	<u>(68,069)</u>	<u>(52,901)</u>

14 Reimbursable expenses

The general and administrative expenses and the bank charges are borne by NM Rothschild & Sons Limited. These general and administrative expenses also include the fees of the auditor amounting to EUR 9,352 (31 March 2011: EUR 13,303).

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, 12 July 2012

M. de Boer



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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

On 1 June 2012 a subsidiary company of Paris Orleans SA disposed of a number of shares equivalent to 16% of the Company's issued and paid up shares. These shares were acquired by the Dutch company Integritas B.V. Integritas B.V. is an indirect shareholder in Paris Orleans SA.

No other 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.



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