

Rothschilds Continuation Finance B.V.
Amsterdam, the Netherlands

Financial statements year ended 31 March, 2013

Rothschilds Continuation Finance B.V.

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Rothschilds Continuation Finance B.V.

Director's report

The director takes pleasure in submitting herewith the report and audited financial statements of Rothschilds Continuation Finance B.V. ("the Company") for the year ended 31 March 2013. The financial statements have been prepared in accordance with generally accepted accounting standards in the Netherlands and applicable Dutch Law.

Overview of activities

The Company's purpose is to act as finance company for the Rothschild Group. It has issued a number of years ago two tranches of Floating Rate Notes. The outstanding amounts currently are USD 45,000,000 and USD 200,000,000. The proceeds of these notes issue have been lent to companies in the Rothschild Group. The Company has not developed any additional finance activities during this financial year.

Result for the year

The result of the Company during the year under review developed in accordance with expectations.

Financial instruments

The Company's loan assets and loan liabilities are denominated in the same currency. The interest rates are related meaning that a fixed positive margin applies. Interest payment dates are the same for both asset and liability loans. Therefore the need for financial instruments to cover currency or interest rate exposures does not exist. Hence the Company is not engaged in any financial instruments covering such risks.

Risk management

All funds raised have been onlent to group companies in the same currency and on the basis of a fixed interest margin. The Company's obligations under the Floating Rate Note programme are guaranteed on a subordinated basis by Rothschilds Continuation Limited.

Audit committee

The audit committee function for the Company has been assumed by the audit committee of Paris Orleans S.C.A., a French company listed on the Paris stock exchange. The Company is an entity controlled by Paris Orleans S.C.A. The Paris Orleans S.C.A. audit committee meets four times a year. It considers the Company's accounts on one of those four occasions. Members of the Paris Orleans S.C.A. audit committee are:

- Mr Peter Smith, Chairman
- Mr Andre Levy-Lang
- Mr Sylvain Hefes
- Mr Christian de Labriffe

Future outlook

A significant change of activities during the financial year 2013-2014 is not expected. The result is expected to be comparable to the profit for the financial year 2012-2013.

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Director's report - continued

Statement as required under Article 5:25d paragraph 2-c of the Financial Markets Supervision Act

The financial statements provide to the best of our knowledge a true and fair view of the Company's assets and liabilities, financial position, result for the year and give a fair view of the activities and developments of the business during the year ended 31 March 2013. Material risks if any are properly disclosed.

Amsterdam, 21 June 2013

M. de Boer

Rothschilds Continuation Finance B.V.

Balance sheet as per 31 March 2013

Comparative figures as per 31 March 2012
(Before appropriation of results and expressed in Euros)

		31 March 2013	31 March 2012
Financial Fixed Assets			
Loans to group companies	3	<u>191,018,244</u>	<u>183,823,529</u>
Current Assets			
Interest receivable		77,533	83,470
Prepayments and accrued income	4	96,878	135,155
Cash at bank	6	<u>202,221</u>	<u>763,607</u>
		<u>376,632</u>	<u>982,232</u>
Current Liabilities			
Interest payable		59,774	67,945
Corporate income tax	5	4,473	2,485
Accrued expenses and deferred income		<u>17,795</u>	<u>22,377</u>
		<u>82,042</u>	<u>92,807</u>
Current Assets less Current Liabilities		<u>294,590</u>	<u>889,425</u>
Total Assets less Current Liabilities		<u>191,312,834</u>	<u>184,712,954</u>
Long Term Liabilities - due after one year			
Floating Rate Notes	7	<u>191,018,244</u>	<u>183,823,529</u>
Total Assets less Total Liabilities		<u>294,590</u>	<u>889,425</u>
Shareholders' Equity			
Share capital	8	18,172	18,172
Other reserves		46,253	640,749
Unappropriated results		<u>230,165</u>	<u>230,504</u>
		<u>294,590</u>	<u>889,425</u>

The accompanying notes on page 7 - 10 form an integral part of these financial statements

Rothschilds Continuation Finance B.V.

Profit and loss account for the year ended 31 March 2013

Comparative figures for the financial year ended 31 March 2012
(Before appropriation of results and expressed in Euros)

	31 March 2013	31 March 2012
Financial Income and Expenses		
Interest Income	2,162,508	1,666,466
Interest Expense	<u>(1,878,889)</u>	<u>(1,398,705)</u>
Net Interest Income	<u>283,619</u>	<u>267,761</u>
Other net interest income	5,334	433
Currency Exchange Results	<u>3,754</u>	<u>30,379</u>
Total Financial Income and Expenses	<u>292,707</u>	<u>298,573</u>
Profit before Taxation	292,707	298,573
Corporate Income tax	5 (62,542)	(68,069)
Profit after Taxation	<u><u>230,165</u></u>	<u><u>230,504</u></u>

The accompanying notes on page 7 - 10 form an integral part of these financial statements

Rothschilds Continuation Finance B.V.

Notes to the annual accounts for the financial year ended 31 March 2013

1. General

Rothschilds Continuation Finance B.V. ("the Company") was incorporated as private company with limited liability on 15 March 1983. The Company has its statutory seat in Amsterdam. The shareholders of the Company are Rothschilds Continuation Finance Holdings Limited, United Kingdom, K Développement S.A., France, Banque Privée Edmond de Rothschild S.A., Switzerland, and Integritas B.V., The Netherlands. The principal activity of the Company is to act as a finance company.

2. Basis of presentation and principal accounting principles

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and in accordance with the provisions contained in Title 9, Book 2 of the Dutch Civil Code, the most significant of which are

- (a) **Foreign currencies**
Assets and liabilities denominated in foreign currencies are translated into Euro's at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Euro's at exchange rate in effect on the date of the transactions. The resulting currency exchange differences are recognised in the profit and loss account.
- (b) **Assets and liabilities**
Assets and liabilities are shown at face value unless otherwise stated.
- (c) **Recognition of income**
Income and expenses including taxation are recognised and reported on an accruals basis.
- (d) **Corporate income tax**
Corporate income tax is provided for in accordance with the tax ruling conditions previously published by the Dutch Tax Authorities. To comply with these conditions the Company is required to report a minimum amount of taxable income based on the amounts of the outstanding loans. The Company recharges all general and administrative expenses to one of its shareholders to meet this requirement.

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Notes to the financial statements for the financial year ended 31 March 2013

3. Loans to group companies

The Company has provided loans denominated in USD to two entities of the Rothschild Group. The loans are unsecured. They carry interest at 1/8% or 1/4% above the interest rate applying to the corresponding Floating Rate Notes (see note 7). The interest rates are reset biannually. The loans are repayable on dates corresponding to the repayment dates of the Floating Rate Notes.

Details are as follows:

<u>Group Company</u>	<u>Maturity</u>		<u>Principal</u>
NMR International N.V.	2015	USD	45,000,000
NMR International N.V.	undated	USD	100,000,000
NM Rothschild & Sons Ltd.	undated	USD	100,000,000

Movements during the year comprise of:

	31 March 2013 EUR	31 March 2012 EUR
Balance at beginning of year	183,823,529	172,541,287
Exchange differences during year	7,194,715	11,282,242
Balance at end of year	<u>191,018,244</u>	<u>183,823,529</u>

4. Prepayments and accrued income

The Company recharges all general and administrative expenses to a group company. The amount recharged includes audit fees in the amount of EUR 13,750 (31 March 2012: EUR 9,352).

At the date of the balance sheet prepayments and accrued income comprise of:

	31 March 2013 EUR	31 March 2012 EUR
Recharged expenses to Group company	85,302	124,392
Receivable VAT	11,065	3,285
Other	512	7,478
Balance at end of year	<u>96,878</u>	<u>135,155</u>

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Notes to the annual accounts for the financial year ended 31 March 2013

5. Corporate income tax

The Company reports taxable income in accordance with previous ruling policy involving a minimum amount of taxable interest income. To comply with this policy the Company recharges all its general and administrative expenses to a Group company. During the year the Company received a provisional tax assessment in relation to the current financial year. The assessment has been paid in full. Corporate income tax is due at the statutory rate of 20%, any taxable income in excess of EUR 200,000 is subject to corporate income tax at the rate of 25%.

6. Cash at bank

An amount of EUR 100,013 of cash at bank is denominated in US dollars (year ended 31 March 2012: EUR 100,017). All other balances are denominated in Euro's. Cash at bank includes EUR 100,926 placed on an interest bearing account (year ended 31 March 2012: EUR 655,000) an interest bearing account generating interest at approximately 1.4% per annum. All balances are available on demand.

7. Floating rate notes

The Company has issued two tranches of USD denominated Floating Rate Notes. The Floating Rate Notes carry interest at six month Libor for USD deposits plus 1/4%. The notes are unconditionally guaranteed by Rothschilds Continuation Limited on a subordinated basis. One tranche of the Floating Rate Notes amounting to USD 45,000,000 is repayable in 2015. The remaining tranche amounting to USD 200,000,000 does not have a fixed repayment date. The Company may on any interest payment date redeem some or all of the USD 200,000,000 Floating Rate Notes provided it has given not more than 45 nor less than 30 days' notice to the Noteholders.

Details are as follows:

<u>Maturity</u>		<u>Principal</u>
2015	USD	45,000,000
undated	USD	200,000,000

Movements during year comprise of:

	<u>31 March 2013</u>	<u>31 March 2012</u>
	EUR	EUR
Balance at beginning of year	183,823,529	172,541,287
Exchange differences during year	7,194,715	11,282,242
Balance at end of year	<u><u>191,018,244</u></u>	<u><u>183,823,529</u></u>

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Notes to the annual accounts for the financial year ended 31 March 2013

8. Shareholders' equity

The Company's authorised share capital amounts to EUR 90,852.28 consisting of 10,878 Class A ordinary shares of EUR 8.26 each and 1,000 Class B ordinary shares of EUR 1 each of which 2,200 Class A ordinary shares have been issued and paid up at 31 March 2013 and at 31 March 2012.

Details of shareholders equity are as follows:

	31 March 2013 EUR	31 March 2012 EUR
Share capital at beginning and end of year	<u>18,172</u>	<u>18,172</u>
Other reserves earnings at beginning of year	640,749	437,059
Transfer from unappropriated results	230,504	203,690
Dividends paid during year	(825,000)	-
Other reserves earnings at end of year	<u>46,253</u>	<u>640,749</u>
Unappropriate results at beginning of year	230,504	203,690
Profit for the year	230,165	230,504
Transfer to other reserves	(230,504)	(203,690)
Unappropriate results at end of year	<u>230,165</u>	<u>230,504</u>
Total shareholders' equity	<u><u>294,590</u></u>	<u><u>889,425</u></u>

9. Directors

The Company has one director (year ended 31 March 2012: two) who did not receive any remuneration during the year under review (remuneration year ended 31 March, 2012: nil). The Company does not have any supervisory directors (year ended 31 March 2012: nil).

10. Staff numbers and employment costs

The Company has no other employees than its director (year ended 31 March 2012: nil). Hence it has not incurred any salary or related social security and pension costs during the year (year ended 31 March 2012: nil).

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Other information

Statutory arrangements in respect of profit distribution

Under Dutch Civil Law, no dividends can be declared until all losses have been recovered. Subject to this the profits are at the disposal of the shareholders.

Audit opinion

The opinion of the Company's auditors is attached.



Independent auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements for the year ended on 31 March 2013 of Rothschilds Continuation Finance B.V., Amsterdam, which comprise the balance sheet as at 31 March 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the director's report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Company'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 Company'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 2013 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 requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the director's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 21 June 2013

KPMG Accountants N.V.

C.C.J. Segers RA