

Rothschilds Continuation Finance B.V.
Amsterdam

Annual report and accounts
for the financial year ended 31 March 2010

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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 2010.

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 2010 amounts to EUR 655,231 (2009: EUR 446,808). The result for the financial year as per 31 March 2010 amounts to a profit of EUR 208,415 (2009: EUR 233,843 profit).

Liquidity and capital resources

Liquidity has increased and shareholders' 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.

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.

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. The members of the Audit Committee of Rothschilds Continuation Holdings A.G. are:

- Mr. Peter Smith - Chairman
- Sir Clive Whitmore
- Mr. Sylvain Hefes
- Mr. Bernie Myers

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, 30 June 2010

O.J.A. van der Nap

G.F. Nicolai

Balance sheet as at 31 March 2010

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

	Notes	31 March 2010	1 April 2009
Fixed assets			
Financial fixed assets			
Loans to group entities	1	181,313,598	184,668,728
<i>Total fixed assets</i>		181,313,598	184,668,728
Current assets			
Debtors			
Amounts owed by group entities	2	58,998	148,460
Prepayments and accrued income	3	54,753	178,970
Taxation	4	7,625	26,136
Cash and cash equivalents	5	596,266	299,994
<i>Total current assets</i>		717,642	653,560
Current liabilities (due within one year)			
Interest payable on floating rate notes	6	43,170	132,108
Accruals and deferred income	7	19,241	74,644
<i>Total current liabilities</i>		62,411	206,752
Current assets less current liabilities		655,231	446,808
Total assets less current liabilities		181,968,829	185,115,536
Long term liabilities (due after one year)			
Floating Rate Notes	8	181,313,598	184,668,728
Net asset value		655,231	446,808
Shareholders' equity			
Share capital	9	18,172	18,172
General reserves		428,644	194,793
Unappr. results		208,415	233,843
<i>Total shareholders' equity</i>		655,231	446,808

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

Profit and loss account for the financial year ended 31 March 2010
(Expressed in Euros)

	Notes	31 March 2010	1 April 2009
Finance activities			
Interest income	10	2,793,866	6,333,786
Interest expense	11	(2,535,396)	(6,071,709)
<i>Net interest income</i>		<u>258,470</u>	<u>262,077</u>
Other financial income and expenses			
Currency exchange rate differences		<u>8,017</u>	<u>13,870</u>
<i>Total other financial income and expenses</i>		<u>8,017</u>	<u>13,870</u>
Result before taxation		<u>266,487</u>	<u>275,947</u>
Corporate income tax	12	(58,072)	(42,104)
Result after taxation		<u><u>208,415</u></u>	<u><u>233,843</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 2010

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:	31.03.2010	31.03.2009
1 EUR = USD (US dollar)	1.35125	1.32670

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.

			31 March 2010	1 April 2009
			EUR	EUR
Notes to the Balance sheet				
1 Loans to group entities				
NMR International N.V.	USD	45,000,000	33,302,498	33,918,746
NMR International N.V.	USD	100,000,000	74,005,550	75,374,991
NM Rothschild & Sons Ltd	USD	100,000,000	74,005,550	75,374,991
			<u>181,313,598</u>	<u>184,668,728</u>
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.				
Balance as per 1 April 2009			184,668,728	
Increase/(decrease) due to exchange rate differences			<u>(3,355,130)</u>	
Balance as per 31 March 2010			<u>181,313,598</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)			3,597	9,160
Loan interest receivable (NMR International N.V.)			3,597	9,160
Loan interest receivable (NMR International N.V.)			<u>51,804</u>	<u>130,140</u>
			<u>58,998</u>	<u>148,460</u>
3 Prepayments and accrued income				
VAT receivable			2,814	2,690
NM Rothschild & Sons Ltd			44,461	168,711
Other accrued income			7,478	7,479
Bank interest receivable			-	90
			<u>54,753</u>	<u>178,970</u>
4 Taxation				
Corporate income tax 2008/2009			-	26,136
Corporate income tax 2009/2010			<u>7,625</u>	-
			<u>7,625</u>	<u>26,136</u>
Final corporate income tax assessments have been received for the financial years up to and including 2008/2009.				
5 Cash and cash equivalents				
Current account			14,816	14,370
Current account			98,425	97,987
Deposit account			150,000	59,500
Deposit account			<u>333,025</u>	<u>128,137</u>
			<u>596,266</u>	<u>299,994</u>
6 Interest payable on floating rate notes				
Interest payable on floating rate note (USD 45,000,000)			37,003	114,834
Interest payable on floating rate note (USD 200,000,000)			<u>6,167</u>	<u>17,274</u>
			<u>43,170</u>	<u>132,108</u>

			31 March 2010	1 April 2009
			EUR	EUR
7 Accruals and deferred income				
Tax advisor fee			2,500	2,500
Audit fee			15,000	17,500
Administration fee			1,741	3,228
Dividends payable			-	46,728
Other payables			-	4,688
			<u>19,241</u>	<u>74,644</u>
8 Floating Rate Notes				
Due 2015	USD	45,000,000	33,302,497	33,918,746
Undated	USD	200,000,000	148,011,101	150,749,982
			<u>181,313,598</u>	<u>184,668,728</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 2009	184,668,728
Increase/(decrease) due to exchange rate differences	(3,355,130)
Balance as per 31 March 2010	<u>181,313,598</u>

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.

In the prior 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 2010 2,200 Ordinary A shares with a total nominal value of EUR 18,172 were issued and fully paid. No dividend has been declared in the financial year ended on 31 March 2010

	<u>Share capital</u>	<u>Preferred share capital</u>	<u>General reserves</u>	<u>Unappr. results</u>
Balance as per 01.04.2008	18,172	500	4,850	189,462
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	-		-	<u>233,843</u>
Balance as per 01.04.2009	<u>18,172</u>	<u>-</u>	<u>194,793</u>	<u>233,843</u>
Paid-in / (repaid)	-		-	-
Transfer	-		233,843	(233,843)
Conversion of B-shares	-	-		
Repurchase of B-shares	-		-	
Dividend (Preference Shares)	-	-	8	-
Result for the period	-		-	<u>208,415</u>
Balance as per 31.03.2010	<u><u>18,172</u></u>	<u><u>-</u></u>	<u><u>428,644</u></u>	<u><u>208,415</u></u>

	31 March 2010	1 April 2009
	EUR	EUR
Profit and loss account		
10 Interest income		
From group companies	2,792,382	6,329,216
From bank	<u>1,484</u>	<u>4,570</u>
	<u>2,793,866</u>	<u>6,333,786</u>
11 Interest expense		
Floating Rate Notes	(2,535,378)	(6,071,699)
Other	<u>(18)</u>	<u>(10)</u>
	<u>(2,535,396)</u>	<u>(6,071,709)</u>
12 Corporate income tax		
Tax-charge for C.I.T. 2009/2010 (2008/2009)	(56,950)	(55,150)
Release of tax-charge for C.I.T. 2008/2009	(1,122)	-
Release of tax-charge for C.I.T. 2006/2007	-	2,851
Release of tax-charge for C.I.T. 2007/2008	<u>-</u>	<u>10,195</u>
	<u>(58,072)</u>	<u>(42,104)</u>

13 Reimbursable expenses

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, 30 June 2010

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.

Rothschild's Continuation Finance B.V., Amsterdam

Auditor's report

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2010 of Rothschilds Continuation Finance B.V., Amsterdam, which comprise the balance sheet as at 31 March 2010, 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 2010, 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, 30 June 2010

KPMG ACCOUNTANTS N.V.

E.D.H. Vinke-Smits RA