

Rothschilds Continuation Finance B.V.
Amsterdam

Annual report and accounts
for the financial year ended 31 March 2011

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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 2011.

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 2011 amounts to EUR 658,921 (2010: EUR 655,231). The result for the financial year as per 31 March 2011 amounts to a profit of EUR 203,690 (2010: EUR 208,415 profit).

Liquidity and capital resources

Liquidity has decreased and shareholders' equity has increased slightly as the profit for the year exceeded the dividend paid to the shareholders. 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.

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 1 June 2010. The members of the Audit Committee of Rothschilds Continuation Holdings A.G. are:

- Mr. Peter Smith - Chairman
- Mr. Sylvain Hefes
- Mr. Bernie Myers

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, 26 July 2011

O.J.A. van der Nap

G.F. Nicolai

Balance sheet as at 31 March 2011

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

	Notes	31 March 2011	31 March 2010
Fixed assets			
Financial fixed assets			
Loans to group entities	1	172,541,287	181,313,598
<i>Total fixed assets</i>		<u>172,541,287</u>	<u>181,313,598</u>
Current assets			
Debtors			
Amounts owed by group entities	2	55,419	58,998
Prepayments and accrued income	3	72,308	54,753
Taxation	4	17,216	7,625
Cash and cash equivalents	5	575,001	596,266
<i>Total current assets</i>		<u>719,944</u>	<u>717,642</u>
Current liabilities (due within one year)			
Interest payable on floating rate notes	6	41,112	43,170
Accruals and deferred income	7	19,911	19,241
<i>Total current liabilities</i>		<u>61,023</u>	<u>62,411</u>
Current assets less current liabilities		<u>658,921</u>	<u>655,231</u>
Total assets less current liabilities		173,200,208	181,968,829
Long term liabilities (due after one year)			
Floating Rate Notes	8	172,541,287	181,313,598
Net asset value		<u>658,921</u>	<u>655,231</u>
Shareholders' equity			
Share capital	9	18,172	18,172
General reserves		437,059	428,644
Unappropriated results		203,690	208,415
<i>Total shareholders' equity</i>		<u>658,921</u>	<u>655,231</u>

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

Profit and loss account for the financial year ended 31 March 2011
(Expressed in Euros)

	Notes	31 March 2011	31 March 2010
Finance activities			
Interest income	10	1,694,170	2,793,866
Interest expense	11	(1,416,653)	(2,535,396)
<i>Net interest income</i>		<u>277,517</u>	<u>258,470</u>
Other financial income and expenses			
Currency exchange rate differences		(20,926)	8,017
<i>Total other financial income and expenses</i>		<u>(20,926)</u>	<u>8,017</u>
Result before taxation		<u>256,591</u>	<u>266,487</u>
Corporate income tax	12	(52,901)	(58,072)
Result after taxation		<u><u>203,690</u></u>	<u><u>208,415</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 2011

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:

	31.03.2011	31.03.2010
1 EUR = USD (US dollar)	1.41995	1.35125
1 EUR = GBP (Pound sterling)	0.88413	0.88760

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 2011	31 March 2010
	EUR	EUR

Notes to the Balance sheet

1 Loans to group entities	<u>Maturity date</u>			31 March 2011	31 March 2010
NMR International N.V.	Due 2015	USD	45,000,000	31,691,257	33,302,498
NMR International N.V.	undated	USD	100,000,000	70,425,015	74,005,550
NM Rothschild & Sons Ltd	undated	USD	100,000,000	70,425,015	74,005,550
				<u>172,541,287</u>	<u>181,313,598</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 loan issued.

Balance as per 1 April 2010	181,313,598
Increase/(decrease) due to exchange rate differences	(8,772,311)
Balance as per 31 March 2011	<u>172,541,287</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		31 March 2011	31 March 2010
Loan interest receivable (NM Rothschild & Sons Ltd)	1,712	3,597	
Loan interest receivable (NMR International N.V.)	1,712	3,597	
Loan interest receivable (NMR International N.V.)	51,995	51,804	
	<u>55,419</u>	<u>58,998</u>	

3 Prepayments and accrued income		31 March 2011	31 March 2010
VAT receivable	598	2,814	
NM Rothschild & Sons Ltd	64,232	44,461	
Other accrued income	7,478	7,478	
Bank interest receivable	-	-	
	<u>72,308</u>	<u>54,753</u>	

4 Taxation		31 March 2011	31 March 2010
Corporate income tax 2009/2010	7,625	7,625	
Corporate income tax 2010/2011	9,591	-	
	<u>17,216</u>	<u>7,625</u>	

Final corporate income tax assessments have been received for the financial years up to and including 2008/2009.

5 Cash and cash equivalents		31 March 2011	31 March 2010
Current account	95,909	113,241	
Deposit account	215,000	150,000	
Deposit account	264,092	333,025	
	<u>575,001</u>	<u>596,266</u>	

The balances in the current accounts are at the company's direct disposal.
The deposits expire at April 6 and April 7 and carry interest at 0.0286% and 0.3625%.

6 Interest payable on floating rate notes		31 March 2011	31 March 2010
Interest payable on floating rate note (USD 45,000,000)	38,130	37,003	
Interest payable on floating rate note (USD 200,000,000)	2,982	6,167	
	<u>41,112</u>	<u>43,170</u>	

		31 March 2011	31 March 2010
		EUR	EUR
7 Accruals and deferred income			
Tax advisor fee		2,500	2,500
Audit fee		15,000	15,000
Administration fee		1,060	1,741
Dividends payable		-	-
Other payables		1,351	-
		<u>19,911</u>	<u>19,241</u>
8 Floating Rate Notes			
Due 2015	USD 45,000,000	31,691,257	33,302,497
Undated	USD 200,000,000	140,850,030	148,011,101
		<u>172,541,287</u>	<u>181,313,598</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 2010	181,313,598
Increase/(decrease) due to exchange rate differences	<u>(8,772,311)</u>
Balance as per 31 March 2011	<u>172,541,287</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.

As of 31 March 2011 2,200 Ordinary A shares with a total nominal value of EUR 18,172 were issued and fully paid.
During the year the shareholders declared a dividend in the amount of EUR 200,000 which was paid by the Company.
The remainder of the 2010 result for the period EUR 8,415 was retained and transferred to the general reserves.

	<u>Share capital</u>	<u>General reserves</u>	<u>Unappropriated results</u>
Balance as per 01.04.2009	18,172	194,793	233,843
Paid-in / (repaid)	-	-	-
Transfer	-	233,843	(233,843)
Dividend (Preference Shares)	-	8	-
Result for the period	-	-	208,415
Balance as per 01.04.2010	<u>18,172</u>	<u>428,644</u>	<u>208,415</u>
Paid-in / (repaid)	-	-	-
Transfer	-	208,415	(208,415)
Dividend (Preference Shares)	-	(200,000)	-
Result for the period	-	-	203,690
Balance as per 31.03.2011	<u><u>18,172</u></u>	<u><u>437,059</u></u>	<u><u>203,690</u></u>

	31 March 2011	31 March 2010
	EUR	EUR
Profit and loss account		
10 Interest income		
From group companies	1,693,284	2,792,382
From bank	886	1,484
	<u>1,694,170</u>	<u>2,793,866</u>
11 Interest expense		
Floating Rate Notes	(1,416,653)	(2,535,378)
Other	-	(18)
	<u>(1,416,653)</u>	<u>(2,535,396)</u>
12 Corporate income tax		
Tax-charge for C.I.T. 2010/2011	(52,901)	
Tax-charge for C.I.T. 2009/2010	-	(56,950)
Release of tax-charge for C.I.T. 2008/2009	-	(1,122)
	<u>(52,901)</u>	<u>(58,072)</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, 26 July 2011

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.

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 31 March 2011 of Rothschilds Continuation Finance B.V., Amsterdam, which comprise the balance sheet as at 31 March 2011, 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 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. 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 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 2011 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 management board report, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the management board 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, 26 July 2011

KPMG ACCOUNTANTS N.V.

E.D.H. Vinke-Smits RA