



BENJAMIN DE ROTHSCHILD FAMILY ANNOUNCES ITS INTENTION TO TAKE EDMOND DE ROTHSCHILD (SUISSE) S.A. PRIVATE

Edmond de Rothschild is announcing:

- ▶ A project to delist Edmond de Rothschild (Suisse) S.A. shares and to simplify its legal structure, Edmond de Rothschild (France) being transferred to Edmond de Rothschild (Suisse) S.A.. Upon completion of these operations, all banking activities of the Edmond de Rothschild Group will be consolidated under Edmond de Rothschild (Suisse) S.A. which will become the operating holding company of the Group.
- ▶ A change in its governance structure:
Benjamin de Rothschild is Chairman of the board of directors of Edmond de Rothschild Holding SA and Ariane de Rothschild is appointed Chairwoman of the board of directors of Edmond de Rothschild (Suisse) S.A.¹. Vincent Taupin is appointed CEO and Cynthia Tobiano, Deputy CEO.
- ▶ An operating result of CHF 120 million for Edmond de Rothschild (Suisse) S.A. and a net profit of CHF 222 million supported by non-recurring gains. A dividend distribution of CHF 220 million will be proposed.

"I was named Chairwoman of the Executive Committee of the Edmond de Rothschild Group in January 2015 with the objective of creating a sound and united banking group, benefitting from a unique and distinctive brand name, with a clear vision and a robust balance sheet. With more than CHF 170 billion of assets under management and over CHF 1.1 billion of revenue, Edmond de Rothschild will become a fully family-owned group. I am pleased to enter into this final phase today and I wish full success to Vincent Taupin, Cynthia Tobiano and the Executive Committee in which I have full confidence" said Ariane de Rothschild, Chairwoman of the Group's Executive Committee.

"By taking it private, we are demonstrating our commitment to our banking Group and our ambitions for growth, both organic and through acquisitions. I congratulate my wife and our teams for what has been accomplished in recent years" declared Benjamin de Rothschild, Chairman of Edmond de Rothschild Holding SA's Board of Directors.

¹ Subject to the approval of both Edmond de Rothschild (Suisse) S.A. and Edmond de Rothschild Holding SA's General Meetings, on 26 April 2019 and 6 June 2019 respectively.

PROJECT TO SIMPLIFY THE LEGAL STRUCTURE OF EDMOND DE ROTHSCHILD GROUP

The Boards of Directors of Edmond de Rothschild Holding SA, Edmond de Rothschild (Suisse) S.A., Edmond de Rothschild (France) and Edmond de Rothschild S.A. have examined a project of simplification of the Edmond de Rothschild Group's legal structure.

This project aims at consolidating all the Edmond de Rothschild banking activities under Edmond de Rothschild (Suisse) S.A., which will become the operating holding company of the banking activities of the Edmond de Rothschild Group.

Following the changes in the Group's capital structure announced in June 2018, the project includes an intra-group transfer of the stake in Edmond de Rothschild (France) to Edmond de Rothschild (Suisse) S.A., as well as the de-listing of Edmond de Rothschild (Suisse) S.A., currently listed on the Zurich Stock Exchange (SIX Swiss Exchange - ticker 134,749). The de-listing will occur upon completion of the public tender offer that Edmond de Rothschild Holding SA intends to launch for all bearer shares of Edmond de Rothschild (Suisse) S.A. in accordance with the pre-announcement statement published today.

More specifically, the project covers several operations that will take place in parallel:

- The first operation consists in a capital reduction of Edmond de Rothschild (Suisse) S.A. through the cancellation of Edmond de Rothschild (Suisse) S.A.'s treasury shares bought back by share exchange from Rothschild Holding AG for a total of CHF 129.2 million (transaction announced in June 2018 and executed in August 2018). It shall therefore be proposed at Edmond de Rothschild (Suisse) S.A.'s General Meeting on 26 April 2019 to reduce the capital by a total nominal value of CHF 3.8 million, by withdrawing 3,600 bearer treasury shares with a nominal value of CHF 500 each and 20,000 registered treasury shares with a nominal value of CHF 100 each. The execution of the capital reduction is subject to FINMA's approval.
- The second operation involves the transfer by Edmond de Rothschild S.A. of all shares held in Edmond de Rothschild (France) to Edmond de Rothschild (Suisse) S.A. at a market value as determined by an expert - of CHF 542.3 million. In exchange for this transfer, Edmond de Rothschild S.A. will receive 34,987 new registered non-listed shares in Edmond de Rothschild (Suisse) S.A. at nominal value of CHF 500 each, which will be issued via an ordinary capital increase of Edmond de Rothschild (Suisse) S.A. at CHF 15,500 per new share issued.

After considering, in particular, the work of Squareness, an independent financial consulting firm which has determined the market value of Edmond de Rothschild (France)'s shares, the Boards of Directors of Edmond de Rothschild S.A. and Edmond de Rothschild (Suisse) S.A. have approved the proposed contribution. It will therefore be proposed at Edmond de Rothschild (Suisse) S.A.'s General Meeting on 26 April 2019 to approve a capital increase with a nominal value of CHF 17,493,500 via a contribution in kind as mentioned above, subject to the removal of the preferential subscription rights of current shareholders in order to reserve the capital increase for Edmond de Rothschild S.A. only. This operation is subject to approval from both FINMA and ACPR (as regulator of Edmond de Rothschild (France)). Once this contribution in kind has been executed and Edmond de Rothschild (Suisse) S.A.'s capital has been increased, Edmond de Rothschild S.A. will transfer the newly received shares to Edmond de Rothschild Holding SA through a dividend distribution in kind.

- The third transaction consists in the delisting of Edmond de Rothschild (Suisse) S.A. after execution of a public tender offer. In this operation Edmond de Rothschild Holding SA

will offer to buy all Edmond de Rothschild (Suisse) S.A. bearer shares held by the public for a price of CHF 17,945 per listed bearer share (*going private*), in accordance with the pre-announcement statement published today. Subject to Edmond de Rothschild (Suisse) S.A.'s General Meeting of 26 April 2019 approval of the distribution of the proposed dividend, the gross amount of the dividend of CHF 2,445 per bearer share will be deducted from the tender offer share price, which is then fixed at CHF 15,500. Based on the current operations schedule, the prospectus for the offer is expected to be published by Edmond de Rothschild Holding SA around 23 April 2019.

These operations are subject to the approval of the relevant regulators and should be completed by the end of the third quarter of 2019.

GOVERNANCE EVOLUTIONS

Edmond de Rothschild (Suisse) S.A.'s Board has approved the composition of Edmond de Rothschild (Suisse) S.A.'s Executive Committee, which will become the supervisory body for all the Edmond de Rothschild Group banking activities from 14 March 2019 and will be composed of:

- Vincent Taupin, CEO of Edmond Rothschild (Suisse) S.A., also in charge, ad-interim, of the Group's Private Banking activities
- Cynthia Tobiano, Deputy CEO of Edmond Rothschild (Suisse) S.A., responsible notably of Finance, Treasury and Credit
- Christophe Caspar is appointed Head of Group's Asset Management replacing Vincent Taupin and is joining Edmond Rothschild (Suisse) S.A.'s Executive Committee
- Jean Christophe Pernollet, Head of Risk, Legal and Compliance
- Sabine Rabald, Chief Operating Officer, Head of IT, Operations and General Services
- Diego Gaspari, Chief Human Resources Officer
- Robert Jenkins, Chief Brand and Communications Officer
- Pierre Etienne Durand, Head of Strategy

During its meeting held on 12 March 2019, the Board took note of Emmanuel Fiévet's departure. Over the past four years, Emmanuel Fiévet has contributed to the transformation and modernisation of Edmond de Rothschild (Suisse) S.A. The Board thanks him for his contributions and wishes him every success for the future.

Edmond de Rothschild (France) Supervisory Board appointed Renzo Evangelista as Président du Directoire, replacing Vincent Taupin, and has also appointed Philippe Cieutat as General Manager, at its meeting on 12 March 2019.

In addition, the following appointments to the Board of Directors of Edmond de Rothschild (Suisse) S.A. will be presented for approval at the General Meeting on 26 April 2019:

- Ariane de Rothschild as Chairwoman of Edmond Rothschild (Suisse) S.A.'s Board of Directors with Benjamin de Rothschild being Chairman of Edmond de Rothschild Holding SA's Board of Directors.

- Benoit Dumont as Board Member of Edmond de Rothschild (Suisse) S.A.. Benoit Dumont is currently Board Member of Edmond de Rothschild Holding SA and has significant experience in the banking industry gained while working for J.P. Morgan in Brussels, New York and Geneva.
- Katie Blacklock as Board Member of Edmond de Rothschild (Suisse) S.A.. Katie Blacklock is currently Board Member of Edmond de Rothschild Holding SA and is a recognised asset management specialist having co-founded Nevsky Capital, a hedge fund focusing on emerging markets.

At its meeting held on 12 March 2019, Edmond de Rothschild (Suisse) S.A.'s Board of Directors took note of Klaus Jenny's decision not to seek renewal of his mandate that will end after the next general meeting on 26 April 2019.

Subject to approval of the General Meeting, Edmond de Rothschild (Suisse) S.A.'s Board of Directors would therefore be composed of:

- Ariane de Rothschild, Chairwoman
- Benoit Dumont
- Philippe Perles
- Francois Pauly
- Jean Laurent Bellue
- Katie Blacklock
- Tobias Guldemann
- Maurice Monbaron

2018 RESULTS OF EDMOND DE ROTHSCHILD (SUISSE) S.A. (CURRENT PERIMETER)

Edmond de Rothschild (Suisse) S.A.'s Board of Directors, held on 12 March 2019, has examined the accounts for the fourth quarter of 2018 and approved the accounts for the 2018 financial year.

Despite a difficult market environment in the fourth quarter, the full year 2018 was marked for Edmond de Rothschild (Suisse) S.A. by (i) the continuation of our organic growth strategy focused on our main target clients and our key markets, (ii) the continuation of the implementation of our integrated IT platform in Luxembourg and in our main European entities and (iii) performing structural operations to simplify our balance sheet leading to non-recurring gains.

Thus, the revenue of Edmond de Rothschild (Suisse) S.A. increased by over 5% to reach CHF 694 million, taking into account the integration of Cording's real estate activity. While clients' assets amounted to CHF 128 billion at the end of 2018, down 7% vs. the same period last year, strategic guidelines implemented over the last few years have helped maintain the level of income. This 7% decrease in clients' assets compared with year-end 2017 is mainly the result of adverse markets currency conditions over the year (-5%). At the same time, the Group experienced an AuM outflow of CHF 2.5 billion, being mainly the consequence of finalising the realignment of the Group on its priority customers and markets.

The quality of its management was once again recognised in 2018:

- Edmond de Rothschild Asset Management received the "Specialist Group of the Year" Award from Investment Europe magazine in London.
- The Edmond de Rothschild Fund Emerging Credit fund was awarded the Thomson Reuters "Lipper Fund Award Switzerland & Austria 2018" for the second year in 3 years.

The fund also received this award in France, the UK, Germany and the Netherlands and received 5 Stars from Morningstar.

- In London, during the "European Pensions Awards", the BRIDGE platform won the "Infrastructure Manager of the Year" award for the second year in a row.

During 2018, expenses increased by approximately 8% to reach CHF 575 million. On a like-for-like basis, expenses are under control, showing only a 1% increase only.

In 2018, Edmond de Rothschild (Suisse) S.A. continued the roll-out of its new banking platform which became operational within Edmond de Rothschild (Europe)'s perimeter: Luxembourg, Belgium, Spain and Portugal. Through its partnership with Avaloq (ASSL), the development of our private banking operational model continued. The number of employees reached 1,876 at 2018 year-end, increasing by around 5% and underlining the development of Edmond de Rothschild (Suisse) S.A. in its priority markets as well as its ability to attract talents.

Overall, the gross operating profit reached CHF 120 million, down 6.5% and the net consolidated profit amounted to CHF 221.7 million including the real estate sale and leaseback operations in Switzerland and unwinding cross-shareholdings with Rothschild & Co. For reference, these cross-shareholdings mainly consisted of: 8.4% of Edmond de Rothschild (Suisse) S.A.'s capital held by Rothschild Holding AG (Rothschild & Co.'s intermediary holding company in Switzerland), 9.5% of Rothschild AG's capital held by Edmond de Rothschild (Suisse) S.A. and 5.7% of Rothschild & Co's capital held by Edmond de Rothschild (Suisse) S.A.. A dividend of CHF 220 million will therefore be proposed at the Annual General Meeting, compared with CHF 75 million for financial year 2017.

Edmond de Rothschild (Suisse) S.A. continues to benefit from a solid and liquid balance sheet which, in association with a conservative risk management, has resulted in a consolidated solvency ratio close to 26% at the end of December 2018, significantly above the regulatory requirement (12%). Pro-forma for the proposed transactions, the banking Group will benefit from an excess capital of CHF 750 million.

OUTLOOK FOR 2019

In a very volatile geopolitical, economic and stock market environment, we remain cautious for the 2019 financial year.

The group will continue to adapt to this changing environment while pursuing the modernisation of its product offering and rolling out its strategy of creating synergies between its different businesses. Its financial strength allows the group to consider external growth opportunities that may arise.

ABOUT EDMOND DE ROTHSCHILD

Edmond de Rothschild is an ambitious, independent family-run investment house which specialises in private banking and asset management based on the idea that wealth should be used to create tomorrow's world. In all its activities, the Group focuses on bold strategies and long-term investments which are rooted in the real economy – infrastructure, healthcare and impact investing. Founded in 1953, the Group has been managed since 2015 by Baroness Ariane de Rothschild as President of the Executive Committee.

The Group has 170 billion CHF in assets under management, 2,700 employees and 29 sites worldwide as of 31 December 2018. It is also active in corporate finance, private equity, real estate and fund services.

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