BANQUE PRIVÉE
EDMOND DE ROTHSCHILD S.A.
GROUPE LCF ROTHSCHILD

PRESS RELEASE

Geneva, 25 August 2009

Banque Privée Edmond de Rothschild Group
Consolidated semi-annual results
(to 30 June 2009)

- **The Banque Privée Edmond de Rothschild Group earned a net profit of CHF 61.2 million in the first half of 2009, in line with our expectations**
- **Total assets under management jumped 7.6%**
- **The net inflow of client funds, at CHF 3.4 billion, was equally gratifying**
- **Our Group balance sheet boasts a solid BIS Tier 1 ratio of 22.1%**

The first half of 2009 brought a deepening global recession and a substantial decline in stock prices during the first quarter, followed by a rally that spilled over into bond markets. However, it is still too early to tell whether the current upswing will be short-lived or marks a genuine trend reversal.

The reporting period also featured heavy pressure by the G20 countries on banking secrecy, along with stepped-up regulation by financial authorities.

The Banque Privée Edmond de Rothschild Group responded to this particularly tough environment by emphasising safety. We raised cash in our clients' portfolios and adopted a cautious investment policy that led to an increase in our assets under management.

We also demonstrated our commitment to the future by hiring more highly skilled professionals and by investing further in IT infrastructure and buildings, in order to serve our clients better.

NET PROFIT

The Banque Privée Edmond de Rothschild Group earned a net profit of CHF 61.2 million in the first half of 2009, compared with CHF 105.6 million in the six months to 30 June 2008.

ASSETS UNDER MANAGEMENT

The value of client funds rose 7.6% in the reporting period. At 30 June 2009 these totalled CHF 88.6 billion, as against CHF 82.3 billion at 31 December 2008.

NET INFLOW OF FUNDS

Thanks to our focused business performance, countercyclical bias and top-quality, prudent wealth management, the inflow of fresh money in the first half amounted to CHF 3.4 billion.

GROWTH MOMENTUM

The Banque Privée Edmond de Rothschild Group continued to recruit heavily in key segments. Our workforce averaged 1,593 during the reporting period versus a total of 1,517 at 31 December 2008, marking an increase of 76 employees, or 5%.

These and other efforts to provide continuing growth allow us to look to the future with confidence.

ROUNDUP OF FIRST-HALF RESULTS

Revenue

Interest income declined by 23.9% to CHF 41.1 million, reflecting our extreme caution in the area of money market placements.

Income from fees and commissions totalled CHF 229.4 million, down from CHF 297.2 million at end-June 2008.

Results from trading operations edged down to CHF 51.3 million from CHF 54 million the previous year.

Other ordinary results amounted to CHF 16.3 million, up slightly on the year-earlier figure of CHF 15.4 million.

Expenses

Thanks to strict budget control, we were able to reduce our operating expenses by 9.2%. These came to CHF 234.1 million in the first six months of 2009, compared with CHF 257.7 million during the same period last year.

Personnel expenses amounted to CHF 174.9 million, down from CHF 192.2 million the previous year.

Other operating expenses fell 9.7% to CHF 59.2 million, as against CHF 65.5 million at 30 June 2008.

Group gross profit was down 36.1%, totalling CHF 104 million versus the year-earlier figure of CHF 162.8 million.

Depreciation of fixed assets worked out to CHF 17.5 million, up 10.6% on the 2008 level.

Taxes came to CHF 19.4 million compared with CHF 33.6 million a year ago, marking a drop of 42.5%.

Balance sheet review

The consolidated balance sheet total stood at CHF 12.7 billion at 30 June 2009, practically unchanged from CHF 13 billion at end-2008.

On the assets side, cash and other liquid assets remained high at CHF 3.6 billion while "due from banks" rose to CHF 6.2 billion. Other assets declined to CHF 354.8 million, mainly owing to a reduction in the positive replacement values of forward contracts, which at 30 June 2009 amounted to CHF 272.7 million versus CHF 602.7 million at 31 December 2008.

On the liabilities side, sums due to customers remained flat at CHF 10.3 billion.
At 30 June 2009 eligible Group capital and reserves stood at CHF 1.1 billion, compared with a capital adequacy requirement of CHF 387.3 million.

With a BIS Tier 1 ratio of 22.1%, our Group has an extremely solid financial base and can face future developments confidently.

OUTLOOK FOR THE SECOND HALF

In the coming months the Banque Privée Edmond de Rothschild Group will maintain a prudent investment policy geared towards preserving clients' assets. But we will also be studying the trends on financial markets with a view to capturing opportunities as they arise.

Even though it is difficult to forecast our earnings growth in the current environment, we will continue to invest in human resources, buildings and technology to ensure fine-quality service for our clientele. Our attitude remains highly guarded, however, in view of a geopolitical, economic and market environment fraught with uncertainty.