PRESS RELEASE

Geneva, 27 August 2008

Banque Privée Edmond de Rothschild Group
Consolidated semi-annual results
(to 30.6.2008)

The first half of 2008 witnessed an especially unfavourable economic and market environment. The US subprime meltdown in particular weighed heavily on the financial markets.

NET PROFIT

The Banque Privée Edmond de Rothschild Group reported a net profit of CHF 105.6 million in the first half of 2008 compared to CHF 119.4 million one year earlier, an 11.6% decline.

ASSETS UNDER MANAGEMENT

Assets under management totalled CHF 97 billion at 30 June 2008 versus CHF 100.3 billion at the end of 2007 and CHF 97.2 billion at 30 June 2007. The CHF 3.3 billion year-to-date decrease (-3.3%) resulted from the strengthening of the Swiss franc and the weakness of equity and bond markets.

INFLOW OF FRESH FUNDS – RISE IN OPERATING REVENUES

Fresh fund inflows amounted to CHF 4.9 billion in the reporting period, and total operating revenues rose by 1% to CHF 481.9 million versus CHF 415.6 million at 30 June 2007. These positive results were driven by the Group’s vigour and our strategic focus on wealth management.

GROWTH MOMENTUM

- The Banque Privée Edmond de Rothschild Group made a number of decisive hiring decisions as part of its ambitious growth policy. Our workforce was 1,513 at end-June 2008 compared to 1,363 one year earlier, i.e. an increase of 150 employees (+11%).

- We made property investments in Geneva, Luxembourg and the Bahamas in support of our growth trend.

- These investments underpin our confident view going forward.

SUBPRIME CRISIS

Thanks to our cautious investment policy, the Group and its customers did not experience any losses directly attributable to the US subprime debacle or to the credit and liquidity crisis.

HIGH QUALITY MANAGEMENT

The quality of our management was recognised when the Group was declared best fund of hedge funds manager for 2007 at the sixth annual InvestHedge Awards in New York.

LCF Edmond de Rothschild α uncorrelated (EUR) was voted best fund over 5 years in the Euro category as part of the Banco Hedge Fund Awards.

LCF Edmond de Rothschild Prifund Bond A cap (CHF) won Lipper Fund Awards as the best fund over 3 and 5 years in the category of Swiss-franc bonds.

ROUNDUP OF FIRST-HALF RESULTS

Revenue

Interest income rose by 10.4% to CHF 54 million versus CHF 48.9 million at 30 June 2007.

Income from fees and commissions rose 3.3% to CHF 297.2 million from CHF 287.7 million the previous year.

Results from trading operations amounted to CHF 54 million, down 15% from their end-June 2007 level of CHF 63.6 million.

Other ordinary results totalled CHF 13.8 million versus the year-earlier figure of CHF 15.5 million, marking a 10.8% decline.

Expenses

The average number of Group employees in the first half of the year was 1,483, up from 1,375 at end-December 2007. At the same time, personnel expenses amounted to CHF 192.2 million compared with the previous year’s level of CHF 183.1 million. These increases reflect the expansion of the Group's operations.

Other operating expenses rose 21.5% to CHF 65.5 million from CHF 53.9 million in the first half of 2007.

Total operating expenses came to CHF 257.7 million, 8.7% higher than the year-earlier level of CHF 237.1 million.

Group gross profit was down 9.7% to CHF 161.2 million versus CHF 178.5 million at 30 June 2007.

Depreciation of fixed assets worked out to CHF 15.8 million, as against CHF 16.5 million in the first half of 2007.

Taxes totalled CHF 32.0 million, down 6% on the year-earlier figure of CHF 34.0 million.

Balance sheet review

The consolidated balance sheet total stood at CHF 11.3 billion at 30 June 2008, 1.3% lower than the end-December 2007 level of CHF 11.5 billion.

On the assets side, the line item "Due from banks" rose 2.4% to CHF 8.5 billion, while loans to customers totalled CHF 1.5 billion, a 19.4% decline.

On the liabilities side, the "Due to banks" item fell by 29.1% to CHF 578.3 million, and other sums due to customers climbed 3.6% to CHF 8.9 billion.

At 30 June 2008, Group capital and reserves stood at CHF 1.1843 billion, compared to CHF 1.3331 billion at end-2007. This figure now accounts for 10.5% of the balance sheet total.

OUTLOOK FOR THE FUTURE

With the first half over, we cannot predict which way the financial markets are headed. We intend to maintain a cautious approach and to pay very close attention to the highly volatile geopolitical, economic and market environment.

We look to the future with confidence in view of the efforts we have made not only to expand our international network, but also to upgrade our premises and IT facilities and to reinforce our asset management teams and supervisory personnel.
