

STRICTLY PRIVATE AND CONFIDENTIAL**Press Release**

Paris, London 2 October 2015

Sale of Rothschild & Co's asset finance business

Rothschild & Co (formerly Paris Orléans) announces that it has entered into an agreement to sell its UK asset finance business, Five Arrows Leasing Group Limited ("Five Arrows Leasing"), to Paragon Bank PLC ("Paragon Bank") for a consideration of approximately £117 million (c.€159 million). The transaction is expected to complete by 3 November 2015.

The sale is in line with Rothschild & Co's strategy to focus on its three core businesses: Global Financial Advisory; Wealth and Asset Management; and Merchant Banking. The Five Arrows brand is not included in the sale.

Rothschild & Co acquired the original business in 1996 and has successfully created a group of specialist companies serving niche asset financing markets. Five Arrows Leasing provides print, broadcast, construction and other equipment finance and asset-based lending in the UK to small and medium-sized enterprises and leases vehicles to local authorities. For the year ended 31 March 2015 Five Arrows Leasing generated net banking income of £28.5 million (€36.4 million) and statutory profit after tax of £8.1 million (€10.3 million). At 31 March 2015 it had net assets of £42.9 million (€58.9 million).

We expect the transaction to result in an exceptional accounting gain of approximately €90 million. The proceeds will be used for general corporate purposes and for investing in the growth of our core businesses.

Nigel Higgins and Olivier Pécoux, Co-Chief Executive Officers of Rothschild & Co, said:

"Five Arrows Leasing has been part of Rothschild & Co for nearly 20 years. During that time we successfully created a leading UK asset finance company that now serves more than 2,600 customers. We believe, however, that now is an appropriate time to sell Five Arrows Leasing given the focus on our core businesses: Global Financial Advisory; Wealth and Asset Management; and Merchant Banking. We are delighted that Paragon Bank is to acquire the business. We believe Paragon Bank will be a great home for the business and its employees and the transaction represents an exciting opportunity to maximise Five Arrows Leasing's future growth potential. We would like to thank the Five Arrows Leasing team for their hard work and dedication to Rothschild & Co over the years and wish them well in the future."

Rothschild & Co's Global Financial Advisory business acted as financial adviser to Rothschild & Co on this transaction.

[ENDS]

Financial calendar

- | | |
|---------------------------------------|---|
| ▪ 24 November 2015 after market close | Results of the first half-year of FY 2015/2016 |
| ▪ 11 February 2016 after market close | Publication for the third quarter of FY 2015/2016 |
| ▪ 22 June 2016 after market close | Results of the financial year 2015/2016 |

About Rothschild & Co (formerly Paris Orléans)

Rothschild & Co operates in the following areas:

- *Global Financial Advisory provides advisory services for mergers and acquisitions, debt financing and restructuring, and equity capital markets;*
- *Wealth & Asset Management, and*
- *Merchant Banking which comprises third party private equity and private debt business and proprietary investments.*

Rothschild & Co is a French partnership limited by shares (société en commandite par actions) with a share capital of €142,274,072. Paris trade and companies registry 302 519 228. Registered office: 23 bis avenue de Messine, 75008 Paris, France. Rothschild & Co is listed on Euronext in Paris, Compartiment A - ISIN Code: FR0000031684. Rothschild & Co shares are PEA-PME eligible

About Paragon Group

The Paragon Group of Companies PLC is a leading UK specialist buy-to-let lender and consumer finance group. It is a FTSE 250 company with over £10 billion of assets and has serviced over 1.5 million customers. Paragon Bank PLC is a wholly owned subsidiary of The Paragon Group of Companies.

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