

# RHJ INTERNATIONAL

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RHJ Investment Portfolio  
& Closing of the Acquisition of Kleinwort Benson

July 1<sup>st</sup>, 2010

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# RHJ INTERNATIONAL: Corporate Earnings and Investment Portfolio

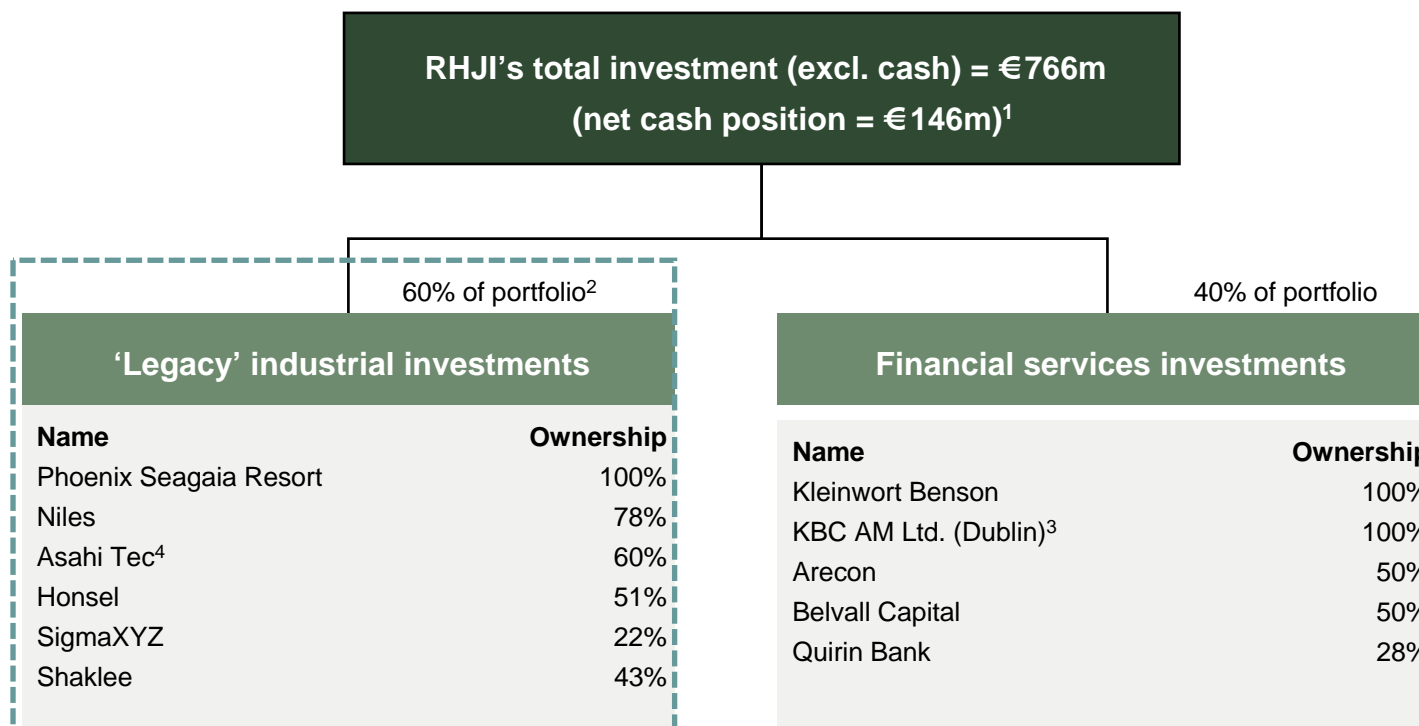
March 31, 2010

(In EUR millions)

Fiscal year ended March 31	2009	Additions	Disposals	Fair value adjustments	Impairment	2010
<b>Investments in subsidiaries</b> ③						
Asahi Tec	111.2	-	-	-	-	111.2
Belvall	-	0.8	-	-	-	0.8
CME	23.8	-	(23.8)	-	-	-
Honsel	-	52.8	-	-	-	52.8
Niles	132.0	27.8	-	-	-	159.8
Phoenix Seagaia Resort	43.7	3.2	-	-	-	46.9
	<b>310.6</b>	<b>84.6</b>	<b>(23.8)</b>	<b>-</b>	<b>-</b>	<b>371.4</b>
<b>Investments in equity accounted investees</b> ③						
Arecon	5.8	-	-	-	-	5.8
Quirin	-	19.3	-	-	-	19.3
Shaklee	51.4	-	-	-	-	51.4
SigmaXYZ	8.6	-	-	-	-	8.6
U-shin	25.4	-	(25.4)	-	-	-
	<b>91.2</b>	<b>19.3</b>	<b>(25.4)</b>	<b>-</b>	<b>-</b>	<b>85.1</b>
<b>Other investments</b> ③	<b>42.5</b>	<b>1.6</b>	<b>(39.0)</b>	<b>(3.5)</b>	<b>(0.3)</b>	<b>1.3</b>
<b>Total investments</b>	<b>444.3</b>	<b>105.5</b>	<b>(88.3)</b>	<b>(3.5)</b>	<b>(0.3)</b>	<b>457.8</b>
<b>Cash and cash equivalents (parent company only)</b>	<b>466.3</b>	<b>-</b>	<b>(60.8)</b>	<b>-</b>	<b>-</b>	<b>405.5</b>
<b>Loans</b>	<b>39.3</b>	<b>5.0</b>	<b>(11.6)</b>	<b>0.0</b>	<b>-</b>	<b>32.7</b>
<b>Total portfolio</b>	<b>949.9</b>	<b>110.5</b>	<b>(160.6)</b>	<b>(3.5)</b>	<b>(0.3)</b>	<b>896.1</b>
<b>Book value per share (in EUR)</b>	<b>11.1</b>	<b>1.3</b>	<b>(1.9)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>10.5</b>

① At cost less impairment

② At fair value



### Main Shareholders

- Timothy C. Collins (including non-beneficially owned shares): 13.07%
- BlackRock Group: 10.04%
- Davis Selected Advisors LP: 5.66%
- Franklin Templeton Institutional, LLC: 5.00%
- Third Avenue Management LLC: 4.60%
- First Manhattan Co.: 3.06%
- Bank of America Corp.: 2.99%

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# RHJI – a company in transition

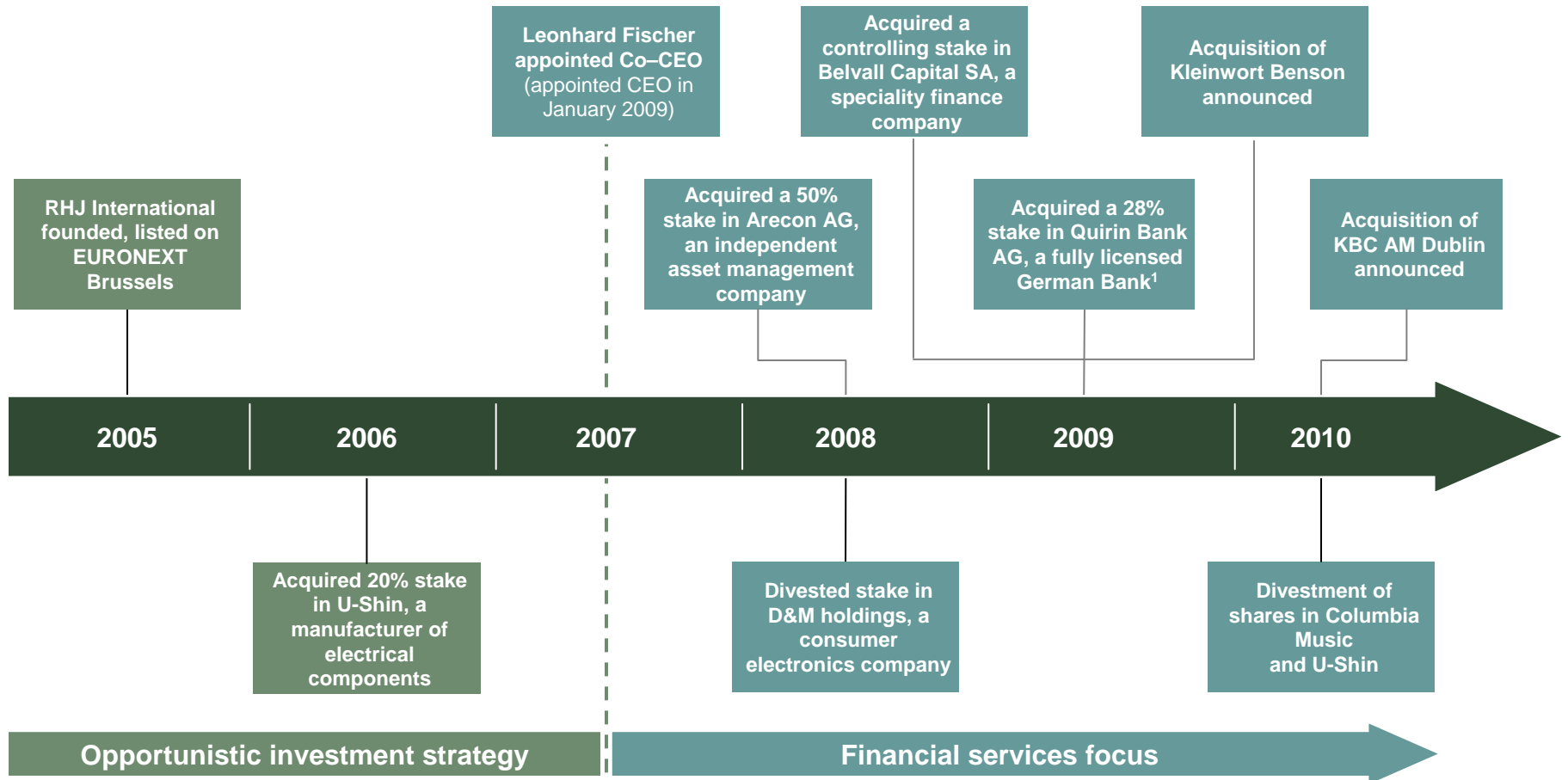
## Shifting focus towards Financial Services

- Transformation from a diversified industrial holding company into a business with exclusive focus on banking and financial services
- Kleinwort Benson will be the cornerstone of RHJI's future strategy
- RHJI's remaining industrial holdings earmarked as « legacy » and will be disposed over the next years
- Explicit divestments have already been made to fuel investments in financial services

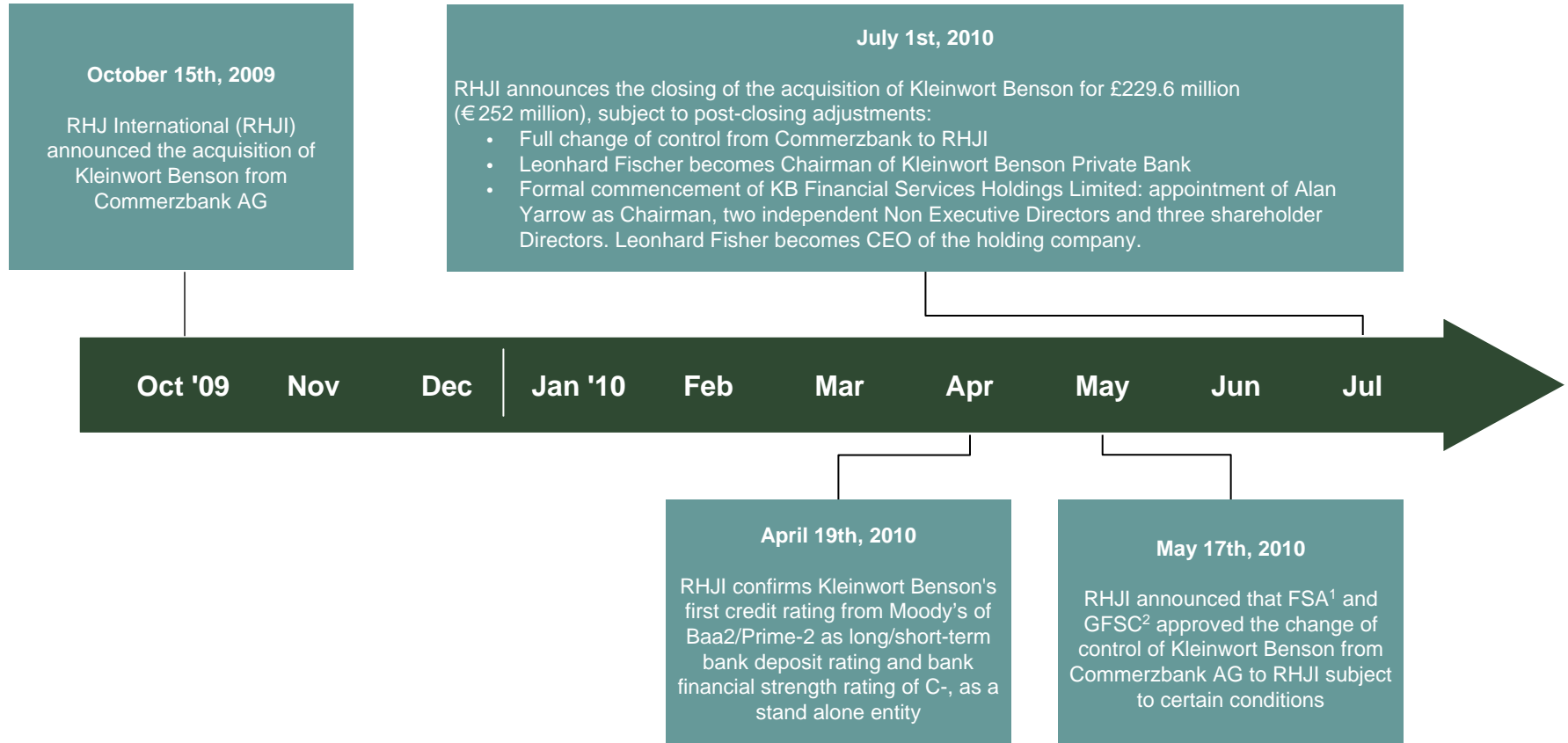
## Leading expertise in the financial industry

- RHJI's transformation has been initiated with the appointment of Leonhard Fischer, Chief Executive Officer, and new financial services executives
- Members of the RHJI management are recognized for their extensive experience, know-how and network in the financial services industry

# Clear transformation plan towards a financial services company



# Successful closing of Kleinwort Benson acquisition within 10 months



# RHJI with strong financial background to fuel Kleinwort Benson's business ambitions

Pro forma statements  
including acquisitions of  
Kleinwort Benson and KBCAM

## Focus

- Develop into a dynamic group with an exclusive focus on banking and financial services

## Continuity

- Permanent capital structure as publicly traded company enables long-term value creation

## Financial strength

- RHJI's balance sheet with solid capital base and investment assets radically impaired to reflect realistic market values
- Robust asset position with total assets of €912m at March 31, 2010, including
  - investments of €766m
  - cash of €146m
- RHJI SA has no financial debt and limited liabilities
- External debt facilities are ring fenced in the subsidiary companies
- Phased disposal plan in place to free additional cash from divestments

# RHJI management with extensive Financial Services experience (I)



**Leonhard Fischer**  
CEO

- Leonhard Fischer has spent over 20 years in the banking and financial services industry and has held CEO and other Executive Board positions at various premier institutions
- Prior to joining RHJI in 2007, Mr. Fischer was Chief Executive Officer of Winterthur Group from 2003 to 2006, an insurance subsidiary of Credit Suisse, and a member of the Executive Board of Credit Suisse Group from 2003 to March 2007
- Mr. Fischer joined Credit Suisse Group from Allianz AG, where he had been a Member of the Executive Board and Head of the Corporate and Markets Division since 2001
- Previously, he had been with Dresdner Bank AG as a member of the Executive Board since 1998, where he was among others responsible for the Investment Banking division, and with JP Morgan in Frankfurt since 1987



**Heinrich Linz**  
Managing Director

- Heinrich Linz has 25 years of banking and financial services experience. Before joining RHJI, he served as COO and Member of the Executive Board of Winterthur Group (2004 to 2006). Prior to being appointed Chief Risk Officer and Member of the Executive Board of Dresdner Bank AG in 2001, he was CEO of Deutscher Investment Trust (dit), the asset management division of Dresdner Bank
- He began his professional career at Dresdner Bank AG in 1983, where he held various positions including Treasurer and Co-Head Global Markets. Previously he built the Derivatives business of the bank
- Mr. Linz served on various boards, significant assignments were with the International Swaps & Derivates Association, New York, the Deutsche Boerse/EUREX Exchange Council and the Einlagensicherungsfonds des Bundesverbands deutscher Banken



**Fernando Barnuevo**  
Managing Director

- Fernando Barnuevo has over 25 years of financial services experience. Prior to joining RHJI, he had been since 2005 at Integrated Finance Limited Partners SA (IFL), a specialized investment banking firm focused on Asset Management and Investment Banking, most recently as Managing Director
- Before IFL, Mr. Barnuevo had been at JPMorgan since 1986, where he had been a member of the Financial Institutions Management Committee
- At JPMorgan, he also served as Group Head and Senior Client Executive of the Institutional Investor business and led a wide range of management roles in Capital Markets, Corporate Finance, M&A, Investor Client Coverage and Emerging Markets in the Madrid, Buenos Aires, Sao Paulo, San Francisco and New York offices
- Mr. Barnuevo serves as Chairman of the US Fund Board of the Instituto de Empresa, Spain's leading business school, from which he also holds an International MBA

## RHJI management with extensive Financial Services experience (II)



**Martha Böckenfeld**  
*Managing Director*

- Dr. Martha Böckenfeld has over 13 years of financial services industry experience
- Before joining RHJ Swiss Management, Dr. Boeckenfeld was a Member of the Executive Board of Winterthur Group and Head of Group Reinsurance Non-Life and Closed Portfolio Management
- Previously, Dr. Böckenfeld held various positions at Winterthur Group, including Head of Transaction Management for Restructuring and Divestitures and Regional CFO Asia Non-Life



**Rüdiger Schmid-Kühnhöfer**  
*Managing Director & General Counsel*

- Dr. Rüdiger Schmid-Kühnhöfer has over 8 years of financial industry experience
- Prior to joining RHJI he held various positions at Credit Suisse Group as a member of senior management
- Previously, Dr. Schmid-Kühnhöfer worked in the Capital Markets and M&A practice groups of Shearman & Sterling LLP in New York and Düsseldorf



**Anna-Lena Wetzel**  
*Managing Director*

- Anna-Lena Wetzel has been Managing Director at RHJ International since October 2007 and has more than 10 years of financial services and investment banking experience
- Before joining RHJI, Ms Wetzel worked in the Investment Banking Division at Goldman Sachs in Frankfurt, New York and London
- Ms Wetzel is currently also a Board Member of Niles Corp

# KB Financial Services Holdings Limited Board

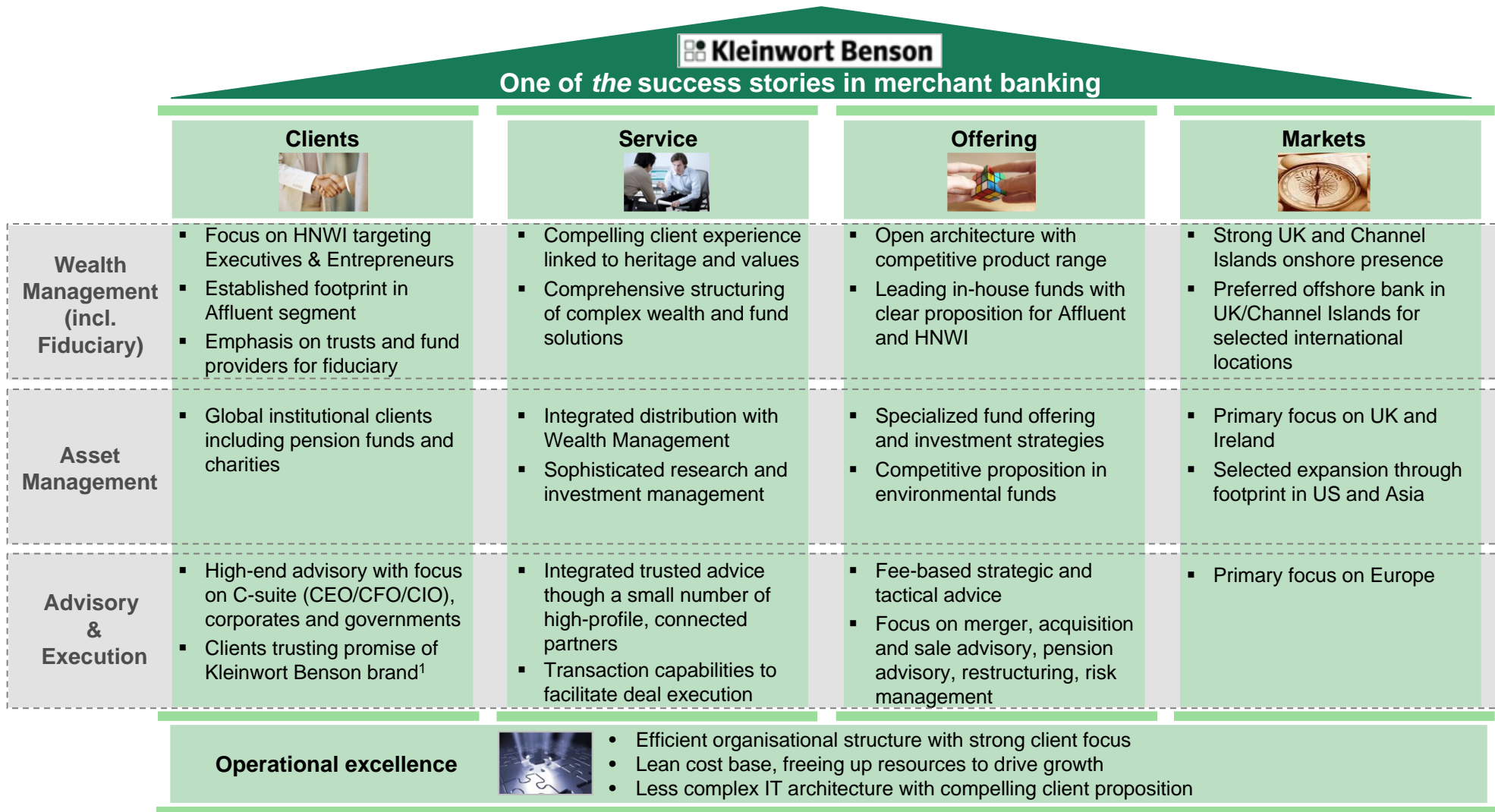
Experienced financial experts team with long track record in banking, financial institutions and change management

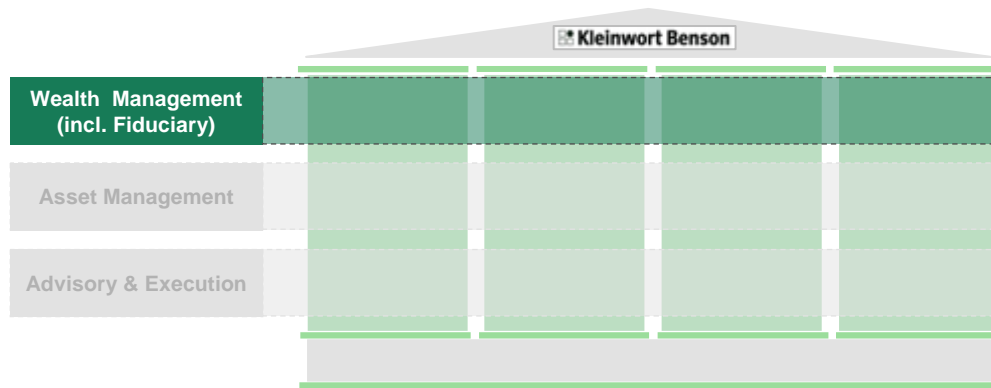
<b>Alan Yarrow</b>	<b>Chairman of the Board of Directors</b>	<b>Former Chairman Dresdner Kleinwort Limited, Chairman Chartered Institute of Savings and Investment</b>
<b>Leonhard Fischer</b>	<b>CEO</b>	<b>Former CEO of Winterthur Group and member of Credit Suisse Group's Executive Board, former member of the Management Board of Allianz AG</b>
<b>Konstantin Gr. v. Schweinitz</b>	<b>Non-executive director</b>	<b>Former CRO of Dresdner Kleinwort Wasserstein, former COO of DrKW UK, former head of swaps/derivatives at The Chase Manhattan Bank, N.A.</b>
<b>Gerd Häusler</b>	<b>Non-executive director</b>	<b>CEO of Bayern LB Former Vice-Chairman of Lazard, Director of the IMF and Chairman of Dresdner Kleinwort Benson</b>
<b>Jeremy Sillem</b>	<b>Non-executive director</b>	<b>Managing Partner Spencer House Partners Former Chairman, Bear Stearns International Ltd. Former Partner, Lazard</b>

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# The future Kleinwort Benson





## Wealth Management (incl. Fiduciary)

# Wealth Management with £ 5.6bn Assets under Management and solid capital and liquidity position

## Private Bank - Overview

- One of the most traditional UK brands in banking and investment management with roots dating back to the 1850's
- Franchise with established industry recognition, rewarded several times over the last years
- Solid stand alone investment grade rating from Moody's with Baa2/Prime-2



## Proposition & Products

- Multi-dimensional segmentation with focus on providing integrated solutions for clients tailored to their specific needs
- Extensive range of products and services supported by specialists; services include: Financial planning, tax, fiduciary, banking, structured products, portfolio management, in-house funds management

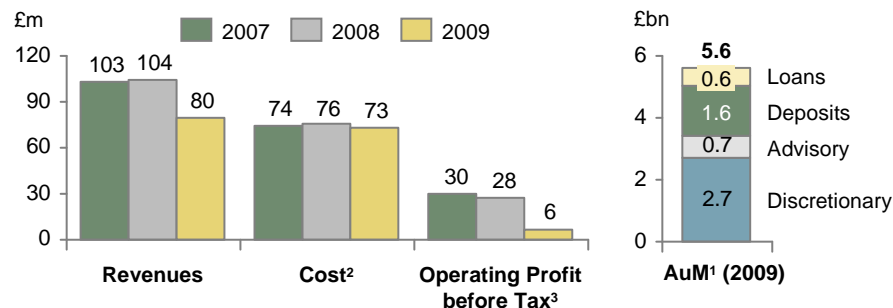
## Distribution

- UK core base for onshore operations, Channel Islands financial centre for offshore operations
- Close proximity to clients through a nationwide network of offices



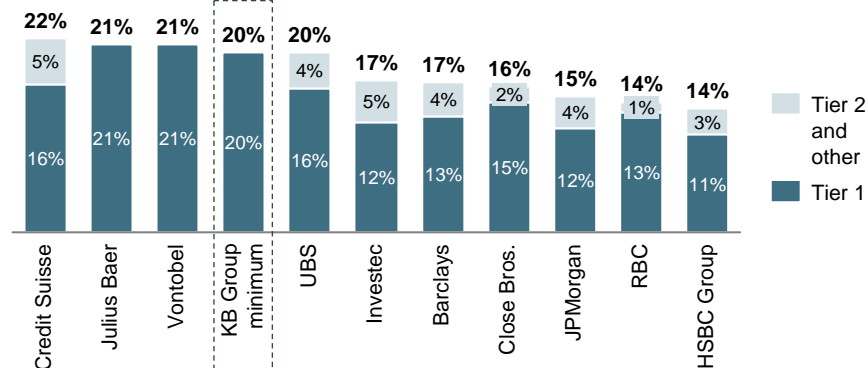
## Financials and performance metrics

### Financial summary and Assets under Management<sup>1</sup>



- 2009 cost/income ratio of 91%
- Strong share of high-margin discretionary mandates (£ 2.7bn)

### Comparison of Kleinwort Benson capital ratio to peers<sup>4</sup>



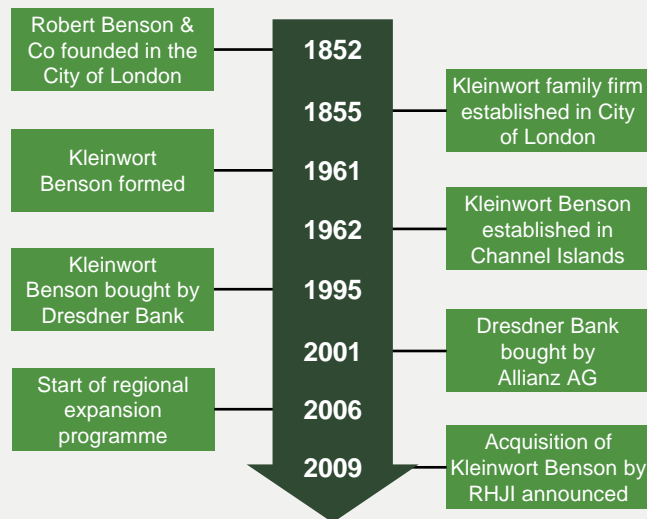
- Tier 1 ratio in excess of 20%, well positioned among competitors
- Highly liquid balance sheet with no reliance on wholesale funding

# Market leading brand with strong heritage and industry-wide recognition

**Kleinwort Benson is a market leading independent brand with a heritage in banking dating back to the 1850s**

## Market leading brand with strong heritage

- Kleinwort Benson is one of the most traditional names in banking and investment management in the UK
- Formed by the merger of Kleinwort, Sons & Co. and Robert Benson Lonsdale in 1961, KB is now a renowned and respected private bank and wealth manager
- The Kleinwort Benson brand has remained independent throughout all changes in ownership



## Franchise with established industry recognition

- Over the last years Kleinwort Benson has received extremely positive responses from clients and the industry
- Kleinwort Benson has been rewarded several times:
  - 2008: Best Private Bank award by the Financial Times / Investors Chronicle
  - 2009: nomination for the Best International Wealth Manager by International Investment



# Proven strengths provide a solid foundation to develop the business

## Client centricity and integrated platform

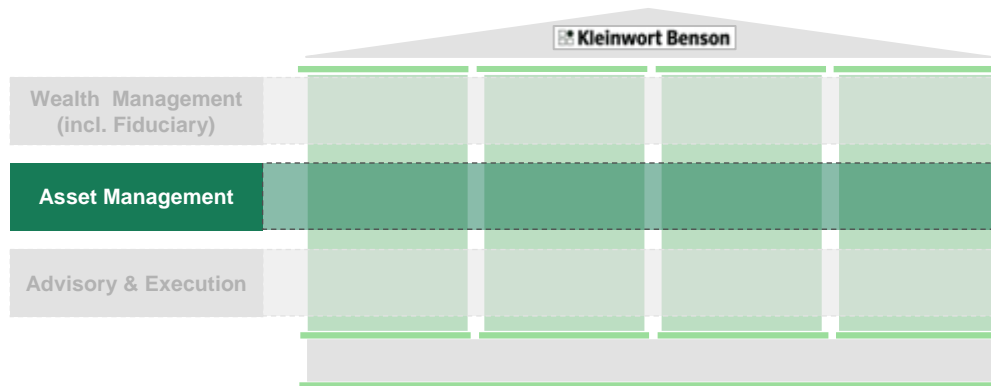
- Established multi-dimensional segmentation to provide compelling products and services tailored to the specific needs of clients
- Through its integrated platform, KB offers an extensive products and services range supported by specialists. Services include: Financial planning, tax, fiduciary, banking, structured products, portfolio management, in-house funds management

Private Wealth Mgmt		Corporate Fiduciary	
Client segments	Product & Services	Client segments	Product & Services
<ul style="list-style-type: none"> <li>• Inherited Wealth</li> <li>• Established Wealth</li> <li>• Senior Executives</li> <li>• High Flyers</li> <li>• Entrepreneurs</li> <li>• Non-domiciled UK residents</li> <li>• International Clients</li> </ul>	<ul style="list-style-type: none"> <li>• Investment management</li> <li>• Financial planning including pensions</li> <li>• Private Fiduciary</li> <li>• Custody</li> <li>• Structured products</li> <li>• ISAs</li> <li>• Banking</li> <li>• Lending</li> <li>• Tax</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative Asset Fund Promoters</li> <li>• Traditional Fund Promoters</li> <li>• Institutions - SPVs</li> <li>• Institutions - Employee services</li> <li>• External Trust Companies / Trustees</li> </ul>	<ul style="list-style-type: none"> <li>• Fund Administration</li> <li>• Custodian Trustee services</li> <li>• Special Purpose Vehicle Administration</li> <li>• Employee Services Administration</li> <li>• Trust settlement, administration and management</li> <li>• Custody services</li> <li>• Banking</li> </ul>

## Nationwide distribution



- UK is the core base for onshore operations, the Channel Islands are the financial centre for Kleinwort Benson's offshore operations
- In 2006, Kleinwort Benson initiated an expansion strategy to the main centres of wealth in the UK, opening offices in Birmingham, Cambridge, Edinburgh, Leeds, Manchester and Newbury. With this nationwide branch network Kleinwort Benson is in close proximity to its clients across the UK
- Both, Jersey and Guernsey, qualify for the G20 White List, classifying countries which have implemented the internationally agreed tax standard, along with the UK, US, France and Germany



## Asset Management

# KBC Asset Management with €4.1bn Assets under Management

## Asset Management - Overview

- KBC Asset Management, headquartered in Dublin (Ireland), was established in 1980
- Since 2004 transition from focus on domestic, balanced products to specialist equity products for international investors
- Acquisition of KBCAM Ltd. by RHJ announced on 21st June 2010, completion expected in Q4-2010

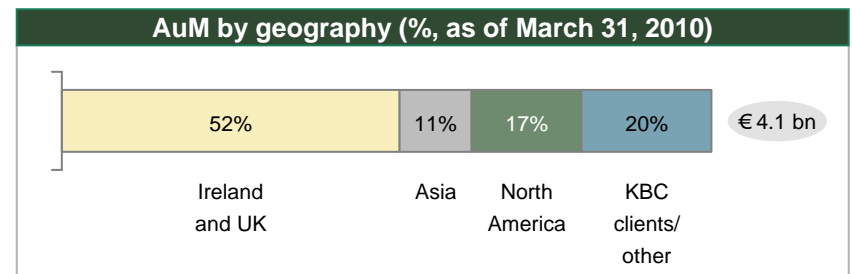
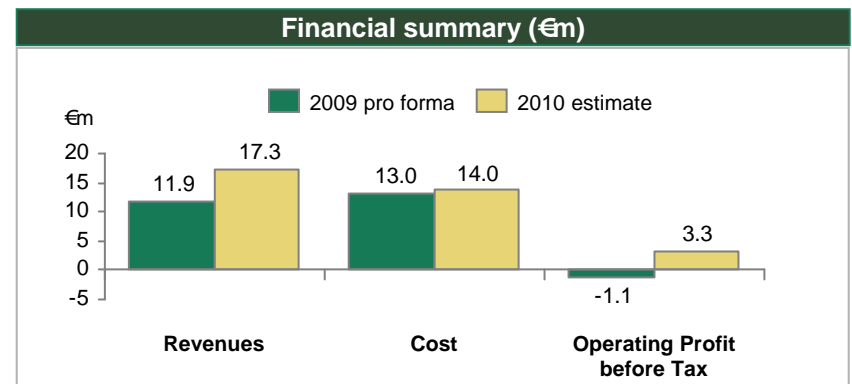
## Proposition & Products

- Offering includes specialist strategies in three core competence areas: environmental equities, dividend oriented equities and multi-assets strategies
- KBCAM well positioned in environmental and sustainable investment funds, with one of the longest track records in these growth segments

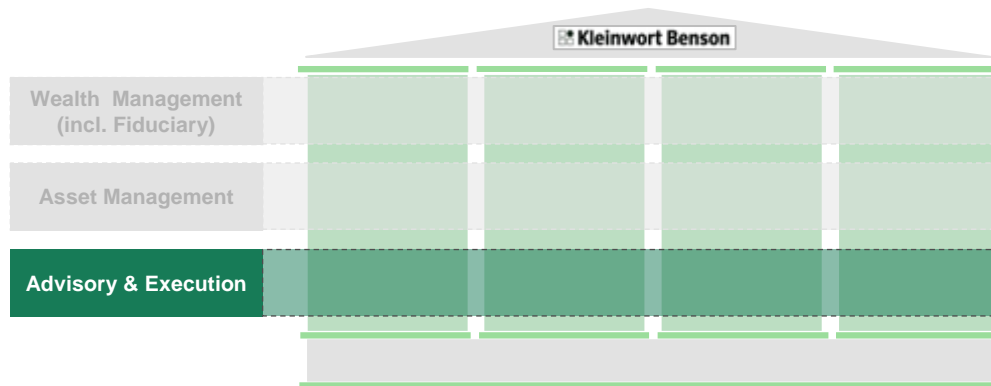
## Distribution

- KBCAM with 60 employees in the Dublin headquarter and a New York office for distribution into the US and Canadian markets
- Successful market entry in US and Asia, in particular Japan and Korea, with ~30% of AuM from Asia and North America

## Financials and operating data



- Total AuM of € 4.1bn managed on a discretionary basis
- Strong client base in Ireland, Asia and North America: Ireland/UK investors representing 52% of AuM, North American investors 17% and Asian investors 11% of AuM
- 240 institutional clients from international locations, e.g. Mitsubishi (Japan), Calvert (US) and Samsung (Korea)



## Advisory & Execution

# Kleinwort Benson Advisory & Execution

## Advisory & Execution - Overview

- Demand-driven strategic and tactical advisory business for C-suite executives, corporates and governments
- Leverage of the venerable British heritage of Kleinwort Benson's successful advisory history

## Proposition

- Fee-based strategic and tactical advice with the focus on
  - Merger, acquisition & sale advisory
  - Pension advisory
  - Restructuring
  - Risk management
- Offering of transaction capabilities to facilitate deal execution

## Distribution

- Integrated trusted advice through a small number of high-profile, connected partners
- Unique collaboration with Wealth Management and Asset Management business lines

## Advisory & Execution values reflect increasing client demand

Independence		<ul style="list-style-type: none"><li>▪ Non-conflicted by 'position taking'</li></ul>
Integrated		<ul style="list-style-type: none"><li>▪ One solution across all three business lines</li><li>▪ One 'risk balance sheet' view of the client</li></ul>
Unbiased		<ul style="list-style-type: none"><li>▪ Solution based, not product centric</li><li>▪ No conflicts of interest vis-à-vis its clients</li></ul>
Long-term perspective		<ul style="list-style-type: none"><li>▪ Focus on the long-term client relationship, not the deal</li></ul>
Forceful and opinionated		<ul style="list-style-type: none"><li>▪ Based on strong factual analysis</li><li>▪ Influential</li></ul>
Trust based		<ul style="list-style-type: none"><li>▪ KB success defined by client's success</li></ul>

Distinguish in the market by 'Quality', 'Integrity', 'Trust' and 'Forcefulness'