

**LAZARD & CO., EUROPE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**  
**REGISTERED NUMBER: 3620647**

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## **LAZARD & CO., EUROPE LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

### **PRINCIPAL ACTIVITY**

The Company is an investment holding company.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

It is anticipated that the Company will be dissolved in due course and the directors have prepared the financial statements on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

On 28 November 2008 the Company reduced its share capital under the provision of section 641 (1a) of the Companies Act 2006.

### **RESULTS**

The Company made a profit after tax of £nil (2007: £27,188,433). A dividend of £nil (2007: £27,188,433) was paid in the year.

### **DIRECTORS DURING THE YEAR**

The names of the directors who served throughout the year, are as follows:

M Gonatas  
R J Rountree  
J A Rosen

### **COMPANY SECRETARY**

R Farrer-Brown

In accordance with the Company's articles of association and subject to the provisions of and so far as may be permitted by law, directors are indemnified by the Company out of its own funds against certain costs, charges, losses, expenses and liabilities incurred by them in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or office.

## **LAZARD & CO., EUROPE LIMITED**

### **REPORT OF THE DIRECTORS (continued)**

#### **AUDITORS**

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386 (2) of the Companies Act 1985.

Each of the persons who is a director at the date of approval of the report confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Relevant audit information is defined as information needed by the Company's auditors in connection with preparing their report (S234ZA).

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on behalf of the Board.

~~Director~~ Secretary

50 Stratton Street  
London W1J 8LL

28 May 2009

  
ROBERT PALMER-BROWN  
COMPANY SECRETARY

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LAZARD & CO., EUROPE LIMITED**

We have audited the financial statements of Lazard & Co., Europe Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities, which is included in the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

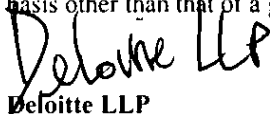
### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

### **Emphasis of matter - Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1a) to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.



**Deloitte LLP**

Chartered Accountants and Registered Auditors  
London, England

28 May 2009

**LAZARD & CO., EUROPE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Operating expenses		-	(2)
Profit on sale of fixed asset investment	3	-	27,188,435
RESULT / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	27,188,433
Taxation	4	-	-
RESULT / PROFIT FOR THE FINANCIAL YEAR		-	27,188,433

The Company has no recognised gains and losses other than as shown above and therefore no statement of total recognised gains and losses has been presented. A reconciliation of the movement in shareholders' funds is shown in note 7.

All activities derive from discontinued operations.

The notes on pages 6 to 9 form an integral part of these accounts.

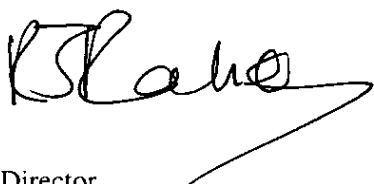
**LAZARD & CO., EUROPE LIMITED**

**BALANCE SHEET AT 31 DECEMBER 2008**

	Notes	2008 £	2007 £
CURRENT ASSETS			
Debtors	5	1	481,732
NET CURRENT ASSETS		<u>1</u>	<u>481,732</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1</u>	<u>481,732</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	481,732
SHAREHOLDERS' FUNDS	7	<u>1</u>	<u>481,732</u>

These financial statements were approved by the Board of Directors on **28** May 2009.

Signed on behalf of Directors



Director

## **LAZARD & CO., EUROPE LIMITED**

### **NOTES TO THE ACCOUNTS** **FOR THE YEAR ENDED 31 DECEMBER 2008**

#### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the provisions of the Companies Act 1985 and applicable accounting standards in the United Kingdom. The particular accounting policies which have been applied are set out below:

##### **a) The basis of accounting**

As explained in the Directors report, the Company is expected to be dissolved within the next 12 months. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

##### **b) Group accounts**

Group accounts of the company and its subsidiaries have not been prepared because the Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the Company is a majority-owned subsidiary undertaking incorporated in Great Britain and registered in England and Wales.

##### **c) Current tax**

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **d) Dividends**

Dividends are recognised in the period in which they are declared and become a present obligation of the Company.

#### **2. DIRECTORS EMOLUMENTS, EMPLOYEES AND AUDITORS' REMUNERATION**

There were no directors' fees or other emoluments for their services to this Company during the current or previous years. The Company has no employees (2007: none). The auditors' remuneration in the current year for audit services was £2,100 (2007: £2,000) and is borne by a related company.

## **LAZARD & CO., EUROPE LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)**

#### **3. PROFIT ON SALE OF FIXED ASSET INVESTMENT**

	2008 £	2007 £
Profit on sale of fixed asset investment	-	27,188,435

On 31 January 2007, as part of a reorganisation of the ownership of certain subsidiaries within the Lazard Group, the Company sold its holdings in Lazard & Co., GmbH and Lazard BV to Maison Lazard SAS for \$54,000,000 (£27,648,216), realising a profit of £27,188,435 before and after tax

#### **4. TAXATION**

	2008 £	2007 £
UK corporation tax at 28.5%		
Adjustment in respect of prior year	-	-

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 28.5% (2007: 30%). The current year tax charge for 2008 is less than 28.5% for the reasons set out in the following reconciliation:

	2008 £	2007 £
Profit on ordinary activities before tax (including foreign exchange gains)	-	27,188,433
Tax on profit on ordinary activities at standard rate		8,156,530
Factors affecting charge:		
Credit for losses not taken	-	1
Non taxable gain	-	(8,156,531)
Tax for the year	-	-

#### **5. DEBTORS**

	2008 £	2007 £
Amounts due from parent undertaking	1	481,732
	1	481,732



## **LAZARD & CO., EUROPE LIMITED**

### **NOTES TO THE ACCOUNTS** **FOR THE YEAR ENDED 31 DECEMBER 2008**

#### **6. CALLED UP SHARE CAPITAL**

	2008 £	2007 £
Authorised:		
1 (2007: 481,732) ordinary shares of £1 (2007: £1) each	<u>1</u>	<u>481,732</u>
Allotted, called up and fully paid		
1 (2007: 481,732) ordinary shares of £1 (2007: £1) each	<u>1</u>	<u>481,732</u>

On 28 November 2008 the Company reduced the share capital under the provision of section 641 (1a) of the Companies Act 2006.

#### **7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Profit for the financial year	-	27,188,433
Dividends paid on equity shares	<u>-</u>	<u>(27,188,433)</u>
Result for the year	-	-
Opening shareholders' funds	481,732	481,732
Reduction in share capital	<u>(481,731)</u>	<u>-</u>
Closing shareholders' funds	<u>1</u>	<u>481,732</u>

#### **8. CASH FLOW STATEMENT**

The Company is exempt from preparing a cash flow statement under paragraph 5 of Financial Reporting standard No. 1 (revised 1996) "Cash Flow Statements".

**LAZARD & CO., EUROPE LIMITED**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**9. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard 8, and accordingly has not disclosed transactions with entities that are part of the same group. There were no other related party transactions requiring disclosure.

**10. ULTIMATE PARENT COMPANY**

Lazard Ltd, a Bermudian company, is the parent company of the largest group which includes the Company and for which group accounts are to be prepared. The Company's ultimate parent company and ultimate controlling party is Lazard Ltd.

The parent company of the smallest group which includes the Company, and for which group accounts are prepared, is Lazard & Co., Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

Copies of the parent company's financial statements may be obtained from The Company Secretary, Lazard & Co., Holdings Limited, 50 Stratton Street, London W1J 8LL.

The Company's immediate parent and controlling party is Lazard & Co., Limited, a company incorporated in Great Britain and registered in England and Wales.