



## 2009: second best year ever for the ABC arbitrage group

**\*Net income (attributable to equity holders): €30.4 million**

**\*ROE: 32%**

**\*Recommended dividend: €0.75**

The Board of Directors of ABC arbitrage led by the Chairman, Dominique Ceolin, met on March 11 to approve the consolidated financial statements for 2009. Financial highlights for the year were as follows:

<i>In EUR millions</i>	<b>Dec. 31, 2009 IFRS</b>	<b>Dec. 31, 2008 IFRS</b>	<b>Change</b>
Net revenues (1)	<b>62.6</b>	85.5	- 27%
Income before tax	<b>44.4</b>	62.9	- 29%
Net income	<b>30.4</b>	40.6	- 25%

(1): Net gains on derivative financial instruments measured at fair value through profit or loss (€87.2m) less provisions (+€0.1m)

### Business performance

After a record year in 2008 due to the unusually high volatility in the markets, in 2009 the ABC arbitrage group celebrated its fifteenth profitable year in a row and the second best year ever in its history, with net income of €30.4 million.

Net revenue came to €62.6 million and gross return on equity (defined as net revenue expressed as a percentage of average equity) stood at 65.16% for the year, easily outstripping the CSFB Tremont Hedge Fund Index, the industry benchmark, which gained 18.57%.

The markets behaved very differently in 2009 compared to the previous year. Trading volumes fell almost continuously (particularly in the second half) and volatility declined steadily to reach 2007 levels by the year-end, while mergers & acquisitions were very thin on the ground.

The group's excellent performance in this environment attests to the effectiveness of its strategy of continuously innovating and improving systems with a view to developing new strategies to leverage market opportunities and spreading risk on a controlled basis.

As a result of this performance, the group has beaten its Horizon 2010 targets a year ahead of schedule, generating aggregate net income of €106.4 million over the period 2006-2009. In recognition of this success, which has benefited all shareholders, at the annual general meeting the Board of Directors will recommend offering employees the opportunity of acquiring their Horizon 2010 performance shares in 2010. However, as the Board's aim is still to limit dilution of the share capital, it will also recommend using part of the proceeds to buy back some of these shares. At the same time, the Board intends to establish a new performance share plan for 2010-2015, setting new earnings targets and providing the means to share the group's success with its teams, who are the key drivers of performance.

### Dividend policy

At the Annual Shareholders' Meeting on May 28, the Board will recommend paying a final dividend of €0.55, with a cash or stock payment option. The price of shares acquired by reinvesting the dividend will be determined according to the legal formula, but will not be less than €6.50. This final dividend is in addition to the interim dividend of €0.20 paid in November last year, representing a total payout per share of €0.75, unchanged from 2008. The dividend payment date and procedure will be announced at a later date.

### Outlook

In early 2010, the group moved into its new offices at rue du Quatre Septembre in the 2<sup>nd</sup> arrondissement of Paris. These premises are better suited to its technical trading room needs and will support business activity through improved information circulation.

In the current financial market environment of low volumes and volatility, business levels in the first few months of 2010 were similar to the second half of 2009, thanks to the investments made by ABC arbitrage since 2006.

The group has set a new target of generating aggregate net income of €250 million over the next five years, including 2010.

ABC arbitrage is committed to leveraging the motivation of its teams, its continuous innovation process and the confidence of its shareholders to successfully implement its expansion programme, in line with its excellent track record since 1995.

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