2011
Interim report

ABC ARBITRAGE

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ABC ARBITRAGE 2011 INTERIM REPORT

Financial Contents

This interim report and its constituent parts have been translated from the original French versions.
For the purposes of interpretation, the French originals will take precedence over the English translation

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Management report

Key consolidated figures are presented below:

In EUR million	June 30, 2011 IFRS	June 30, 2010 IFRS	Dec. 31, 2010 IFRS
Advisory revenues	0	0.4	0.4
Third party management revenues [1]	1.4	-	1.2
Proprietary trading revenues [2]	37.6	35.1	59.0
Net revenues	**39.0**	**35.5**	**60.6**
Payroll costs	(9.2)	(8.4)	(13.3)
Occupancy costs	(0.8)	(0.7)	(1.5)
Other expenses	(2.0)	(2.0)	(4.2)
Income before tax	**26.9**	**24.3**	**41.6**
Net income	**16.0**	**15.3**	**29.0**

N.B.: Figures expressed in millions of euros rounded to one decimal place. Percentage changes are calculated on the basis of non-rounded figures in euros.

(1) Third party management revenues correspond to management and performance fees billed by ABC arbitrage Asset Management to holders of A shares in fully consolidated funds, which are eliminated in consolidation.

(2) Net gains on derivative financial instruments measured at fair value through profit or loss (€39.0 million) + net provision reversals (€0 million) – third party management revenues (€1.4 million).

1•/Operating performance

Net income ended the first six months of 2011 at €16 million, up almost 5% compared with the prior-year period, while net revenues for the period amounted to €39 million, an increase of almost 10%. Gross return on equity – corresponding to the ratio of net revenues to average equity – stood at 28.12% in the first half, compared, for example, with a 4.66% gain for the CAC40 index over the period.

The first half of 2011 was characterised by hesitation on the part of both investors and issuers due to concerns about the European sovereign debt situation. Despite these uncertainties, financial markets saw low trading volumes and limited volatility, except in March following the disaster in Japan. The much-heralded recovery in M&A activity struggled to materialize during the period except for a brief burst lasting only a few weeks. Growth in issuer transactions was among the lowest in the last several years.

Although this type of environment is much less favourable to ABC arbitrage's activities, as we have explained in the recent years, business nonetheless continue to grow at a quickening pace.

During the period, we continued our diversification drive by extending our geographical reach and developing new strategies, while also improving our capability in high-volume, low-margin transactions. This confirms the effectiveness of our systematic diversification model.

Fee income from the asset management business improved sharply, to €1.4 million in the first half compared with €1.2 million in full-year 2010. This solid performance illustrates the rising contribution from the associated funds and the growth in new money inflows.

We maintained our conservative approach in a still uncertain credit and regulatory environment by choosing not to allocate the Group's entire capital to its business activities.

The Group employed an average of 76 people in the first half, unchanged from 2010. Our human resources policy ensures that there is a strong, direct link between targets, results and individual bonuses.

Third-party asset management

The Irish alternative investment fund ABCA Opportunities Fund, which exploits M&A arbitrage opportunities, delivered a net return of 4.54% in the first half. Although the fund has generated positive returns since inception, its performance has been limited by the scarcity of new deals. As of September 1, 2011, the fund had €34 million in assets under management.

ABCA Reversion Fund, an Irish alternative investment fund that exploits statistical arbitrage opportunities in futures and ETFs, delivered a net return of 14.63% in the first half. Launched in May 2010, the fund raised €27 million in capital during that year, including €13 million from ABC arbitrage. It took in a further €43 million during the first half of 2011, followed by another €8.5 million in the third quarter. As of September 1, 2011, it had €90 million under management.

To maintain an attractive catalogue of products, the Group expanded its asset management offering, in particular by creating two new Irish domiciled alternative investment funds that were launched on July 1, 2011. The first, ABCA Continuum, exploits statistical arbitrage opportunities in the equity markets. It was launched with €11 million in seed capital, including €7 million provided by ABC arbitrage. The second, ABCA FX, exploits statistical arbitrage opportunities in the foreign exchange markets. It was launched with almost €5 million in seed capital, including €1 million provided by ABC arbitrage.

In May, the asset management company also obtained a €20 million management mandate from a European financial institution.

The objective of raising €100 million in new money in 2011 was therefore already 80% met by September 1, 2011.

2•/Dividend distribution

The Annual Shareholders' Meeting of May 27, 2011 approved a final net dividend of €0.35 per share for 2010.

The total net dividend for 2010 therefore came to €0.55 per share.

After taking into account the shares issued upon reinvestment of dividends, the share capital currently amounts to €832,526.59, represented by 52,032,912 shares. The free float stands at just over 49%.

Based on first-half results and its confidence in the Group's ability to continue growing, the Board of Directors has decided to pay an interim 2011 dividend of €0.20 per share before the end of 2011. Shareholders will be given the option of reinvesting all or part of their interim dividend in ABC arbitrage shares. The payment date and procedure will be announced later.

3•/Outlook

The Group has only limited visibility on the economic environment that issuers will face in the second half of the year. A climate of uncertainty has settled over the financial and interbank markets and the timing and extent of any recovery in investor and issuer activity is hard to predict.

After a particularly calm month in July, the markets were much more active in August and September. The Group's business momentum over the period remained in line with first-half trends.

The two new funds and projected new money are a potential source of additional revenue in the months ahead, although we remain prudent with regard to new money inflows given the recent collapse in the financial markets.

The Group therefore continues to leverage its key strengths – dedicated employees, continuous innovation and shareholder confidence – to meet the *Horizon 2015* growth targets in line with its strong track record since 1995.

The Board of Directors
September 15, 2011

Statement of income

/Balance sheet - assets

In EUR	Note	June 30, 2011 IFRS	Dec. 31, 2010 IFRS
Intangible assets	2.2	21,644	41,756
Property and equipment	2.2	2,804,603	3,143,915
Work in progress		7,920	-
Current financial assets	2.3	583,436	576,239
Deferred tax assets		1,173,505	1,394,391
Total non-current assets		**4,591,109**	**5,156,300**
Financial assets at fair value through profit or loss	2.5	760,786,440	623,997,415
Other accounts receivable	2.6	18,592,946	10,160,325
Current tax assets		-	1,636,963
Cash and cash equivalents		14,456,113	18,067,785
Total current assets		**793,835,499**	**653,862,488**
Total assets		**798,426,608**	**659,018,788**

/Balance sheet - liabilities

In EUR	Note	June 30, 2011 IFRS	Dec. 31, 2010 IFRS
Paid-up share capital		813,685	813,685
Additional paid-in capital		101,006,121	101,006,121
Retained earnings		4,913,426	4,995,623
Interim dividend		-	(9,972,097)
Net income		15,982,797	29,013,544
Total equity attributable to equity holders	**2.4**	**122,716,029**	**125,856,877**
Minority interests		(180)	(180)
Total equity		**122,715,849**	**125,856,697**
Provisions for contingencies and charges		655,845	655,845
Non-current financial liabilities		196,672	196,672
Non-current liabilities		**852,517**	**852,517**
Financial liabilities at fair value through profit or loss	2.5	636,759,917	525,285,584
Other liabilities	2.6	27,994,350	6,942,649
Taxes payable		10,011,011	-
Short-term debt		92,964	81,342
Current liabilities		**674,858,242**	**532,309,574**
Total equity and liabilities		**798,426,608**	**659,018,788**

/Statement of income

In EUR	Note	June 30, 2011 IFRS	June 30, 2010 IFRS
Net gain/loss on financial instruments at fair value through profit or loss	3.1	38,950,667	35,895,393
Other revenue	3.2	64,813	654,897
Administrative expenses	3.3	(2,441,134)	(2,574,064)
Taxes and duties		(347,849)	(274,296)
Payroll costs	3.4	(8,998,234)	(8,173,033)
Depreciation and amortisation expense		(400,513)	(415,390)
Operating income		**26,827,750**	**25,113,507**
Provision expense	3.5	24,784	(811,059)
Income before tax		**26,852,533**	**24,302,448**
Current taxes		(10,648,851)	(11,247,543)
Deferred taxes		(220,885)	2,215,928
Net income		**15,982,797**	**15,270,834**
Attributable to equity holders		15,982,797	15,270,834
Attributable to minority interests		-	-
Number of ordinary shares		*52,032,912*	*47,480,347*
Earnings per ordinary share		*0.31*	*0.32*
Diluted earnings per ordinary share		*0.31*	*0.32*

/Statement of comprehensive income

In EUR	Note	June 30, 2011 IFRS	June 30, 2010 IFRS
Net income		15,982,797	15,270,834
Change in foreign exchange		-	-
Remeasurement of available-for-sale assets		-	-
Remeasurement of hedging instruments		-	-
Remeasurement of non-current assets		-	-
Actuarial gains and losses on defined benefit plans		-	-
Share of other comprehensive income on equity-accounted affiliates		-	-
Income tax		-	-
Total other comprehensive income		**-**	**-**
Net income and other comprehensive income		15,982,797	15,270,834
Attributable to equity holders		15,982,797	15,270,834
Attributable to minority interests		-	-

Statement of changes in equity

In EUR thousand	Paid-up share capital	Equity instruments and related reserves	Elimination of treasury shares	Retained earnings and net income	Total equity attributable to equity holders	Minority interests	Total equity
At December 31, 2009	**668**	**64,835**	**(5,321)**	**44,440**	**104,622**	**nm**	**104,622**
Issue of shares	92	14,040	-	-	14,131	-	14,131
Elimination of treasury shares	-	-	5,204	-	5,204	-	5,204
Share-based payments	-	-	-	(12,893)	(12,893)	-	(12,893)
Appropriation of net income 2009	-	-	-	(26,114)	(26,114)	-	(26,114)
Net income for the period	-	-	-	15,271	15,271	-	15,271
At June 30, 2010	**760**	**78,875**	**(117)**	**20,704**	**100,221**	**nm**	**100,221**

nm: non-material

In EUR thousand	Paid-up share capital	Equity instruments and related reserves	Elimination of treasury shares	Retained earnings and net income	Total equity attributable to equity holders	Minority interests	Total equity
At December 31, 2010	**814**	**101,006**	**(136)**	**24,174**	**125,857**	**nm**	**125,857**
Issue of shares	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	(1,850)	-	(1,850)	-	(1,850)
Share-based payments	-	-	-	526	526	-	526
Appropriation of net income 2010	-	-	-	(17,799)	(17,799)	-	(17,799)
Net income for the period	-	-	-	15,983	15,983	-	15,983
At June 30, 2011	**814**	**101,006**	**(1 986)**	**22,884**	**122,716**	**nm**	**122,716**

nm: non-material

* Appropriation of 2009 and 2010 net income does not include the impact of dividend reinvestment in shares during July (see note 2.4.).

Consolidated cash flow statements

In EUR thousand	June 30, 2011 IFRS	June 30, 2010 IFRS
Net income	**15,983**	**15,271**
Net allocations to provisions	(25)	400
Net allocations to depreciation and amortisation	401	415
Change in deferred taxes	221	(2,216)
Others	491	43
Net cash provided by operations before changes in working capital	**17,070**	**13,913**
Changes in working capital	**(1,023)**	**6,804**
Net cash provided by operating activities	**16,047**	**20,717**
Net cash used by investing activities	**(56)**	**(1,222)**
Net cash provided by capital transactions	(17,799)	14,131
Dividends paid	-	(26,114)
Share-based payments	(1,815)	(7,732)
Net cash used by financing activities	(19,614)	(19,715)
Net change in cash and cash equivalents	**(3,623)**	**(220)**
Cash and cash equivalents, beginning of period	17,986	22,904
Cash and cash equivalents, end of period	14,363	22,684

Notes to the consolidated financial statements

1•/Accounting principles

The summarized interim consolidated financial statements for the ABC arbitrage Group for the six months ended June 30, 2011 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In particular, the interim financial statements were prepared and are presented in accordance with IAS 34 *"Interim Financial Reporting"*.

As permitted by IAS 34, this condensed set of financial statements includes only selected explanatory notes. These condensed consolidated financial statements for the six months ended June 30, 2011 must be read in conjunction with the Group's 2010 consolidated financial statements.

In preparing the interim consolidated financial statements, the Group applied the same accounting principles and methods as for its 2010 annual consolidated financial statements, which were drawn up in accordance with IFRS as adopted by the European Union and described in note 1 to the 2010 consolidated financial statements "Accounting principles and policies".

Preparation of the financial statements required ABC arbitrage Group to make estimates and assumptions, which could have an impact on the amounts at which assets, liabilities, income and expenses are stated. The estimates, and the assumptions underlying them, have been made on the basis of past experience and of other factors considered to be reasonable in the circumstances. They thus serve as the basis for the judgement made in determining the carrying amounts of assets and liabilities that could not be determined directly from other sources. The definitive amounts that will be stated in ABC arbitrage Group's future financial statements may be different from the amounts currently estimated. These estimates and assumptions are reviewed on a continuous basis.

As the Group's activities are neither seasonal nor cyclical in nature, its first half results were not affected by any seasonal or cyclical factors.

2•/Notes to the balance sheet - 1st half 2011

2•1/Consolidation principles

All Group subsidiaries are fully consolidated.

Company	Countries	% of interest
ABC arbitrage	France	Parent company
ABC arbitrage Asset Management	France	100%
ABCA Global Fund	France	100%
ABCA Opportunies Fund	Ireland	45%
ABCA Reversion Fund	Ireland	37%

In July 2011, the ABC arbitrage Group launched two new alternative investment funds operating under Irish law ("Non UCITS"), ABCA Continuum Fund and ABCA FX Fund.

ABCA Continuum Fund exploits statistical arbitrage opportunities on equities. It has an investment capacity of €150 million and had €11 million of assets under management at September 1.

ABCA FX Fund exploits statistical arbitrage opportunities in foreign exchange markets. It also has an investment capacity of €150 million and had €5 million of assets under management at September 1.
The management capacity of the fund has been set at €150 million.

These new funds reflect the Group's commitment to developing its asset management business by offering a broader choice of alternative investment products.

2•2/Property & equipment and intangible assets

Gross value

In EUR thousand	Gross value Dec. 31, 2010	Acquisitions	Retirements/ disposals	Gross value June 30, 2011
Concessions and similar rights	316	13	-	329
Equipment, fixtures and fittings	1,286	8	-	1,294
Vehicles	192	-	-	192
Office and computer equipment, furniture	3,135	20	-	3,155
Total gross value	**4,929**	**41**	**-**	**4,970**

Amortisation and depreciation

In EUR thousand	Dec. 31, 2010	Increases	Decreases	June 30, 2011
Concessions and similar rights	(274)	(33)	-	(307)
Equipment, fixtures and fittings	(183)	(74)	-	(257)
Vehicles	(86)	(19)	-	(105)
Office and computer equipment, furniture	(1,201)	(274)	-	(1,475)
Total amortisation and depreciation	**(1,743)**	**(400)**	**-**	**(2,144)**

2•3/Other non-current financial assets

At June 30, 2011, this item included €583 thousand in deposits.

2•4/Consolidated equity

Share-based payment

On September 20, 2010, the Board of Directors initiated the first stage of the *Horizon 2015* program by making the following maximum grants:

- 3 million stock options with an exercise price of €9 (135% of the average share price prior to the grant date) less future dividends, with a minimum price of €6.48. The number of these options that vest will be set in March 2015 based on cumulative consolidated net income for the five years from 2010 to 2014 inclusive. By way of example, if cumulative consolidated net income is €200 million then two million stock options will vest.

- 500,000 performance shares, which will vest at the end of 2011 if the Group's cumulative consolidated net income for the two years 2010-2011 is at least €80 million. By way of example, if cumulative consolidated net income for those two years is €60 million then 300,000 performance shares will vest.

- 250,000 performance shares, which will vest at the end of 2012 if the Group's cumulative consolidated net income for the three years 2010-2012 is at least €120 million. By way of example, if cumulative consolidated net income for those three years is €90 million then 150,000 performance shares will vest.

The expense related to these plans is calculated on the basis of the total plan value, as determined on the date of grant by the Board, and deferred over the vesting period with a corresponding entry in equity.

In first half 2011, payroll expense amounted to €593 thousand.

The capital loss on the buyback of shares used in first half 2011 amounted to €68 thousand after tax and was deducted from equity.

Capital increase resulting from reinvestment of dividends

The Annual Shareholders' Meeting of May 27, 2011 decided to pay a final dividend for 2010 in a net amount of €0.35 per share and to offer shareholders the option of receiving the final 2010 dividend either in cash or in new shares. At June 30, 2011, equity was reduced by €17,799 thousand to take account of the dividend payment.

At the end of the option period, taking account of reinvested dividends and treasury shares:
- Cash dividends were paid in the amount of €9,315 thousand,
- 1,177,607 new ordinary shares, ranking pari passu with existing shares, were issued at a price of €7.00 per share.

The total issue proceeds included €19 thousand credited to paid-up capital and €8,224 credited to additional paid-in capital. The new ordinary shares are fully paid.

At July 11, 2011, the Parent Company's share capital was represented by 52,032,912 ordinary shares with a par value of €0.016 each, all fully paid.

Treasury stock

During first half 2011, ABC arbitrage sold 67,957 of its own shares. At the same time, 75,054 shares were purchased under the market-making agreement with Cheuvreux.

At June 30, 2011, ABC arbitrage held 271,530 of its own shares, acquired at a total cost of 1,958 thousand.

In accordance with IFRS, treasury stock is deducted from equity.

2•5/Financial assets/liabilities at fair value through profit or loss

The Group holds financial instruments for trading purposes only.

Details of securities to be received and delivered are provided in note 2.7. Risks.
Cash reserves earn interest at variable rates indexed to benchmark market rates.

On June 30, 2011 and December 31, 2010, all financial assets or liabilities recognised at fair value were classified as Level 1 in the fair value hierarchy described in note 1.1.

In EUR thousand	Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2)	Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)	Total
Financial assets at fair value through profit or loss	760,786	-	-	760,786
Financial liabilities at fair value through profit or loss	(636,760)	-	-	(636,760)

The primary basis for determining the fair value of a financial instrument is the quoted price in an active market. Fair value of financial assets and liabilities is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

There were no transfers between the various fair value hierarchy levels during the first half.

Financial assets and liabilities at fair value through profit or loss break down as follows:

In EUR thousand	Financial assets	Financial liabilities	Total
Securities to be received	1,076,161	345	1,432,515
Securities to be received (recorded off-balance sheet)	356,008	-	
Securities to be delivered	(551,243)	(500,162)	(1,360,400)
Securities to be delivered (recorded off-balance sheet)	(308,995)	-	
Cash and cash equivalents	188,855	(85,520)	103,335
Investors' equity the consolidated fund	-	(51,424)	(51,424)
Total at June 30, 2011	**760,786**	**(636,760)**	
Total at December 31, 2010	*623,997*	*(525,286)*	

2•6/Other receivables and payables

All receivables and payables are due within less than one year.

In EUR thousand	Other receivables	Other payables
Trade receivables/payables	83	(582)
Balance of dividend payable	-	(17,799)
Accrued income/expenses	877	(1,236)
Accrued taxes and payroll costs	17,633	(8,377)
Total at June 30, 2011	**18,593**	**(27,994)**
Total at December 31, 2010	*10,160*	*(6,943)*

2•7/ Risks

2•7•1/Equities risk

The Group's risks are the same as those described in the notes to the consolidated financial statements for the year ended December 31, 2011.

The following table summarizes the positions taken on the markets at June 30, 2011:

Type of arbitrage (in EUR thousand)	Total long positions	Total short positions
Borrowed securities not yet sold or symmetrical exposures	392,730	(392,730)
Arbitrages without market risks	858,867	(878,296)
Arbitrages with market risks	180,919	(89,374)
Total for arbitrage transactions	**1,432,515**	**(1,360,400)**

The Group has never had any exposure to the subprime mortgage market nor to any directly correlated derivatives.

The main risks in this type of market environment are:

- A rise in the failure rate of arbitrages with market risks;
- Drying up of deals in the financial markets (mergers & acquisitions, issuance of various products);
- Delays in completing deals, which could give rise to related costs (financing, margin calls, etc.) in excess of the expected profits.

2•7•2/Currency risk

In the first half of 2011, a 2% rise [fall] in the euro against all other currencies would have generated a €191 thousand increase [decrease] in net assets, all else being equal.

2•7•3/Credit and counterparty risk

Credit ratings of the Group's main counterparties are monitored daily.

2•7•4/Liquidity risks

The table below shows liquidity by maturity at June 30, 2011:

In EUR thousand	Less than one month	One to three months	Three to twelve months
Financial assets at fair value through profit or loss	760,786	-	-
Other receivables	1,000	435	17,157
Current tax assets	-	-	-
Cash and cash equivalents	14,456	-	-
Financial liabilities at FV through profit or loss	(585,336)	(51,424)	-
Other liabilities	(18,376)	(8,697)	(921)
Short-term loans and advances	(93)	-	-

2•7•5/Operational risk

Losses incurred in first half 2011 as a result of operational incidents represented less than 1% of net gains on financial instruments at fair value through profit or loss.

This risk is managed upfront by position-taking, which is governed by written procedures and strict internal controls. However, these controls cannot provide absolute assurance and operational risk, which is inherent to the arbitrage business, is constantly and carefully tracked.

2•8/Guarantees given

Most financial instruments recorded under *"Financial assets at fair value through profit or loss"* have been given as collateral to the institutions that provide the financing.

3•/Notes to the statement of income - 1st half 2011

3•1/Net gains on financial instruments at fair value through profit or loss

In view of the highly specific nature of its business, the ABC arbitrage Group is probably one of the only independent firms engaged solely in arbitrage trading.

The Group has opted for presentation by nature as this is closer to the indicators customarily published in its management report.

At June 30, 2011, *"Net gains or losses on financial instruments at fair value through profit or loss"* came to €38,951 (€35,895 thousand at June 30, 2010).

This item corresponds to revenues from proprietary trading activities discussed in the Group's management report, except for provisions. It includes all expenses and costs directly related to the trading business, including:

- Dividends;
- Gains and losses on disposal of financial assets at fair value through profit or loss;
- Changes in fair value of instruments held or due;
- Securities carrying or lending costs;
- Exchange gains and losses.

3•2/Other revenue

Other revenue totalled €65 thousand compared with €655 thousand in first half 2010. The 2010 figure included €243 thousand in revenue from sub-letting premises, which ended in January 2011, and €411 thousand in revenue from non-recurring advisory services.

3•3/Administrative expenses

Administrative expenses principally comprise data mining and processing costs, together with administrative and communications costs.

This item totalled €2,441 thousand versus €2,574 thousand for the first half 2010.

3•4/Payroll costs

At June 30, 2011, the average number of employees was 76 (unchanged from June 30, 2010).

Payroll costs include (i) €6,524 thousand in fixed and performance-related compensation together with statutory and discretionary profit-sharing (versus €6,032 in 2010), (ii) payroll taxes of €1,881 thousand (versus €2,087 thousand in 2010). Payroll-based taxes amounted to €207 thousand (versus €209 thousand in 2010).

Share-based payments amounted to €593 thousand (versus €43 thousand at June 30, 2010).

The Group does not provide any post-employment benefits (supplementary pensions or health insurance).

3•5/Provision expense

Provision expense was not material in first half 2011.

4•/Segment information

Revenues by business segment

Arbitrage trading is the Group's only business activity and all revenues are derived from proprietary transactions. The Group conducts two types of arbitrage strategy with different risk profiles in various geographical markets: arbitrages without market risks-self liquidating arbitrage strategies (transactions that do not generate any directional risk or any event risk; positions are fully hedged and are governed by legally binding documentation which guarantees convergence on a fixed date) and arbitrages with market risks-suspensive clause arbitrage strategies (unlike the first category, the legally binding documentation governing suspensive clause strategies does not guarantee convergence).

Note: In the following tables, positions correspond to long positions valued at the convergence price, adjusted for the value of any payments to be made or received to close out the transaction.

Breakdown of arbitrage transactions by type of risk

1st half 2011	Average number of arbitrage transactions	Average positions (value)
Arbitrages without market risks	60%	85%
Arbitrages with market risks	40%	15%
Total	**100%**	**100%**

Breakdown of arbitrage transactions by geographic area

1st half 2011	Average number of arbitrage transactions	Average positions (value)
Euro zone (excluding France)	16%	11%
France	5%	3%
USA	51%	56%
Other markets	28%	30%
Total	**100%**	**100%**

Breakdown of arbitrage transactions by geographic area and type of risk

1st half 2011	Arbitrages without market risks	Arbitrages with market risks	Total
Euro zone (excluding France)	8%	3%	11%
France	2%	1%	3%
USA	49%	7%	56%
Other markets	26%	4%	30%
Total	**85%**	**15%**	**100%**

Statutory auditors' report on the fisrt half 2011 consolidated financial statements

To the shareholders,

In accordance with the terms of our appointment by the General Meeting of Shareholders and as required by Article L.451-1-2 III of the French Monetary and Financial Code (*Code Monétaire et Financier*), we have performed a limited review of the accompanying condensed interim consolidated financial statements of ABC arbitrage for the period from January 1 to June 30, 2011, and of the information contained in the interim management report.

The condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors in a continued poor economic climate. Our responsibility, based on our limited review, is to report our conclusions concerning these interim consolidated financial statements.

1•/Conclusions concerning the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial statements consists primarily of making inquiries of the persons responsible for financial and accounting matters, and applying analytical procedures. It is less in scope than an audit conducted in accordance with auditing standards applicable in France and, consequently, does not enable us to obtain the same level of assurance that the financial statements are free from material misstatement as would be obtained from a full audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared in accordance with IAS 34, the International Financial Reporting Standard adopted in the European Union for Interim Financial Reporting.

2•/Specific verification

We have also reviewed the information given in the activity report accompanying the condensed interim consolidated financial statements that were the subject of our limited review.

We have no matters to report regarding its fair presentation and conformity with the condensed interim consolidated financial statements.

Neuilly-sur-Seine, September 27, 2011
The Statutory Auditors

ERNST & YOUNG ET AUTRES
Olivier DURAND

DELOITTE & ASSOCIES
Jean-Marc MICKELER

Statement of the person responsible for the interim financial report

ABC arbitrage - 1st half 2011

I hereby declare that, to the best of my knowledge, i) the condensed consolidated financial statements for the six months ended June 30, 2011 have been prepared in accordance with applicable accounting standards and give a true and fair view of the consolidated assets and liabilities, financial position and results of ABC arbitrage, and ii) the interim management report presents a true and fair view of the information required under Article 222-6 of the General Regulation of the Autorité des Marchés Financiers.

Dominique CEOLIN,
Chairman and CEO