SCORES
JUNE 06, 2012

ABC ARBITRAGE

INTERIM REPORT

» FINANCIAL CONTENTS «

DISCLAIMER

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.

ON THE STARTING LINE

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MANAGEMENT REPORT

AT JUNE 30, 2012

Key consolidated figures are presented below:

IN EUR MILLION	JUNE 30, 2012 IFRS	JUNE 30, 2011 IFRS	DECEMBER 31, 2011 IFRS
Advisory revenues	-	-	-
Third party management revenues [1]	3.7	1.4	3.6
Proprietary trading revenues [2]	24.0	37.3	71.6
Net revenues	**27.7**	**38.7**	**75.2**
Payroll costs	(4.9)	(9.2)	(18.5)
Occupancy costs	(0.7)	(0.7)	(1.5)
Other expenses	(1.8)	(1.8)	(3.8)
Other taxes	(0.5)	(0.1)	(0.1)
Income before tax	**19.8**	**26.9**	**51.3**
Net income	**13.0**	**16.0**	**34.3**

N.b.: Figures expressed in million 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 earned by ABC arbitrage Asset Management from external investors in fully consolidated funds, which are eliminated in consolidation.
(2) Net gains on derivative financial instruments measured at fair value through profit or loss (€27.7 million) + net provision reversals (€0 million) - third party management revenues (€ 3.7 million).

I. OPERATING PERFORMANCE

As announced at the annual general meeting, business remained buoyant in the first half of the year, although well below the same period of 2011. Net revenues came to €27.7 million, down almost 29% on the prior-year period.
Thanks to the Group's historical performance-related compensation policy, payroll costs fell by 47% on a comparable headcount basis.
With operating expenses down on the prior-year period, helped by low provision expense, first half consolidated net income came in at €13 million.

ABC arbitrage delivered a good first half performance in a difficult market environment, shaped by a further deterioration in economic and market conditions in both Europe and the United States. Gross return on equity - corresponding to the ratio of net revenues to average equity - stood at 16.28% in the first half, compared with a gain of just 1.17% for the CAC 40 over the same period.

The market parameters that have a positive influence on our business - volatility and trading volumes - remained very weak during the first half, in line with the downtrend observed in 2010. Investors held back pending the emergence of sustainable solutions to the sovereign debt crisis and improved visibility on economic prospects. Against this backdrop, there were very few new deals in the equity markets.

This difficult market environment requires strict management discipline, operational effectiveness and continuous innovation.
The Group continued to invest in developing its expertise in equity derivatives and currencies, while also expanding the use of other asset classes to maximise its ability to adjust to these market conditions.

THIRD-PARTY ASSET MANAGEMENT

Fee income rose sharply, totalling €3.7 million in the first half versus €3.6 million for the whole of 2011 and €1.4 million for first half 2011. These excellent results reflect an increasing contribution from the funds and continued growth in new money inflows.

Over the period, the investment funds managed by ABC arbitrage Asset Management delivered appreciable returns given the prevailing economic climate although below their usual levels.

Money inflows continued to grow and total capital raised from outside investors stood at more than €440 million on July 1, 2012, beating the new money targets announced in 2010.

A new investment fund called ABCA Inference was launched on June 1, 2012. It exploits new strategies in the futures markets, bringing the total number of products restricted to qualified investors to six.

INCENTIVE PLANS

PERFORMANCE SHARE PLANS

On February 14, the Board of Directors unanimously voted to award 44,800 performance shares to four employees. The shares will vest as of the 2013 close, provided that the performance conditions for 2012 and 2013 are met.

EMPLOYEE SHARE OFFER

ABC arbitrage made an employee share offer as part of the *Horizon 2015* program, based on 2011 results.
A total of 225,020 shares were purchased on July 31, 2012 by 41 employees, corresponding to almost 54% of eligible employees.
The shares, which were not entitled to the final 2011 dividend, were all purchased under the share buyback programme. The offer therefore had no dilutive impact.
As the shares are held through an employee share ownership plan, they are subject to a five-year lock-up period.
The offer price per share was €5.26, representing a discount of almost 20% to the average quoted share price during the 20 trading days prior to June 29, 2012, the date on which the decision to launch the offer was made.
The Company did not make any matching payments.

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DIVIDEND DISTRIBUTION

The Annual Shareholders' Meeting of June 1, 2012 approved a final net dividend of €0.35 per share for 2011.

The total net dividend for 2011 therefore came to €0.55 per share.

After taking into account the shares issued upon reinvestment of dividends, the share capital currently amounts to €834,613.52, represented by 52,163,345 shares. The free float stands at 47.5%.

In light of the first half results and its confidence in the Group's ability to pursue its growth, the Board of Directors has decided to pay an interim dividend of €0.20 per share for 2012. Shareholders may opt to reinvest all or part of their dividend in ABC arbitrage shares. The payment procedure and date will be announced later but is expected to be before the end of 2012.

3. OUTLOOK

The prevailing environment is shaped by radical change in the markets, partly due to central bank decisions and investor reticence, coupled with many proposed regulatory and tax reforms.
The Group is keeping a careful eye on all legislative developments affecting the finance sector and has adapted its operations in line with the new regulations.

For example, the new financial transactions tax came into effect in France in the third quarter, but so far it has not had any significant impact on our business, which is more than 90% international.
Business volumes in July and August were better than the first half average but still trailed the 2011 level.

The decisions made by the European Central Bank do not yet appear to have had an impact on market behaviour in terms of equity and equity derivative trading volumes, volatility and primary market activity. We are therefore once again faced with poor visibility as we enter the final quarter.

However, the continued investment in research and development and the acknowledged expertise of our teams will enable the Group to weather this complex market situation while delivering robust financial performance.

The Board of Directors
September 13, 2012

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CONSOLIDATED FINANCIAL STATEMENTS

AT JUNE 30, 2012

BALANCE SHEET – ASSETS

IN EUR	NOTE	JUNE 30, 2012 IFRS	DECEMBER 31, 2011 IFRS
Intangible assets	2.2	63,769	68,664
Property and equipment	2.2	2,491,961	2,797,275
Work in progress		–	-
Current financial assets	2.3	626,661	583,436
Deferred tax assets		1,248,325	2,552,272
Total non-current assets		**4,430,716**	**6,001,646**
Financial assets at fair value through profit or loss	2.5	938,776,143	998,192,215
Other accounts receivable	2.6	7,781,499	17,348,992
Current tax assets		0	0
Cash and cash equivalents		74,986,770	15,785,757
Total current assets		**1,021,544,411**	**1,031,326,964**
Total assets		**1,025,975,128**	**1,037,328,611**

BALANCE SHEET – LIABILITIES

IN EUR	NOTE	JUNE 30, 2012 IFRS	DECEMBER 31, 2011 IFRS
Paid-up share capital		834,613	833,232
Additional paid-in capital		112,247,470	111,644,339
Retained earnings		9,089,600	6,093,730
Interim dividend		–	(10,406,582)
Net income		13,007,637	34,258,515
Total equity attributable to equity holders	**2.4**	**135,179,320**	**142,423,233**
Minority interests		(180)	(180)
Total equity		**135,179,140**	**142,423,053**
Provisions for contingencies and charges		–	-
Non-current financial liabilities		–	196,672
Non-current liabilities		**0**	**196,672**
Financial liabilities at fair value through profit or loss	2.5	880,792,497	868,218,735
Other liabilities	2.6	8,282,340	9,828,186
Taxes payable		1,596,533	16,533,276
Short-term debt		124,618	128,690
Current liabilities		**890,795,988**	**894,708,887**
Total equity and liabilities		**1,025,975,128**	**1,037,328,612**

STATEMENT OF INCOME

IN EUR	NOTE	JUNE 30, 2012 IFRS	JUNE 30, 2011 IFRS
Net gain/loss on financial instruments at fair value through profit or loss	3.1	27,714,687	38,950,667
Other revenue	3.2	111,964	64,813
Administrative expenses	3.3	(2,332,838)	(2,441,134)
Taxes and duties		(790,976)	(347,849)
Payroll costs	3.4	(4,515,133)	(8,998,234)
Depreciation and amortisation expense		(383,977)	(400,513)
Operating income		**19,803,728**	**26,827,750**
Provision expense	3.5	825	24,784
Income before tax		**19,804,553**	**26,852,533**
Current taxes		(5,492,969)	(10,648,851)
Deferred taxes		(1,303,947)	(220,885)
Net income		**13,007,637**	**15,982,797**
Attributable to equity holders		13,007,637	15,982,797
Attributable to minority interests		–	-
Number of ordinary shares		*52,163,345*	*52,032,912*
Earnings per ordinary share		*0.25*	*0.31*
Diluted earnings per ordinary share		*0.24*	*0.31*

STATEMENT OF COMPREHENSIVE INCOME

IN EUR	NOTE	JUNE 30, 2012 IFRS	JUNE 30, 2011 IFRS
Net income		13,007,637	15,982,797
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		13,007,637	15,982,797
Attributable to equity holders		13,007,637	15,982,797
Attributable to minority interests		–	-

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STATEMENT OF CHANGES IN EQUITY

AT JUNE 30, 2012

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**

* Appropriation of 2010 net income does not include the impact of dividend reinvestment in shares during July.
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, 2011	**833**	**111,644**	**(1,293)**	**31,238**	**142,423**	**nm**	**142,423**
Issue of shares	–	–	–	–	–	–	–
Elimination of treasury shares	–	–	(2,805)	–	(2,805)	–	(2,805)
Share-based payments	–	–	–	21	21	–	21
Appropriation of net income 2011	1	603	–	(18,073)	(17,468)	–	(17,468)
Net income for the period	–	–	–	13,008	13,008	–	13,008
At June 30, 2012	**835**	**112,247**	**(4,098)**	**26,195**	**135,179**	**nm**	**135,179**

nm: non-material

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CONSOLIDATED CASH FLOW STATEMENTS

AT JUNE 30, 2012

IN EUR THOUSAND	JUNE 30, 2012 IFRS	JUNE 30, 2011 IFRS
Net income	**13,008**	**15,983**
Net allocations to provisions	(1)	(25)
Net allocations to depreciation and amortisation	384	401
Change in deferred taxes	1,304	221
Others	142	491
Net cash provided by operations before changes in working capital	**14,837**	**17,070**
Changes in working capital	**64,879**	**(1,023)**
Net cash provided by operating activities	**79,716**	**16,047**
Net cash used by investing activities	**(117)**	**(56)**
Net cash provided by capital transactions	(17,468)	(17,799)
Dividends paid	–	-
Share-based payments	(2,926)	(1,815)
Net cash used by financing activities	**(20,394)**	**(19,614)**
Net change in cash and cash equivalents	**59,205**	**(3,623)**
Cash and cash equivalents, beginning of period	15,657	17,986
Cash and cash equivalents, end of period	74,862	14,363

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT JUNE 30, 2012

I. ACCOUNTING PRINCIPLES

The summarized interim consolidated financial statements for the ABC arbitrage Group for the six months ended June 30, 2012 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at June 30, 2012. 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, 2012 must be read in conjunction with the Group's 2011 consolidated financial statements.

In preparing the interim consolidated financial statements, the Group applied the same accounting principles and methods as for its 2011 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 2011 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 – FIRST HALF 2012

2.1. CONSOLIDATION PRINCIPLES

All Group subsidiaries are fully consolidated.

Before adjustment for the interest held via ABCA Multi Fund, the Group's percentage interests were as follows:

COMPANY	COUNTRY	% OF INTEREST
ABC arbitrage	France	Parent company
ABC arbitrage Asset Management	France	100.0%
ABCA Global Fund	France	100.0%
ABCA Opportunities Fund	Ireland	22.9%
ABCA Reversion Fund	Ireland	3.8%
ABCA Continuum Fund	Ireland	5.1%
ABCA Fx Fund	Ireland	0.1%
ABCA Inference Fund	Ireland	1.0%
ABCA Multi Fund	Ireland	10.6%

After adjustment for the interest held via ABCA Multi Fund, the Group's percentage interests were as follows:

COMPANY	COUNTRY	% OF INTEREST
ABC arbitrage	France	Parent company
ABC arbitrage Asset Management	France	100.0%
ABCA Global Fund	France	100.0%
ABCA Opportunities Fund	Ireland	28.5%
ABCA Reversion Fund	Ireland	7.4%
ABCA Continuum Fund	Ireland	13.5%
ABCA Fx Fund	Ireland	6.2%
ABCA Inference Fund	Ireland	11.4%

In June 2012, the ABC arbitrage Group launched a new alternative investment fund operating under Irish law ("non UCITS"), ABCA Inference Fund. It exploits futures strategies and has a target capital of €150 million. At June 30, it had €31 million of funds under management.

This new fund reflects the Group's goal of developing the asset management business by providing a broader range of alternative products in addition to its existing funds.

ABCA Opportunities Fund exploits M&A arbitrage opportunities and has a target capital of €150 million. At June 30, it had €43 million of funds under management.

ABCA Reversion Fund exploits statistical arbitrage opportunities in the futures and ETF markets and has a target capital of €250 million. At June 30, it had €204 million of funds under management.

ABCA Continuum Fund exploits statistical arbitrage opportunities in the equity markets and has a target capital of €150 million. At June 30, it had €63 million of funds under management.

ABCA FX Fund exploits statistical arbitrage opportunities in the forex markets and has a target capital of €150 million. At June 30, it had €88 million of funds under management.

ABCA Multi Fund is a diversified fund that invests in other funds managed by the group.

These funds are managed by ABC arbitrage Asset Management, a portfolio manager, and are housed within ABCA Funds Ireland Plc.

2.2. PROPERTY & EQUIPMENT AND INTANGIBLE ASSETS

GROSS VALUE

IN EUR THOUSAND	GROSS VALUE DECEMBER 31, 2011	ACQUISITIONS	RETIREMENTS/ DISPOSALS	GROSS VALUE JUNE 30, 2012
Concessions and similar rights	398	17	-	416
Equipment, fixtures and fittings	1,304	-	-	1,304
Vehicles	212	-	-	212
Office and computer equipment, furniture	3,449	57	62	3,444
Total gross value	**5,364**	**74**	**62**	**5,375**

AMORTISATION AND DEPRECIATION

IN EUR THOUSAND	DECEMBER 31, 2011	INCREASES	DECREASES	JUNE 30, 2012
Concessions and similar rights	(330)	(22)	-	(353)
Equipment, fixtures and fittings	(338)	(69)	-	(408)
Vehicles	(98)	(21)	-	(119)
Office and computer equipment, furniture	(1,730)	(272)	(62)	(1,940)
Total amortisation and depreciation	**(2,498)**	**(384)**	**(62)**	**(2,820)**

2.3. OTHER NON-CURRENT FINANCIAL ASSETS

At June 30, 2012, this item included €627 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 2 million stock options will vest.
- 500,000 performance shares due to have vested at the end of 2011 if cumulative consolidated net income for 2010 and 2011 was at least €80 million. In light of results for those two years, approximately 345,000 shares will be allotted to the grantees between September and December 2012. The exact number will depend on how many of the grantees are still employed by the Group on the allotment date.
- 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.

On February 14, 2012, the Board of Directors awarded a maximum of 44,800 performance shares which will vest ratably based on cumulative consolidated net income for 2012 and 2013. By way of example, if cumulative consolidated net income for those two years is €60 million then 33,600 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 2012, payroll expense amounted to €142 thousand.

The capital loss on the buyback of shares used in first half 2012 amounted to €121 thousand after tax and was deducted from equity.

CAPITAL INCREASE RESULTING FROM REINVESTMENT OF DIVIDENDS

The Annual Shareholders' Meeting of June 1, 2012 decided to pay a final dividend for 2011 in a net amount of €0.35 per share and to offer shareholders the option of receiving the final 2011 dividend either in cash or in new shares.

At the end of the option period, taking account of reinvested dividends and treasury shares:

- cash dividends were paid in the amount of €17.47 million;
- 86,359 new ordinary shares, ranking *pari passu* with existing shares, were issued at a price of €7.00 per share.

The total issue proceeds included €1,381.74 credited to paid-up capital and €603,131 credited to additional paid-in capital. The new ordinary shares are fully paid.

At June 30, 2012, the Parent Company's share capital was represented by 52,163,345 ordinary shares with a par value of €0.016 each, all fully paid.

TREASURY STOCK

During first half 2012, ABC arbitrage sold 49,764 of its own shares. At the same time, 33,664 shares were purchased under the market-making agreement with Cheuvreux.

At June 30, 2012, ABC arbitrage held 630,460 of its own shares, acquired at a total cost of €4,098 thousand (at December 31, 2011, the company hold 220,390 of its own shares, acquired at a total cost of €1,293 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.

At June 30, 2012, financial assets and liabilities measured at fair value through profit or loss were classified in the fair value hierarchy described in note 1.1 to the 2011 consolidated financial statements as follows:

IN EUR THOUSAND	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL I)	INPUTS OTHER THAN QUOTED PRICES INCLUDED WITHIN LEVEL I 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	938,776	-	-	938,776
Financial liabilities at fair value through profit or loss	(872,044)	(8,748)	-	(880,792)

The only financial instruments classified in Level 2 are cash forwards that are used to hedge fund units purchased in US dollars and are not therefore used as part of the Group's arbitrage business.

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	1,570,196	10,466	1,973,067
Securities to be received (recorded off-balance sheet)	237,512	154,893	
Securities to be delivered	(985,151)	(530,233)	(1,928,988)
Securities to be delivered (recorded off-balance sheet)	(236,631)	(176,973)	
Cash and cash equivalents	352,850	45,647	
Investors' equity the consolidated fund	-	(384,592)	
Total at June 30, 2012	**938,776**	**(880,792)**	
Total at December 31, 2011	*998,192*	*(868,219)*	

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	1,645	(2,153)
Accrued taxes and payroll costs	6,136	(6,129)
Total at June 30, 2012	**7,781**	**(8,282)**
Total at December 31, 2011	*17,349*	*(9,828)*

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, 2012:

TYPE OF ARBITRAGE (IN EUR THOUSAND)	TOTAL LONG POSITIONS	TOTAL SHORT POSITIONS
Borrowed securities not yet sold or symmetrical exposures	329,480	(329,480)
Arbitrages without market risks	915,880	(906,288)
Arbitrages with market risks	727,707	(693,220)
Total for arbitrage transactions	**1,973,067**	**(1,928,988)**

The Group has never had any exposure to the subprime mortgage market or 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 2012, a 2% rise [fall] in the euro against all other currencies would have generated a €543 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, 2012:

IN EUR THOUSAND	LESS THAN ONE MONTH	ONE TO THREE MONTHS	THREE TO TWELVE MONTHS	TOTAL
Financial assets at fair value through profit or loss	938,776	-	-	938,776
Other receivables	1,728	667	5,387	7,781
Current tax assets	-	-	-	-
Cash and cash equivalents	74,987	-	-	74,987
Total current assets	**1,015,491**	**667**	**5,387**	**1,021,544**
Financial liabilities at fair value through profit or loss	(496,200)	(384,592)	-	(880,792)
Other liabilities	(5,025)	(2,771)	(487)	(8,282)
Current tax liabilities	-	-	(1,597)	(1,597)
Short-term borrowings	(125)	-	-	(125)
Total liabilities	**(501,350)**	**(387,362)**	**(2,084)**	**(890,796)**
Net balance	**514,141**	**(386,695)**	**3,303**	**130,748**

2.7.5. OPERATIONAL RISK

Losses incurred in first half 2012 as a result of operational incidents represented less than 2% 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 – FIRST HALF 2012

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, 2012, "*Net gains or losses on financial instruments at fair value through profit or loss*" came to €27,715 (€38,951 thousand at June 30, 2011).

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 €112 thousand compared with €65 thousand in first half 2011.

3.3. ADMINISTRATIVE EXPENSES

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

This item totalled €2,333 thousand versus €2,441 thousand for the first half 2011.

3.4. PAYROLL COSTS

At June 30, 2012, the average number of employees was 78 (compared with 76 for the first half 2011).

Payroll costs include (i) €3,387 thousand in fixed and performance-related compensation together with statutory and discretionary profit-sharing (versus €6,254 in 2011), (ii) payroll taxes of €994 housand (versus €1,881 thousand in 2011). Payroll-based taxes amounted to €298 thousand (versus €207 thousand in 2011).
Share-based payments amounted to €142 thousand (versus €593 thousand at June 30, 2011).

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 2012.

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

FIRST HALF 2012	AVERAGE NUMBER OF ARBITRAGE TRANSACTIONS	AVERAGE POSITIONS (VALUE)
Arbitrages without market risks	50%	86%
Arbitrages with market risks	50%	14%
Total	**100%**	**100%**

BREAKDOWN OF ARBITRAGE TRANSACTIONS BY GEOGRAPHIC AREA

FIRST HALF 2012	AVERAGE NUMBER OF ARBITRAGE TRANSACTIONS	AVERAGE POSITIONS (VALUE)
Euro zone (excluding France)	14%	7%
France	4%	1%
USA	54%	61%
Other markets	28%	31%
Total	**100%**	**100%**

BREAKDOWN OF ARBITRAGE TRANSACTIONS BY GEOGRAPHIC AREA AND TYPE OF RISK

FIRST HALF 2012	ARBITRAGES WITHOUT MARKET RISKS	ARBITRAGES WITH MARKET RISKS	TOTAL
Euro zone (excluding France)	4%	3%	7%
France	1%	0%	1%
USA	56%	5%	61%
Other markets	25%	6%	31%
Total	**86%**	**14%**	**100%**

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STATUTORY AUDITORS' REPORT on the first half 2012 consolidated financial statements

AT JUNE 30, 2012

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, 2012, 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.

Paris-La Défense and Neuilly-sur-Seine, September 26, 2012
The Statutory Auditors

ERNST & YOUNG ET AUTRES
Olivier DURAND

DELOITTE & ASSOCIÉS
Jean-Marc MICKELER

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STATEMENT OF THE PERSON RESPONSIBLE for the first half 2012 financial report

AT JUNE 30, 2012

I hereby declare that, to the best of my knowledge, i) the condensed consolidated financial statements for the six months ended June 30, 2012 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 of the Board & CEO

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