



## 2014 Interim Results Ambition 2016 underway

The Board of Directors of ABC arbitrage presided by the Chairman, Dominique Ceolin, met on September 18 to approve the consolidated financial statements for the first half 2014.

<i>In EUR millions</i>	June 30, 2014 IFRS	June 30, 2013 IFRS	Dec. 31, 2013 IFRS
Net revenues	<b>€26.8M</b>	€11.1M	€28.8M
Income before tax	<b>€18.1M</b>	€4.5M	€14.3M
Net income	<b>€11.3M</b>	€3.1M	€10.1M

IFRS net revenues came to €26.8 million and net income to €11.3 million for the first half of 2014. These figures faithfully reflect the Group's activity levels during the period. Excluding the negative fair value adjustment to the securities portfolio required under IFRS (which was abnormally high in first-half 2013), net revenues were up by more than 13% year-on-year, an excellent performance in markets dominated by volatility levels regularly below 10% and weak trading volumes.

The Group has embarked on a new growth dynamic to counter these market conditions and has a large portfolio of arbitrage transactions enabling it to spread risks and results over different strategies.

The Group continued to implement its Ambition 2016 growth plan:

- Staff: eight new people (about 10% of the workforce) were hired in the quantitative research and IT development teams.
- Innovation: continued commitment to the policy of developing new strategies and adapting existing ones.
- Geographical expansion: in early July, the new Irish-based subsidiary, Quartys, began operations and a new subsidiary, ABC arbitrage Asset Management Asia, was created.
- Asset management: on July 22, ABC arbitrage Asset Management obtained approval as an AIFM (Alternative Investment Fund Manager) from the French securities regulator (AMF). Revenues from the asset management business totalled €2 million in first-half 2014, down 35% year-on-year. At September 1, assets under management amounted to €257 million including €137 million from external investors.

In light of these results and its confidence in the Group's ability to pursue its growth, the Board of Directors has decided to pay an interim dividend for 2014 of €0.20 per share. Shareholders may opt to reinvest all or part of their dividend in ABC arbitrage shares at a price of €4.42. The payment date will be announced later but is expected to be before the end of 2014.

Activity levels in the third quarter are below the first-half average and similar to the second quarter in persistently lacklustre markets. In these market conditions, all alternative investment managers have been affected by an inability to attract new inflows. ABC arbitrage, although sensitive to this general market trend, believes it has the track record and strategies required to remain attractive. The teams are determined to achieve the Ambition 2016 plan, which should demonstrate the group's growth potential in the longer term.

To watch the video interview (French version) of Dominique Ceolin, Chairman and Chief Executive Officer of ABC arbitrage, discussing these results, please [click here](#) or visit <http://www.abc-arbitrage.com/>, on the home page and in the Finance and Press/Multimedia sections.

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