



2015 Results: €24.2m (+29%)

The Board of Directors of ABC arbitrage led by the Chairman, Dominique Ceolin, met on March 17 to approve the consolidated financial statements for 2015. Financial highlights for the year were as follows:

	Dec. 31, 2015 IFRS	Dec. 31, 2014 IFRS
Net revenues	€47.7m	€46.6m
Income before tax	€26.3m	€27.9m
Net income	€24.2m	€18.8m
Earnings per share (EPS)	€0.43	€0.34

Business performance

IFRS net income came to €24.2 million in 2015, up nearly 29% on the prior year.

Net revenues and income before tax for 2014 and 2015 are not directly comparable, due to ABC arbitrage's interest in Quartys Ltd and application of the IFRS 10 consolidation exemption. The investments in Quartys Ltd and ABCA Funds Ireland Plc are recognized under "Net gain/loss on financial instruments at fair value through profit or loss", i.e. net of expenses and tax. This automatically reduces "Net revenues", as compared with full consolidation, which separates income from expense.

The Group's parent company, ABC arbitrage, and its asset management companies, ABC arbitrage Asset Management and ABC arbitrage Asset Management Asia, are not subject to the IFRS exception and are therefore fully consolidated.

In consequence, only net income and return on equity (ROE), 17.1% compared with 14.7% in 2014, are directly comparable with the same indicators for prior years.

The ongoing Ambition 2016 program had a major impact on the structure of the Group's teams and investments, leading to a rise in fixed compensation and other costs, notably IT, to €19 million.

The overhaul of the third-party asset management offering boosted performances and increased the Group's assets under management to €294 million at March 1, 2016, from €214 million at December 31, 2014.

The increase in earnings was due to higher market volatility and M&A activity in the second half of the year, confirming the importance of these two components of our earnings structure. The strong performance also reflected improvements stemming from the Group's new structure and from R&D spend.

Dividend policy

The Board will recommend a dividend of €0.20 per share at the annual shareholders' meeting on May 27, 2016. The dividend payment procedure and date will be announced at a later date. The dividend is in addition to the €0.20 distribution paid in December 2015. If approved by the shareholders, the full distribution for 2015 will therefore amount to €0.40 per share, giving a net yield of 7.8% based on the share price at December 31, 2015 (€5.13).

Outlook

The sharp rise in net income in 2015 confirmed the relevance of the Group's "Ambition 2016" plan. ABC arbitrage will finish developing the plan in 2016, during which hiring will remain one of the three main priorities, along with innovation and geographical diversification.

In the first quarter of 2016, the Group's business lines will benefit from the brisk pace of market activity during that period. Business volume in first-quarter 2016, still closely correlated with volatility, is much higher than the average for first-half 2015 and is in line with second-half 2015.

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