



2018 Interim Results: €8.5m 2018 annualised ROE: 11%

The Board of Directors of ABC arbitrage, presided by the Chairman Dominique Ceolin, met on September 21, 2018 to approve the consolidated financial statements for the first half 2018.

In EUR millions	June 30, 2018 IFRS	June 30, 2017 IFRS	Dec. 30, 2017 IFRS
Net revenues	€18.6m	€21.0m	€38.5m
Net income	€8.5m	€9.9m	€18.3m
Earnings per share (EPS)	€0.15	€0.17	€0.32
Return on equity (ROE)	5.5%	6.1%	11.5%

Business performance

In accordance with IFRS standards, consolidated net revenue came to €18.6 million and consolidated net income amounted to €8.5 million (a decrease of 13.9%). **The new IFRS 15 norm no longer allows for the recognition of performance fees that have not been definitively acquired. In the first half of 2018 this represented €1.6 million of unrecognized fees compared to €2.1 million in the first half of 2017. All of the amounts in the table are presented under IFRS 15 and therefore directly comparable.**

The first half of 2018 presented heterogeneous market phases. Following new low activity records in January, the month of February saw a sudden rise in volatility perfectly exploited by the Group's strategies. This rise in volatility lasted a few weeks before falling sharply.

In addition, the context for mergers and acquisitions on listed companies has been negatively impacted by the US geopolitical situation. In general terms, the so-called "low volatility" strategies, which compensated for market inactivity in the first semester of 2017, did not play this role in 2018.

This unfavorable environment for the Group's activities requires constant strategic thinking. The Group has therefore continued to structure the profile of its teams in order to apprehend the increasingly technical issues of the financial industry. The willingness to build new strategies in order to raise more funds also remains one of the Group's priorities to counter this environment.

Board of Directors

Didier Ribadeau-Dumas resigned as independent director after nearly more than 20 years. This resignation takes effect on September 21. The Board of Directors and the Group thank him for his faithful and competent support.

Dividend Policy

The Board of Directors confirms the distribution of €0.20 per share, consistent with the results achieved. Approved by the shareholders' meeting of June 15, 2018, this payment will only be offered in cash and, because of the deduction from the share premium account, will have the tax nature of a repayment of contributions within the meaning of Article 112. 1° of the General Tax Code.

The detachment is scheduled for Tuesday, November 27, 2018 for a payment on Thursday, November 29, 2018.

Outlook

February 2018 demonstrated the Group's ability to perform in a context of "lively" markets. The first half of 2017 and FY 2018 underlined the current difficulties for the Group to produce above-average performances in the face of exogenous parameters that remained unfavorable to its industry.

Return on equity (ROE), the ratio of net income to shareholder's equity, stood at nearly 5.5% for the first half. The efforts made by the Group make it possible to present satisfactory results.

Dominique Ceolin commented that *"...the Group has a clear objective of attaining ROE's above 15% and we intend to continue our efforts by focusing all our expertise on opening up all possible strategic options to counter this permanently unfavorable environment. I am confident in our ability to strengthen the tandem of "attractive performance" and "capital protection" for our clients as I mentioned at our last general meeting"*.