CONDENSED HALF YEARLY REPORT AND UNAUDITED INTERIM FINANCIAL STATEMENTS

Boussard & Gavaudan Holding Limited

For the six months ended 30 June 2012

Contents

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Christopher Fish
Sameer Sain
Nicolas Wirz
Andrew Henton (appointed on 3rd January 2012)

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(with effect from 2 May 2012)

The Directors present their half yearly report and interim condensed financial statements for the six months ended 30 June 2012 (the "Period").

Principal Activities

Boussard & Gavaudan Holding Limited (the "Company" or "BGHL") has invested substantially all of its assets in BG Fund (the "Fund"), a Europe-focused multi-strategy hedge fund established in Ireland and authorised by the Central Bank of Ireland as a Qualified Investor Fund (QIF). The Fund aims primarily at arbitraging instruments with linear or non-linear pay-offs on equities and credit markets. The overall investment objective of the Fund is to provide investors with consistent absolute returns primarily through investing and trading in financial instruments of companies incorporated in or whose principal operations are in Europe.

Boussard & Gavaudan Asset Management LP ("BGAM" or the "Investment Manager") is the Investment Manager of the Company and the Fund.

Additionally, the Company holds private investments and approximately 4.87% of its assets under management were so invested as of 30 June 2012. In June 2012, the Company decided that it would not make new private investments and would aim to sell all existing private investments as soon as possible. The Company has instructed the Investment Manager to grant a mandate to Alexis Chevriere, acting through his firm Tordouet, to organise the disposal of Compagnie des Minquiers within the next 12 months.

Review of Recent Developments

The performance of the Company is driven primarily by the financial results of the Fund and, to a lesser extent, from the accretive effect of the share buy backs. Over the Period, the contribution of the private investments to the performance of the Company was marginal.

The Fund

From 1 January to 30 June 2012, the NAV of the Fund's Euro A share class posted a 5.39% return, while European equity markets fell with the EURO STOXX 50® at -2.2%. Volatility on stock markets decreased, with the VDAX index ending at 21.5% from 28.6% and the VSTOXX® index at 24.9% from 32.2% and credit spreads also decreased with the Itraxx Crossover finishing at 662bps from 755bps.

In the circumstances, the Directors are satisfied with the Fund's strategies and performance, particularly given prevailing market conditions.

Over the five year period ended on 30 June 2012, the NAV of the Fund's (and previously Sark Fund Limited's) Euro A share posted an annualised return of 1.56% with an annualised volatility of 8.21%.

The Company

The Euro shares closed at €11.59 on 30 June 2012, up 6.40% over the Period, and the Sterling shares saw a 3.90% increase, closing at £9.85. Whilst the NAV of the Euro shares went up 5.40 % to €14.17 and the NAV of the Sterling shares went up 5.30% to £12.88, the discount to NAV at which the shares were trading decreased from 19.0% to 18.20% for the Euro shares and increased from 22.5% to 23.60% for the Sterling shares. The increase in the Euro share price slightly outperformed its NAV whereas the increase in the Sterling share price slightly underperformed its NAV during the Period.

Finally, the Company continued to actively improve the liquidity of the shares in the market by repurchasing its own shares. The volume of the share buy back programme during the Period shows the Investment Manager's commitment to the Company's strategy and its efforts to reduce the discount to NAV.

The Company's NAV increased from €555m at 31 December 2011 to €562m at 30 June 2012.

Results for the Period and State of Affairs at 30 June 2012

The Condensed Interim Statements of Financial Position at 30 June 2012 and the Condensed Interim Statements of Comprehensive Income for the six months for both the Group and Company are set out in the enclosed financial statements.

Directors

The Directors at 30 June 2012 were:

- Christopher Fish, Chairman;
- Nicolas Wirz;
- Sameer Sain; and
- Andrew Henton.

Andrew Henton was appointed by the directors on 3 January 2012. Andrew Henton and Nicolas Wirz were re-elected at the annual general meeting held on 5 July 2012.

Save as disclosed in this consolidated half yearly report and condensed interim financial statements, the Group and Company is not aware of any potential conflicts of interest between any duty of any of the Directors owed to it and their respective private interests. Each Director is paid an annual fee of €23,000, other than the Chairman, who is entitled to receive €41,500 per annum and the Chairman of the Audit Committee, who receives an additional fee of €7,500 per annum.

Directors' interests in shares

As of 30 June 2012, Christopher Fish had invested, directly or indirectly, in 8,631 ordinary Euro shares of the Company. Sameer Sain had invested, directly or indirectly, in 10,000 ordinary Euro shares of the Company and Nicolas Wirz had invested, directly or indirectly, in 16,168 ordinary Euro shares of the Company.

Audit Committee

An Audit Committee, with defined terms of reference and duties, has been established and comprised the following members as of 30 June 2012: Andrew Henton (Chairman), Nicolas Wirz, Christopher Fish and Sameer Sain.

On 2 February 2012, Andrew Henton was appointed as Chairman of the Audit Committee.

Financial Statements

The Company's financial statements are prepared under International Financial Reporting Standards as adopted by the European Union. The Company owns a controlling interest in Compagnie des Minquiers ("CDM") and therefore is preparing consolidated financial statements. The Company has decided to stop making private equity investments and has instructed the Investment Manager to grant a mandate to Alexis Chevriere, acting through his firm Tordouet, to organise the disposal of Compagnie des Minquiers within the next 12 months. The Company meets the conditions in IFRS 5 for its interest in CDM to be classified as a discontinued operation and accounted for as "investment held for sale".

Going Concern

The Board conducts a rigorous and proportionate assessment of the Company's operational and financial risks with reference to the Company's cash flow requirements, debt position and the liquidity of its investments.

Currently the Company has a small debt position whose purpose is to finance acquisitions of its own shares. The debt position is repaid in full using the proceeds from redemptions of BG Fund shares on a monthly basis. It remains at the discretion of the Company to continue its share buy back activity in the future.

Other than this debt position, the only financial commitments of the Company are its ongoing fees and expenses.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the financial statements have been prepared on a going concern basis.

Relations with Shareholders

While the Company reports formally to the shareholders twice a year, it also maintains a website which contains comprehensive information (www.bgholdingltd.com). This includes all historical communication, investment philosophy, risk management policies, Investment Manager's reports, statistical information and corporate governance guidelines. Additionally, shareholders are welcome to contact Directors of the Company, should they wish to have a dialogue and/or provide any feedback. Finally, if required, the Company can also make available representatives of the Investment Manager to shareholders.

By order of the Board

Christopher Fish	**Andrew Henton**
Christopher Fish Chairman	Andrew Henton Director

31 August 2012

Boussard & Gavaudan Holding Limited
Statement of Director's responsibilities
For the six months ended 30 June 2012

The Directors each confirm to the best of their knowledge that:

(a) The financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

(b) The Directors' Report and the Interim Management Report include a fair review of the development and performance of the business and a description of the principal risks and uncertainties as disclosed in sections C and F of the Interim Management Report, that it faces for the next six months as required by DTR 4.2.7 of the Disclosure and Transparency Rules.

(c) There were no related party transactions in the period, nor any changes in related party transactions described in the last annual report, that could have a material effect on the financial position of the Company in the period, other than as disclosed in the financial statements. Details of related parties are set out in note 9 of the financial statements.

By order of the Board

Christopher Fish	**Andrew Henton**
Christopher Fish Chairman	Andrew Henton Director

31 August 2012

Background and Highlights

A.1 Background

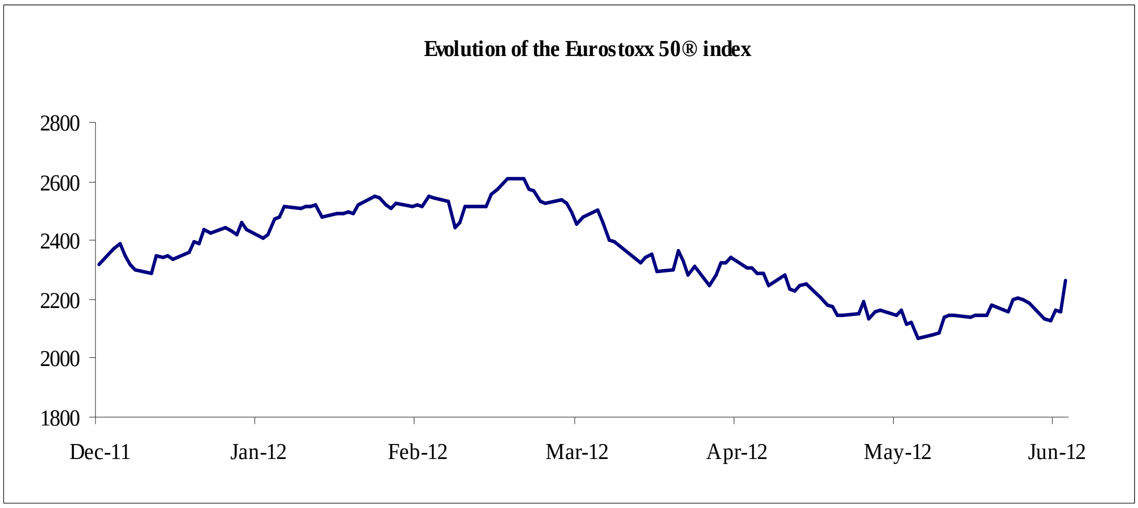
Boussard & Gavaudan Holding Limited ("the Company" or "BGHL") is a closed-ended investment company, registered and incorporated under the laws of Guernsey on 3 October 2006. The Company's shares are listed and traded on the Eurolist Market operated by Euronext Amsterdam by NYSE Euronext, and are subject to Dutch securities regulations and to supervision by the relevant Dutch authorities. The Company is registered with the Dutch Authority for the Financial Markets as a collective investment scheme.

On 28 July 2008, the Company's shares were also admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange Plc's main market for listed securities. At the time of this dual listing, the Company created a class of shares denominated in Sterling (the "Sterling Shares") through the conversion of existing Euro shares into new Sterling shares at the prevailing net asset value ("NAV") per Euro share at 30 June 2008. Shareholders can convert their existing holding of shares in the Company from one class into another class on a yearly basis, subject to satisfying certain requirements.

At an extraordinary general meeting of Boussard & Gavaudan Fund Plc held on 19 December 2011 the Shareholders resolved to (i) change the name of the Fund to "BG Master Fund Plc" and (ii) amend the articles of association of the Fund to empower the Directors to exchange the investors' shares in the Fund for new shares in BG Umbrella Fund Plc, in order to reorganise the Fund into a master/feeder structure. The new structure became effective on 3 January 2012, since then the Company's investment in the Fund is indirect.

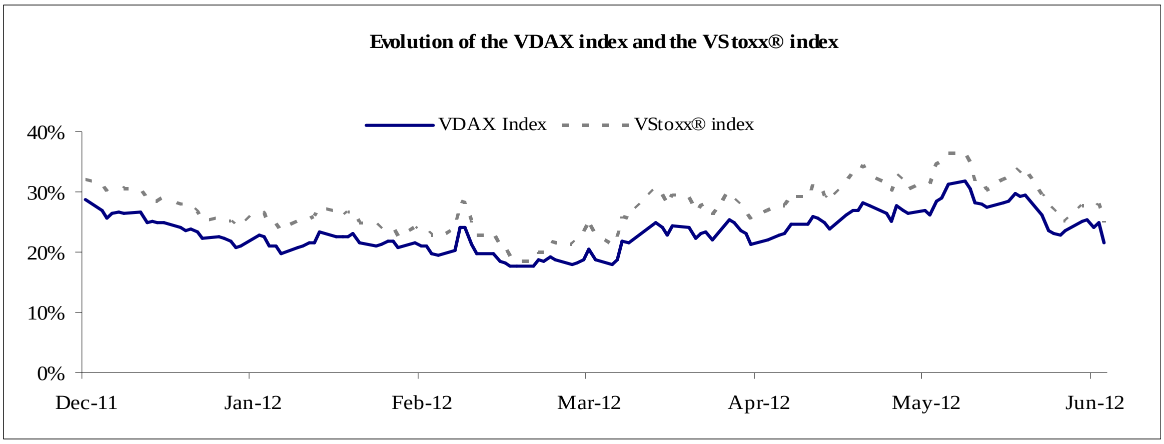
BGHL is indirectly invested in BG Master Fund Plc through its investrment in one of the feeder of BG Umbrella Fund Plc: BG Fund (the "Fund"). Through its investment in BG Master Fund Plc (formerly "Boussard & Gavaudan Fund Plc") (the "Master Fund") managed by Boussard & Gavaudan Asset Management, which constitutes its main investment, the Company is sensitive to equity and volatility prices as well as to credit spreads. The Company is exposed to other market factors but to a lesser extent.

From 1 January to 30 June 2012 ("the Period") European equity markets went down, with the Eurostoxx 50® at -2.2%.



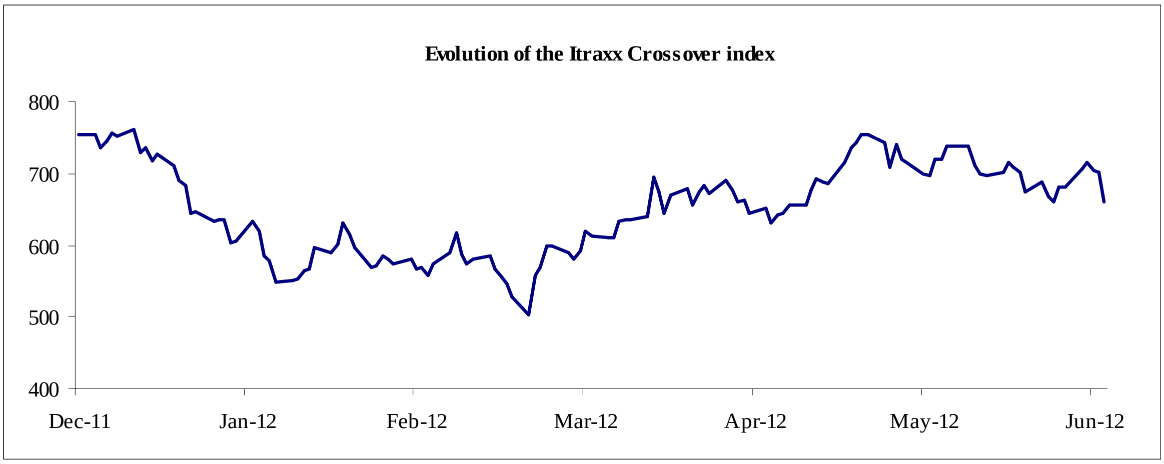
Graph 1 (source Bloomberg)

Volatility on stock markets decreased: the VDAX index moved from 28.6% to 21.5% and the VStoxx® index from 32.2% to 24.9%.



Graph 2 (source Bloomberg)

Credit spreads tightened, the Itraxx Crossover index finished at 662bps from 755bps.



Graph 3 (source Bloomberg)

A.2 Highlights

As of 30 June 2012, the Company's assets under management were approximately €562 million, up from €555 million at 31 December 2011.

A.2.1 Performance

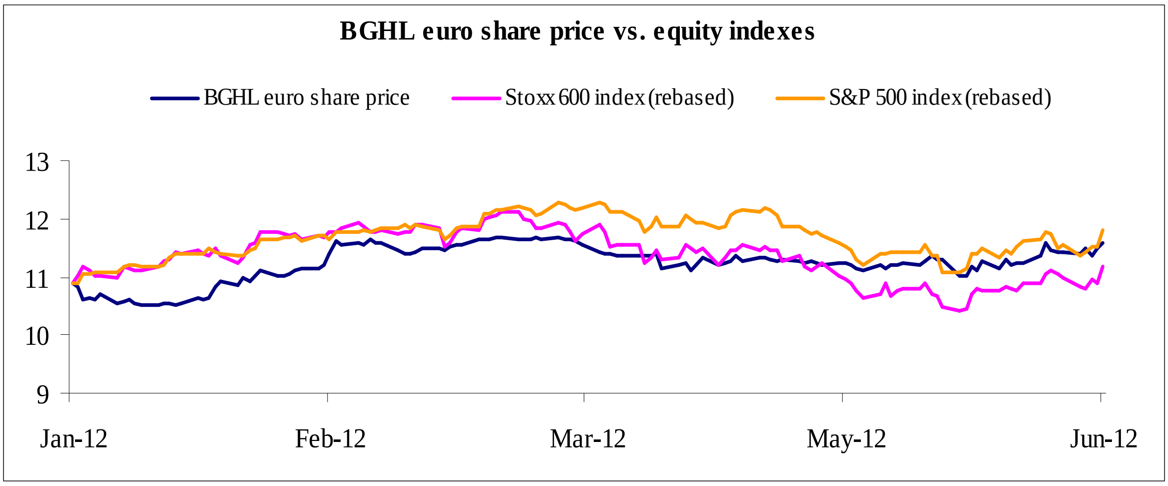
During the Period, the performance of Euro and Sterling shares was as follows:

	30 June 2012	31 December 2011	Variation
Euro share price[1]	€11.59	€10.89	6.4 %
Euro share NAV	€14.17	€13.44	5.4%

	30 June 2012	31 December 2011	Variation
Sterling share price[2]	£9.85	£9.48	3.9%
Sterling share NAV	£12.88	£12.23	5.3%

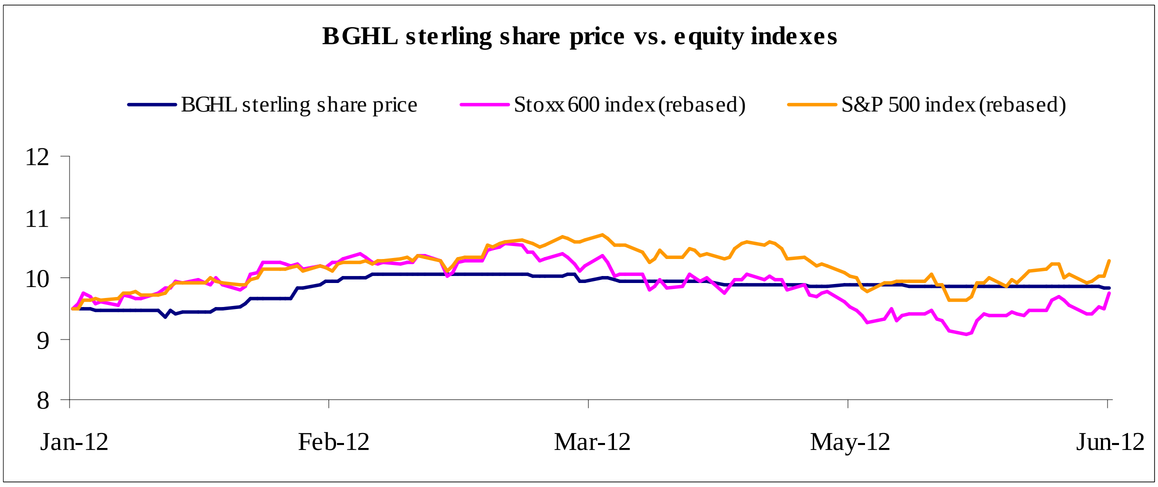
Euro and Sterling share prices outperformed the Stoxx 600® index but underperformed the S&P 500 index.

[1] Amsterdam (AEX) market close for euro share
[2] London (LSE) market close for sterling share



Graph 4 (source Bloomberg)

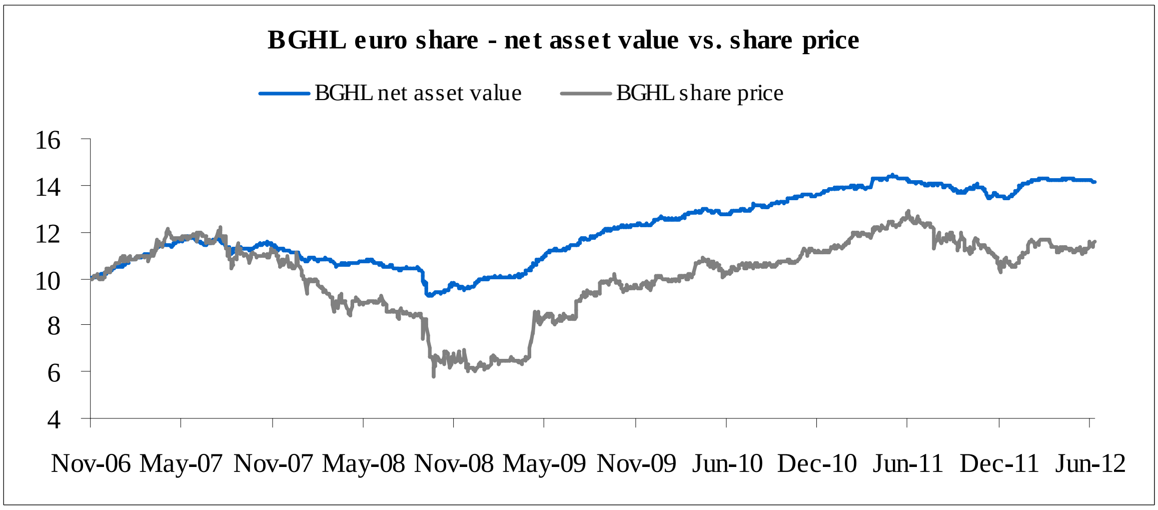
Euro and Sterling share prices outperformed global equity indexes such as the Stoxx® 600 and the S&P 500.



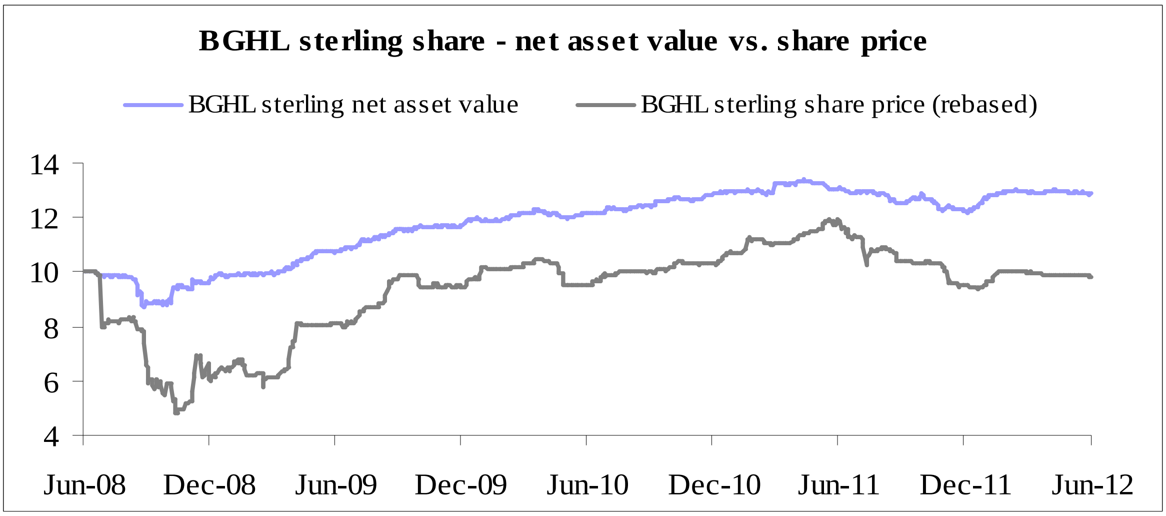
Graph 5 (source Bloomberg)

During this Period, the Euro share price outperformed its NAV whereas the Sterling share price underperformed its NAV.

Below is the performance evolution of the share prices relative to their respective NAV since inception.



Graph 6 (source BGAM estimates / Bloomberg)



Graph 7 (source BGAM estimates / Bloomberg)

A.2.2 Share buy back and discount to NAV

Share buy back programme

Since its listing, the Company has set up a share buy back programme approved in general meeting by its shareholders. The volume of the share buy back programme during the Period shows the Investment Manager's commitment to the Company's strategy and its efforts to reduce the discount to NAV.

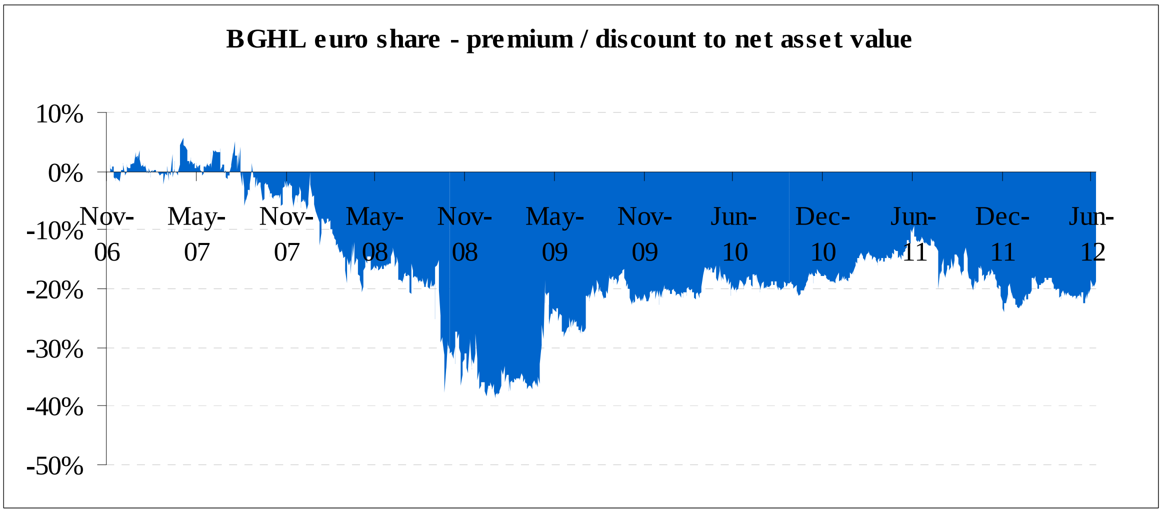
Liquidity enhancement agreement

To increase the liquidity of the Company's shares, the Company set up a liquidity contract with Exane BNP Paribas on 14 August 2008. Exane BNP Paribas handles the execution of the liquidity enhancement agreement of the Company in accordance with the Dutch accepted market practice. The Company intends to limit the amount allocated to the execution of this contract to 2% of its market capitalisation per year.

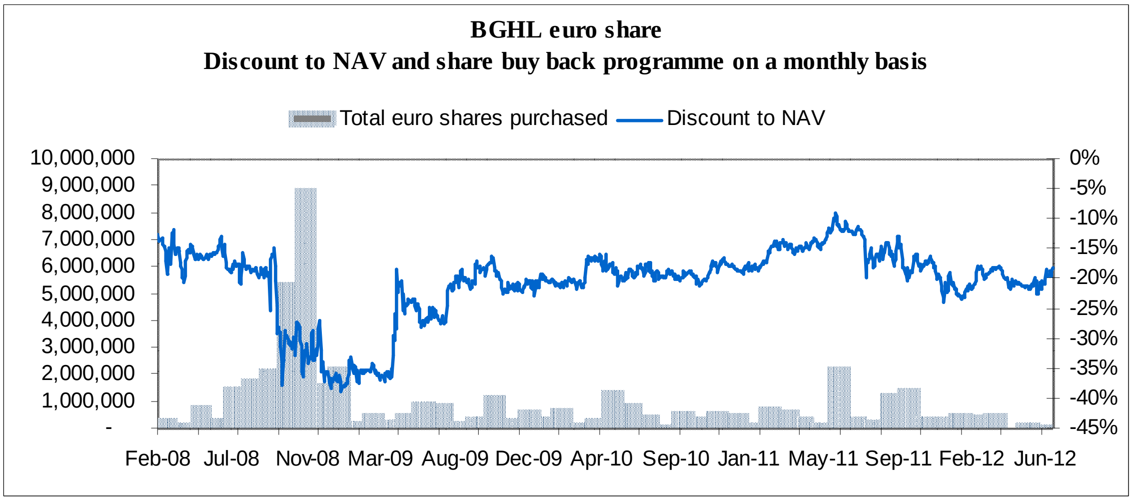
Share buy backs from both programmes are accretive to shareholders; they contribute to the outperformance of the Company's net asset value with respect to that of the Fund.

Discount to NAV	30 June 2012	31 December 2011
Euro share	-18.2%	-19.0%
Sterling share	-23.6%	-22.5%

Euro Share (discount and share buy back)

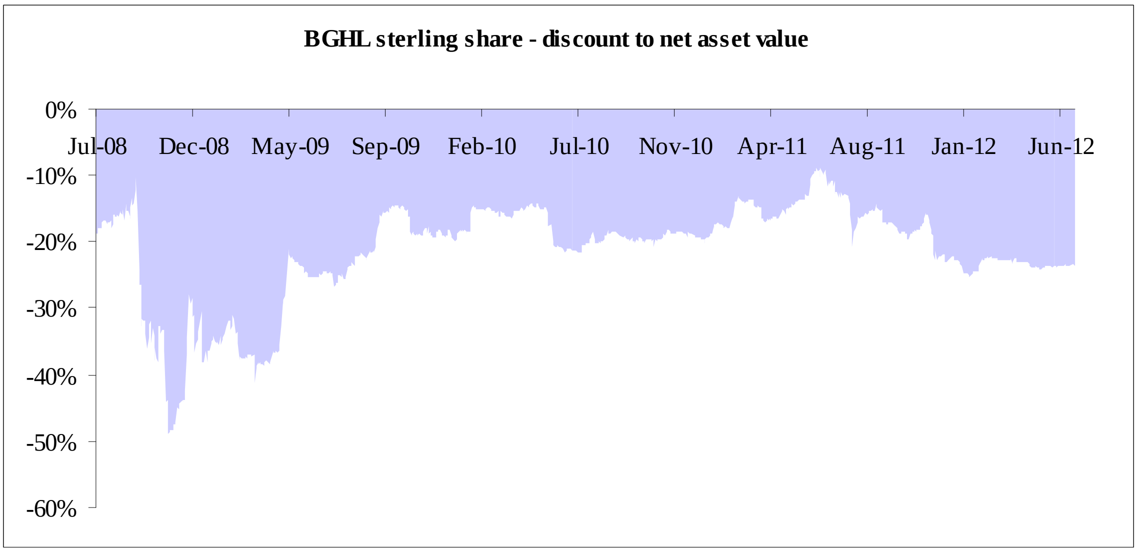


Graph 8 (source BGAM estimates / Bloomberg)

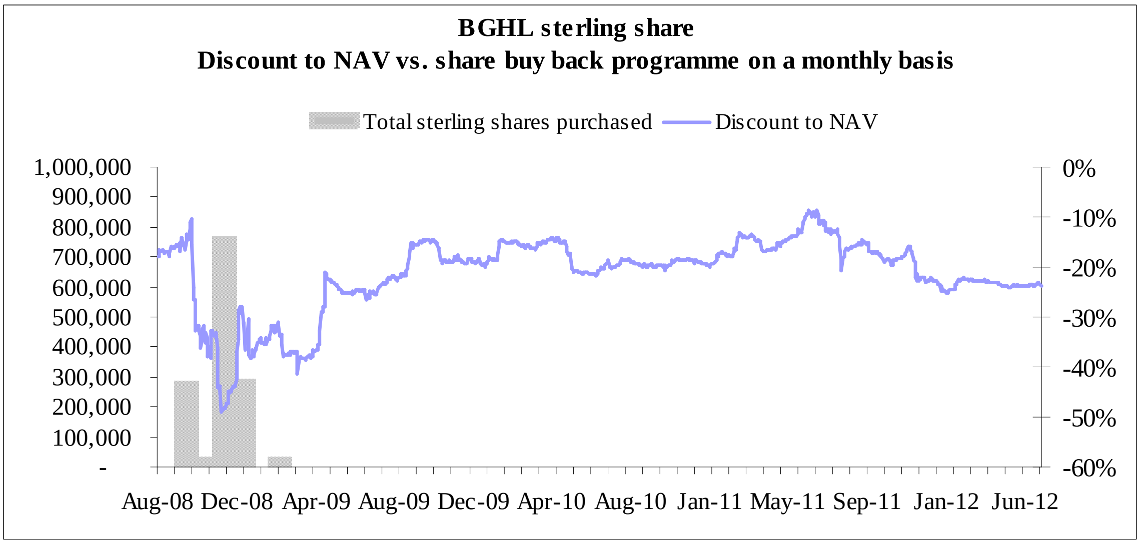


Graph 9 (source BGAM estimates)

Sterling Share (discount and share buy back)



Graph 10 (source BGAM estimates / Bloomberg)



Graph 11 (source BGAM estimates)

B- Review of the development of the business

From 1 January to 30 June 2012, the Company had most of its total assets indirectly invested in BG Master Fund Plc. BG Master Fund Plc, an Irish Qualified Investor Fund, is a Europe-focused multi-strategy fund, which aims primarily at arbitraging instruments with non-linear pay-offs in special situations. The Master Fund implements diversified investment strategies, including volatility, equity and credit strategies.

In addition to its investment in the Master Fund and as described in the Company's offering memorandum, the Company may enter into other investments. These investments are currently financed through the Company's equity.

Part of the cash allocated to the liquidity enhancement programme, which has not yet been used to buy back the shares of the Company, is invested by the liquidity provider in "BNP Paribas Cash Invest", a pure money market fund distributed by a subsidiary of the BNP Paribas SA group.

C- Risks

C.1 Investments other than in the Master Fund

The Company was approximately 5.5% invested in investments other than in the BG Fund as of 30 June 2012.

Rasaland

BGHL entered into Rasaland in June 2008 for $10 million. Rasaland is a Maltese company structured as a private equity fund in terms of fees and organisation, which is dedicated to investing in land, land development and high-end resort developments in Mexico. The EUR/USD exposure is hedged by an FX forward which is rolled on a 3 month basis.

DSO Interactive

On 9 December 2009 and 19 February 2010, BGHL acquired a minority stake in DSO Interactive for a total consideration of €1.7 million (6.2% of the share capital and 5.3% on a fully diluted basis). DSO Interactive is a private company incorporated in France and headquartered in Paris, where it employs over 120 people. DSO Interactive provides bad debt collection services to consumer creditors such as telecom operators, banks and specialised credit institutions.

Compagnie des Minquiers - Cofigeo

On 3 March 2011, Compagnie des Minquiers SAS, a 83.3%-owned subsidiary of BGHL (held jointly with the executive committee members of the Cofigeo group) acquired 100% of the shares of MPF (renamed Financière des Minquiers), a holding company, holding 26,523 shares in Cofigeo negotiated on the regulated market NYSE Euronext in Paris representing approximately 36% of capital and 41% of voting rights. On 29 March 2011, in compliance with French securities law, Compagnie des Minquers filed a mandatory tender offer for all the remaining shares of Cofigeo at a price of €530. On 20 June 2011, following the completion of the "offre publique de retrait" on Cofigeo, Compagnie des Minquiers SAS announced that it held 100% of the capital of Cofigeo.

With sales of €138 million and approximately 650 employees, Cofigeo is a leading player in France in the canned food industry. The group sells prepared meals and sauces under the brands Zapetti (formerly Buitoni) and Raynal & Roquelaure as well as under private labels. It ranks #2 in France with a market share of approximately 25%. BGHL's total investment in the transaction amounts to approximately €18 million.

Listed security

The Company has a small investment in a listed security representing approximately €4.2 million as of 30 June 2012.

C.2 Investment in Fund

The Company was approximately 94.5% invested in the Master Fund as of 30 June 2012.

<u>Strategies</u>

The Master Fund has three main strategies which can be split into the following sub-strategies.

Volatility strategies include:
- mandatory convertible bond arbitrage ("mandatories")
- convertible bond arbitrage (including credit convertible bonds)
- gamma trading

Equity strategies include:
- merger arbitrage & special situations
- long / short trading with short-term catalyst & value

Credit strategies include:
- credit long / short
- capital structure arbitrage

In addition, the Master Fund has a fourth "trading strategy" with smaller risk allocations dedicated to short-term directional trading.

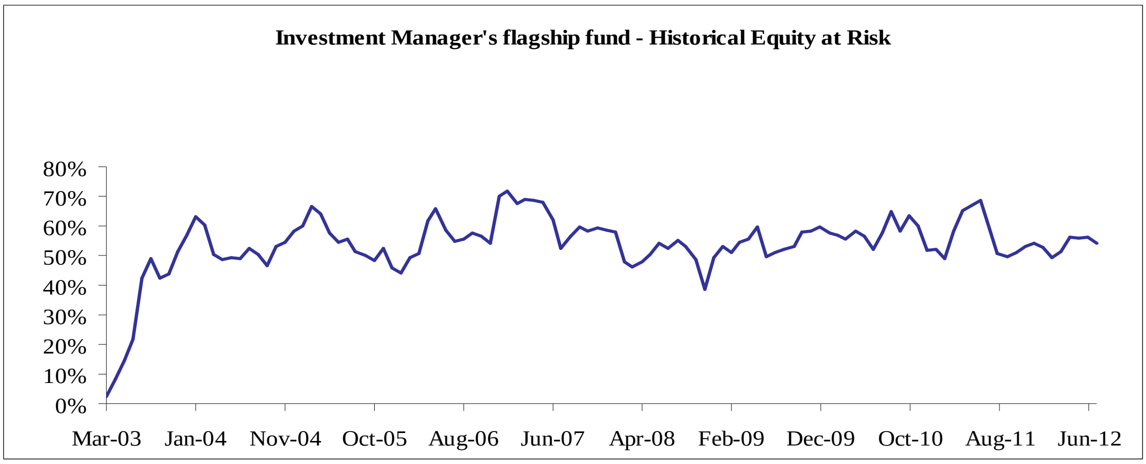
<u>Risk and Capital allocation</u>

Prime brokers, when providing financing and leverage to hedge funds, take a risk that they assess using their own methodologies. Risk measurement is achieved by the use of haircuts. Haircuts reflect the level of risk attributed by a prime broker to a position. The higher the level, the higher the risk. According to this model, an amount of equity, considered at risk, is allocated through the use of haircuts to each position. Each prime broker calculates its risk exposure to the sole portion of the Master Fund's portfolio it holds in custody.

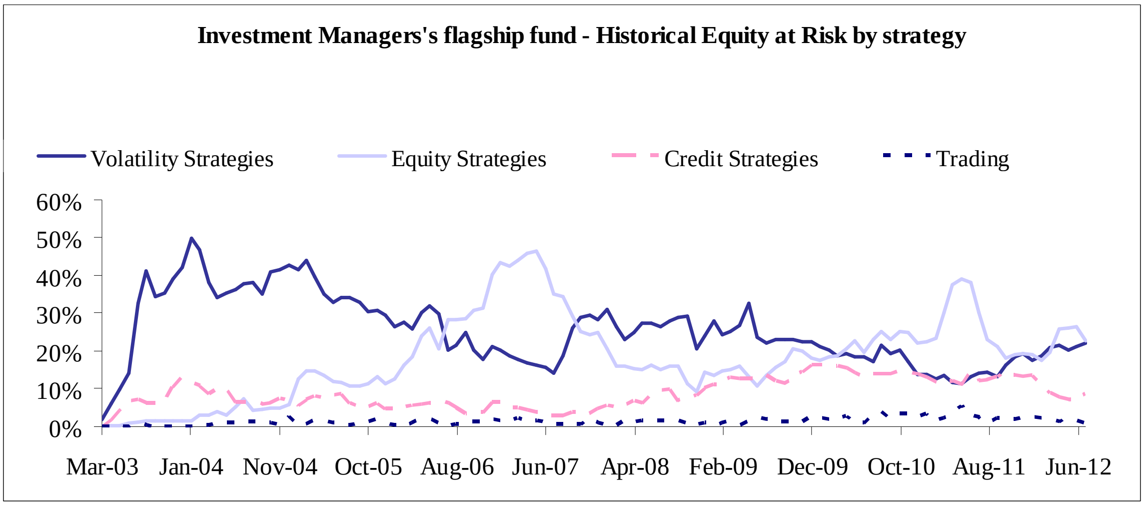
The Investment Manager replicates the methodology applied by prime brokers through a model, named "equity at risk". This model, applied to the entire portfolio, is a proxy for the calculations of the prime brokers with a conservative bias.

Haircuts condition the level of excess margin, which is the level of risk left to increase positions or enter into additional ones. An excess margin of 25%, which corresponds to a 75% level of equity at risk, means that the Master Fund can theoretically increase all of the positions in the portfolio by approximately 33% without having to raise further cash. The model provides an estimation of the Master Fund's potential for additional leverage across all its prime brokers. Excess margin is a key indicator, used by the Investment Manager to monitor the solvency of the Master Fund. A large level of excess is maintained at any time. The excess margin corresponds to the remaining capacity the Master Fund can deploy without having to raise additional cash. The Investment Manager intends to be very selective when deploying equity at risk.

The graphs below illustrate the evolution of the equity at risk of the flagship fund since inception (Sark Fund until 30 October 2010, the Master Fund since 1 November 2010) and the allocation of the equity at risk across strategies.

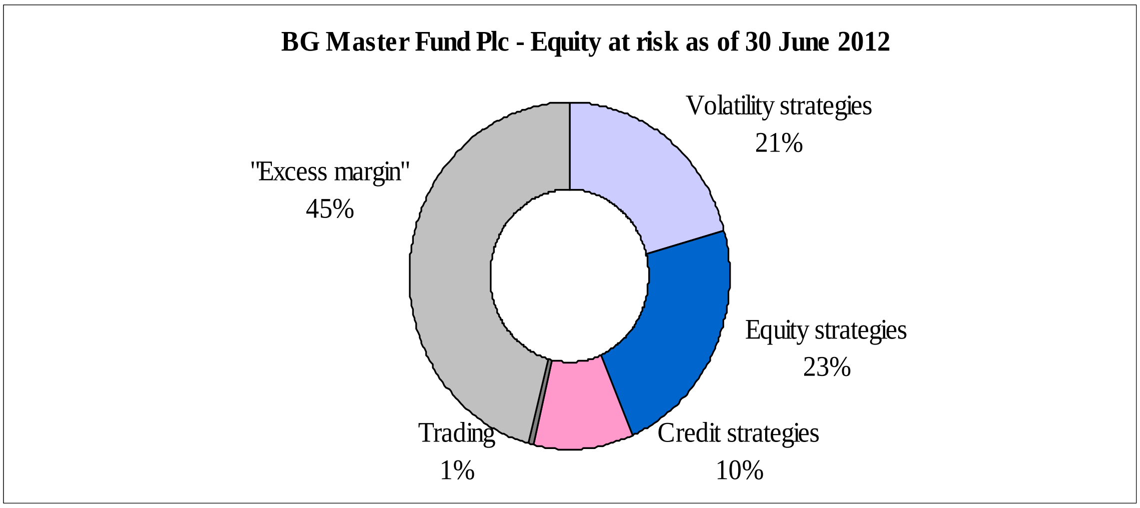


Graph 12 (source BGAM estimates)



Graph 13 (source BGAM estimates)

The equity at risk of the Master Fund as at 30 June 2012 was as follows:



Graph 14 (source BGAM estimates)

At 30 June 2012, the equity at risk of the Master Fund stood at 54% of capacity versus 51% at 31 December 2011. The Master Fund is quite well-balanced between equity and volatility strategies. The Master Fund has a smaller allocation in credit strategies. Trading remains tiny.

D. Results

D.1 Results in investments other than in the Master Fund from 1 January to 30 June 2012

Pursuant to BGHL's private equity valuation policy, the Private Equity Valuation Committee met at the end of June 2012 to review the performance of each investment and to have an update on external valuation benchmarks relevant to the portfolio companies. The Private Equity Valuation Committee decided to maintain the value of the investments unchanged compared to the one of 31 December 2011.

As of 30 June 2012, the NAV of the investments other than in the Fund represents approximately 5.5% of the net asset value of the Company.

Over the Period, the contribution of these investments to the performance of the Fund has been marginal.

D.2 Results in the Fund from 1 January to 30 June 2012

As of 30 June 2012, the Fund represents approximately 94.5% of the net asset value of the Company. The performance was as follows:

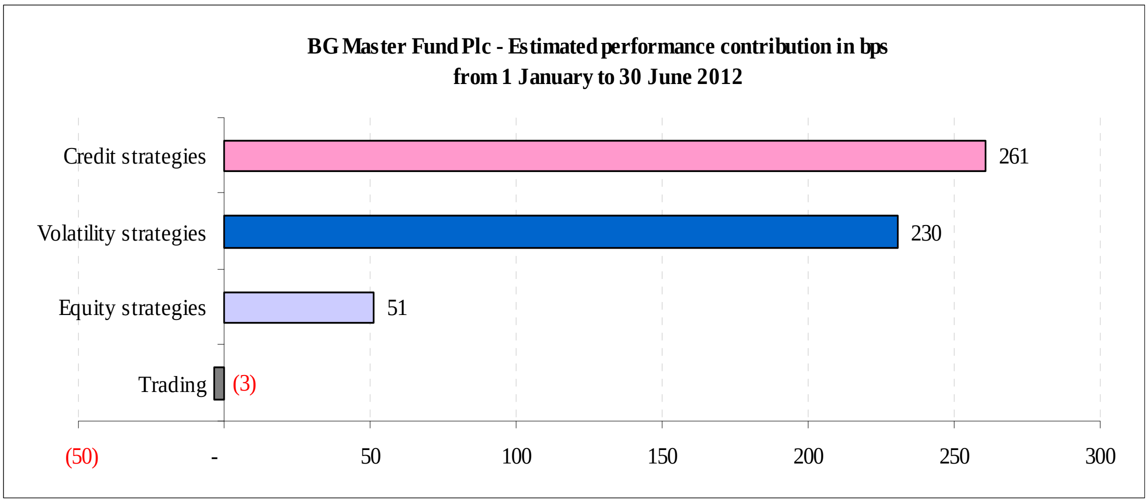
Sub-Fund: BG Fund

NAV per share	30 June 2012	31 December 2011	Variation
Euro Class A	€101.74	€96.53	+5.39%
Euro Class B[1]	€104.76	€98.65	+6.19%
US Dollar Class A	$101.98	$96.61	+5.56%
US Dollar Class B[2]	$101.98	$96.61	+5.56%

Sub-Fund: BG Erisa Fund

NAV per share	30 June 2012	31 December 2011	Variation
US Dollar Class A	$101.98	$96.61	+5.55%
US Dollar Class B[3]	$101.98	$96.61	+5.55%

All strategies, except trading, contributed positively to the performance of the Master Fund over the Period. The contribution of each strategy to the performance of the sub-fund BG Fund Euro Class A shares, which is the most representative of the Fund, is as follows:



Graph 15 (source BGAM estimates)

Overview of each strategy

Volatility strategies

The bulk of the performance in volatility strategies came from convertible bond arbitrage. Mandatory convertible bond arbitrage posted a small positive contribution whilst gamma trading contributed negatively.

Convertible bond arbitrage
This sub-strategy contributed around half of the Master Fund's performance this Period and Fortis CASHES accounted for the bulk of these gains, following the voluntary cash tender offer launched by BNP Paribas on 26 January. Fortis Bank and Ageas, the co-obligors of the bond, agreed for BNP Paribas to launch a cash tender within a 45-47.5% price range. Taking into account the premium offered and the risk of illiquidity on the remaining bonds, the Investment Manager decided to participate in the tender, in line with most of the institutional investors involved in the situation. About 63% or €1.89bn bonds were validly tendered at 47.5% of face value. The final tender price represented roughly a 9 point premium to the closing secondary trading levels on the day before the offer was announced.

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[1] Euro Class B bears no management and performance fees which explains this over performance. Management and performance fees are charged at BGHL level.
[2] BG Fund - US Dollar Class B bears no voting rights
[3] BG Erisa Fund – US Dollar Class B bears no voting rights.

D.2 Results in the Fund from 1 January to 30 June 2012 (continued)

However, the Investment Manager believed that the timing picked by BNP Paribas/Fortis Bank and Ageas was very opportunistic given that the CASHES ended 2011 close to their 12-month lows at roughly 35%. The Investment Manager rebuilt a small position on weakness following this corporate action as it believed these bonds offered value under the 47% level.

Alcatel was the second driver to the performance. The Investment Manager set up this strong conviction position with a higher delta than the market, having based it on a specific modelling of the bonds. Most market participants usually price convertibles (incl. high yield convertibles) with a fixed credit spread, ignoring the negative gamma embedded in the product caused by the relation between the credit spread and the underlying stock price. They then have to buy more CDS, usually at a higher CDS spread, in order to protect the convertible as the share price goes lower and the amount of equity short decreases as a result. The Investment Manager took this effect into account. When Alcatel released their Q1 numbers, which were poor for equity and fair for credit, the shares tumbled by as much as 16.6% and the 5-year CDS widened by around 150bps, the Master Fund was appropriately protected and in fact made gains, as the bonds did not cheapen as much as the model had predicted. Even though it is possible that in the short term this position might suffer from limited liquidity on flows, the Investment Manger is nevertheless convinced that this is the right way to run this position.

The Master Fund also benefited from the position in the Cable & Wireless Worldwide 2014 convertible bonds following the bid by Vodafone (both on the stock and the CB). The take-over ratchet option (i.e. max adjustment in the conversion ratio and/or put at par+ accrued) would have given at best a price at par, equivalent to Z-Spread +475bps. With a full take-over, the credit profile of new C&W becomes a proxy of Vodafone. As a consequence, Vodafone offered a price to CBs' holders close to its cost of funding. This was equivalent to a premium of around 8.5% to par.

There was €5.6bn of issuance during the Period according to Natixis; activity being very strong during the first quarter before slowing down drastically during the second part of the Period. Compared to approx. €5.3bn of redemptions, Europe still remains on a slightly positive net supply for the Period. However, this picture is clearly distorted by the US$3.0bn issue from Siemens. Although the Investment Manager had anticipated that 2012 would be a strong year in terms of issuance (while banks are deleveraging and therefore forcing issuers to refinance in the market, the issuers in the meantime are benefitting from very low interest rates and decent long-term volatility), the Investment Manager had expected that it would come mainly from non-rated/sub-investment grade issuers. It seems actually that these issuers have no immediate needs for cash and prefer to wait for more favourable market conditions (including equity prices) to issue such instruments.

Mandatory convertible bond arbitrage

Mandatory convertible bonds returned a marginally positive performance to the Master Fund. There are a few such positions left in the Master Fund, among which are the UBS/BBVA mandatory, a pure forward with no residual negative gamma risk to be redeemed in July, the Adecco 6.5% 2012 due in November 2012 and the Lottomatica 8.75% 2012 due in October 2012 (pure forward profile).

There were no new mandatory convertible bond issues in Europe over the Period.

Gamma trading
This sub-strategy returned a small negative performance to the Master Fund.

The beginning of the Period witnessed a strong start to the year for the equity market with significant sector rotation. In this generally more optimistic climate, volatilities on the Eurostoxx® came off aggressively and failed to realise, with high components performance dispersion. Anticipating this effect, the Investment Manager rapidly favoured single stocks gamma exposure over exposure to the index but suffered from low realised volatility and therefore falling implied volatilities. Long volatility positions continued to be difficult to carry in February and March. Implied volatilities remained elevated but dropped dramatically as the macro data was strong and optimism mounted, due to the Greek agreement that was reached and to the LTRO. In the lead up to Easter, the market drifted lower day by day and therefore did not realise the high implied volatility and skew levels.

D.2 Results in the Fund from 1 January to 30 June 2012 (continued)

Later, as sovereign debt worries resurfaced, the positions carried positively, implied volatilities ticked higher but in very few prints and low activity. The Investment Manager believed most market participants were already long protection/convexity therefore there was no panic on the move down in May. With the level of stress rising on this sell-off, the Investment Manager decided to increase long gamma and vega exposure significantly to protect the Master Fund against possible major hiccups. Even though the premium between implied and realised volatilities remained high, the Investment Manager liked to pay theta to protect the overall Fund with a long gamma/vol exposure.

It is worth noting that declines on the market preceding macro events never resulted in a significant rise in implied volatilities, but saw a general flattening of the upside skew driven by large flows of upside call buyers instead. Following the Greek elections, the Spanish recap and the EU Summit, the drop in the implied volatility and the normalisation of the upside skew were even more pronounced. In this environment, the Master Fund's long gamma and vega positions suffered throughout June, locking some daily moves but often offset by the drop in implied volatilities. As implied volatility levels are historically low and the crisis is far from over in Europe, the Investment Manager is monitoring the situation continuously. The Investment Manager believes this environment favours its strengths in single name vol picking and gamma trading ahead of the upcoming earnings season.

<u>Equity strategies</u>

During the first quarter, in a more normalised market which was less driven by macroeconomic news, the Investment Manager saw stocks moving for fundamentals reasons. Monitoring liquidity carefully, the Investment Manager started to play events like corporate earnings and investor presentations, when it was expecting a significant announcement. The Investment Manager also noticed an acceleration in placements during the first 3 months of the year (€9.5bn). This was a sign that corporates were more comfortable with valuations and that they were less convinced their stocks were deeply undervalued. The Investment Manager participated in only a very selective number of placements.

In April and May, European markets declined due to the deteriorating situation in Spain, the Spanish banking capital needs exploding and the stress generated by a potential Greek exit from the eurozone. Macroeconomic indicators pointed to a slower growth than expected in Europe, in the US as well as in China. Fortunately the Period ended on a positive note thanks to European leaders agreeing to longer-term measures, including the EFSF/ESM support to peripheral sovereign and banks, during the EU Summit on 28-29 June.

On the risk arbitrage front, activity was fairly muted in Europe with no new major deals announced. Potential buyers were still wary of the Euro crisis and the macro uncertainty. Nevertheless a few of the existing situations were active during the Period (UPS on TNT Express, Glencore on Xstrata, and Vodafone on Cable & Wireless Worldwide). The Investment Manager still hopes that more deals will be announced later this year.

In this environment, the Investment Manager kept activity at a fairly low level and was very cautious in the Master Fund's positioning. This has been profitable as equity strategies contributed positively to the performance of the Master Fund thanks mostly to the Master Fund's liquid trades with short-term catalysts, in particular in financials, and to a lesser extent to the risk arbitrage and special situations trades.

For the time being, the Investment Manager remains focused on hard catalysts or liquid positions for the Master Fund's new investments and on taking the opportunity provided by depressed volatility to use options to express directional views on the one hand and to protect the book on the other.

<u>Credit strategies</u>

Credit strategies performed well in the first semester of 2012. This strategy represented around half of the whole Fund's gains over the period.

The first quarter 2012 was clearly a good period for risky assets and credit enjoyed solid positive returns. Mean reversion was a key theme given the outperformance in sectors that had underperformed in the second half of 2011 (senior and LT2 subordinated financials, UT2 and T1 hybrid securities, cyclical corporates). In financials in particular, the activity in the subordinated financials sector was dominated by voluntary Liability Management Exercises (LMEs), allowing issuers to create capital gains by tendering or exchanging instruments at a discount to par. The Investment Manager also focused its activity on non Basel 3 compliant instruments with short-dated first call dates trading at a discount to par. Indeed strong issuers continued to call at par their subordinated instruments, which will no longer qualify as capital from January 2013 with the Basel 3 implementation.

D.2 Results in the Fund from 1 January to 30 June 2012 (continued)

With macro uncertainties resurfacing in the course of March, the Investment Manager took the view that the market could turn rangy and behave very much according to the political and macro-agenda. As a result the Investment Manager monetised risk on most beta exposed positions focusing the long/short portfolio on special situations. As a result, the Long/Short book remained relatively resilient in Q2 in a weaker market environment.

This was successful. The performance of the credit strategies was well-balanced between the financial and corporate books. The corporate (non financial) performance was largely due to investments in Crossover, Pages Jaunes senior bonds and to a lesser extent in HeidelbergCement bonds.

The capital structure arbitrage contributed a slightly positive performance over the period. The Investment Manager took profits on a couple of capital structure positions over the period.

The Investment Manager will remain cautious in the coming months, whilst looking out for new opportunities.

Trading

Trading posted a negative return for the Period spread across the board.

E - Review of important events since the Period end

The Investment Manager continues to be fully committed to the strategies of the Company. Financial prospects will be linked to the level of opportunities created across the Company's strategies in the European corporate environment.

F - Principal Risks and Uncertainties

The equity at risk of the Master Fund, which is the main investment of the Company, is expected to be deployed in a very cautious way as the market environment remains uncertain. As the Company's liabilities are very low, the liquidity risk is limited. Investments other than the Fund are being financed through the Company's equity rather than using credit as there is currently no banking facility in place. Refer to the Company's annual audited financial statements for full disclosure and any changes.

G - Related Party Transactions

There have been no related party transactions during the period except for transactions described under notes 9-11 of the financial statements.

Emmanuel Gavaudan, Director of BGPL
as General Partner of BGAM, the Investment Manager

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2012 which comprises the Condensed Interim Statements of Financial Position, Condensed Interim Statements of Comprehensive Income, Condensed Interim Statements of Changes in Equity, Condensed Interim Statements of Cash Flows, and related notes 1 to 16. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP

Ernst & Young LLP
Guernsey
Date: **31 August 2012**

Boussard & Gavaudan Holding Limited
Condensed Interim Statements of Financial Position
30 June 2012

	Note	Company (Unaudited) As at 30 June 2012 Euro	Company (Audited) As at 31 December 2011 Euro	Group (Unaudited) As at 30 June 2012 Euro	Group (Audited) As at 31 December 2011 Euro
Assets					
Non-current Assets					
Investments at fair value through profit or loss	3	549,661,628	560,847,700	549,661,628	542,662,347
Property, plant and equipment		-	-	-	23,009,689
Other financial assets		-	-	-	68,181
Current Assets					
Inventory		-	-	-	21,197,140
Non-current assets held for sale	4	18,185,353	-	82,549,478	-
Forward foreign exchange derivatives contracts		-	289,383	-	289,383
Due to brokers		670,836	682,398	670,836	682,398
Other assets		-	-	-	26,543,219
Cash and cash equivalents		-	-	-	14,118,092
Total assets		**568,517,817**	**561,819,481**	**632,881,942**	**628,570,449**
Equity and Liabilities					
Non-current Liabilities	5	-	-	-	19,041,332
Current Liabilities					
Short term loan	6	500,000	4,000,000	500,000	4,000,000
Current portion of long-term borrowings and financial liabilities		-	-	-	2,378,443
Non-current liabilities held for sale	4	-	-	52,631,528	-
Forward foreign exchange derivatives contracts		446,320	-	446,320	-
Performance fees		3,638,142	500,843	3,638,142	500,843
Management fees		2,141,602	2,189,073	2,141,602	2,189,073
Other liabilities	7	124,062	215,640	124,062	34,750,004
Bank overdraft		-	-	-	5,585
Total liabilities		**6,850,126**	**6,905,556**	**59,481,654**	**62,865,280**
Equity					
Share capital	12	511,878,860	511,879,254	511,878,860	511,879,254
Distributable reserve		14,706,647	59,746,046	14,706,647	59,746,046
Retained earnings		38,153,092	12,312,082	46,772,574	20,175,719
Sub-total		564,738,599	583,937,382	573,358,081	591,801,019
Treasury shares	13	(3,070,908)	(29,023,457)	(3,070,908)	(29,023,457)
Equity excluding non-controlling interest		**561,667,691**	**554,913,925**	**570,287,173**	**562,777,562**
Non-controlling interest		-	-	3,113,115	2,927,607
Total equity including non-controlling interest		**561,667,691**	**554,913,925**	**573,400,288**	**565,705,169**
Total Equity and Liabilities		**568,517,817**	**561,819,481**	**632,881,942**	**628,570,449**
Net asset value per share:					
EURO shares outstanding 37,960,856 (2011: 39,652,214)		€ 14.1674	€ 13.4423	€ 14.4647	€ 13.7045
GBP shares outstanding 1,496,750 (2011: 1,496,750)		£12.8788	£12.2280	£ 13.1190	£12.4472

The condensed interim financial statements were approved by the Board of Directors on 31 August 2012 and signed on its behalf by:

Christopher Fish | **Andrew Henton**

Christopher Fish
Chairman

Andrew Henton
Director

The accompanying notes on pages 25 to 31 form an integral part of these condensed interim financial statements.

Boussard & Gavaudan Holding Limited
Condensed Interim Statements of Comprehensive Income
For the six months ended 30 June 2012

	Note	Company (Unaudited) For six months ended 30 June 2012	Company (Unaudited) For six months ended 30 June 2011	Group (Unaudited) For six months ended 30 June 2012	Group (Unaudited) For six months ended 30 June 2011 Restated
		Euro	Euro	Euro	Euro
Income					
Net realised gain on investments at fair value through profit or loss		593,752	3,836,095	593,752	3,836,095
Change in unrealised gain on investments at fair value through profit or loss		32,636,651	14,820,876	32,636,651	14,820,876
Net gain on investments at fair value through profit or loss		33,230,403	18,656,971	33,230,403	18,656,971
Realised and unrealised foreign currency (loss)/gain on forward derivatives contracts		642,092	(911,778)	642,092	(911,778)
Other realised and unrealised foreign currency (loss)		(4,253)	(1,225)	(4,253)	(1,225)
		33,868,242	17,743,968	33,868,242	17,743,968
Dividend income		112,439	-	112,439	-
Interest income		-	99,775	-	99,775
Total income		**33,980,681**	**17,843,743**	**33,980,681**	**17,843,743**
Trading Expense					
Interest expense		16,308	98,863	16,308	98,863
Company expenses					
Performance fees	11	3,638,142	4,263,980	3,638,142	4,263,980
Management fees	11	4,273,272	5,139,687	4,273,272	5,139,687
Administrative fees	10	64,332	68,052	64,332	68,052
Directors fees	9	63,249	55,000	63,249	55,000
Professional fees		719	18,125	719	18,125
Audit fees		48,783	24,002	48,783	24,002
Other expenses		34,866	75,376	34,866	75,376
Total expenses		**8,139,671**	**9,743,085**	**8,139,671**	**9,743,085**
Net income before tax		**25,841,010**	**8,100,658**	**25,841,010**	**8,100,658**
Income tax expense		-	-	-	-
Profit for the period from continuing operations		**25,841,010**	**8,100,658**	**25,841,010**	**8,100,658**
Profit for the period from discontinued operations	4	-	-	923,353	6,408,237
Profit for the period		**25,841,010**	**8,100,658**	**26,764,363**	**14,508,895**
Attributable to:					
Owners of the Company				26,613,127	13,437,205
Non-controlling interest				151,236	1,071,690
				26,764,363	**14,508,895**
Basic and diluted earnings per share					
EURO €23,878,786 / 38,551,442 shares (2011: €19,103,266 Profit / 45,908,412 shares)		€ 0.6194	€ 0.1984	€ 0.6194	€ 0.1984
GBP £1,745,942 / 1,496,750 shares (2011: £371,186 Profit / 1,932,543 shares)		£1.1665	£0.1921	£1.1665	£0.1921

The accompanying notes on pages 25 to 31 form an integral part of these condensed interim financial statements.

Boussard & Gavaudan Holding Limited
Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2012

Company (Unaudited) **As at 30 June 2012**		**Share Capital**	**Share Premium**	**Distributable Reserve**	**Treasury Shares**	**Retained Earnings**	**Total Equity**
	Note	**Euro**	**Euro**	**Euro**	**Euro**	**Euro**	**Euro**
Balance as at 1 January 2012		4,115	511,875,139	59,746,046	(29,023,457)	12,312,082	554,913,925
Profit for the period		-	-	-	-	25,841,010	25,841,010
Treasury Shares acquired	13	-	-	-	(19,087,244)	-	(19,087,244)
Treasury Shares cancelled	13	(394)	-	(45,039,399)	45,039,793	-	-
Balance as at 30 June 2012		3,721	511,875,139	14,706,647	(3,070,908)	38,153,092	561,667,691

Company (Unaudited) **As at 30 June 2011**		**Share Capital**	**Share Premium**	**Distributable Reserve**	**Treasury Shares**	**Retained Earnings**	**Total Equity**
	Note	**Euro**	**Euro**	**Euro**	**Euro**	**Euro**	**Euro**
Balance as at 1 January 2011		4,934	511,875,139	150,726,170	(20,863,074)	41,428,985	683,172,154
Profit for the period		-	-	-	-	8,100,658	8,100,658
Treasury Shares acquired	13	-	-	-	(51,948,325)	-	(51,948,325)
Treasury Shares cancelled	13	(400)	-	(46,379,131)	46,379,571	-	-
Balance as at 30 June 2011		4,534	511,875,139	104,347,039	(26,431,828)	49,529,643	639,324,487

Boussard & Gavaudan Holding Limited
Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2012

Group (Unaudited) As at 30 June 2012	Note	Share Capital	Share Premium	Distributable Reserve	Treasury Shares	Retained Earnings	Total Equity excluding non-controlling interest	Non-controlling interest	Total Equity
		Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Balance as at 1 January 2012		4,115	511,875,139	59,746,046	(29,023,457)	20,175,719	562,777,562	2,927,607	565,705,169
Profit for the period		-	-	-	-	26,613,127	26,613,127	151,236	26,764,363
Minority interest variation						(16,272)	(16,272)	34,272	18,000
Treasury Shares acquired	13	-	-	-	(19,087,244)	-	(19,087,244)	-	(19,087,244)
Treasury Shares cancelled	13	(394)	-	(45,039,399)	45,039,793	-	-	-	-
Balance as at 30 June 2012		3,721	511,875,139	14,706,647	(3,070,908)	46,772,574	570,287,173	3,113,115	573,400,288

Group (Unaudited) As at 30 June 2011	Note	Share Capital	Share Premium	Distributable Reserve	Treasury Shares	Retained Earnings	Total Equity excluding non-controlling interest	Non-controlling interest	Total Equity
		Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Balance as at 1 January 2011		4,934	511,875,139	150,726,170	(20,863,074)	41,428,985	683,172,154	-	683,172,154
Acquisition of subsidiaries		-	-	-	-	-	-	1,460,800	1,460,800
Profit for the period		-	-	-	-	13,437,205	13,437,205	1,071,690	14,508,895
Treasury Shares acquired	13	-	-	-	(51,948,325)	-	(51,948,325)	-	(51,948,325)
Treasury Shares cancelled	13	(400)	-	(46,379,131)	46,379,571	-	-	-	-
Balance as at 30 June 2011		4,534	511,875,139	104,347,039	(26,431,828)	54,866,190	644,661,034	2,532,490	647,193,524

The accompanying notes on pages 25 to 31 form an integral part of these condensed interim financial statements.

Boussard & Gavaudan Holding Limited
Condensed Interim Statements of Cash Flows
For the six months ended 30 June 2012

	Note	Company (Unaudited) For six months ended 30 June 2012 Euro	Company (Unaudited) For six months ended 30 June 2011 Euro	Group (Unaudited) For six months ended 30 June 2012 Euro	Group (Unaudited) For six months ended 30 June 2011 Euro
Net cash used in operating activities	8	**(5,021,673)**	**(15,528,174)**	**(4,357,238)**	**(10,081,637)**
Cash flows from investing activities					
Purchase of investments at fair value through profit or loss	3	-	(20,625,457)	-	(2,440,104)
Sales of investments at fair value	3	26,231,122	72,270,667	26,231,122	72,270,667
Purchase of net property, plant and equipment and intangible assets		-	-	-	(1,769,661)
Disposal of net property, plant and equipment and intangible assets		-	-	-	36,500
Purchase of subsidiary		-	-	-	(25,723,150)
Net cash used in investing activities from discontinued operations		-	-	(720,011)	-
Net cash provided by investing activities		**26,231,122**	**51,645,210**	**26,231,122**	**42,374,252**
Cash flows from financing activities					
Treasury shares acquired	13	(19,087,244)	(51,948,325)	(19,087,244)	(52,089,978)
Purchase of subsidiary shares by non-controlling interest		-	-	-	1,582,800
Net cash flow from foreign exchange forward derivative contracts		1,377,795	(668,711)	1,377,795	(668,711)
Repayment of other short term loan	6	(18,300,000)	(45,500,000)	(18,300,000)	(45,500,000)
Proceeds from other short term loan	6	14,800,000	62,000,000	14,800,000	62,000,000
Repayment of long term borrowings		-	-	-	(15,996,105)
Proceeds from long term borrowings		-	-	-	21,850,172
Net financial interest paid		-	(15,495)	-	(166,342)
Net cash used in financing activities from discontinued operations		-	-	(3,649,543)	-
Net cash used in financing activities		**(21,209,449)**	**(36,117,036)**	**(21,209,449)**	**(28,821,822)**
Net movement in cash and cash equivalents		**-**	**-**	**(3,705,119)**	**3,470,793**
Cash and cash equivalents					
Beginning of the period		-	-	14,112,507	-
Cash and cash equivalents at 30 June 2012 *		**-**	**-**	**10,407,388**	**3,470,793**
Cash and cash equivalents					
Short term bank balances		-	-	10,412,392	3,478,369
Bank overdraft		-	-	(5,004)	(7,576)
Cash and cash equivalents at 30 June 2012 *		**-**	**-**	**10,407,388**	**3,470,793**

* All cash and cash equivalents relate to discontinued operations.

The accompanying notes on pages 25 to 31 form an integral part of these condensed interim financial statements.

1. General information

Company information

Boussard & Gavaudan Holding Limited (the "Company") is a closed-ended investment company registered and incorporated on 3 October 2006, under the laws of Guernsey. Since 3 November 2006 the Company's shares are listed and traded on the Eurolist Market operated by Euronext Amsterdam by NYSE Euronext. Prior to the listing of the Company, there was not a public market for the shares. Upon listing and trading of the shares on Euronext Amsterdam the Company is subject to Dutch securities regulations and to supervision by the relevant Dutch authorities. The Company is registered with the Dutch Authority for the Financial Markets as a collective investment scheme.

On 28 July 2008, the Company's shares were also admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities. Upon admission to the Official List of the UK Listing Authority the Company is subject to the UK Listing Authority's Listing, Prospectus, Disclosure and Transparency Rules, save where Dutch securities regulations take precedence.

At the time of this dual listing, the Company created a class of shares denominated in Sterling (the "Sterling Shares") through the conversion of existing Euro shares into new Sterling shares at the prevailing net asset value ("NAV") per Euro share at 30 June 2008. From this date, shareholders have been able to convert their existing holding of shares in the Company from one class into another class first on a quarterly and now on an annual basis, provide that the procedure published on the Company's website has been compiled with.

2.2 Basis of preparation

The interim financial statements have been prepared in accordance with and comply with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Unionand with legislation and rules pertaining to Amsterdam Euronext and London Stock Exchange Listing.

The interim financial statements have been prepared on the same basis as the annual financial statements as at 31 December 2011, with the exception of non-current assets held for sale. The Company holds private investments and approximately 4.87% of its assets under management were so invested as of 30 June 2012. In June 2012, the Company decided that it would not make new private investments and would aim to sell all existing private investments as soon as possible. The Company has instructed the Investment Manager to grant a mandate to Alexis Chevriere, acting through his firm Tordouet, to organise the disposal of Compagnie des Minquiers within the next 12 months. As such, the investment in Compagnie Des Minquiers has been accounted for as assets held for sale in accordance with IFRS 5, "non-current assets held for sale and discontinued operations". Compagnie Des Minquiers is available for immediate sale in its current condition and a sale is considered to be highly probable.

These financial statements do not include all the information and disclosures required in annual financial statements, and should therefore be read in conjunction with the Company's annual financial statements for the year ended 31 December 2011, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The IFRSs adopted by the Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 30 June 2012.

2.3 Comparatives and discontinued operations

Comparative information for the Condensed Interim Statement of Comprehensive Income, Condensed Interim Statement of Changes in Equity and Condensed Interim statement of Cash Flows has been provided for the six months from 1 January 2011 to 30 June 2011 for both the Group and the Company. Comparative information for the Condensed Interim Statement of Financial Position and Condensed Interim Statement of Changes in Equity have been provided for the year from 1 January 2011 to 31 December 2011 for both the Group and the Company. In the Condensed Interim Statement of Comprehensive Income of the reporting period, and of the comparable period of the previous comparable period, income and expenses from discontinued operations are reported separate from income and expenses from continuing activities, down to the level of profit after tax. The resulting profit or loss is reported separately in the Condensed Interim Statement of Comprehensive Income. Refer to note 4.

3. Investments in financial instruments through profit or loss

	Company (Audited) As at 30 June 2012 Euro	Company (Audited) As at 31 December 2011 Euro	Group (Unaudited) As at 30 June 2012 Euro	Group (Audited) As at 31 December 2011 Euro
Investments in BG Fund Cost €511,768,805 (2011: €536,709,981)	536,119,036	529,455,817	536,119,036	529,455,817
Investments in Listed equity deals Cost €4,754,899 (2011: €5,448,581)	4,199,572	4,051,369	4,199,572	4,051,369
Investments in Private equity deals Cost €26,220,589 (2011: €26,220,589)	27,337,733	27,150,611	9,152,388	8,965,258
Investment in money market fund Cost €187,542 (2011: €187,542)	190,640	189,903	190,640	189,903
Less: Non-current asset held for sale Cost €7,274,141 (2011: €NIL)	(18,185,353)	-		
Total	**549,661,628**	**560,847,700**	**549,661,628**	**542,662,347**

	Company (Audited) As at 30 June 2012 Euro	Company (Audited) As at 31 December 2011 Euro	Group (Unaudited) As at 30 June 2012 Euro	Group (Audited) As at 31 December 2011 Euro
Investments				
Beginning cost	568,566,693	692,101,443	568,566,693	692,101,443
Additions	-	26,074,038	-	26,074,038
Disposals of other investments	(26,273,828)	(155,966,477)	(26,273,828)	(155,966,477)
Disposal of Non-current asset held for sale	(18,185,353)	-	(18,185,353)	-
Related party transactions			-	(18,185,353)
Realised gain	638,970	6,357,689	638,970	6,357,689
Ending Cost	524,746,482	568,566,693	524,746,482	550,381,340
Unrealised gains on investments at fair value through profit and loss	24,915,146	(7,718,993)	24,915,146	(7,718,993)
Investments at fair value through profit or loss:	**549,661,628**	**560,847,700**	**549,661,628**	**542,662,347**

4. Discontinued operations

Management has committed to a plan to sell Compagnie Des Minquiers. As a result, CDM has, in the current period, been presented as a discontinued operation as set out below.

	CDM (Unaudited) 6 Months to 30 June 2012 Euro	CDM (Unaudited) 6 months to 30 June 2011 Euro
Results of discontinued operation		
Revenue	66,688,797	43,903,738
Expenses	(65,042,444)	(36,683,188)
Results from operating activities	1,646,353	7,220,550
Tax	(723,000)	(812,313)
Profit for the period	**923,353**	**6,408,237**

Compagnie Des Minquiers is presented as a disposal group held for sale. At 30 June the disposal group comprised the following assets and liabilities.

4. Discontinued operations (continued)

Non-current assets held for sale	30 June 2012 Euro	CDM (Unaudited) 30 June 2012 Euro
Non-current assets		**22,457,695**
Intangible assets	38,926	
Tangible capital assets	22,372,174	
Receivables and other financial assets	46,595	
Current assets		**60,091,783**
Stock and work-in-progress inventory	24,507,275	
Trade noted and accounts receivable	20,467,140	
Other current assets	4,704,976	
Cash and cash equivalents	10,412,392	
Total assets		**82,549,478**

Non-current liabilities held for sale	30 June 2012	CDM Unaudited 30 June 2012
Non-current liabilities		**17,312,517**
Borrowings and long-term financial liabilities	12,267,617	
Long-term provisions	2,675,643	
Deferred taxes	2,236,093	
Other Liabilities	133,164	
Current liabilities		**35,319,011**
Trade notes and accounts payable	26,084,945	
Short-term banking liabilities	5,004	
Current portion of long-term borrowings and financial liabilities	2,314,241	
Short-term provisions	110,000	
Other liabilities	6,804,821	
Total liabilities		**52,631,528**

The above analysis shows non-current assets and liabilities from CDMs perspective. From the group's perspective these items are current.

Basic and diluted earnings per share from discontinued operations	Group (Unaudited) For six months ended 30 June 2012	Group (Unaudited) For six months ended 30 June 2011
EURO €923,353 / 37,960,856 shares (2011: €6,408,237 Profit / 45,908,412 shares)	€ 0.0234	€ 0.1420
GBP £745,986 / 1,496,750 shares (2011: £5,792,213 Profit / 1,932,543 shares)	£ 0.0189	£0.1283

5. Non-current liabilities

Non-current liabilites at 31 December 2011 principally comprise long term borrowings of CDM.

6. Other short term financing

The Company's share buy-back programme is financed by redemptions of BG Fund shares. BG Fund has a monthly liquidity with 60 days notice, which means that redemptions are payable at most once in every calendar month. The Company does not know in advance the amounts and frequency of share buy-backs for any given month. As a result, every month the Company needs a short-term financing, which it meets by issuing variable funding notes.

In compliance with its investment policy, BG Fund agreed, from 2 November 2010, to subscribe for such interest-bearing variable funding notes issued by the Company up to a principal amount of €25 million. Although the stated maturity of the notes is 18 months from their issue date, the Company has the option to redeem at any time the notes at par on a 2 business days' notice, which it does every month by applying the proceeds of BG Fund shares redemptions.

The terms of the notes are at arm's length and have been approved by the Board of the Company. The Company pays interest at an annual rate equal to a 1.5 percent spread over the 1 month Euribor. In addition, BG Fund may at any time, on a 90 calendar days notice, require the Company to redeem all notes at par.

As of 30 June 2012, the total amount due under the notes was €500,680 (outstanding principal: €500,000; interest accrued: €680), (2011: €4,004,512 (outstanding principal: €4,000,000; interest accrued: €4,512)). Transactions are summarised below:

	Company (Unaudited) As at 30 June 2012	Company (Unaudited) As at 31 December 2011	Group (Unaudited) As at 30 June 2012	Group (Unaudited) As at 31 December 2011
	Euro	**Euro**	**Euro**	**Euro**
Beginning principal outstanding	(4,000,000)	(6,000,000)	(4,000,000)	(6,000,000)
Repayments	18,300,000	45,500,000	18,300,000	45,500,000
Drawdown	(14,800,000)	(62,000,000)	(14,800,000)	(62,000,000)
Ending principal outstanding	(500,000)	(22,500,000)	(500,000)	(22,500,000)
Accrued Interest (see note 6)	(680)	(29,857)	(680)	(29,857)
Other short term loan at fair value	**(500,680)**	**(22,529,857)**	**(500,680)**	**(22,529,857)**

7. Other liabilites

Other liabilites at 31 December 2011 arise principally in CDM and are shown in the analysis in note 4.

8. Net cash used in operating activities

	Company (Unaudited) As at 30 June 2012 Euro	Company (Unaudited) As at 30 June 2011 Euro	Group (Unaudited) As at 30 June 2012 Euro	Group (Unaudited) As at 30 June 2011 Euro
Net profit from continuing operations	25,841,010	8,100,658	25,841,010	14,508,895
Net profit from discontinued operations	-	-	923,353	-
Adjustments to reconcile net profit to net cash used in operating activities:				
Unrealised gain on financial instruments at fair value through profit and loss	(32,636,651)	(14,820,876)	(32,636,651)	(14,820,876)
Realised gain on financial instruments at fair value through profit and loss	(593,752)	(3,836,095)	(593,752)	(3,836,095)
Realized and unrealized foreign currency loss/(gain) on forward derivatives contracts	(642,092)	911,778	(642,092)	911,778
Increase in net allowances for amortization and provisions	-	-	-	(3,775,076)
Increase in other calculated income and expenses	-	-	-	(53,083)
Income tax expense	-	-	-	(448,541)
(Increase)/decrease in interest receivable	-	(41,250)	-	149,935
(Increase)/decrease in due from brokers	11,562	(851,581)	11,562	(851,581)
Increase in due to brokers	(86,079)	6,608,872	(86,079)	6,608,872
Decrease in performance fee payable	3,137,299	(14,149,793)	3,137,299	(14,149,793)
Increase/(decrease) in management fee payable	(47,471)	2,543,960	(47,471)	2,543,960
Increase/(decrease) in administrative fee payable	(1,667)	1,667	(1,667)	1,667
Decrease in audit fees payable	-	(5,816)	-	(5,816)
Decrease in legal fees payable	-	(14,541)	-	(14,541)
Decrease in trade notes and accounts receivable	-	-	-	2,212,632
Increase in trade notes and accounts payable	-	-	-	3,447,418
Change in other net current assets / liabilities	(3,832)	-	(3,832)	1,199,497
Decrease in inventory	-	-	-	(1,428,298)
Net financial interest paid	-	-	-	(166,342)
Tax paid	-	-	-	(2,116,249)
Net cash flow from discontinued operations			(258,918)	
Net cash used in operating activities	**(5,021,673)**	**(15,528,174)**	**(4,357,238)**	**(10,081,637)**

9. Related Party transactions

There have been related party transactions as set out below over the period and as disclosed in notes 10 and 11. The Directors are paid an annual fee of €23,000; the Chairman is entitled to receive €41,500 per annum and the Chairman of the audit committee entitled to receive on additional fee of €7,500 per annum. Other related party transaction are set out in notes 10 and 11.

10. Administration fees

Kleinwort Benson Fund Services Limited, the Administrator, is entitled to an annual fee of £60,000 per annum. In addition, the Administrator outsources the accounting to GlobeOp Financial Services LLC for an annual service fee equal to €20,000 payable monthly.

11. Management fees and Performance fees

The Company has appointed Boussard & Gavaudan Asset Management, LP as investment manager pursuant to an investment management agreement entered into on 13 October 2006.

11. Management fees and Performance fees (continued)

Under the Investment Management Agreement, the Investment Manager has been given responsibility for the day-to-day discretionary management of the Company's assets in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors. There have been no changes in the arrangement with the Investment Manager since 31 December 2011. The annual report and the financial statements as at 31 December 2011 provide more information on the management fees and performance fees

For the period ended 30 June 2012 the Management fees were €4,273,272 (for the six months ended 30 June 2011: €5,139,687), at 30 June 2012 €2,141,602 (31 December 2011: €2,189,073) was payable.

For the period ended 30 June 2012, the Performance fees were €3,638,142 (for the six months ended 30 June 2011: €4,263,980), at 30 June 2012 €3,638,142 (31 December 2011: €500,843) was payable.

12. Share Capital

Allotted, issued and fully paid (net of treasury shares)

As on 30 June 2012	**Shares**	**Euro**
Class A EURO of € 0.0001	37,960,856	3,796
Class A GBP of € 0.0001	1,496,750	150

As on 31 December 2011	**Shares**	**Euro**
Class A EURO of € 0.0001	39,652,214	3,965
Class A GBP of € 0.0001	1,496,750	150

Movements in shares during the year are described in note 13. The Company continues to present a share premium account to show the historical amount of premium shares issued, although no such account is required under the Laws of Guernsey.

13. Treasury shares

The acquisition of treasury shares started on 27 February 2008. The Company holds 0.96% (2011: 6.00%) of its issued share capital in treasury shares which represents 382,715 shares on 30 June 2012.

Company's allotted, issued and fully paid share capital

Prior to the effect of the treasury shares held at €0.0001 each

	Nominal Euro	**Shares Euro**	**Nominal GBP**	**Shares GBP**
30 June 2012	€ 3,834.3571	38,343,571	€ 149.6750	1,496,750
31 December 2011	€ 44,228.0976	42,280,976	€ 149.6750	1,496,750

After the effect of the treasury shares acquired at €0.0001 each

	Nominal Euro	**Shares Euro**	**Nominal GBP**	**Shares GBP**
30 June 2012	€ 3,796.0856	37,960,856	€ 149.6750	1,496,750
31 December 2011	€ 3,965.2214	39,652,214	€ 149.6750	1,496,750

Activity

The Company has bought back the following shares during the period

	Number of EUR shares	**EUR amount**	**Average Price**	**Number of GBP shares**	**GBP amount**	**Average Price**
For the six months ended 30 June 2012	1,691,358	€ 19,087,246	€ 11.2852	-	-	-
For the six months ended 30 June 2011	4,204,481	€ 51,948,325	€ 12.3555	-	-	-

The Company has cancelled the following shares during the period

	Number of EUR shares	**EUR amount**	**Average Price**	**Number of GBP shares**	**GBP amount**	**Average Price**
For the six months ended 30 June 2012	3,937,406	€ 45,039,793	€ 11.4390	-	-	-
For the six months ended 30 June 2011	4,000,000	€ 46,379,571	€ 11,5949	-	-	-

14. Total Expense Ratio

Total expense ratios for period ended 30 June 2012 are as below.

	Total Expense Ratio
Total Operating Expense	2.86%
Total Opearting Expenses excluding Management fees and Performance fees	0.07%
Total Operating Expense excluding Management fees and Performance fees, administartor	0.05%

15. Post balance sheet events

There were no material post balance sheet events subsequent to period end.

16. Approval of financial statements

The financial statements were approved on 31 August 2012 at which date these financial statements were considered final.