CONDENSED HALF YEARLY REPORT AND UNAUDITED INTERIM FINANCIAL STATEMENTS

Boussard & Gavaudan Holding Limited

For the six months ended 30 June 2013

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Nicolas Wirz
Andrew Henton

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The Directors present their half yearly report and interim condensed financial statements for the six months ended 30 June 2013 (the "Period").

Principal Activities

From 1 January to 30 June 2013, Boussard & Gavaudan Holding Limited ("BGHL") had invested substantially all of its assets in BG Fund ("BG Fund"), a Europe-focused multi-strategy hedge fund established in Ireland and authorised by the Central Bank as a Qualified Investor Fund (QIF). BG Fund aims primarily at arbitraging instruments with linear or non-linear pay-offs on equities and credit markets. The overall investment objective of BG 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, L.P. ("BGAM" or the "Investment Manager") is the Investment Manager of BGHL and BG Fund.

Additionally, approximately 6.1% of BGHL's NAV were invested in assets other than BG Fund as of 30 June 2013.

Following completion of the GFI transaction described hereafter, it is expected that approximately 9.8% of BGHL's NAV as of 26 August 2013 will be invested in assets other than BG Fund.

In relation to the current position in GFI Informatique ("GFI") (1,584,744 shares worth approximately €5.9m as of 30 June 2013), BGHL signed on 7 June 2013 a shareholders' agreement in order to act in concert with the two main shareholders of GFI. GFI is one of the leading IT services firms in France and Southern Europe, employing 10,000 people at the end of 2012.

In compliance with applicable regulations, the concert party through Infofin Participations (an entity created for this purpose, hereafter "Infofin"), filed a mandatory public tender offer with the French Autorité des Marchés Financiers (AMF) for all of the outstanding shares and bonds giving access to GFI's share capital or voting rights not yet held by the concert party.

Under the shareholders' agreement BGHL agreed to invest - after completion of the public offer - in bonds to be issued by Infofin and exchangeable into GFI shares. BGHL will complete on 26 August 2013 its subscription of Infofin exchangeable bonds for an amount of approximately €20.4m or circa 3.6% of BGHL's NAV as of 26 August 2013.

The Board expects this transaction to drive value realisation for the benefit of BGHL's shareholders in the medium to long term.

Review of Recent Developments

The performance of BGHL is driven primarily by the financial results of BG Fund and, to a lesser extent, from the accretive effect of the share buy back. Over the Period, the contribution to the performance of BGHL of the investments in assets other than BG Fund has been marginal.

BG Fund

From 1 January to 30 June 2013, the NAV of BG Fund's Euro A share class posted a 2.91% return.

Over the five year period ended on 30 June 2013, the NAV of BG Fund's (and previously Sark Fund Limited's) Euro A shares posted an annualised return of 3.82% with an annualised volatility of 7.74%. This compares with the following hedge fund index:

Index	Annualised return	Annualised volatility
HFRI Fund Weighted Composite Index	2.48%	7.69%

The Directors are satisfied with BG Fund's strategies and performance. The Board believes that in the light of the performance of the portfolio, the continuing appointment of BGAM as BGHL's Investment Manager on the terms agreed under the agreement dated 13 October 2006 is in the interest of shareholders as a whole. Details of the agreement are explained in note 15 of the annual report.

BGHL

The Euro shares closed at €12.06 on 30 June 2013, up 4.9% over the Period, and the Sterling shares saw a 6.7% increase, closing at £10.51. Whilst the NAV of the Euro shares went up 3.4% to €15.21 and the NAV of the Sterling shares went up 3.2% to £13.76, the discount to NAV at which the shares were trading decreased from 21.8% to 20.7% for the Euro shares and decreased from 26.1% to 23.6% for the Sterling shares.

During the period, the price of BGHL's Euro shares (+4.9%) and Sterling shares (+6.7%) outperformed the HFRI Fund Weighted Composite Index (+3.31%).

Finally, BGHL 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 assets under management were €567m at 30 June 2013 down from €577m at 31 December 2012.

Results for the Period and State of Affairs at 30 June 2013

The Condensed Interim Statement of Financial Position and the Condensed Interim Statement of Comprehensive Income for the six months ended 30 June 2013 are set out in the enclosed financial statements.

Directors

The Directors at 30 June 2013 were:
- Christopher Fish, Chairman;
- Nicolas Wirz;
- Sameer Sain (retired 11 July 2013); and
- Andrew Henton.

Mr Christopher Fish was re-elected at the annual general meeting held in 2011. Mr Andrew Henton and Mr Nicolas Wirz were re-elected at the annual general meeting held on 5 July 2012.

Mr Sameer Sain retired at the last annual general meeting held on 11 July 2013 and did not offer himself for re-election. The Board expresses its thanks to Mr Sain for his contribution to BGHL during his tenure.

Save as disclosed in this half yearly report and condensed interim financial statements, BGHL 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 2013, Christopher Fish had invested, directly or indirectly, in 8,631 ordinary Euro shares of BGHL. Sameer Sain had invested, directly or indirectly, in 10,000 ordinary Euro shares of BGHL and Nicolas Wirz had invested, directly or indirectly, in 16,168 ordinary Euro shares of BGHL.

Audit Committee

An Audit Committee, with defined terms of reference and duties, has been established and comprised the following members as of 30 June 2013: Andrew Henton (Chairman), Nicolas Wirz, Christopher Fish and Sameer Sain (retired 11 July 2013).

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

The Committee meets at least twice a year when BGHL's half-yearly and annual financial reports to Shareholders are to be considered by the Board and, where possible, the Audit Committee meetings precede the relevant Board meeting.

The Committee's responsibilities which were discharged during the Period include *inter alia*:
- monitoring and reviewing the integrity of the semi-annual and annual financial reports and the internal financial controls;
- making recommendations to the Board in relation to the appointment of the external auditors and approving their remuneration and the terms of their engagement;
- developing and implementing policies on the engagement of the external auditors to supply non-audit services;
- reviewing and monitoring the independence, objectivity and effectiveness of the external auditors;
- reviewing the arrangements in place within the Investment Manager whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting;

The Committee's responsibilities which were discharged during the Period include *inter alia* (continued):

- reviewing the terms of the Investment Management Agreement; and
- considering annually whether there is a need for BGHL to have its own internal audit function.

BGHL considers that the Audit Committee's performance of its duties fulfils the requirements of C.3.2 of the UK Corporate Governance Code.

The Audit Committee has not awarded any non-audit work. The full Board would anyway have to approve any non-audit work. Ernst & Young LLP have been re-appointed as auditors at the latest annual general meeting. The Audit Committee has considered the experience and tenure of the audit partner and staff and the nature and level of services provided. The Committee has received confirmation from the auditors that they have complied with the relevant UK professional and regulatory requirements on independence.

Members of BGHL's Audit Committee meet representatives of the Investment Manager to review systems and controls and their practical implementation. The objective of such meetings is to ensure the proper conduct of the business in accordance with the regulatory environment in which both BGHL and the Investment Manager operate. BGHL's external auditors also meet with management in order to obtain any information and explanations required for their audit.

The Terms of Reference for the Audit Committee are available via BGHL's website (www.bgholdingltd.com, http://www.bgholdingltd.com/auditcommitee.php).

Internal Controls

In accordance with the provisions of C.2.1 of the UK Corporate Governance Code, the Audit Committee has conducted a review of BGHL's system of internal controls and is satisfied that they are sufficient to withstand the risks to which BGHL is subject.

The Board is ultimately responsible for BGHL's system of internal controls and for reviewing its effectiveness. The Board has developed a framework that is designed to identify, evaluate and manage the primary operating risks faced by BGHL. The framework specifies an ongoing review timetable that ensures at least an annual review of BGHL's system of internal controls, including financial, operational, compliance and risk management.

The Board has delegated the management of BGHL's investment portfolio, the provision of custody services, the administration, registrar and corporate secretarial functions (including the independent calculation of BGHL's Net Asset Value); and the production of the annual financial reports, which are independently audited. The Board retains accountability for the functions it delegates and is responsible for the system of internal controls. Formal contractual arrangements have been put in place between BGHL and the providers of these services.

BGHL has appointed Boussard & Gavaudan Asset Management, LP as Investment Manager pursuant to an investment management agreement entered into on 13 October 2006. The Board has reviewed the performance of the Investment Manager and is satisfied that the continuing appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders. Please refer to the above section entitled "Review of Recent Developments" of this report for a review of the performance of BGHL. Also, please refer to note 7 to the financial statements for further details on the terms of the investment management agreement.

Compliance reports are provided at each quarterly Board meeting by BGHL's Secretary.

Relations with Shareholders

While BGHL 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 BGHL, should they wish to have a dialogue and/or provide any feedback. Finally, if required, BGHL 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

28 August 2013

Statement of Director's responsibilities

For the six months ended 30 June 2013

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

(a) the Interim Management Report and Financial Highlights include a fair review of the development and performance of the business and the position of BGHL together with a description of the principal risks and uncertainties that BGHL faces as required by the Disclosure and Transparency Rules of the UK Listing Authority and related party transactions;

(b) the interim condensed financial statements for the period ended 30 June 2013 have been prepared in accordance with IAS 34 'Interim Financial Reporting', and give a true and fair view of the assets, liabilities, financial position and profit of BGHL.

By order of the Board

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

28 August 2013

A- Background and Highlights

A.1 Background

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

On 28 July 2008, BGHL'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, BGHL 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, as of 30 June 2008. Shareholders can convert their existing holding of shares in BGHL from one class into another class on a yearly basis, subject to satisfying certain requirements.

Through its investment in BG Fund (formerly "Boussard & Gavaudan Fund plc") managed by Boussard & Gavaudan Asset Management, which constitutes its main investment, BGHL is sensitive to equity and volatility prices as well as to credit spreads. BGHL is exposed to other market factors but to a lesser extent.

From 1 January to 30 June 2013 ("the period"), European equity markets were down, with the Eurostoxx 50® at -1.3%. Volatility on stock markets increased: the VDAX index moved from 16.1% to 19.2% and the VStoxx® index from 21.4% to 21.8%. Credit spreads tightened, the iTraxx Crossover index finished at 475bps from 482bps.

A.2 Highlights

As of 30 June 2013, BGHL's assets under management were approximately €567 million, down from €577 million at 31 December 2012.

A.2.1 Performance

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

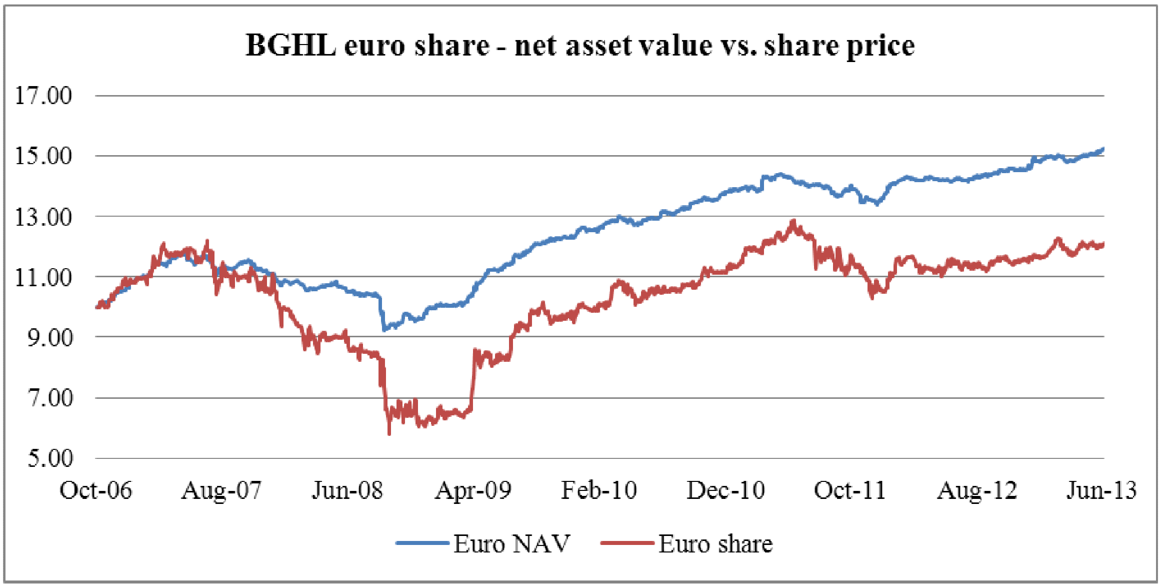
	30 June 2013	31 December 2012	Variation
Euro share price[1]	€12.06	€11.50	+4.9%
Euro share NAV	€15.21	€14.71	+3.4%

	30 June 2013	31 December 2012	Variation
Sterling share price[2]	£10.51	£9.85	+6.7%
Sterling share NAV	£13.76	£13.33	+3.2%

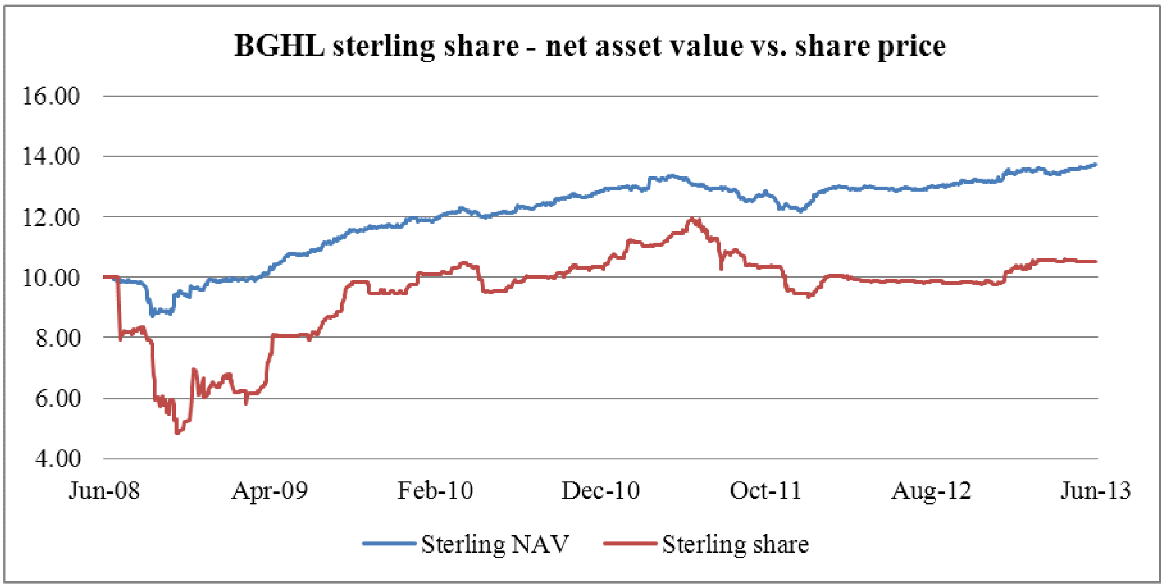
During the period, the price of BGHL's Euro shares (+4.9%) and Sterling shares (+6.7%) outperformed both the HFRX Global Hedge Fund Index (+3.2%) and the HFRX Equal Weight Strategies Index (+3.4%).

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

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



Graph 1 (source BGAM estimates / Bloomberg)



Graph 2 (source BGAM estimates / Bloomberg)

A.2.2 Share buy back and discount to NAV

Share buy back programme

Since its listing, BGHL 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 BGHL's strategy and its efforts to reduce the discount to NAV.

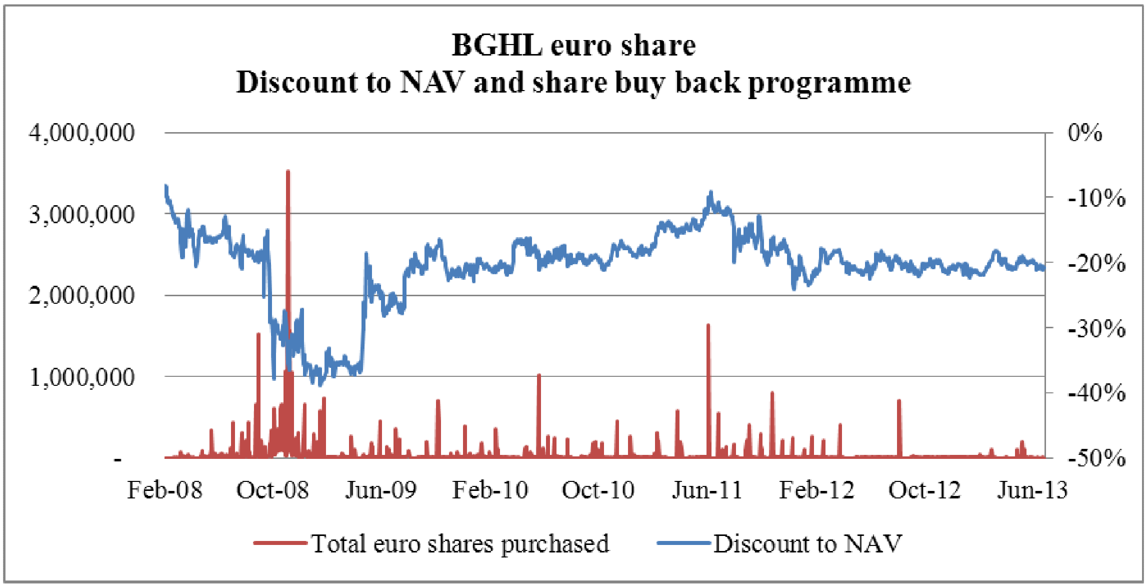
Liquidity enhancement agreement

To increase the liquidity of BGHL's shares, BGHL 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 BGHL in accordance with the Dutch accepted market practice. BGHL 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 BGHL's net asset value with respect to that of BG Fund.

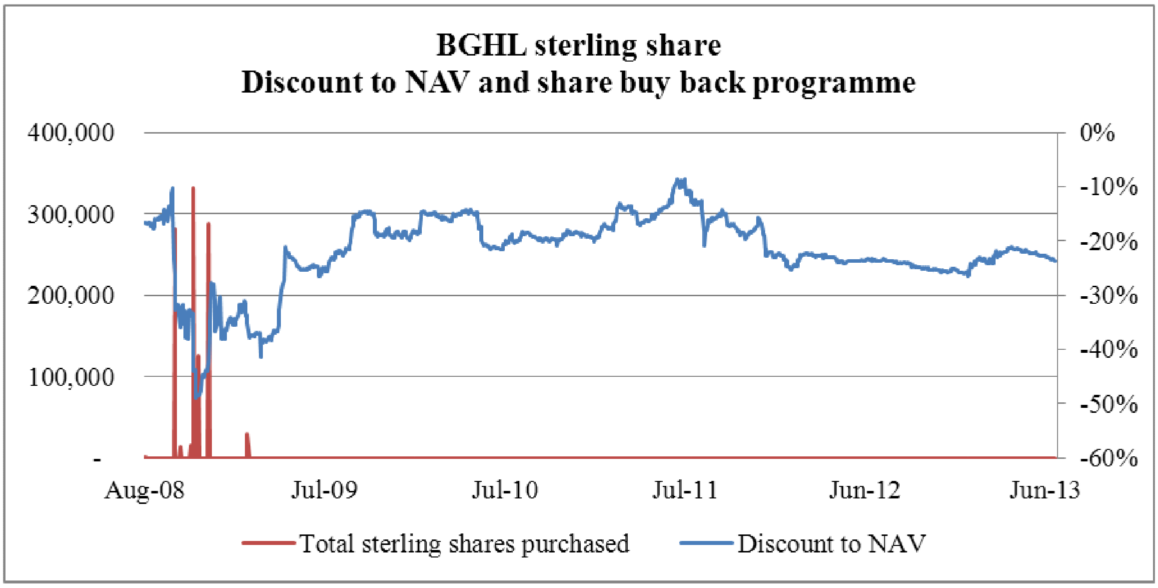
Discount to NAV	30 June 2013	31 December 2012
Euro share	-20.7%	-21.8%
Sterling share	-23.6%	-26.1%

Euro share (discount and share buy back)



Graph 3 (source BGAM estimates / Bloomberg)

Sterling share (discount and share buy back))



Graph 4 (source BGAM estimates / Bloomberg)

B- Review of the development of the business

From 1 January to 30 June 2013, BGHL had most of its total assets invested in BG Fund, a feeder fund fully 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. BG Fund implements diversified investment strategies, including volatility, equity and credit strategies.

In addition to its investment in BG Fund and as described in BGHL's offering memorandum, BGHL may enter into other investments including private equity investments. These investments are currently financed through BGHL's equity.

Part of the cash allocated to the liquidity enhancement programme, which has not yet been used to buy back the shares of BGHL, 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 BG Fund

BGHL was approximately 6.1% invested in investments other than in BG Fund, as of 30 June 2013.

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, dedicated to investing in land 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.

Compagnie des Minquiers

On 3 March 2011, Compagnie des Minquiers SAS, an 83.3% owned subsidiary of BGHL (held jointly with the executive committee members of the Cofigeo group), acquired 100% of the shares of the holding company, MPF (renamed Financière des Minquiers), holding 26,523 shares in Cofigeo, traded 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. BGHL's initial investment in the transaction amounts to approximately €18 million.

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%.

GFI Informatique

The Company has an investment in GFI Informatique (FR0004038099), representing approximately €5.9 million, as of 30 June 2013.

C.2 Investment in BG Fund

BGHL was approximately 95.1% invested in BG Fund as of 30 June 2013 which position amounted to 47.86% of BG Fund. BG Fund operates as a master fund.

Strategies

BG 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, BG Fund has a fourth "trading strategy" with smaller risk allocations dedicated to short-term directional trading.

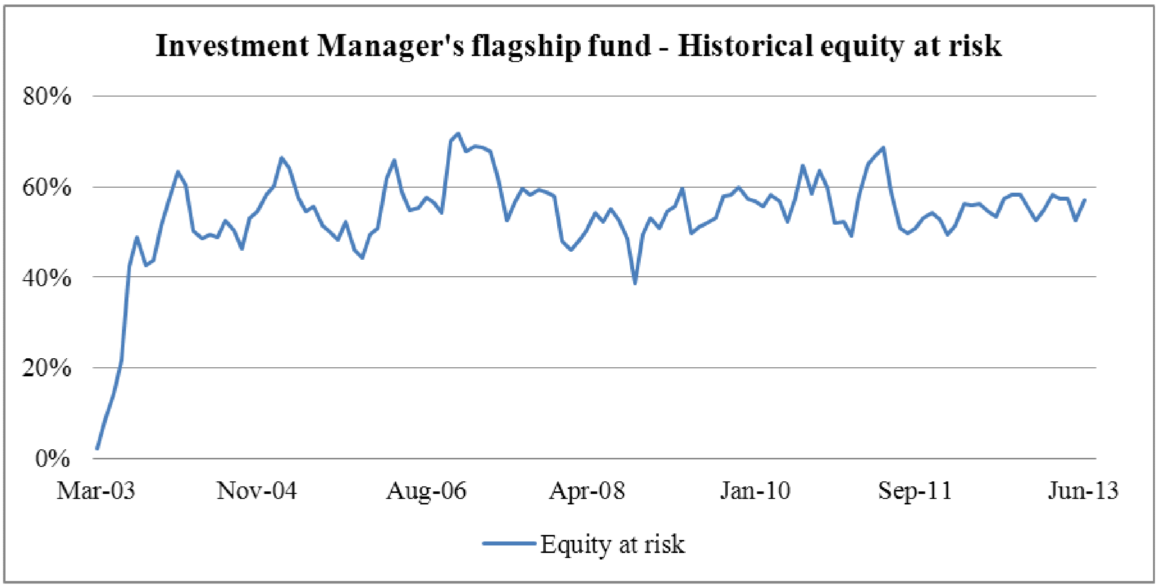
Risk and Capital Allocation

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 BG Fund's portfolio it holds in custody.

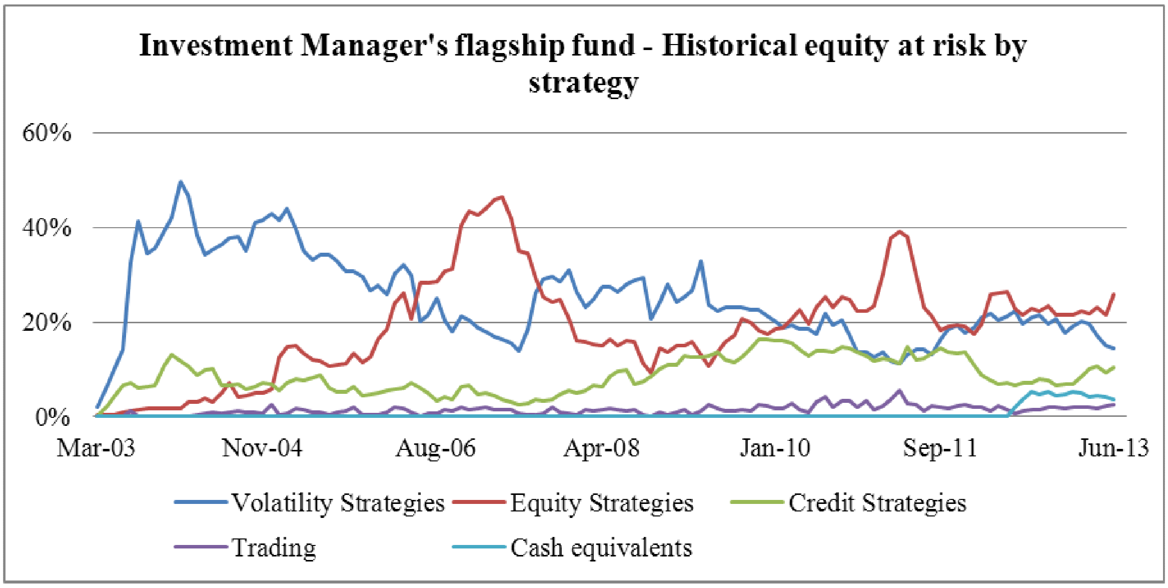
The Investment Manager replicates the methodology applied by prime brokers through a model, named "equity at risk". This model, applied to the entire portfolio, is a proxy for the calculations of the prime brokers with a conservative bias.

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 BG 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 BG 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 BG Fund. A large level of excess is maintained at any time. The excess margin corresponds to the remaining capacity BG Fund can deploy without having to raise additional cash. The Investment Manager intends to be very selective when deploying equity at risk.

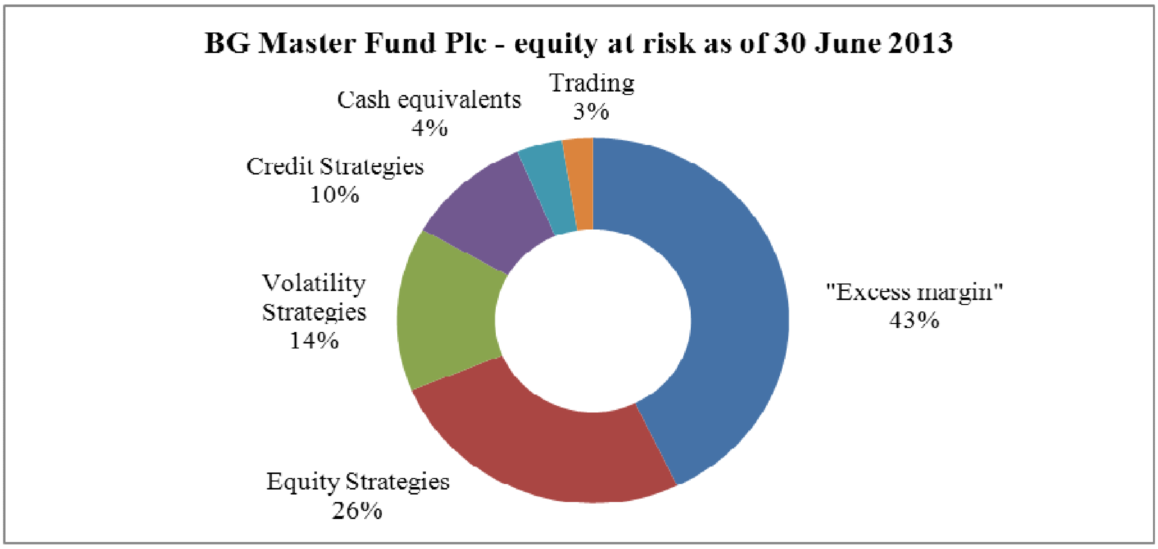
The graphs below illustrate the evolution of the equity at risk of the flagship fund since inception (Sark Fund until 30 October 2010, and BG Fund since 1 November 2010), and the allocation of the equity at risk across strategies.



Graph 5 (source BGAM estimates)



Graph 6 (source BGAM estimates)



Graph 7 (source BGAM estimates)

At 30 June 2013, the equity at risk of BG Fund stood at 57% of capacity versus 53% at 31 December 2012. Equity strategies use 26% of the equity at risk, volatility 14% and credit 10%. The allocation to trading remains small. Cash equivalents[1] use 4% of the equity at risk.

D- Results

D.1 Results in investments other than in BG Fund from 1 January to 30 June 2013

Pursuant to BGHL's private equity valuation policy, the Private Equity Valuation Committee met on 3 July 2013 to review the performance of each investment and to receive 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 in local currency as of 30 June 2013, in comparison with 31 December 2012. When expressed in base currency, the value of the Rasaland investment has changed as it is exposed to the EUR/USD exchange rate.

In March 2013, DSO was sold, for €932,000, at the price at which it was marked in BGHL's books at year-end and as scheduled.

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

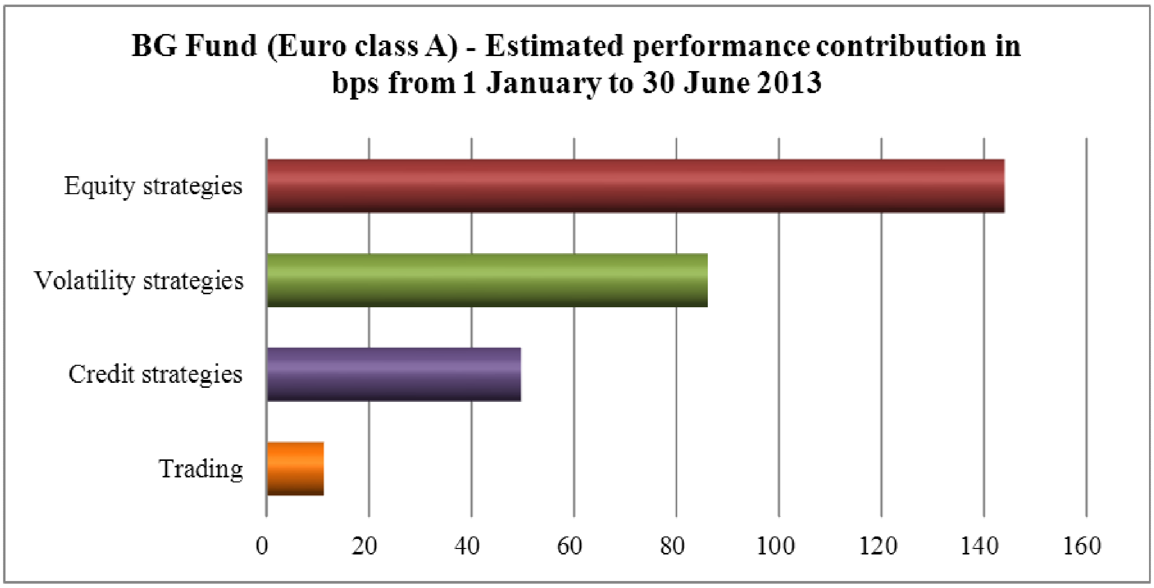
[1] Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

D.2 Results in BG Fund from 1 January to 30 June 2013

The performance of BG Fund, the main investment of BGHL, was as follows:

NAV per share	30 June 2013	30 April 2013	31 December 2012	Variation
Euro Class A	€107.41	-	€104.37	+2.91%
Euro Class B[1]	€113.78	-	€108.97	+4.42%
US Dollar Class A	$107.98	-	$104.82	+3.02%
US Dollar Class B	$107.98	-	$104.82	+3.02%
US Dollar Class C[2]	$108.12	$105.94	-	+2.05%
US Dollar Class D[3]	$108.12	$105.94	-	+2.05%

For the period, the contribution of each strategy to the performance of the Euro Class A shares, which is the most representative of BG Fund, was as follows:



Graph 8 (source BGAM estimates)

All strategies contributed positively to the performance of BG Fund.

<u>Volatility strategies</u>

Volatility strategies performed well, the bulk of the performance coming from convertible bond arbitrage. Mandatory convertible bond arbitrage posted a positive contribution whilst gamma trading was almost flat.

[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] US Dollar Class C has been created on 1 May 2013.
[3] US Dollar Class D has been created on 1 May 2013.

Convertible bond arbitrage
Convertible bonds (excl. mandatories) were one of the best performers during this period with most of the trades generating profits.

During H1 2013, net issuance of European convertibles was almost flat: €11bn was issued through 27 deals and €10bn was redeemed.

Whilst most of the deals were in high demand from outright investors (and as a consequence mainly designed for them in 2012), this trend seemed to reverse with outright investors and arbitrageurs participating equally as much in the last new issues. For example, an exchangeable GBL into GDF deal needed to be re-priced in order to attract arbitrageurs, as outright accounts did not participate in sufficient size. This was somewhat unusual, and upcoming issuances should confirm whether or not a new trend is emerging. The pipeline continued to look buoyant; however, issuers became very sensitive to pricing. They appeared to fully acknowledge that since the beginning of the year CBs were one of the rare asset classes with inflows. Outright investors continued to drive valuations up, especially for issues included in convertible indices. Those issues were oversubscribed which led to expensive, and sometimes incongruous, initial valuations. As a consequence, the Investment Manager participated very selectively in some of the new issues.

In the secondary market, few deals were found with value to extract. For instance, a position was taken in Nokia convertible bonds. After Nokia left the Eurostoxx 50® (which led to a 120m shares sale), repo rates widened by 4-5%, later returning to around 3.5%. The Investment Manager expected this repo rate to tighten further, due to the significant amount of outstanding shares available for borrowing. Most of the position was built post the Eurostoxx 50® exit.

Some opportunities also occurred thanks to a misunderstanding of prospectuses. British Airways 5.8% 2014 was one such example. Many investors sold British Airways 5.8% to buy the new IAG 1.75% 2018. Some arbitrageurs sold it fearing that the coupon (to be paid in August 2013) could be lost. Thanks to its model, the Investment Manager was able to address this issue by monitoring and adjusting the hedging.

During this period, the Investment Manager also took some profits on most of BG Fund's positions as their price reached its valuations. On GBL/GDF Suez for instance, the Investment Manager gradually sold its entire position.

Mandatory convertible bond arbitrage
Mandatory convertible bonds contributed positively to the performance of BG Fund during the period, mostly due to the Volkswagen position. As anticipated, US outright managers continued to support this issue after a short-dated period of profit-taking by arbitrageurs. With the stock losing more than 7% in March, some European outright investors built (or added to) a position in the mandatory convertible bond. This demand from European outright investors for mandatories was relatively new. As a result, the mandatory convertible bond appreciated and gravitated towards fair value during the period. Nevertheless, the Investment Manager believed that the valuation still offered a discount to the "fair price".

In June, Volkswagen sold €1.3bn in mandatory convertible bonds, which came on top of a similar issue the company had placed in November 2012. Whilst the existing holdings initially cheapened because of the placement, it was also an opportunity to buy additional Volkswagen mandatory bonds in the secondary market at the cheaper level. The decision was taken not to subscribe to this second issue, which was done on an outright basis, as the Investment Manager determined that the discount was not attractive enough to offset the potential risk on the delta hedging.

There was a second mandatory convertible bond issue this semester. ArcelorMittal opportunistically benefited from the large amount of capital available in the very beginning of the year by issuing a US$2.25bn mandatory convertible bond, which was well received by the market, especially from US accounts. It was priced at worst for investors. Allocations were scarce and the fair value (2.5bps of skew) was quickly reached, which led the Investment Manager to sell the position.

Gamma trading
Gamma trading was almost flat this semester. In the beginning of the year, following low realised volatilities, implied volatilities fell to a 6-year low and remained expensive from a gamma/theta standpoint both for index and for single stock options. However, as equity risk premiums were historically high, the Investment Manager believed that implied volatility remained a good investment given the strong discrepancy between both markets.

Entering into February, the gamma book was kept to a minimum from a gamma/theta standpoint. However, the Investment Manager mainly traded naked equity options in equity strategies to express its directional views while capturing depressed volatility levels. This meant BG Fund was well protected by this extensive use of options.

During this period, gamma trading almost compensated theta, thanks to volatility around earnings announcements. However in June, the positions on downside strikes surprisingly did not contribute to the performance, as the fixed strike volatility remained almost unchanged despite the market drop over the month.

The Investment Manager is continuously monitoring the downside risk in order to raise the gamma exposure, should BG Fund need further protection.

Equity strategies

In a market environment which continued to be mostly driven by the macroeconomic newsflow, equity strategies were the best performer to BG Fund this semester. Long/short trading with short-term catalysts did very well whilst risk arbitrage/special situations was flat.

During this period, the Investment Manager focused the portfolio on situations where it could see a short-term catalyst. It also kept a cautious positioning by increasing the use of options, with low volatility levels.

On the positive side, one of the biggest contributors was the position in the Dutch company Royal Imtech. The stock came under increased scrutiny by investors following the publication of several research notes highlighting concerns about cash conversion. Lower cash conversions typically result in a much weaker balance sheet than shown by conventional credit ratios. The Investment Manager took the view that the incoming management team was likely to take adequate provisions upon their arrival and gradually built a long put position. The day before earnings were to be announced at the beginning of February, Royal Imtech stated they would write off their Polish operations, postpone the publication of their full year results, and launch an investigation into potential irregularities. This resulted in a 48% drop in the share price.

Another significant contributor was the long-standing position in ING as the company reported better-than-expected Q1 results and also successfully listed 29% of VOYA Financial, its US life insurance subsidiary.

On the negative side, the Investment suffered from the position in Vivendi. The stock underperformed as the telecommunications sector rerated at the beginning of the year, while no assets sale has taken place. The Investment Manager still believes that this situation should evolve positively over the next few months.

TNT Express also proved costly to BG Fund. The Investment Manager had built a small position, anticipating the UPS takeover to be cleared by the European Commission, as the risk reward seemed attractive. However, the deal was finally blocked on 14 January 2013.

The legacy positions' net contribution was marginally negative over the period: GFI Informatique was remarked up following the public offer (see http://www.bgholdingltd.com/gfi.pdf), but Camaïeu was remarked down due to the ongoing debt renegotiations.

The Investment Manager continues to focus on the liquidity of the portfolio, using options to hedge BG Fund's exposures, which has proven to be efficient in periods of stress, in particular at the end of June.

Credit strategies

Capital structure arbitrage
Capital structure positions contributed positively to the performance of BG Fund.

During the period, the Investment Manager had a balanced portfolio between 'long credit-long put' and 'short credit-long equity' trades. With a high degree of conviction in the current trades, the Investment Manager did not hesitate to use market discrepancies to increase some positions to their target size. The Investment Manager was also able to extract value on some trades, and again increased the sizes on lower spreads between credit and equity.

Positive contributions mostly arose from long credit-long put trades, whilst BG Fund suffered losses on a short credit-long equity trade.

On the positive side, the Investment Manager benefited from the long Rallye credit trade position which converged to fair value. BG Fund had less success on the Arcelor long equity-short credit trade, which mostly suffered from concerns over China's slowdown.

The Investment Manager continues to maintain a balanced portfolio between long credit-long put and short credit-long equity trades.

Credit long / short
The European credit market started the year on a very positive note. As macroeconomic and political risks resurfaced, the European credit market ended the semester on a relatively weaker tone. The European high yield primary market was set for a record year with circa €45bn new issues in H1 2013. In financials, issuance remained subdued with net supply expected to remain negative this year, despite an expected pick up in new subordinated issues in H2 2013, with Basel 3/CRD IV guidance on new instruments finalised.

During the period, credit long/short contributed positively to the performance, mostly thanks to the long special situations in subordinated financials. In particular, BG Fund benefited from its subordinated bonds in Commerzbank. The bank confirmed in February their intention to re-pay the arrears of interest due on its various junior hybrid instruments, including the Upper Tier 2, 5.321% bond, and completed their €2.5bn rights issue in May. On the back of successful refinancing from La Mondiale, the long position in Groupama subordinated instruments also contributed positively.

On the corporate side, European high yield markets remained overall resilient supported by continued inflows in Europe. Towards the end of the period, transactions were still being placed but the Investment Manager started to note greater selection from investors as well as performance dispersion between weaker names (single-Bs) and more frequent or better rated issuers.

BG Fund's positioning remains focused on specific situations. The Investment Manager continues to take profits on some of the long value positions. New long positions were initiated around very specific European M&A corporate situations. BG Fund continues to run short positions on some European peripheral credits. The Investment Manager believes that peripheral macro-risk could resurface and create volatility, especially in the context of weak EM markets.

Trading

Trading contributed positively to the performance of BG Fund over the period.

E - Review of important events since the period end

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

Following completion of the GFI transaction described hereafter, it is expected that approximately 9.8% of BGHL's NAV as of 26 August 2013 will be invested in assets other than BG Fund.

BGHL signed on 7 June 2013 a shareholders' agreement in order to act in concert with the two main shareholders of GFI. GFI is one of the leading IT services firms in France and Southern Europe, employing 10,000 people at the end of 2012.

In compliance with applicable regulations, the concert through Infofin Participations (an entity created for this purpose, hereafter "Infofin"), filed a mandatory public tender offer with the French Autorité des Marchés Financiers (AMF) for all of the outstanding shares and bonds giving access to GFI's share capital or voting rights not yet held by the concert.

Under the shareholders' agreement BGHL agreed to invest - after completion of the public offer - in bonds to be issued by Infofin and exchangeable into GFI shares. BGHL will complete on 26 August 2013 its subscription of Infofin exchangeable bonds for an amount of approximately €20.4m or circa 3.6% of BGHL's NAV as of 26 August 2013.

F - Principal Risks and Uncertainties

BG Fund, the main investment of BGHL, is fully invested in BG Fund. The equity at risk of BG Fund is expected to be deployed in a very cautious way as the market environment remains uncertain.

Investments other than BG Fund are being financed through BGHL's equity rather than using credit, as there is currently no banking facility in place. The level of these investments is expected to be of approximately of 10% of the Net Asset Value by the end of August 2013.

As BGHL's liabilities are very low, there is almost no liquidity risk.

INDEPENDENT REVIEW REPORT TO BOUSSARD & GAVAUDAN HOLDING LIMITED

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 2013 which comprises the Condensed Interim Statement of Financial Position, Condensed Interim Statement of Comprehensive Income, Company, Condensed Interim Statement of Changes in Equity, Condensed Interim Statement 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 2013 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: 29 August 2013

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Financial Position
30 June 2013 (Unaudited)

	Note	UNAUDITED As at 30 June 2013 Euro	AUDITED As at 31 December 2012 Euro
Assets			
Non-current Assets			
Investments at fair value through profit or loss	3	574,153,888	577,078,023
Current Assets			
Foreign exchange forward derivatives contracts		39,160	139,090
Due from brokers		1,043,473	332,005
Total assets		575,236,521	577,549,118
Equity and Liabilities			
Current Liabilities			
Short term loan	5	1,000,000	1,500,000
Due to brokers		67,748	171,126
Performance fees payable	7	4,716,377	8,882,394
Management fees payable	7	2,119,785	2,122,514
Interest payable	5	1,165	1,456
Administrative fees payable	6	20,863	18,470
Audit fees payable		23,373	49,252
Director fees payable		3,750	5,000
Insurance payable		24,200	-
Total liabilities		7,977,261	12,750,212
Equity			
Share capital	8	3,722	3,825
Distributable reserve		(12,446,101)	1,059,137
Share premium		511,875,139	511,875,139
Treasury shares	9	(2,608,110)	(3,749,613)
Retained earnings		70,434,610	55,610,418
Total Equity		567,259,260	564,798,906
Total Equity and Liabilites		575,236,521	577,549,118
Net asset value per share:			
Class A EURO shares outstanding 36,009,103 (2012: 37,044,424)		€ 15.2148	€ 14.7124
Class A GBP shares outstanding 1,205,925 (2012: 1,205,925)		£13.7567	£13.3261

The financial statements were approved by the Board of Directors on 28 August 2013 and signed on behalf by:

Christopher Fish

Christopher Fish
Chairman

Andrew Henton

Andrew Henton
Director

The accompanying notes on pages 22 to 32 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Comprehensive Income
For the six months ended 30 June 2013 (Unaudited)

	Note	UNAUDITED For Six months ended 30 June 2013 Euro	UNAUDITED For Six months ended 30 June 2012 Euro
Income			
Net realised gain on financial instruments at fair value through profit or loss		1,953,251	593,752
Change in unrealised gain on financial instruments at fair value through profit or loss		23,154,614	32,636,651
Net gain on financial assets at fair value through profit or loss		25,107,865	33,230,403
Realised and unrealised foreign currency (loss)/gain on forward derivatives contracts		(1,069,452)	642,092
Other realised and unrealised foreign currency gain/(loss)		3,468	(4,253)
		24,041,881	33,868,242
Dividend income		-	112,439
Total income		24,041,881	33,980,681
Interest expense		13,111	16,308
Performance fees	7	4,716,377	3,638,142
Management fees	7	4,249,312	4,273,272
Administrative fees	6	55,924	64,332
Directors fees	4	59,000	63,249
Professional fees		6,500	719
Audit fees		24,407	48,783
Insurance fees		24,200	-
Other expenses		68,858	34,866
Total expenses		9,217,689	8,139,671
Net profit / Total Comprehensive Income		14,824,192	25,841,010
Basic and diluted earnings per share			
Class A EURO €15,223,952 / 36,547,265 shares (2012: €23,878,786 Profit / 38,551,442 shares)		€ 0.4166	€ 0.6194
Class A GBP £519,270 / 1,205,925 shares (2012: £1,745,942 Profit / 1,496,750 shares)		£0.4306	£1.1665

All activities are of a continuing nature.

The accompanying notes on pages 22 to 32 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Changes in Equity
For the six months ended 30 June 2013 (Unaudited)

2013	**Share Capital Euro**	**Share Premium Euro**	**Distributable Reserve Euro**	**Treasury Shares Euro**	**Retained Earnings Euro**	**Total Equity Euro**
Balance as at 1 January 2013	3,825	511,875,139	1,059,137	(3,749,613)	55,610,418	564,798,906
Net gain attributable to ordinary shares	-	-	-	-	14,824,192	14,824,192
Treasury Shares acquired	-	-	-	(12,363,838)	-	(12,363,838)
Treasury Shares cancelled	(103)	-	(13,505,238)	13,505,341	-	-
Balance as at 30 June 2013	3,722	511,875,139	(12,446,101)	(2,608,110)	70,434,610	567,259,260

For the six months ended 30 June 2012

2012	**Share Capital Euro**	**Share Premium Euro**	**Distributable Reserve Euro**	**Treasury Shares Euro**	**Retained Earnings Euro**	**Total Equity Euro**
Balance as at 1 January 2012	4,115	511,875,139	59,746,046	(29,023,457)	12,312,082	554,913,925
Net gain attributable to ordinary shares	-	-	-	-	25,841,010	25,841,010
Treasury Shares acquired	-	-	-	(19,087,244)	-	(19,087,244)
Treasury Shares cancelled	(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

The accompanying notes on pages 22 to 32 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Cash Flows
For the six months ended 30 June 2013 (Unaudited)

	UNAUDITED For Six months ended 30 June 2013 Euro	UNAUDITED For Six months ended 30 June 2012 Euro
Cash flows from operating activities		
Net profit attributable to shareholders	14,824,192	25,841,010
Adjustments to reconcile net profit to net cash used in operating activities:		
Unrealised gain on financial instruments at fair value through profit or loss	(23,154,614)	(32,636,651)
Realised gain on financial instruments at fair value through profit or loss	(1,953,251)	(593,752)
Realised and unrealised loss/(gain) on forward foreign currency derivatives contracts	1,069,452	(642,092)
(Increase) /decrease in due from brokers	(711,468)	11,562
Decrease in due to brokers	(103,378)	(86,079)
(Decrease) /increase in performance fee payable	(4,166,017)	3,137,299
Decrease in management fee payable	(2,729)	(47,471)
Decrease in interest payable	(291)	(3,832)
Increase/(decrease) in administrative fee payable	2,393	(1,667)
Decrease in audit fees payable	(25,879)	-
Decrease in director fees payable	(1,250)	-
Increase in insurance fees payable	24,200	-
Net cash used in operating activities	(14,198,640)	(5,021,673)
Cash flows from investing activities		
Sales of investments at fair value through profit or loss	28,032,000	26,231,122
Net cash provided by investing activities	28,032,000	26,231,122
Cash flows from financing activities		
Treasury shares acquired	(12,363,838)	(19,087,244)
Net cash flow from foreign exchange forward derivative contracts	(969,522)	1,377,795
Repayment of other short term loan	(12,800,000)	(18,300,000)
Proceeds from other short term loan	12,300,000	14,800,000
Net cash used in financing activities	(13,833,360)	(21,209,449)
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents		
Beginning of the period	-	-
End of the period	-	-
Cash and cash equivalents at 30 June 2013	-	-
Supplementary information		
Interest paid	13,402	20,140

The accompanying notes on pages 22 to 32 form an integral part of these financial statements

1. General information

Company information

Boussard & Gavaudan Holding Limited (the "Company") ("BGHL") 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 and, as a result, 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 and, as a result, 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 has 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.

Basis of preparation

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

The financial statements have been prepared on a historical cost basis except for financial assets held at fair value through profit or loss that have been measured at fair value.

The interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2012, which are prepared in accordance with International Financial Reporting Standards.

The IFRSs adopted by the Company in the preparation of these financial statements are those that were effective for accounting periods beginning on or before 1 January 2013 except for IFRS 10, which was early adopted.This standard has not been yet adopted by European Union, however it is expected that it will be adopted before year ending 31 December 2013.

Under IFRS 10 an entity may not consolidate its subsidiaries if it meets the definition of an investment entity. The Company meets the definition of an investment entity on the following grounds.

- Obtains funds from more than one investors for the purpose of providing investment management services
- Business purpose to invest the funds solely for capital appreciation,
- Measures and evaluates the performance of substantially all its investments on a fair value basis

Subsidiaries

Below is the detail of subsidiaries as at period end.

Name of Subsidiary	Place of Business	Proportion of Ownership and Voting Rights	Fair Value
Compagnie des Minquiers SAS	France	83.3%	20,658,373

There is no change in the fair value of the subsidiary.

1. General information (continued)

Basis of preparation (continued)

During the period the Company has adopted IFRS 13, 'Fair value measurement', effective for 1 January 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

In addition to the above, amendments to below IFRSs were also adopted by the Company during the period which had no material impact on the financial statements of the Company.

- IAS 1 Financial Statement Presentation (Amended) – Presentation of items Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- IFRS 7 Financial Instruments: Disclosures (Amended) – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013)
- IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on after 1 January 2013)
- IFRS 11 Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)
- IFRS 12 Disclosures of involvement with other entities (effective for annual periods beginning on or after 1 January 2013)
- IAS 32 Financial Instruments: Presentation (Amended) – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)

2. Accounting policies

Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the amounts in the financial statements and accompanying note. Management believes that the estimates utilised in preparing its financial statements particularly with reference to the valuation of unquoted investments based on the audited NAV or management judgement applied are reasonable and prudent. However, actual results could differ from these estimates.There has been no change in estimates and assumptions since 31 December 2012.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which company operates ('the functional currency'). The functional currency is Euro, which reflects the Company's primary activity of investing in Euro denominated securities. The Company has adopted the Euro as its presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary items held at fair value through profit or loss are reported as part of the fair value gain or loss.

2. Accounting policies (continued)

Investments at fair value through profit and loss

Financial assets are designated by management at fair value through profit or loss at inception as the group of assets is managed and its performance is evaluated on a fair value basis in accordance with the company's investment strategy and information about the investment is provided to the board of Directors on that basis.

Investment transactions are accounted for on a trade date basis. Investments are initially recognised at fair value excluding attributable purchase costs. Investments are subsequently carried at fair value determined, by the Valuation Agent, GlobeOp Financial Services Limited, at the un-audited NAV of the BG Fund on a monthly basis. Listed securities are valued at trade prices at the close of trading on the period end date. Valuation of hard to price assets are approved by the Directors' after due consultation with the Investment Manager's Private Equity valuation committee.

Changes in the fair value of investments are recorded in the Statement of Comprehensive Income.

Recognition/derecognition
Purchases and sales of investments are recognised on the trade date - the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Taxation

The Company has been granted exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 from Guernsey Income Tax, and is charged the annual fee of £600 (2012: £600) As a result, no provision for income taxes has been made in the financial statements.

Income and expenses

Other income is recognised in the Statement of Comprehensive Income as it occurs on an accrual basis.

Expenses are accounted for as they occur on an accrual basis. Expenses are charged to the Statement of Comprehensive Income.

Interest income and expense

Interest income, arising on cash and interest expense, arising on overdrafts, borrowed debt securities are recognised in the Statement of Comprehensive Income within interest income and interest expense using the effective interest method.

Basic earnings per share, and NAV per share

Basic earnings per share are calculated by dividing the net income by the weighted average number of registered shares in issue, during the period.

Net Asset Value per share is calculated by dividing the net assets at the Statement of Financial Position date by the number of shares outstanding at the Statement of Financial Position date.

Share issue cost

Share issue costs have been borne by the Investment Manager.

Short term loan

Short term loans are carried at amortised cost. Interests paid on loans are recognised in the Statement of Comprehensive Income within interest expense using the effective interest method.

Treasury shares

When the Company purchases its own equity instruments (treasury shares), they are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2. Accounting policies (continued)

Forward currency contracts

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign exchange contracts are valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and is recognised in the Statement of Comprehensive Income.

Operating segments

The Board is of the view that the Company is engaged in a single segment of business, being investment in financial instruments.

The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

The majority of the Company's investments are in the BG Fund which is domiciled in the Republic of Ireland. The Company is domiciled in Guernsey.

3. Investments in financial instruments through profit or loss

	Unaudited As at 30 June 2013	Audited As at 31 December 2012
	Euro	Euro
Investments in the BG Fund Cost €474,308,688 (2012: € 498,702,597)	539,687,399	543,432,429
Investments in Listed equity deals Cost € 4,754,899 (2012: € 4,754,899)	5,942,790	4,294,656
Investments in Private equity deals Cost €21,191,986 (2012: € 22,876,826)	28,348,875	29,176,164
Investment in money market fund Cost € 171,944 (2012: € 171,944)	174,824	174,774
Total	574,153,888	577,078,023

	Unaudited for the period ended 30 June 2013	Audited for the year ended 31 December 2012
	Euro	Euro
Investments		
Beginning cost	526,506,303	568,566,683
Additions	-	479,646
Disposals	(28,032,000)	(44,070,578)
Realised gain	1,953,251	1,530,552
Ending cost	500,427,554	526,506,303
Unrealised gains on investments at fair value through profit and loss	73,726,334	50,571,720
Investments at fair value through profit or loss:	574,153,888	577,078,023

4. Related Party transactions

There have been related party transactions as set out below over the period and as disclosed in notes 6 and 7. Each Director is paid an annual fee of €23,000 for a total of €69,000; the Chairman is entitled to receive €41,500 per annum and the Chairman of the audit committee receives on additional fee of €7,500 per annum.

5. Other short term financing

The share buy-back programme is financed by redemptions of the BG Fund shares. The BG Fund has a monthly liquidity, 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.

5. Other short term financing (continued)

In compliance with its investment policy, the 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 the 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 an interest at an annual rate equal to a 1.5 percent spread over the 1 month Euribor. In addition, the 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 2013, the total amount due under the notes was €1,001,165 (December 2012: €1,501,456); outstanding principal: €1,000,000 (2012: €1,500,000); interest accrued: €1,165 (2012: €1,456).

	Unaudited for the period ended 30 June 2013	**Audited for the year ended 31 December 2012**
	€	**€**
Beginning cost	(1,500,000)	(4,000,000)
Repayments	12,800,000	31,500,000
Drawdown	(12,300,000)	(29,000,000)
Ending cost	(1,000,000)	(1,500,000)
Accrued interest	(1,165)	(1,456)
Other short term loan	(1,001,165)	(1,501,456)

6. Administration fees

Kleinwort Benson (Channel Islands) Fund Services Limited, the Administrator, is entitled to an annual fee. In addition, the Administrator outsources the accounting to SS&C GlobeOp Financial Services LLC for an annual service fee payable monthly.

7. 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. 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.

The Investment Management Agreement is terminable by either party giving to the other not less than twelve months' notice in writing, such notice not to expire before the third anniversary of admission of the Company's existing Shares to Euronext Amsterdam, except in certain circumstances where, inter alia, the Investment Manager ceases to have all necessary regulatory permissions, becomes insolvent or is in material breach of the Investment Management Agreement, in which case the Investment Management Agreement may be terminated forthwith.

In the event that the Investment Management Agreement is terminated before the third anniversary of admission of the Company's existing Shares to Euronext Amsterdam other than, inter alia, as a result of the material breach or insolvency of the Investment Manager, the Company would, nonetheless, be obliged to pay the Investment Manager any management fee or performance fee that would otherwise be payable in respect of the period to such third anniversary.

This has been agreed on the basis of the Investment Manager bearing all the costs and expenses of establishing the Company.

If the Investment Management Agreement is terminated before 31 December in any year, the performance fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

7. Management fees and Performance fees (continues)

The Investment Manager receives a management fee, accrued monthly and payable quarterly, calculated at the annual rate of 1.5 per cent of the Net Asset Value. The Investment Manager is also entitled to receive a performance fee.

The Performance Fee is calculated in respect of each Calculation Period. The Performance Fee is deemed to accrue on monthly basis at each Valuation Day. For each Calculation period, the Performance Fee is equal to 20 percent of the appreciation in the Net Asset Value per share during that Calculation Period above the net asset value per Share of the relevant class (the "Base Net Asset Value per Share"). The Base Net Asset Value per Share is the highest Net Asset Value per Share achieved as at the end of any previous Calculation Period (in any).

The Performance Fee in respect of each Calculation Period is calculated by refence to the Net Asset Value per Share before deduction for any accrued Performance Fee. The Performance Fee attributable to the Net Asset Value per Share is paid solely from the relevant Pool underlying each class of Shares such that no class of Share bear any part of Performance Fee attributable to any other calss of Shares. The effect of hedging the currency exposure of a class of Shares on the relevant Pool is included when the Performance Fee is calculated. For the purposes of calculating the Performance Fee and for the avoidance of doubt, the Net Asset Value per Share of a class includes in full any increase in Net Asset value per Share of that class attributable to any repurchase by Company of that class of Shares.

On 17 July 2009, the Company and the Investment Manager agreed to apply a different method to calculate the performance fee payable by the Company to the Investment Manager other than the method set out in the Management Agreement. The objective was to avoid a potential inequitable treatment of shareholders which would have resulted from overpayment of performance fee on a per share basis.

Under the original method performance fee could become payable based on the full year performance in relation to shares that were no longer in existence at year end, leading to the remaining shares in issue paying too much performance fees on a per share basis. This situation could arise because the number of shares in issue varies over time, either because of (i) conversions between the two share classes, or (ii) buy back of shares by the Company.

Under the revised method performance fee is calculated on each share based on the performance attributable to that share until such time as that share no longer exists.

At the time of adoption, the Board together with its advisers concluded that the new method was fair and reasonable and the Financial Services Authority was duly notified. Any benefit to the Company in terms of a decrease in the performance fee payable under the new methodology is unrestricted.

Any benefit to the Investment Manager in terms of an increase in the performance fee payable under the new methodology is restricted to no more than 5 per cent. of the Company's net asset value.

For the period ended 30 June 2013 the Management fees were €4,249,312 (for the six months ended June 30 2012: €4,273,272), at 30 June 2013 €2,119,785(31 December 2012: €2,122,514) was payable.

For the period ended 30 June 2013, the Performance fees were €4,716,377 (for the six months ended June 30 2012: €3,638,142), at 30 June 2013 €4,716,377 (31 December 2012: €8,882,394) was payable.

8. Share Capital

Allotted, issued and fully paid

As on 30 June 2013	**Shares**	**Euro**
Class A EURO of € 0.0001	36,009,103	3,601
Class A GBP of € 0.0001	1,205,925	121
		3,722
Share Premium		511,875,139
Share Capital		511,878,861

As on 31 December 2012	**Shares**	**Euro**
Class A EURO of € 0.0001	37,044,424	3,704
Class A GBP of € 0.0001	1,205,925	121
		3,825
Share Premium		511,875,139
Share Capital		511,878,964

Voting

The shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company and each holder of shares being present in person or by proxy or corporate representtive at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by corporate representative shall have one vote in respect of each share held by him.

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or restrictions whether as to dividend, voting, return of capital or otherwise as the Company at any time by ordinary resolution may determine and subject to and in default of such determination as the Board may determine.Subject to the provisions of the Companies (Guernsey) Laws 2008, the terms and rights attaching to any class of shares, the Articles and any guidelines established from time to time by the Directors, the Company may from time to time purchase or enter into a contract under which it will or may purchase any of its own shares.

The making and timing of any buy back will be at the absolute discretion of the Directors. If at any time the share capital is divided into further classes of shares the rights attached to any class (unless otherwise provided by the terms of issue) may whether or not the Company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.On a winding-up, the shareholders shall be entitled to the surplus assets remaining after payment of all the creditors of the Company.

On winding-up, the shareholders are entitled to the surplus assets remaining after payment of all the creditors of the Company. All of Company’s reserves are distributable subject to meeting the solvency test in The Companies (Guernsy) Law, 2008.

9. Treasury Shares

The acquisition of treasury shares started on 27 February 2008. The Company holds 0.91% (Dec 2012: 1.14%) of its issued share capital in treasury shares which represents 340,720 shares on 30 June 2013.

The Company shall not hold more than 10% of its issued share capital in treasury.

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 2013 -Unaudited	€ 3,634.9823	36,349,823	€ 120.5925	1,205,925
31 December 2012 -Audited	€3,748.4643	37,484,643	€120.5925	1,205,925

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

	Nominal Euro	**Shares Euro**	**Nominal GBP**	**Shares GBP**
30 June 2013-Unaudited	€ 3,600.9103	36,009,103	€ 120.5925	1,205,925
31 December 2012-Audited	€3,704.4424	37,044,424	€120.5925	1,205,925

9. Treasury Shares (continued)

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 2013- Unaudited	1,035,321	€ 12,363,838	€ 11.9420	-	-	-
For the six months ended 30 June 2012- Unaudited	1,691,358	€ 19,087,246	€ 11.2852	-	-	-

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 2013 -Unaudited	1,134,820	€ 13,505,341	€ 11.9009	-	-	-
For the six months ended 30 June 2012 -Unaudited	3,937,406	€ 45,039,793	€ 11.4390	-	-	-

10. Segment information

For management purposes, the Company is engaged in one main operating segment, which invests in financial instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The following table analyses the Company's operating income per geographical location. The basis for attributing the operating income is the place of incorporation of the instrument's counterparty.

	For the period ended 30 June 2013 Unaudited	For the period ended 30 June 2012 Unaudited
Ireland	23,354,964	32,363,210
France	1,648,184	835,206
United Kingdom	(1,069,453)	642,093
Rest of the world	108,186	140,172
Total	24,041,881	33,980,681

The following table analyses the Company's operating income per investment type.

	For the period ended 30 June 2013 Unaudited	For the period ended 30 June 2012 Unaudited
Equity securities	24,677,026	33,342,841
Derivative financial instruments	(1,069,453)	642,093
Foreign exchange gains on financial instruments not at fair value through profit or loss	434,308	(4,253)
Total	24,041,881	33,980,681

11. Fair Value of Financial Instrument

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on trade prices at the close of trading on the period end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques.

Valuation of hard to price assets are approved by the Directors' after due consultation with the Investment Manager's Private Equity valuation committee which includes and independent member.

Fair values are subject to a control framework designed to ensure that they are either determined or validated by a function independent of the Investment Manager where possible.

11. Fair Value of Financial Instrument (continued)

The Company adopted a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The fair value hierarchy has the following levels:

Quoted Market Price (Level 1)
Quoted prices are available in active markets for identical investments from market data sources as of the reporting date. Listed equities are included in level 1.

Valuation technique using observable inputs (Level 2)
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Investments included in this category are forward currency contracts.

Valuation technique with significant unobservable inputs (Level 3)
Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation. Investments in this category are investments in a Boussard & Gavaudan Asset Management, LP managed fund, bonds and private equities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities.

The valuation techniques for Level 3 investments include market comparable companies for Compagnie des Minquiers and Net Asset Value from fund administrator for Rasaland and BG Fund.

Level 3 investments account for 100.14% of the Company's Net Asset Value. It consists of an investment in the BG Fund (a sub fund of Ireland Umbrella Company), Rasaland (a Maltese company structured as a private equity fund) and Compagnie des Minquiers (a 83.3% owned subsidiary). BG Fund in turn invests in level 3 securities.

11. Fair Value of Financial Instrument (continued)

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value at 30 June 2013.

	Level 1 Unaudited	Level 2 Unaudited	Level 3 Unaudited	Total Unaudited
Private equity deals				
France				
Diversified	-	-	20,658,373	20,658,373
United States of America				
Diversified	-	-	7,690,508	7,690,508
Equities - Listed				
France				
Financial	174,824	-	-	174,824
Technology	5,942,790	-	-	5,942,790
Equities - Non-Listed				
Ireland				
Financial	-	-	539,687,393	539,687,393
Derivatives				
Forwards	-	39,160	-	39,160
Total	6,117,614	39,160	568,036,274	574,193,048

The following table presents the movement in level 3 instruments for the period ended 30 June 2013 by class of financial instrument:

	Private Equity-Unaudited	Investment in Funds at Fair Value-Unaudited	Total-Unaudited
Balance as of 1 January 2013	27,748,800	543,432,429	571,181,229
Sales	(932,000)	(27,100,000)	(28,032,000)
Net realised gain	(752,840)	2,706,090	1,953,250
Net unrealised gain	2,284,921	20,648,880	22,933,801
Balance as of 30 June 2013	28,348,881	539,687,399	568,036,280

There were no significant transfers between levels for the period ended 30 June 2013.

Change in unrealized loss on level 3 securities held at period end and included in net realized and unrealized losses on financial assets and liabilities at fair value through profit or loss is € 20,980,546.

A sensitivity analysis for Level 3 positions has not been presented; due to the fact that level 3 securities comprise investment for which no other unobservable inputs are available to calculate the valuation sensitivity impact.

12. Total Expense Ratio

Total expense ratios for period ended 30 June 2013 are as below.

	30 June 2013 Unaudited	30 June 2012 Unaudited
Total Operating Expense	1.62%	2.86%
Total Opearting Expenses excluding Management fees and Performance fees	0.04%	0.07%
Total Operating Expense excluding Management fees and Performance fees, administrator fees.	0.03%	0.05%

13. Comparatives

Comparative information has been provided for the six months from 1 January 2012 to 30 June 2012. Certain comparative figures have been reclassified in order to conform to the presentation.

14. Post balance sheet events

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

15. Subsequent events

Under a shareholders' agreement with GFI's main shareholders and Infofin Participations ("Infofin") entered into on 7 June 2013, BGHL agreed to invest in Infofin bonds exchangeable into GFI shares - to be issued by Infofin after completion by Infofin of its public offer on GFI. The purpose of this investment by BGHL is to finance a portion of Infofin's acquisitions of GFI shares in the public offer. The amount of BGHL's investment is based on the result of the public offer. On 26 August 2013 BGHL will complete its subscription of Infofin bonds exchangeable for existing GFI shares for an amount of €20,364,030.72.

16. Approval of financial statements

The interim financial statements were approved by the Board on 28 August 2013.