

HALF YEARLY REPORT AND UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS

Boussard & Gavaudan Holding Limited

For the six months ended 30 June 2015

Boussard & Gavaudan Holding Limited

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Boussard & Gavaudan Holding Limited

Management and Service Providers

Directors

Christopher Fish (Chairman)

Nicolas Wirz

Andrew Henton

(Directors are non-executive and independent for the purpose of LR15.2.12-A)

Investment Manager

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Boussard & Gavaudan Holding Limited

Glossary of Terms

For the six months ended 30 June 2015

Detailed below are the legal entities underlying funds and management companies, and their acronyms or defined terms used within this report, as well as some other commonly used terms.

Management companies

Investment Manager	Boussard & Gavaudan Investment Management LLP
BGAM	Boussard & Gavaudan Asset Management, LP
BGPL	Boussard & Gavaudan Partners Limited

Funds

BGHL	Boussard & Gavaudan Holding Limited/ the “Company”
Umbrella Fund	BG Umbrella Fund plc
BGF	BG Fund (a sub-fund of the Umbrella Fund)
Master Fund	BG Master Fund plc

Commonly used terms

AIFMD	The Alternative Investment Fund Managers Directive, Directive 2011/61/EU
AIFM	Alternative Investment Fund Manager for the purposes of the AIFMD
AIF	Alternative Investment Fund for the purposes of the AIFMD
AIFMD Regulations	The Alternative Investment Fund Managers Regulations 2013 made by H.M. Treasury in the United Kingdom
Board	The Board of directors
Code	The UK Corporate Governance Code published by the UK’s Financial Reporting Council
Companies Law	The Companies (Guernsey) Law, 2008, as amended
Exane	Exane BNP Paribas
NAV	Net asset value
Period	The six months ended 30 June 2015
IFRS	International Financial Reporting Standards as adopted by the European Union.
AFM	Authority for the Financial Markets
Financial Statements	Unaudited Interim Condensed Financials Statements

Boussard & Gavaudan Holding Limited
Chairman's Statement
For the six months ended 30 June 2015

Dear Shareholders,

I am pleased to present to you the half-yearly report and unaudited interim condensed financial statements of your Company for the six months ended 30 June 2015.

From 1 January to 30 June 2015, the NAVs of the Euro and Sterling shares in the Company increased by 5.04% and 4.62% respectively, whilst the market price rose by 7.12% and 2.03% respectively.

The determinants of share price are the NAV, reflecting the performance of BGF and the underlying Master Fund, and the degree of discount or premium to NAV at which the Company's shares trade, which in turn is driven by supply and demand in the market place, the liquidity of the underlying shares and general market sentiment.

We continue to monitor closely the discounts to their NAV at which both classes of shares trade. Every reasonable and cost-effective endeavour will continue to be made to narrow the discount to their NAV at which the Company's shares trade and to increase the liquidity of the shares. The share buy-back programme is central to this effort, as is the controlled reduction in the weighting of unquoted shares in the portfolio.

With regard to the review of the business, performance, allocation and risk analysis, I refer you to the Investment Manager's Report and Financial Highlights. In addition I refer you to the Directors' Report, which describes the Company's corporate governance systems.

For your continuing information, the Company publishes on its website (www.bgholdingltd.com) daily and monthly NAVs and monthly newsletters based on data provided to it by the Sub-Administrator and the Investment Manager.

On behalf of the Board, I would like to thank you for your continued support.

Christopher Fish
Chairman

26 August 2015

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

1. Background

Boussard & Gavaudan Investment Management LLP is the investment manager of BGHL.

1.1 Investment policy

BGHL invests its assets in order to deliver an exposure to multiple alternative investment strategies. The Investment Manager is responsible for the day-to-day management of BGHL's investments.

BGHL seeks to achieve its investment objective by investing the proceeds of any fund raising, net of any amounts retained to be used for working capital requirements, into BGF, which in turn invests in the Master Fund, and by utilising its borrowing powers to make leveraged investments.

Over time, a proportion of the net assets of BGHL may, at the discretion of the Investment Manager, be invested in other hedge funds and/or other financial assets within the limits set out under the heading "Asset Allocation " below and subject to the limit on the leverage set out under the heading "Gearing" below, provided that, where such hedge funds are managed by the Investment Manager, BGHL will invest through a share class which will not be subject to management or performance fees at the level of the underlying hedge fund.

The Investment Manager may use BGHL's borrowing facilities at its discretion within the limits set out under the heading "Asset Allocation" below. The Investment Manager's ability to use borrowings is subject to the limit on leverage set out under the heading "Gearing" below. Such investments may include the acquisition of minority or majority interests in unlisted companies or listed companies ("Direct Investments"). The Investment Manager may also make private equity investments through investing in funds that have a private equity investment focus ("Indirect Private Equity Investments").

With the possible application of leverage and when taken with the returns achieved from BGF, investments other than the investment in BGF as described above are intended to allow BGHL to achieve its target annualised return. BGHL's investments in assets other than BGF are expected to consist of investment opportunities that are identified by the Investment Manager in connection with its, and its affiliates, current activities but which are not pursued by BGF due to risk profiles or liquidity profiles inconsistent with those of BGF.

Gearing

BGHL intends to make use of its borrowing facilities to allow it to have a gross investment exposure of up to 200 percent of its NAV at the time of investment. BGHL has power under its Articles of Incorporation to borrow up to an amount equal to 100 percent of its NAV as at the time of borrowing.

It is intended that leverage will be used by BGHL for the purposes of (i) managing day to day cash flow, i.e. for meeting expenses of BGHL and for funding repurchases of its own shares and (ii) leveraging investments made by BGHL, including its investment in BGF or in other hedge funds managed by the Investment Manager (hereafter, "Manager Funds"), provided that BGHL complies with the exposure limitations set out under the heading "Asset Allocation" below.

Asset Allocation

Investments in Manager Funds

Substantially all of the net assets of BGHL are currently invested in BGF and it is anticipated that a significant proportion of BGHL's net assets will remain invested in BGF. Over time, no less than 80 percent of the NAV and no more than 110 percent of the NAV will be invested in Manager Funds, with at least 80 per cent of the NAV invested in BGF.

Investments in assets other than Manager Funds

In relation to those investments in assets other than Manager Funds, the directors have determined that such investments shall not exceed certain limits:

- Other Hedge fund investments. The directors have determined that BGHL's investments in hedge funds (other than Manager Funds) when aggregated may not exceed an amount equal to 25 percent of its NAV at the time of making any such investment.
- Indirect Private Equity Investments. The aggregate value of Indirect Private Equity Investments may not exceed an amount equal to 25 percent of BGHL's NAV at the time of making any such investment. In addition, BGHL will not make any single Private Equity Investment representing in excess of an amount equal to 10 percent of its NAV as at the time that investment is made. Private Equity Investments made in linked transactions will be aggregated for the purposes of this calculation.
- Other Investments (Direct Investments). The aggregate value of Direct Investments may not exceed an amount equal to 50 percent of BGHL's NAV at the time of making any such investment.

Boussard & Gavaudan Holding Limited

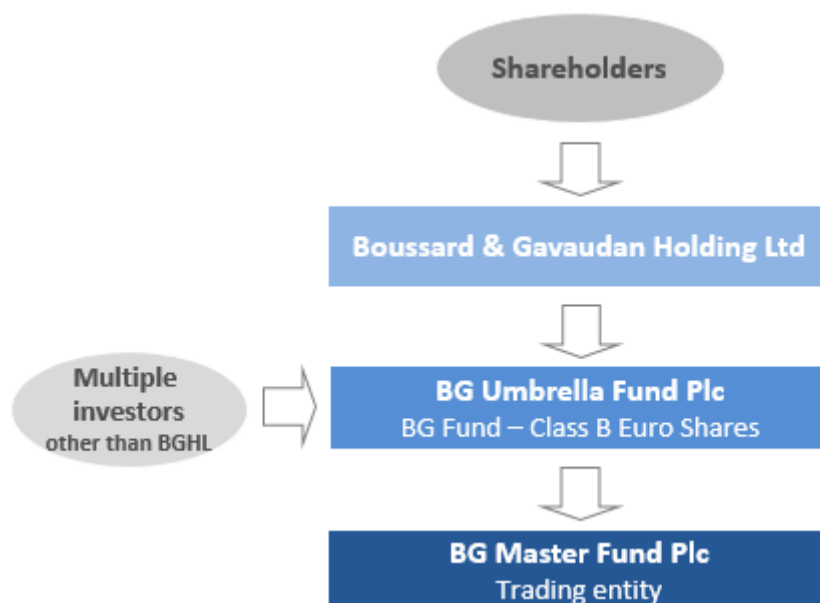
Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

1.2. BGF's structure

BGF is BGHL's main investment. The Investment Manager is the investment manager of BGF and the Master Fund.

The Umbrella Fund, BGF and the Master Fund structure.



BGHL invests in Class B Euro shares which is a separate Euro-denominated share class of BGF. BGF is a sub fund of the Umbrella Fund predominantly owned by third party investors (i.e. investors other than BGHL). BGHL is not subject to management fees and performance fees at BGF level in order to avoid multiple layering of fees. The Investment Manager receives management fees and performance fees in respect of its role as Investment Manager of BGHL.

The Umbrella Fund was incorporated under the laws of Ireland as a public company with limited liability on 16 November 2011 under the Companies Act 1990 with registration number 506116. The Umbrella Fund is authorised by the Central Bank of Ireland (the “Central Bank”) as a designated investment company pursuant to Part XIII of the Companies Act, 1990. The Umbrella Fund is authorised by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF). The Umbrella Fund is structured as an umbrella fund with segregated liability between sub-funds. Each sub-fund of the Umbrella Fund will maintain a single pool of assets subject to any allocations made to a class in accordance with the requirements of the Central Bank. The assets of each sub-fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such sub-fund and as set out in the relevant supplement to the Umbrella Fund’s prospectus.

BGF is a sub-fund of the Umbrella Fund, launched on 3 January 2012, which invests substantially all of its assets into the Master Fund. BGHL is exposed to the multiple strategies offered by the Master Fund.

The Master Fund is an open-ended designated investment company with variable capital incorporated under the laws of Ireland as a public company with limited liability on 1 October 2010 under the Companies Acts 1963 to 2013 with registration number 489713. The Master Fund has been authorised by the Central Bank as a designated investment company pursuant to Part XIII of the Companies Act, 1990. The Master Fund is authorised by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF). The Master Fund, which is the trading entity, will maintain a single pool of assets subject to any allocations made to a share class in accordance with the requirements of the Central Bank.

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

1.3. Risk Management Organisation and Policy

The Investment Manager has established a Risk Management unit, segregated from the Portfolio Management unit, which reports to its Chief Executive Officer. Risks and responsibilities are split between the Quantitative Risk Management team which is in charge of market risk and the Qualitative Risk Management team which is in charge of counterparty and operational risk. A Risk Management Committee oversees the Risk Management unit.

Exposures are calculated from a risk management system which is third party proprietary software provided by a leading risk and portfolio management solution provider. The system provides extensive real time information on the Master Fund's exposures and limits. The system provides sensitivities and calculates stress-tests scenarios. The open architecture of the system allows the Investment Manager to create specific in-house reports for risk management purposes.

Through a rigorous investment process the Investment Manager identifies and assesses risks before investing.

The Master Fund's Risk Management Policy

The Master Fund takes significant market risk exposure from the investments it makes. When assessing market risks the Investment Manager always combines:

- a *macroeconomic, portfolio level* with a *microeconomic, position specific*, approach
- *quantitative* measures with *qualitative* assessments
- a *local risk* measurement which captures the impact of *limited market moves* with *stress scenario* type measurements which captures *large market moves*

Macroeconomic risk

Macroeconomic risk is defined as those risks having a wide ranging effect on the *entire portfolio* or on a significant portion of it. It results from exogenous events such as economic changes, geopolitical uncertainty or general market disruptions.

Quantitative analysis

For *limited market moves* the Investment Manager assesses exposure by using *Greek sensitivity factors* ("Greeks") mainly linked to changes and movements in equity markets, credit instruments, interest rates and foreign exchange. Greeks (a recognised set of metrics used within the fund management industry) are used for real time portfolio hedging.

For *extreme market variations, stress scenarios* are run to measure the impact on the portfolio, of a wide variety of market situations. Scenarios, which stress all types of market data, are produced daily and can be generated on demand. The reports allow risks to be assessed from the portfolio level down into each strategy, sub-strategy, trade and finally individual instrument in order to identify the main contributors to potential losses. A "trade" generally means a combination of financial instruments which contribute to the same arbitrage opportunity. Scenarios are graduated from level 1 to 5 with level 5 scenarios bearing the largest shocks. Level 3 scenarios are tested against established tolerance limits and trigger adjustment of the portfolio when limits are breached.

Results are checked daily by the Investment Manager's front office and quantitative risk management teams. Given the non linear nature of the portfolio and the wide range of instruments and strategies used, stress scenarios calculations are considered by the Investment Manager to provide a better assessment of risk than value at risk calculations.

A wide range of reports are also produced to monitor exposures and concentrations of risk. "*What-if scenarios*" as well as other *risk indicators* (which aggregate all type of exposures in different ways) are scrutinised. A non aggregated vision, focusing on nominal and/or notional amounts, is also used to track excessive concentrations of risk.

Qualitative analysis

The qualitative assessment focuses on *hard to measure risks* such as potential changes in the *liquidity* of various underlying financial instruments. Small and mid caps, levered positions as well as speculative positions entailing a hedge fund liquidation risk are examples of positions exposed to liquidity changes. The qualitative approach sometimes requires exchange of information with market participants to get a better feel of the general situation.

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Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

Microeconomic risk

Microeconomic risk is defined as the risk applying to a *specific "trade" position* in the portfolio and one of its main components is the *idiosyncratic risk* which measures the risks applying to *one single issuer* to whom the Master Fund have exposure. Idiosyncratic risk is used to assess events such as bankruptcy, takeovers, bond offers, credit rating changes or any other credit event. Idiosyncratic risks are identified in the decision-making phases before the investments takes place and during the investment's life.

Quantitative analysis

For *limited market moves* the Investment Manager assesses exposure by using the Greeks by issuer.

For *extreme market variations, crash tests* by issuer are run. The scenario which aims at assessing the bankruptcy of an issuer aggregates all the positions of the Master Fund by issuer and then applies extreme shocks whose magnitude depends on each financial instrument type contributing to the trade and on their recovery rate which themselves depend on the seniority of instruments.

The Master Fund's portfolio is protected against extreme movements by trading equity options which provide positive convexity to the portfolio. Options will behave as insurance to the portfolio in particular through their Gamma sensitivity which provides protection in the case of a market crash.

Qualitative analysis

Qualitative analysis takes account of many events such as regulatory changes, changes in the management of a company but also liquidity risk. Liquidity risk is the risk that the Master Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It also reflects the ability of the Master Fund to unwind a specific trade in a reasonable timeframe. Liquidity has, by definition, an idiosyncratic component, but it also varies according to macroeconomic conditions.

The Master Fund is exposed to the risk of credit related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. This credit exposure exists within financing relationships, derivatives and other transactions. Concentrations of risk are managed by diversifying the credit sensitivity of the portfolio across sectors, countries and maturities.

Equity at risk methodology

Prime brokers, when providing financing to hedge funds, take a risk that they assess using their own methodology. Even though each prime broker has its own methodology and risk measure, approaches tend to be similar. Risk measures are achieved by the use of "haircuts". Haircuts reflect the level of risk attributed by a prime broker to a position. The higher the level of haircut, the higher the risk is. These methodologies take into account, to a large extent, the benefits of hedging by applying specific haircut and netting effects to hedged positions. Under these methodologies, 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. Given that prime brokers are the main financing and leverage providers of the Master Fund, their view of the risk is central to the Investment Manager and so is the consequence of any restriction they may impose. Their measure constitutes an independent risk measurement.

The Investment Manager replicates the methodology applied by prime brokers through a model, named *Equity-at-risk*. The model, applied to the *entire portfolio*, is a proxy for the calculations of the prime brokers. The difference between 100% and the equity at risk is the *Excess Margin*. The level of Excess Margin is the level of spare risk to increase positions or enter into additional ones without having to raise additional cash. 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 its 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 its prime brokers. Equity at Risk is a key indicator used by the Investment Manager to monitor the solvency of the Master Fund. Equity-at-risk calculations are run every night and compared to the prime broker's calculations. The Equity-at-risk allocated to each trade is used to calculate the return on equity which is the ratio used to assess the profitability of a trade

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

2. Highlights and review of the development of the business

The Investment Manager's role is to allocate BGHL's capital in accordance with its investment objective which is to produce long term appreciation of BGHL's assets. Except for its working capital, BGHL has fully invested its net assets as well as any amount borrowed.

BGHL (in Euro)	30 June 2015	31 December 2014	Variation %
Net assets	607,706,089	596,032,368	+2.0%

The increase in BGHL's net assets is explained by a positive performance during the period.

Performance

BGHL's Euro and Sterling Share prices and NAV per Share performed as follows:

Performance	Ticker Bloomberg	Price		Performance	
		30 June 2015	31 December 2014	2015	5 years annualised
BGHL - Euro share - Price	BGHL NA Equity	€15.20	€14.19	7.1%	7.5%
BGHL - Euro share - NAV	-	€18.76	€17.86	5.0%	7.7%
BGHL - Sterling share - Price	BGHS LN Equity	£12.58	£12.33	2.0%	5.7%
BGHL - Sterling share - NAV	-	£16.59	£15.86	4.6%	6.4%

HFRX Global Hedge Fund Index	HFRXGL Index	1,233.90	1,218.41	1.3%	1.5%
HFRX Equal Weighted Strategies Index	HFRXEW Index	1,209.23	1,191.14	1.5%	1.7%

BGHL's NAV is calculated by BGHL's Sub-Administrator, GlobeOp Financial Services LLC. BGHL's Euro and Sterling Share prices are provided by Euronext Amsterdam and the London Stock Exchange, respectively. Past performances are not indicative of future results.

The Investment Manager's actions impact BGHL's performance and NAV per Share. Although the NAV per Share appreciation influences BGHL's Share price on the Amsterdam and London stock exchanges, the Investment Manager has no direct influence on the Share price and on the discount between the Share price and the NAV per Share. The performance of BGHL's Sterling NAV per share tracks the performance of BGHL's Euro NAV per share, plus/minus the impact of the EUR/GBP hedge compared to a perfect hedge and less the accretive effect of the Euro shares bought back as part of the share buy-back programme.

Allocations

BGHL's assets were allocated and performed as follows:

	Contribution to 2015 performance	Holding in % AUM		
		Exposure 30 June 2015	Exposure Minimum (Period)	Exposure Maximum (Period)
BGF – Euro B Class – NAV	5.6%	100.0%	100.0%	100.0%
BGF –Euro B Class – Leveraged	0.2%	3.9%	3.0%	4.4%
Other Investments	0.7%	6.8%	6.7%	7.0%
Share Buy Back	0.7%			
Fees, miscellaneous	-2.2%			
BGHL – Euro Share - NAV	5.0%	110.6%	109.7%	111.4%

Source: Boussard & Gavaudan Investment Management LLP

BGF Euro Class B's NAV is calculated by the Administrator, GlobeOp Financial Services LLC

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

Risks and risk adjusted returns

During the reporting period, BGHL complied with its Investment Policy and has maintained its gross and commitment exposure within the limits established by the Investment Manager. BGHL's investments are diversified thanks to its exposure to the investment strategies of the Master Fund and to a lesser extent its "other investments".

Risk AIFMD % AUM	Commitment method		Gross method	
	Exposure	Limit	Exposure	Limit
30 June 2015	110.6%	200.00%	110.6%	200.00%
31 December 2014	111.7%	200.00%	111.7%	200.00%

The leverage of BGHL is used to invest in BGF and finance the "other investments". Because the amount borrowed by BGHL exceeds the value of its "other investments", BGHL's exposure to BGF exceeds 100% of BGHL's net assets. Such additional exposure to the Master Fund contributed an extra performance of BGHL in 2015.

The Investment Manager is satisfied with the performance of BGHL.

3. Detailed performance, allocation and risk analysis:

3.1 Investments in Manager Funds: BGF

The main assets classes to which BGF is sensitive are the equity, credit and volatility asset classes.

As of 30 June 2015

Asset Class	Index	Ticker Bloomberg	BGF's beta versus Index (5 years)	Index volatility (5 years)
Equity	Stoxx 600	SXXP index	0.19	11.7%
Credit	FTSE Euro Corporate Bonds All Maturities	FECVCP index	0.34	3.2%

Asset Class	BGF's Vega
Volatility	9 basis point by volatility point

Source: Boussard & Gavaudan Investment Management LLP

A beta sensitivity of 0.10 versus an index means that if the index increases or decreases by 1%, BGF is likely to increase or decrease by 0.1%. The "Stoxx 600" index is an equity market index which represents large, mid and small capitalisation companies across the main countries of the European region. The "FTSE Euro Corporate bond" index is a credit market index which includes Euro issues from corporate entities. The Investment Manager believes that these indices are the most relevant equity and credit indices to compare BGF with.

A vega sensitivity of 1 basis point means that an increase in volatility by 1 percentage point leads to a performance of 0.01% for BGF. The Vega measures the sensitivity to volatility for a given instrument. For a given instrument, it is the derivative of its price with respect to the volatility of its underlying. The Investment Manager considers the Vega to be the best proxy of BGF's sensitivity to volatility and believes there are no relevant indices to compare its volatility sensitivity against.

Given that interest rate risks are essentially hedged, BGF has low beta sensitivity versus the "Bloomberg/EFFAS" index which is a government bond market index.

Asset Class	Index	Ticker Bloomberg	BGF's beta versus Index (5 years)	Index volatility (5 years)
Interest rate	Bloomberg / EFFAS	EUGATR Index	0.18	4.7%

Source: Boussard & Gavaudan Investment Management LLP

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

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The Master Fund

The investment objective of the Master Fund, in which BGF is invested, is to seek to achieve an attractive return on capital consistent with principles designed to manage risk of capital loss. The Master Fund arbitrages linear and non-linear instruments that can be exchange traded or traded over the counter. The Investment Manager may use derivative financial instruments for investment purposes or to hedge against fluctuations in the relative values of the Master Fund's portfolio positions. The investments are subject to normal market fluctuations and to the risks inherent to investment in securities. There can be no assurances that appreciation will occur. The value of financial instruments can increase as well as decrease and investors may not realise their initial investment on the disposal of their investments.

Risks and Capital allocation of the Master Fund

During the reporting period, the Master Fund complied with its Investment Policy and has maintained its gross and commitment exposure within the limits established by the Investment Manager. The Master Fund's investments are diversified thanks to its exposure to the investment strategies.

The Master Fund's maximum level of leverage in accordance with the gross and commitment methods as required under AIFMD was increased on 28 May 2015. The revised limits, expressed as a percentage of NAV, are 500% under the commitment method and 1200% under the gross method. The previous limits were 300% and 1000%, respectively. The increase is not due to a change in the leverage policy of the Master Fund. BGIM considered it prudent to increase the limits to mitigate any risk of exceeding the previous limits.

Risk AIFMD % AUM	Commitment method		Gross method	
	Exposure	Limit	Exposure	Limit
30 June 2015	249.6%	500.00%	771.9%	1200.00%
31 December 2014	236.7%	300.00%	596.7%	1000.00%

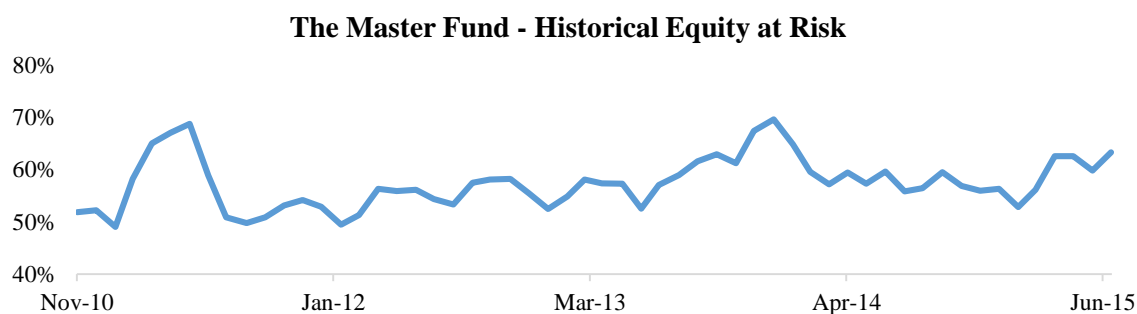
Source: Boussard & Gavaudan Investment Management LLP

The Investment Manager is very selective when deploying the equity at risk, a key risk indicator, and seeks to maintain a prudent excess margin level at any time. The Investment Manager secures the excess margin of the Master Fund by signing agreements which allow haircut levels to be frozen over a pre-agreed period of time.

Master Fund	30 June 2015	31 December 2014
Equity at risk	63.3%	56.4%
Excess margin	36.7%	43.6%
Total	100.0%	100.0%

Source: Boussard & Gavaudan Investment Management LLP

The graph below illustrates the evolution of the equity at risk of the Master Fund since November 2010.



Source: Boussard & Gavaudan Investment Management LLP

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Investment Manager's Report and Financial Highlights

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Performance of the Master Fund by strategy

The Master Fund carries the following strategies and sub-strategies:

Volatility strategies:

- mandatory convertible bond arbitrage ("mandatories")
- convertible bond arbitrage (including credit convertible bonds)
- gamma trading

Equity strategies:

- merger arbitrage & special situations
- long / short trading with short-term catalyst & value

Credit strategies:

- credit long / short
- capital structure arbitrage

Trading:

- short-term directional trading which is an ancillary strategy with limited allocation

The Master Fund's strategies performed and were exposed as follows:

Contribution to Performance	Period ending 30 June 2015	Equity at risk % AUM
Volatility strategies	1.20%	19.7%
Equity strategies	3.10%	31.00%
Credit strategies	1.30%	8.60%
Trading	0.00%	3.20%
Others	0.00%	0.80%
BGF Euro B Class – NAV	5.60%	63.30%

Source: Boussard & Gavaudan Investment Management LLP

Volatility strategies

Convertible Bond Arbitrage

Convertible bond arbitrage contributed positively this period. GFI Informatique convertible bonds drove the performance. The company recalled its convertible bond and, as a consequence, the Master Fund will send a conversion notice after the dividend ex-date. The prospectus allowed a full dividend protection via an increase of the conversion ratio.

The position in Marine Harvest also contributed positively thanks to the corporate's incentive to convert the bond maturing in 2018 and from long only funds keen to purchase the 2019 bond in order to keep exposure on the name. Some profits were taken on this investment.

During this period, investment grade names and those with mixed delta (30% to 75%) were even more expensive from an arbitrage standpoint. At the other extreme, oil related names with high leverage were still at a low level. Nevertheless, the Investment Manager started to identify some opportunities. For instance, some positions were initiated on high delta names when the convertible bonds traded under parity. Towards June, investors became focused on the potential consequences of a Greek exit from the Eurozone. There was no panic selling nor force selling pressure. Flows remained limited and valuations decreased slightly, mainly due to banks which wanted to clean their balance sheet for half year-end. As a result, no sufficiently attractive opportunities arose and the Investment Manager adapted the portfolio by trading around existing positions.

Year-to-date issuance amounted to €12.15bn with 22 issues (to be compared with €12.7bn in 44 issues last year). Redemptions (maturities, tenders, soft calls) amounted to €7.3bn (to be compared with €8.7bn last year).

Several facts can be highlighted. There are:

- more issues from investment grade names with zero coupon and high premium;
- larger deals (above €1bn);
- more exchangeable issues (€6bn versus €1.7bn last year);
- more companies offering less dividend protection than usual.

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Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

Mandatory Convertible Bond Arbitrage

Mandatory convertible bond arbitrage contributed positively driven by the Telefonica and the Volkswagen mandates.

On the Telefonica position, there were no specific news or flows explaining this performance. This mandatory convertible bond was particularly cheap and as a consequence market makers faced some issues in finding some bonds, thus pushing valuations up.

The Volkswagen mandatory bond converged towards its fair value as the maturity approached.

During this period, the Investment Manager increased the position in Telecom Italia 2016 and in Telefonica 2017. We believe these mandates provide an interesting level of gamma and that valuations offer a "free put" spread for Telecom Italia and a 12% return on equity for Telefonica.

There were no specific flows and no primary issues in the market.

Gamma Trading

Over the first half of the year, only a few convex positions such as the EUR downside have been profitable. The few market corrections have indeed been short lived and/or in a high volatility environment such as the June European equity correction. The tail hedges put in place at the beginning of the year around the ECB QE announcement, the Greek elections / negotiations in February and the UK elections have proved costly. The net result of the convex positions has therefore been negative over the period.

On the other part of the book, the carry positions have performed decently over the period (VIX, S&P500, SX5E vs EUR correlation positions) and have been able to partially offset the costs of the convex positions.

Equity Strategies

The year started with concerns around Greek elections and falling oil prices. But very quickly, the European equity market rallied following the announcement that the ECB would start a largescale Quantitative Easing programme in March and continuing inflows into Europe from global asset allocators.

Equity strategies contributed positively to the performance of the Master Fund.

On the positive side, the financial book performed very well. Lloyds rallied, benefiting both from very positive earnings and from the outcome of the UK election. The Master Fund also benefited from the re-rating of Italian *popolari* banks after the Government issued a decree forcing their de-mutualisation: this is expected to trigger the long-awaited consolidation of the Italian banking sector. Lastly, the Master Fund also benefited substantially from the Investment Manager's negative view of European insurers' fundamentals. On the corporate front, the Master Fund benefited from investments in companies exposed to the USD.

On the negative side, the Master Fund suffered on Alcatel as the stock dropped following the announcement of a full-share takeover by Nokia. The price paid by the acquirer was disappointing, and both stocks have de-rated since then as the market has not yet been convinced by the deal. The Mobistar position also cost the Master Fund. Telenet announced an agreement to buy Base, a competitor of Mobistar. This not only removed a large part of the speculative appeal of the name but more importantly put the company in the challenging position of compensating for the loss of wholesale revenues that it generated from Telenet.

The situation was difficult on the capital market front, with a flurry of IPOs and a few block trade placements. Performances were mixed. The Investment Manager felt that the market was driven more by Greece news flow than by fundamentals, and decided to stay away from most of the IPOs or market placements. In this market environment, the Investment Manager remained focused on conviction trades and felt compelled to use options in order to express fundamental views. The combination of volatilities and fundamental drivers makes this very efficient.

Credit Strategies

Capital Structure Arbitrage

Capital structure arbitrage contributed slightly negatively to the performance of the Fund.

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

With the actions of different central banks (ECB, SNB), the usual correlations between credit and equities were broken. In this environment of tight spreads mostly driven by the quantitative easing effect, the Investment Manager decided to reduce the existing positions as no significant opportunities arose and to focus much more on strong, fundamental, idiosyncratic catalysts.

Towards the end of the semester, the sub-strategy started to become more lucrative, mainly due to local and repetitive intraday dislocations between credit and equities. Active trading around the positions enabled performance to be generated despite poor and relatively well correlated absolute performance of both asset classes. The concerns around Greek debt negotiations were reflected in investors' risk aversion.

This significantly increased heterogeneous intraday price actions which the Investment Manager managed to monetise. However, there were not enough significant discrepancies to build new strong conviction positions.

Credit Long / Short

Credit long / short strategies contributed positively this semester. During the period, the European credit markets benefited from the ECB's unconventional monetary policy measures. Inflows in the asset class have been continuing at a strong pace. In particular, more yielding credit asset classes such as European high yield and hybrid financials, which underperformed investment grades in H2 2014, benefited from strong demand. Towards the end of the semester and with the Greek uncertainty in the background, flows were muted with most market players increasing cash positions and waiting for further macro stability to be more active in the market.

During the period, all investment contributed positively to the performance. In particular, investments in an Italian media corporate and in the French geophysical services company CGG performed very well. The high yield energy sector has been underperforming since Q4 last year with the sharp decline in oil prices. USD denominated bonds of CGG outperformed alongside the US high yield energy sector on the back of stabilisation in oil levels and the re-opening of the US primary market in this sector.

To a lesser extent, investments in Financials also (Austrian retail bank Bawag and French insurer Groupama) performed well.

Trading

Trading contributed marginally positively this semester.

3.2. Investments in assets other than Manager Funds

Rasaland Investors plc ("RLI")

RLI is a Malta-based holding company structured as a private equity fund in terms of fees and organisation, dedicated to investing in land, hotels and high-end resort developments in Mexico. RLI's initial business was, soon after launch, affected by several adverse events which have changed the exit solution and the time schedule considered initially. RLI has mitigated the risk of running out of cash by selling a stake in one of its land projects to a large Mexican institutional pension fund and raising USD 80 million with the National Infrastructure Fund. RLI also acquired the Four Seasons hotel in Mexico in May 2013 and is considering acquiring additional operating hotels, which complements the land portfolio with cash generating assets. The listing of RLI's hotel subsidiary on Mexico's exchange is the more likely exit option currently envisaged by RLI. The listing of the subsidiary could be followed by the listing of RLI.

BGHL invested USD 10 million in RLI's shares. The EUR/USD exposure is hedged by an FX forward which is rolled on a 3-month basis.

The contribution of RLI to BGHL's performance was nil as detailed in note 3 of the interim financial statements.

GFI Informatique («GFI») and Infofin Participations Sàrl ("Infofin")

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. In compliance with applicable regulations, the concert party through Infofin (an entity created for this purpose) 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. On 29 August 2013, BGHL subscribed to the Infofin exchangeable bonds for an amount of €20,364,030.72.

Boussard & Gavaudan Holding Limited

Investment Manager's Report and Financial Highlights

For the six months ended 30 June 2015

BGHL owns GFI listed shares as well as bonds issued by Infofin secured by, and exchangeable into GFI shares. BGHL holds a directional exposure which is not hedged.

The contribution of GFI Informatique to BGHL's performance was positive in 2015. The company benefited from strong fundamentals and has successfully combined organic growth and acquisitions with an improvement in profitability.

3.3 Share buy-back

Repurchases under the Share buy-back programme and the Liquidity Enhancement Agreement are made at a discount to the NAV and therefore are accretive to the Shareholders. They contribute to the outperformance of BGHL's NAV with respect to that of BGF. The performance due to the Share buy-back accretion is derived from BGHL's monthly NAV estimations calculated by BGHL's sub-administrator GlobeOp Financial Services LLC.

4. Review of important events since the end of the Period

There have been no important events.

5. Principal Risks and Uncertainties

The principal risks and uncertainties are listed and described in the director's report. The Board of Directors has put in place a reporting framework which highlights the following:

- the level of return generated relative to "market" returns, and the relative variability in those returns;
- the impact on NAV if sudden, materially adverse movements occur in financial markets; and
- the value of assets (including assets held within the Master Fund on a "look through basis") which cannot be priced by reference to observable prices in a liquid market.

BGHL's main investment exposures, including the main risks to which the Master Fund is exposed, have been described in this report. The key market risks are equity price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The diversified nature of the investments within the Master Fund mitigates the apparent concentration risk within BGHL.

The Investment Manager aims to continue to perform in accordance with its long term objective of delivering consistent NAV appreciation. The equity at risk of the Master Fund is deployed into attractive investment opportunities that are identified. The limited amount of leverage does not expose BGHL to a significant refinancing or default risk.

In terms of uncertainties in 2015, a tense political environment in and outside Europe, the instability in oil and relative currency prices, and deflationary pressure are seen as the risks most likely to have potentially adverse effects on the performance of BGHL.

With regards to the GFI investment, the Investment Manager is not aware of any material adverse development since the position was entered into. As regards RLI, the illiquid nature of the investment, the status of the Mexican real estate market and the political environment in Mexico are all factors which could potentially push the carrying value below its acquisition cost (par value).

Boussard & Gavaudan wishes to thank Shareholders for their continued support.

Boussard & Gavaudan Investment Management LLP
Acting by its managing member,
Boussard & Gavaudan Partners Limited

26 August 2015

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2015

The Directors present their half-yearly report and unaudited interim condensed financial statements for the Period.

Principal Activities

During the Period, BGHL had invested substantially all of its net assets in BGF, a feeder fund fully invested in the Master Fund. The Master Fund was established in Ireland and is authorised by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF). The Master Fund is a Europe-focused multi-strategy fund, which aims primarily at arbitrating instruments with non-linear pay-offs in special situations. The Master Fund implements diversified investment strategies, including volatility, equity and credit strategies. The overall investment objective of the Master 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.

In addition to its investment in BGF and as described in BGHL's offering memorandum and investment policy, BGHL enters into other investments, including private equity investments.

Performance of Investment Manager and Continued Appointment

The Investment Manager was appointed as investment manager and AIFM by BGHL, BGF and the Master Fund on 21 July 2014. The Investment Manager has taken over the investment advisory business previously undertaken by BGAM. The Investment Manager was authorised by the FCA on 11 July 2014 to perform the regulated activity of managing an AIF and remains so authorised.

The Investment Manager was registered on 5 November 2013 as a limited liability partnership or "LLP" in England and Wales for the purpose of complying with AIFMD Regulations, because BGAM, a limited partnership, had no legal personality and would therefore not be eligible to act as an AIFM. Prior to the appointment of the Investment Manager, BGAM acted as investment manager pursuant to an investment management agreement entered into on 13 October 2006, which was terminated with immediate effect on 21 July 2014.

The Investment Manager acts through its managing member, BGPL, and is owned by BGAM. The Investment Manager therefore has access to the same resources as the previous investment manager. The Investment Manager's fees and provisions for notice of termination are identical to those as were included in BGHL's agreement with BGAM.

The Board has reviewed the performance of the Investment Manager since the date of its appointment and is satisfied that the continued appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders. Please refer to the Investment Manager's Report for a review of the performance of BGHL over the Period. Please also refer to note 7 to the financial statements for further details on the terms of the investment management agreement.

Results for the Period and State of Affairs at 30 June 2015

The Statement of Financial Position and the Statement of Comprehensive Income for the Period are set out in the main financial statements.

Directors

The Directors as at 30 June 2015 and as at the date of this report were:

- Christopher Fish, Chairman;
- Nicolas Wirz; and
- Andrew Henton

Mr. Henton and Mr. Wirz were re-elected at the annual general meeting held in 2015 and Mr. Fish was re-elected at the annual general meeting held in 2014. BGHL's articles of incorporation require that all directors who held office at the two preceding annual general meetings shall retire and, if willing, offer themselves for re-election.

Directors' interests in shares

As of 30 June 2015, Mr. Fish had invested, directly or indirectly, in 8,631 ordinary Euro shares of BGHL and Mr. Wirz had invested, directly or indirectly, in 16,168 ordinary Euro shares of BGHL.

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2015

Share buy-back programme and Liquidity Enhancement Agreement

Since its listing, BGHL has operated a share buy back programme approved in each annual general meeting by its shareholders. The number of shares repurchased during the Period demonstrates the Board's commitment to BGHL's strategy and its efforts to reduce the discount to the prevailing NAV at which BGHL's shares are trading and to improve liquidity in the shares. Although the Board seeks to minimise its level, such discount is largely driven by market forces beyond BGHL's control. BGHL's intention is to maintain the share buy back programme as long as the discount remains greater than 10%. BGHL's share buy-back programme is financed by redemptions of BGF shares. BGF has monthly liquidity, which means that redemptions are payable once in every calendar month. BGHL does not know in advance the volumes and frequency of share buy-backs for any given month. As a result, every month BGHL needs short-term financing, which it meets by issuing variable funding notes to the Master Fund. The terms of the variable funding notes are described in note 10. The timing of and ability to redeem BGF's shares may expose BGHL to liquidity risk if the variable funding notes are recalled by the Master Fund, as described in note 4 section Liquidity risk.

On 9 July 2015 the shareholders renewed BGHL's authority to make market purchases of its shares. Under such authority BGHL is allowed to purchase up to 14.99% of the shares of each class in issue (excluding treasury shares) at the time authority was granted, such shares in issue (excluding treasury shares) being 31,723,341 Euro shares and 538,435 Sterling shares.

In order to increase the liquidity of BGHL's Euro Shares on Euronext Amsterdam, BGHL entered into a liquidity agreement with Exane on 14 August 2008. Under this Liquidity Enhancement Agreement, in accordance with Dutch accepted market practices, Exane acting on behalf of, but independently from, BGHL may effect purchases of BGHL's Euro Shares on Euronext Amsterdam. BGHL limits the amount allocated to the execution of this contract to 2% of its market capitalisation per year. Residual cash allocated to this programme, which has not been used to buy back BGHL's own shares, is invested by Exane in BNP Paribas Cash Invest, a money market fund distributed by BNP Paribas S.A. group.

Repurchases under the Share buy-back programme and the Liquidity Enhancement Agreement are made at a discount to the prevailing NAV and are therefore accretive to the NAV. They contribute to the outperformance of BGHL's NAV relative to that of BGF.

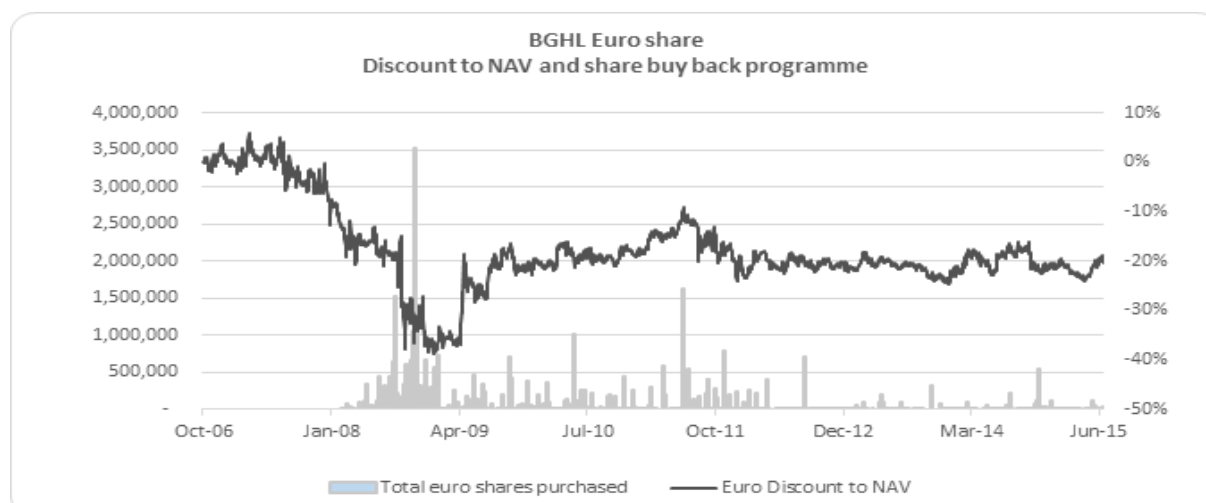
During the Period, BGHL bought back the following number of Euro shares. No Sterling shares were repurchased.

Repurchase of own shares	Treasury Shares	Average Price	Amount Euro
30 June 2015	1,035,178	€14.7479	€ 15,266,751
30 June 2014	808,866	€ 13.6750	€ 11,061,237

The discount of the shares with respect to their NAV was the following.

Discount to NAV	30 June 2015	31 December 2014
Euro Share	-18.97%	-20.55%
Sterling Share	-24.22%	-22.26%

Below is a graph showing the discount to their NAV at which BGHL's Euro shares have traded and the Euro share buy-back activity since BGHL's inception. BGHL did not repurchase any Sterling shares in the Period.



Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2015

Directors' Interests and Remuneration

Save as disclosed in these financial statements, BGHL is not aware of any potential conflicts of interest between any duty owed to BGHL by any of the directors 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.

Due to the nature of their roles and in light of the BGHL's stated investment objective and policy, no discretionary compensation payments are ordinarily made to the directors. No director has a contract for services and none of them is entitled to compensation in lieu of notice.

Shareholders are at each annual general meeting given the opportunity to vote on the directors' remuneration.

Directors' Duties and Responsibilities

The Directors' responsibilities are as follows:

- Statutory obligations and public disclosure;
- Strategic matters and financial reporting;
- Oversight of management and advisors' matters;
- Risk assessment and management, including reporting, monitoring, governance and control;
- Other matters having a material effect on BGHL.

Internal Controls

The Audit Committee has conducted a review of BGHL's system of internal controls and further information on the Audit Committee's procedures was given in the Report of the Audit Committee included in the most recently published annual financial report.

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 manage, rather than to eliminate, the risk of failure to achieve BGHL's business objectives. The framework ensures at least an annual review of BGHL's system of internal controls, including financial, operational, compliance and risk management. The system can only provide reasonable and not absolute assurance against material misstatements.

The Board has delegated the management of BGHL's investment portfolio, the provision of custody services, the administration (including the independent calculation of BGHL's NAV), share registration, corporate secretarial functions and the production of the half-yearly and annual independently audited financial reports. The Board retains accountability for the functions it delegates. Formal contractual arrangements have been put in place between BGHL and the providers of these services.

Compliance reports are provided at each quarterly Board meeting by BGHL's Secretary. The Board considers that its internal control processes meet best practice as recommended in the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the UK's Financial Reporting Council as an adjunct to the UK Corporate Governance Code.

Principal Risks and Uncertainties

BGHL is exposed to various types of risks. They are described in the notes to the accompanying financial statements (note 4) and the key market risks are described in the report of the Investment Manager. The Board believes that these disclosures are accurate, complete and not misleading.

The Investment Manager seeks to deliver risk adjusted returns which are superior to those of "the market" (which for this purpose is considered to comprise the universe of investible assets in its widest sense). The principal reports which the Investment Manager provides to the Board and by which risk exposures are assessed are as follows:

Relative performance analysis: NAV accretion (or dilution) is reported monthly and broken down by attribution to each specific strategy pursued within the Master Fund. Individual and aggregated strategy performances are compared to relevant indices or benchmarks. This serves to highlight over and under performances, and also any divergence from historic trends.

Boussard & Gavaudan Holding Limited

Directors' Report

For the six months ended 30 June 2015

Stress testing: The impact on NAV is modelled each month against a series of downside scenarios. These scenarios make allowance not just for market movements, but also for liquidity related events (for example “mid cap” stocks falling by a greater amount than the main index due to materially reduced trading volumes in smaller company stocks). Portfolio construction is informed by the results of this modelling.

Pricing analysis: The Investment Manager shares with the Board analysis that is prepared by the administrator of the Master Fund. This highlights the percentage of NAV in the Master Fund which is based on prices that cannot be independently verified by reference to an independent or market source. The existence of instruments for which independent pricing is not available is deemed to be a risk factor and any such instruments are subjected to additional ongoing scrutiny.

In addition to the various financial and market risks, the Board actively monitors operational and commercial risk. Key risks in this regard are the following:

Prevailing share price: BGHL's shares currently trade at a discount to NAV and have done so for several years. The level of discount is monitored actively and measures continue to be taken to try and narrow the discount. However, this is a function of supply and demand for BGHL's shares in the market and is not and cannot therefore be controlled by the Board. The key element of the programme by which the Board seeks to manage the level of discount is the share buy back programme. For so long as the prevailing share price remains markedly less than NAV, it is value accretive to shareholders when BGHL buys back its own shares at that price. The Board authorised share buy backs on an opportunistic but regular basis throughout the Period and anticipates continuing this policy during the rest of 2015. In considering other interventions that might influence the level of discount, the Board seeks to avoid significantly increasing the total expense ratio and to favour actions which are persistent in their effect, as opposed to short term and transient.

Scale of operations: The Board reviews the operational plans of the Investment Manager at least annually. In so doing it seeks assurances that adequate resources are available to maintain an effective and compliant operating infrastructure. Future business development plans, headcount, organisational structure and the experience of operational incidents (if any) are all taken into account.

Service providers: BGHL places reliance on the administrator, sub-administrator, depositary and sub-custodian of the Master Fund. To the extent that independent assurance statements or reports can be obtained in relation to these firms, the Board requests them. Oversight is also exercised via open market sources (credit ratings), direct enquiry of the Investment Manager and feedback from other independent advisers (including the auditor).

Regulatory Compliance

BGHL keeps abreast of regulatory and statutory changes and responds as appropriate. The Board took advice on AIFMD and worked with its advisors, particularly the Investment Manager and Secretary, to implement measures to ensure compliance with relevant requirements of the AIFMD and the AIFMD Regulations by the deadline of 21 July 2014. Although the majority of the obligations are applicable to the AIFM, the Board is satisfied that BGHL as an AIF complies fully with its relevant obligations under the UK's AIFMD and the AIFMD Regulations 2013.

Going Concern

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

Currently BGHL has a debt position, the purpose of which is to finance share buy backs. The debt position is repaid in full using the proceeds from redemptions of a portion of its shares in BGF on a monthly basis. It remains at the discretion of BGHL to continue its share buy back activity in the future.

In addition, BGHL has borrowed €60m from Natixis under the committed revolving loan facility agreement described in note 10 to the financial statements.

In addition to the management obligations associated with these debt positions, BGHL also incurs ongoing fees and expenses associated with its day to day operations.

Boussard & Gavaudan Holding Limited
Directors' Report
For the six months ended 30 June 2015

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

Relations with Shareholders

BGHL considers the ongoing interests of investors and other stakeholders on the basis of open and regular dialogue with the Investment Manager. Additionally, shareholders are welcome to contact the Board of BGHL in writing via the Secretary, should they wish to have a dialogue and/or provide any feedback.

While BGHL reports formally to its shareholders twice a year, it also maintains a website which contains comprehensive information (www.bgholdingltd.com). This includes historic communications, investment philosophy, risk management policies, Investment Manager's reports, statistical information and corporate governance guidelines.

By order of the Board

Christopher Fish
Chairman

Andrew Henton
Director

26 August 2015

Boussard & Gavaudan Holding Limited
Interim Management Report
For the six months ended 30 June 2015

In accordance with the requirements of the DTR the Directors each confirm to the best of their knowledge that:

- (a) the interim condensed financial statements for the period ended 30 June 2015 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit of BGHL
- (b) the condensed half yearly report includes a fair review of the development and performance of the business and the position of BGHL for the year to date, together with a description of the principal risks and uncertainties that BGHL faces for the remaining six months of the financial year.
- (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 BGHL in the period, other than as disclosed in the financial statements. Details of related parties are set out in note 5 to the financial statements.

By order of the Board

Christopher Fish
Chairman

Andrew Henton
Director

26 August 2015

Boussard & Gavaudan Holding Limited

Independent Review Report

INDEPENDENT REVIEW REPORT TO THE DIRECTORS OF BOUSSARD & GAVAUDAN HOLDING LIMITED

Introduction

We have been engaged by the Company to review the condensed set of interim financial statements in the Half-Yearly Report for the six months ended 30 June 2015 which comprises the Condensed Interim Statement of Financial Position, Condensed Interim Statement of Comprehensive Income, Condensed Interim Statement of Changes in Equity, Condensed Interim Statement of Cash Flows and related notes 1 to 15. 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 Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half-Yearly Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of interim financial statements included in this Half-Yearly 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 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 interim financial statements in the Half-Yearly Report for the six months ended 30 June 2015 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 Conduct Authority.

Ernst & Young LLP
Guernsey
Date: 26 August 2015

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Financial Position
30 June 2015 (Unaudited)

		UNAUDITED As at 30 June 2015	AUDITED As at 31 December 2014
	Note	€	€
Assets			
Non-current assets			
Investments at fair value through profit or loss	3	681,180,738	673,904,239
Current assets			
Forward foreign exchange derivative contracts	3	387,549	-
Due from brokers		13,938	652,255
Total assets		681,582,225	674,556,494
Equity and liabilities			
Current liabilities			
Short term loan	10	63,750,000	65,650,000
Forward foreign exchange derivative contracts	3	-	91,981
Due to brokers		107,755	197,332
Performance fees payable	7	7,480,644	10,041,560
Management fees payable	7	2,344,376	2,303,314
Other liabilities		88,065	121,652
Interest payable	10	105,296	118,287
Total liabilities		73,876,136	78,524,126
Equity			
Share capital		511,878,365	511,878,469
Treasury shares		(5,890,150)	(8,489,125)
Retained earnings		101,717,874	92,643,024
Total equity		607,706,089	596,032,368
Total equity and liabilities		681,582,225	674,556,494
Net asset value per share:			
Class A Euro shares outstanding 31,723,341 (2014: 32,758,519)	9	€18.7590	€ 17.8590
Class A Sterling shares outstanding 538,435 (2014: 538,435)	9	£16.5941	£15.8611

The financial statements on pages 23 to 37 were approved by the Board of Directors on 26 August 2015 and signed on its behalf by:

Christopher Fish
Chairman

Andrew Henton
Director

The accompanying notes on pages 27 to 37 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 2015 (Unaudited)

		UNAUDITED For six months ended 30 June 2015 €	UNAUDITED For six months ended 30 June 2014 €
	Note		
Income			
Net realized gain on financial assets and liabilities at fair value through profit or loss		8,333,012	7,013,932
Net change in unrealized gain on financial assets and liabilities at fair value through profit or loss		31,631,737	31,781,645
		<u>39,964,749</u>	<u>38,795,577</u>
Other realized and unrealized foreign currency loss		(5,841)	(2,199)
Total income		<u>39,958,908</u>	<u>38,793,378</u>
Interest expense on short term loan	2	602,262	659,007
Interest expense on broker balances	2	1,276	111
Performance fees	7	7,480,644	7,093,873
Management fees	7	4,639,059	4,708,165
Administrative fees	6	61,462	59,934
Directors fees	5	59,769	54,073
Professional fees		29,698	3,606
Audit fees		47,161	23,292
Insurance fees		20,500	11,413
Other expenses		76,605	100,589
Total expenses		<u>13,018,436</u>	<u>12,714,063</u>
Net profit and total comprehensive income		<u>26,940,472</u>	<u>26,079,315</u>
Basic and diluted earnings per share			
Class A Euro €25,329,787/32,313,469 shares (2014: €24,831,456 Profit / 35,328,936 shares)		<u>€ 0.7839</u>	<u>€ 0.7029</u>
Class A Sterling £1,185,511/538,435 shares (2014: £1,017,001 Profit /825,946 shares)		<u>£2.2018</u>	<u>£ 1.2313</u>

There is no statement of Other Comprehensive Income presented as there was no other comprehensive income during the period.

All activities are of a continuing nature.

The accompanying notes on pages 27 to 37 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 2015 (Unaudited)

	Share Capital	Distributable Reserve	Treasury Shares	Retained Earnings	Total Equity
	€	€	€	€	€
2015 - UNAUDITED					
Balance as at 1 January 2015	511,878,469	-	(8,489,125)	92,643,024	596,032,368
Net profit attributable to ordinary shares	-	-	-	26,940,472	26,940,472
Treasury Shares acquired	-	-	(15,266,751)	-	(15,266,751)
Treasury Shares cancelled	(104)	(17,865,622)	17,865,726	-	-
Transferred from retained earnings	-	17,865,622	-	(17,865,622)	-
Balance as at 30 June 2015	511,878,365	-	(5,890,150)	101,717,874	607,706,089
2014 - UNAUDITED					
Balance as at 1 January 2014	511,878,793	-	(3,679,042)	103,637,951	611,837,702
Net gain attributable to ordinary shares	-	-	-	26,079,315	26,079,315
Treasury Shares acquired	-	-	(11,061,237)	-	(11,061,237)
Treasury Shares cancelled	(81)	(9,805,197)	9,805,278	-	-
Transferred from retained earnings	-	9,805,197	-	(9,805,197)	-
Balance as at 30 June 2014	511,878,712	-	(4,935,001)	119,912,069	626,855,780

The accompanying notes on pages 27 to 37 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 2015 (Unaudited)

	UNAUDITED For Six months ended 30 June 2015 €	UNAUDITED For Six months ended 30 June 2014 €
Cash flows from operating activities		
Net profit and total comprehensive income	26,940,472	26,079,315
<u>Adjustments to reconcile net profit to net cash used in operating activities:</u>		
Unrealised gain on financial instruments at fair value through profit and loss	(31,631,737)	(31,781,645)
Realised gain on financial instruments at fair value through profit and loss	(8,333,012)	(7,013,932)
Decrease in due from brokers	638,317	6,732,447
(Decrease)/increase in interest and dividends payable	(12,991)	2,826
Decrease in due to brokers	(89,577)	(3,451,703)
Decrease in performance fee payable	(2,560,916)	(11,400,452)
Increase in management fee payable	41,062	132,076
Decrease in other liabilities	(33,587)	(32,849)
Net cash used in operating activities	(15,041,969)	(20,733,917)
Cash flows from investing activities		
Purchase of investments at fair value through profit or loss	-	(23,354,002)
Decrease in deposit for purchase of equity investment	-	23,354,000
Sales of investments at fair value through profit or loss	32,290,000	28,700,003
Net cash provided by investing activities	32,290,000	28,700,001
Cash flows from financing activities		
Treasury shares acquired	(15,266,751)	(11,061,237)
Net cash flow from foreign exchange forward derivative contracts	(81,280)	395,153
Repayment of other short term financing	(22,450,000)	(70,550,000)
Proceeds from other short term financing	20,550,000	73,250,000
Net cash used in financing activities	(17,248,031)	(7,966,084)
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 2015	-	-
Supplementary information		
Interest received	-	-
Interest paid	(616,529)	(656,292)
Dividend received	-	-

Boussard & Gavaudan Holding Limited

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2015 (Unaudited)

1. General information

1.1 BGHL

BGHL is a limited liability closed-ended investment company incorporated in Guernsey on 3 October 2006 with registration number 45582.

BGHL was admitted to the Eurolist Market operated by Euronext Amsterdam on 3 November 2006. As a result of listing and trading of the shares on Euronext Amsterdam, BGHL is 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. As a result of admission to the Official List of the UK Listing Authority, BGHL is subject to the UK Listing Authority's Listing, Prospectus, Disclosure and Transparency Rules, save where Dutch securities regulations take precedence. BGHL's share issue costs were borne by the Investment Manager.

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 NAV per Euro share as at 30 June 2008. From that date, shareholders have been able to convert their existing holding of shares in BGHL from one class into another class. Conversions, from one class to another, are effected once a year on the last business day of November, in compliance with the procedure published on BGHL's website.

BGHL was registered under the UK's AIFMD Regulations 2013 on 21 July 2014 and has not withdrawn its notification.

1.2 The Investment Manager

Boussard & Gavaudan Investment Management LLP is the Investment Manager of BGHL. The Investment Manager is an English limited liability partnership. The Investment Manager is authorised by the United Kingdom's Financial Conduct Authority to perform the activity of managing alternative investment funds.

The Investment Manager also manages BGF and the Master Fund.

The Administrator arranges for the monthly publication of the NAV of BGHL as at the end of the previous month and the Investment Manager provides daily estimates.

As of 30 June 2015 and 31 December 2014 neither of BGHL and BGF had any employees or owned any facilities.

2. Accounting policies

Basis of preparation and statement of compliance

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 and liabilities 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 BGHL's annual financial statements for the year ended 31 December 2014, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The accounting policies have been applied consistently by BGHL to all periods presented in these interim financial statements. The same accounting policies, presentation and methods of computation are followed in this set of condensed financial statements as applied in BGHL's latest annual audited financial statements for the year ended 31 December 2014. Major accounting policies are described below.

Boussard & Gavaudan Holding Limited

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2015 (Unaudited)

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 notes.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, the fund performs sensitivity analysis or stress testing techniques.

BGHL invests in private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

The investment manager considers the valuation techniques and inputs used in valuing these investments as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund.

BGHL also applies judgement when selecting the method of valuation of other investments and uses estimates while assessing their fair value (please refer to note 3 for description of methods and assumptions used).

Management believes that the estimates utilised in preparing its financial statements and management judgements applied are reasonable. However, actual results could differ from these estimates.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which BGHL operates ('the functional currency'). The functional currency is Euro, which reflects BGHL's primary activity of investing in Euro denominated securities. BGHL 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Financial assets and liabilities at fair value through profit or 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 BGHL's investment strategy and information about the investments are provided to the board of Directors on that basis.

Investments are initially recognised at fair value excluding attributable purchase costs. Listed securities are subsequently valued by using quoted prices, whereas non-listed equities are determined by using the NAV determined by independent administrator as its basis. The Valuation methodology is discussed in note 3.

Changes in the fair value of investments are recorded in the Statement of Comprehensive Income in net gain/loss on financial assets at fair value through profit or loss.

Transfers between levels of the fair value hierarchy, are deemed to have occurred at the end of the reporting period.

Boussard & Gavaudan Holding Limited

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2015 (Unaudited)

Short term loan

Short term loans are carried at amortised cost.

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.

Recognition/derecognition of financial assets and liabilities at fair value

Purchases and sales of financial assets and liabilities at fair value are recognised on the trade date - the date on which BGHL commits to purchase or sell the investment. Financial assets and liabilities are derecognised when the rights to receive cash flows from the investments have expired or BGHL has transferred substantially all risks and rewards of ownership.

Taxation

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where BGHL directly and through the Master Fund, operates and generates taxable income.

BGHL invests in foreign countries which may levy withholding tax at source on revenues derived by non residents. Where such tax is withheld at source by the broker or another party BGHL records the revenue on a gross basis in Statement of Comprehensive Income (the revenue is grossed up and offset against an expense representing the tax withheld at source).

Investment in BG Fund

The significant majority of BGHL's gross assets are invested in the Master Fund. Notwithstanding the significance of BGHL as a material investor in BG Umbrella Fund Plc, BGHL does not enjoy any special or particular rights in relation to the management of the Master Fund because of the voting rights attached to its investment. Specifically, it receives no information from BG Umbrella Fund Plc that is not communicated simultaneously to other investors, has no right to appoint a director or attend board meetings, and has no influence on investment and operational decisions. Therefore BGHL has no control over BG Umbrella Fund Plc nor, in the opinion of the directors, could it exercise significant influence as described in IAS 28.

BGHL voting rights in BG Umbrella Fund Plc are disclosed in note 3.2 to the financial statements.

Investment entity

BGHL has unrelated investors and holds multiple investments. Ownership interests in BGHL are in the form of equity shares which are exposed to variable returns from changes in the fair value of BGHL's assets and liabilities. BGHL has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (a) BGHL has obtained funds for the purpose of providing investors with investment management services.
- (b) BGHL's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through investments
- (c) The performance of investments made is measured and evaluated on a fair value basis.

BGHL's exit strategy with respect to its investment in BGF is that BGHL may redeem its shares in BGF on a monthly basis and does not have any special or preferential rights in BGF. Redemptions and subscriptions in BGF are made in order to manage BGHL's exposure in accordance with BGHL's investment policy.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2015 (Unaudited)

Basic and diluted 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. There is no difference between the basic and diluted earnings per share.

NAV 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.

Treasury shares

When BGHL 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 BGHL's own equity instruments.

3. Fair value of financial instruments

The following tables analyses BGHL's net assets between the three levels of the fair value hierarchy:

30 June 2015	Level 1	Level 2	Level 3	Total Fair Value	Total Cost
	€	€	€	€	€
Financial assets at fair value through profit & loss					
BG Fund	-	631,171,442	-	631,171,442	456,833,082
Private equity investments	-	-	39,705,106	39,705,106	26,714,426
Listed equity investments	10,129,008	-	-	10,129,008	5,372,499
Money market fund	175,182	--	-	175,182	171,944
	10,304,190	631,171,442	39,705,106	681,180,738	489,091,951
Derivatives					
Foreign exchange contracts	-	387,549	-	387,549	-
Total	10,304,190	631,558,991	39,705,106	681,568,287	489,091,951

31 December 2014	Level 1	Level 2	Level 3	Total Fair Value	Total Cost
	€	€	€	€	€
Financial assets at fair value through profit & loss					
BG Fund	-	628,833,801	-	628,833,801	480,708,793
Private equity investments	-	-	35,813,510	35,813,510	26,714,426
Listed equity investments	9,081,771	-	-	9,081,771	5,372,499
Money market fund	175,157	-	-	175,157	171,944
	9,256,928	628,833,801	35,813,510	673,904,239	512,967,662
Derivatives					
Foreign exchange contracts	-	(91,981)	-	(91,981)	-
Total	9,256,928	628,741,820	35,813,510	673,812,258	512,967,662

Other short term operating assets and liabilities are excluded from the table due to their nature.

In accordance with IFRS, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants. The above tables analyse BGHL's investment into the three levels of fair value hierarchy in accordance with IFRS 13 as described below:

Level 1 – quoted prices in active markets for identical investments that BGHL has the ability to access.

Level 2 – valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment spreads, credit risk, etc.) or quoted prices from inactive exchanges.

Level 3 – valuations based on significant unobservable inputs (including BGHL's own assumptions in determining the fair value of investments).

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2015 (Unaudited)

3.1 Level 3 investments

Financial assets	30 June 2015	31 December 2014
	€	€
Opening Balance	35,813,510	31,949,079
Unrealised gain	3,891,596	3,864,431
Closing Balance	39,705,106	35,813,510

The above table presents the movements in Level 3 investments.

The change in unrealised level 3 securities held at period end included in net realised and unrealised gains on financial assets and liabilities at fair value through profit or loss was €3,891,596 (2014: €3,864,431). There were no transfers between levels for the six months ended 30 June 2015.

Rasaland Investors Plc (“RLI”)

RLI is classified as a Level 3 asset for valuation purposes since its fair value uses significant unobservable inputs.

RLI is administered by Francis J. Vassallo & Associates, a Maltese company. RLI management value the net assets of the company using a documented valuation procedure. The key significant unobservable input used in this process is land values in Mexico sourced from independent professional advisers, Cushman & Wakefield. These “area based” land values are applied without adjustment to individual properties, the existence and ownership of which is also independently verified by law firm Baker & Mackenzie. Consistent and accurate application of the agreed valuation methodology is verified by PricewaterhouseCoopers on an annual basis. The administrator, Francis J. Vassallo & Associates, performs an annual valuation on 31 December. The value of RLI has remained almost unchanged, slightly above cost, since BGHL made its investment in June 2008.

The price is unchanged as there is no NAV calculated. It is a stale price, as the 31 December 2014 annual valuation has been seen as appropriate for the 30 June 2015 value.

RLI	30 June 2015	31 December 2014	Variation %
NAV per share (USD)	1.0620	1.0620	0%

Source: Francis J. Vassallo & Associates

The valuation produced by the administrator is sensitive to the land values used and there is a direct correlation between those values and the net asset value of RLI. As of 30 June 2015, a 10% increase in the inputs (price of land and real estate assets) used to value the position would result in a gain of €897,663 (2014: €826,205) in the NAV of BGHL. A 10% decrease in the inputs used would result in a loss of €897,663 (2014: €826,205).

In accordance with BGHL’s valuation policy, this investment is treated as a Private Equity fund and should therefore be valued according to the NAV per share calculated by the administrator. However, given the illiquid nature of the investment, the Investment Manager’s valuation committee made use of its judgment when establishing the fair value and has decided to maintain the investment at cost (\$1.00) for as long as the NAV per share calculated by RLI’s administrator remains between \$1.00 and \$1.25. The impact of this decision is not material.

The method of calculating the net asset value of RLI, and the methodology applied by BGHL of carrying the holding at cost whilst the parameters above are met, did not change during the period and is consistent with that applied in prior years.

Infofin Participation Bond (“Infofin Bond”)

The Infofin Bond is also classified as a Level 3 investment.

The Infofin Bond is a privately-placed bond issued by Infofin Participations Sàrl (“Infofin”), a private company the activity of which is to essentially hold an equity interest in GFI Informatique (“GFI”). Infofin was created for the purpose of allowing the concert parties (which includes BGHL) to invest indirectly in GFI. Effective on 23 June 2015, Infofin and BGHL agreed to amend the exercise period of the Bonds. Previously, the Bonds were exchangeable at any time on or after 1st May 2015. The Bonds’ are now exchangeable at any time on or after 31 December 2016. The new maturity date of the Infofin Bonds is 31 December 2017.

Boussard & Gavaudan Holding Limited

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2015 (Unaudited)

Each Infofin Bond is convertible into a fixed number of ordinary shares of GFI from 31 December 2016 until 15 calendar days prior to the Infofin Bond's maturity. During the last 15 calendar days prior to the Infofin Bond's maturity, Infofin may force an exchange; at the same ratio of any Infofin Bond not previously converted.

Given the embedded convertibility of the bond into GFI shares, and the estimation of the underlying cash flows, volatility and growth prospects of GFI itself, BGHL and its AIFM believe that the principal input that should be used as a prudent proxy for deriving the fair value of the Infofin Bond is the GFI share price itself. Although these can be sourced from observable quoted equity prices in the market, given the Bond is not a convertible bond issued by GFI itself, in BGHL's opinion on the basis of advice by the AIFM the Infofin bond should be classified as a level 3 investment.

The GFI share price is multiplied by the number of shares into which the Infofin Bond would convert. The resultant value (which is the conversion value) is adjudged to be the fair value for reporting purposes. No liquidity or other adjustments were applied to this conversion value.

The fair value of the Infofin Bond is sensitive and correlated to the GFI share price. Hence a 10% increase or decrease in the GFI share price will result in a 10% increase or decrease in the fair value of the Bond. As of 30 June 2015, a 10% increase in the GFI share price would result in a gain of €3,072,847 (2014: €2,755,146) on the bond position. A 10% decrease in the share price would result in a loss of €3,072,847 (2014: €2,755,146) on the bond position.

The method of calculating the fair value of the Infofin Bond did not change during the period and is consistent with that applied in prior periods.

3.2 Level 2 investments

BGHL's investment in BGF is classified as Level 2 in the fair value hierarchy because the only inputs to valuation are number of shares and the quoted observable market price of those shares. The quoted price is published on the Irish Stock Exchange. BGHL classifies the interest in BGF as Level 2 because there is not a continuous active market in BGF's shares. The market is active only once a month when investors can transact in BGF shares at the published price which is calculated by the administrator of BGF based on its NAV.

The underlying investments of BGF, which are principally held by the Master Fund, are predominantly classified as Level 1 and Level 2 in the fair value hierarchy. The proportion of Level 3 investments of the Master Fund is disclosed in the table below including the proportion of the investments which are fair valued by the Investment Manager using a variety of techniques including discounted cash flows and public/private company comparables.

Master Fund % AUM(*)	30 June 2015	31 December 2014	Variation %
Level 3	5.44%	5.27%	3.2%
of which Investment Manager's Valuation	0.52%	2.74%	-81%

Source: Administrator, GlobeOp Financial Services LLC

Profit & Loss of the FX to hedge investors is included in the AUM of the Master Fund.

Instruments are valued in the risk management system which is fed by real time market data in order to price the portfolio. Some instruments such as, but not limited to, derivatives are priced by using in-house developed models. The system calculates profits and losses as well as net asset values. Inputs are used in applying the various valuation techniques and broadly based on the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, spot and volatility prices, interest rate, credit and foreign exchange levels, default probabilities, liquidity factors as well as other data.

BGHL does not have access to the detail of the underlying valuations nor to the sensitivities and strategies of the Umbrella Fund, BGF and the Master Fund. BGHL does not have the ability nor the responsibility to direct or to implement the Master Fund's investment objective and policy. As a consequence BGHL does not consider that it is appropriate to seek to disclose in the notes of the financial statement quantitative information relating to the underlying investments held by the Master Fund in its financial statements. General information about the Master Fund's exposure can be found in the Investment Manager's Report.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2015 (Unaudited)

Umbrella Fund

BGHL's holding of voting shares in the Umbrella Fund is disclosed in the table below

BGHL's holdings	30 June 2015	31 December 2014
Voting shares - Umbrella Fund	45.04%	45.36%

The investment in the Umbrella Fund is measured at fair value through profit and loss.

Investment by BGHL into BGF	Subscriptions	Redemptions	Change in holding
30 June 2015	-	(32,290,000)	(32,290,000)
30 June 2014	23,354,000	(28,700,000)	(40,756,000)

As at 30 June 2015 there were no capital commitment obligations and no amounts due to BGF for unsettled purchases.

4. Financial instruments and associated risks

BGHL's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to BGHL's continuing profitability. The Fund is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure

The Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with BGHL's annual financial statements as at 31 December 2014.

There have been no changes in the risk management department or in any risk management policies since the year end and it is envisaged that the principal risks and uncertainties expected by the Investment Manager and Board of Directors in the next 6 months will be managed in the same way.

The Master Fund's maximum level of leverage in accordance with the gross and commitment methods as required under AIFMD was increased on 28 May 2015. The revised limits, expressed as a percentage of NAV, are 500% under the commitment method and 1200% under the gross method. The previous limits were 300% and 1000%, respectively. The increase is not due to a change in the leverage policy of the Master Fund. BGIM considered it prudent to increase the limits to mitigate any risk of exceeding the previous limits.

4.1. Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities. For one non-current borrowing of 60,000,000 with maturity date 31 December 2017, the group expects early settlement in 2016 due to the continuing positive cash flows from operating activities.

4.2. Capital management

BGHL is not subject to any externally imposed capital requirements. When managing the capital of BGHL, the Investment Manager seeks to provide consistent absolute returns in accordance with BGHL's investment objectives and policies, for example those related to gearing. BGHL operated a share buy-back programme designed to reduce its capital, which has had the favorable effect of increasing the NAV per Share since the Shares were repurchased at a discount to their NAV. Transactions under the programme are disclosed in note 9.

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2015 (Unaudited)

Over the year the indebtedness of BGHL, comprised of short-term commitments, has changed as follows:

	Fair value at 30 June 2015	Fair value at 31 December 2014
	€	€
External Debt	63,750,000	65,650,000
Equity	607,706,089	596,032,368
Ratio = External Debt / Equity	10.49%	11.01%

5. Related Party transactions

There have been related party transactions as set out below over the period and as disclosed in note 7. Each Director is entitled to an annual fee of €23,000 (2014: €23,000) for an annual total of €46,000 (2014: €57,500); the Chairman is entitled to receive €41,500 (2014: €41,500) per annum and the Chairman of the audit committee receives an additional fee of €7,500 (2014: €7,500) per annum. The issued share capital of BGHL is owned by numerous parties and therefore in the opinion of the directors, there is no ultimate and immediate controlling party as no BGHL investors hold more than 50% of total shares in issue.

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 GlobeOp Financial Services LLC for an annual service fee payable monthly.

7. Management fees and Performance fees

BGHL appointed BGIM as investment manager pursuant to an investment management agreement entered into on 21 July 2014 (the "Investment Management Agreement").

Under the Investment Management Agreement, the Investment Manager has been given responsibility for the day-to-day discretionary management of BGHL's assets in accordance with BGHL'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, 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.

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

The Investment Manager receives a management fee, accrued monthly and payable quarterly, calculated at the annual rate of 1.5 percent of the NAV. 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 a monthly basis as at each Valuation Day. For each Calculation Period, the Performance Fee is equal to 20 percent of the appreciation in the NAV per share during that Calculation Period above the previous high NAV per Share of the relevant class (the "Base NAV per Share").

The Base NAV per Share is the highest NAV per Share achieved as at the end of any previous Calculation Period (if any).

For the six months ended 30 June 2015 the Management fees and the Performance fees were as follows:

	2015		2014	
	Expense during the period ended 30 June 2015	Payable at 30 June 2015	Expenses during the period ended 30 June 2014	Payable at 31 December 2014
	€	€	€	€
Management Fees	4,639,059	2,344,376	4,708,165	2,303,314
Performance Fees	7,480,644	7,480,644	7,093,873	10,041,560

Boussard & Gavaudan Holding Limited
Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2015 (Unaudited)

8. Total Expense Ratio

Total expense ratios are as below.

Period ended	AUM Period Average	Manager Fees	Administration & Depositary Fees	Other Fees	Total Expense Ratio	Expense Ratio without Performance Fees
30 June 2015	€614,834,973	1.97%	0.01%	0.04%	2.02%	0.80%
30 June 2014	€626,043,601	1.89%	0.01%	0.03%	1.93%	0.79%

9. Share Capital and Treasury Shares

The share capital detail as of 30 June is as follows:

Class A Shares	Euro Shares				Sterling Shares
Share balances	Issued and fully paid	Treasury Shares	Outstanding Shares	% Treasury Shares (*)	Issued and fully paid
At 1 January 2014	36,136,686	(424,975)	35,711,711	1.2%	825,946
Repurchase of own shares	-	(3,274,933)	(3,274,933)		
Share Cancelled	(2,943,287)	2,943,287	-		
Share Conversions	321,741	-	321,741		(287,511)
At 31 December 2014	33,515,140	(756,621)	32,758,519	2.3%	538,435
Repurchase of own shares	-	(1,035,178)	(1,035,178)		
Share Cancelled	(1,238,636)	1,238,636	-		
At 30 June 2015	32,276,504	(553,163)	31,723,341	1.7%	538,435

(*) As per the Companies Law and the listing rules of EuroNext Amsterdam and the UK Listing Authority, BGHL is not permitted to hold more than 10% of its issued share capital in treasury. All shares held in treasury are cancelled after each month end.

Voting

The shareholders are entitled to receive notice of and to attend and vote at general meetings of BGHL and each holder of shares being present in person or by proxy or corporate representative 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 BGHL may be issued with such preferred, deferred or other special rights or restrictions whether as to dividend, voting, return of capital or otherwise as BGHL 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 Law, the terms and rights attaching to any class of shares, the Articles and any guidelines established from time to time by the Directors, BGHL may from time to time, purchase or enter into a contract, under which it will or may purchase any of its own shares.

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 BGHL 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 are entitled to the surplus assets remaining after payment of all the creditors of BGHL.

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10. Other short term financing

	30 June 2015	31 December 2014
	€	€
Opening balance	(65,650,000)	(60,500,000)
Repayments	22,450,000	163,150,000
Drawdown	(20,550,000)	(168,300,000)
Closing balance as per the statement of financial position	(63,750,000)	(65,650,000)
Accrued interest	(105,296)	(118,287)
Total	(63,855,296)	(65,768,287)

Their carrying values are a reasonable approximation of fair value.

Over the period, BGHL has borrowed money in Euro at a variable rate plus a spread rate that has ranged from 1.434% and 1.499%. BGHL has benefited from the decrease of short term interest rates.

Variable Funding Notes

In compliance with its investment policy, BGF agreed, from 2 November 2010, to subscribe for such interest-bearing variable funding notes issued by BGHL up to a principal amount of €25 million (the “VFN”). Every month BGHL finances its share buy-back activity by issuing VFN to BGF. Although the stated maturity of the VFN is 18 months from their issue date, BGHL has the option to redeem at any time the notes at par on 2 business days’ notice, which it does every month by applying the proceeds of BGF shares redemptions.

The terms of the VFN have been approved by the Board of BGHL. BGHL pays interest at an annual rate equal to a 1.5 percent spread over the 1 month Euribor. In addition, BGF may at any time, on a 90 calendar days notice, require BGHL to repay all VFN at par.

The total amount due under the VFN was as follows:

VFN	30 June 2015	31 December 2014
	€	€
Principal	3,750,000	5,650,000
Accrued Interest	3,546	5,974

Bank Facility

On 22 November 2013, BGHL and Natixis SA entered into a facility agreement under which Natixis made available to BGHL a €60 million committed credit facility with a one-year maturity (the “Facility”). On 22 November 2014 the Facility’s maturity was extended by one year, to 22 November 2015. The Facility provides BGHL with the right to elect another extension of the Facility’s maturity by one additional year, i.e. until 30 November 2016 in a reduced Facility amount of €30 million. BGHL has the right to prepay and cancel the Facility at any time. On 29 November 2013 the Facility was utilised in full and the proceeds used to invest in BGF.

The total amount due under the Bank Facility was as follows:

Bank Facility - Natixis	30 June 2015	31 December 2014
	€	€
Principal	60,000,000	60,000,000
Accrued Interest	101,750	112,313

In order to secure its obligations under the Facility, BGHL granted to Natixis a first priority security interest over the following number of BGF’s Euro B Class Shares.

Security Interest	30 June 2015	31 December 2014	Variation %
BGF – Euro B Class – Shares	3,338,187	3,338,187	0.0%
BGF – Euro B Class – Price	142.632592	135.046332	5.62%
Value in Euro	€476,134,264	€450,809,909	5.62%

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11. Segment information

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

The following table analyses BGHL'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 2015	For the period ended 30 June 2014
	€	€
Ireland	34,627,638	23,209,691
France	4,224,273	14,970,864
United Kingdom	392,403	574,451
Rest of the world	714,585	38,372
Total	39,958,908	38,793,378

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

	For the period ended 30 June 2015	For the period ended 30 June 2014
	€	€
Equity securities	36,389,484	26,971,378
Debt instruments	3,177,012	11,249,747
Derivative financial instruments	398,253	574,452
Foreign exchange	(5,841)	(2,199)
Total	39,958,908	38,793,378

12. Taxation

BGHL has been granted exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 from Guernsey Income Tax, and is charged the annual fee of £1,200 (2014: £600). As a result, no provision for income tax has been made in the financial statements.

BGHL invests in foreign countries which may levy withholding tax at source on revenues derived by non residents. Where such tax is withheld at source by the broker or another party BGHL records the revenue on a gross basis in Statement of Comprehensive Income (the revenue is grossed up and offset against an expense representing the tax withheld at source).

13. Comparatives

Comparative information for the condensed interim statement of comprehensive income, statement of changes in equity and statement of cash flows has been provided for the six months from 1 January 2015 to 30 June 2015, whereas comparative information for the condensed interim statement of financial position has been presented as at 31 December 2014. Certain comparatives in condensed interim statement of comprehensive income and condensed interim statements of cash flows have been reclassified to conform to annual financial statements. Such reclassifications had no impact on net profit and loss for the period.

14. Post balance sheet events

There were no material post balance sheet events since the Period-end.

15. Approval of financial statements

The financial statements were approved by the Board on 26 August 2015, at which date these financial statements were considered final.