

BOUSSARD & GAVAUDAN HOLDING LIMITED

Boussard & Gavaudan Holding Limited
a closed-ended investment company incorporated with limited liability under the laws of Guernsey
with registration number 45582

Facility for existing shareholders to convert Euro Shares into Sterling Shares of €0.0001 par value

Offer

With reference to the prospectus dated 30 June 2008 ("**Prospectus**") Boussard & Gavaudan Holding Limited (the "**Company**") is making available a conversion facility to holders of Euro Shares into Sterling Shares of the Company (the "**Sterling Shares**") (the "**Offer**"). The invitation to use the conversion facility under the Offer will be made solely available to existing shareholders and the Sterling Shares will not be made available or marketed to the public in The Netherlands, the United Kingdom or any other jurisdiction. Defined terms in this announcement shall have the same meaning as in the Prospectus, unless stated otherwise.

Maximum number of Sterling Shares

Up to 65,000,000 Sterling Shares of €0.0001 par value of the Company will be made available under the Offer to existing shareholders to convert their Euro Shares into Sterling Shares. The maximum number of Sterling Shares made available pursuant to the Offer may be increased prior to the Settlement Date (as defined hereafter). The actual number of Sterling Shares made available pursuant to the Offer will be determined at the discretion of the Directors and will be set out in an advertisement which will be published in the Euronext Daily Official List and in at least one national newspaper distributed daily in The Netherlands on or about the Euronext Listing Date (as defined below). The Offer is not being underwritten.

Allotment

Following the closing of the application period of the Offer, the Directors will resolve to allot such number of Sterling Shares to such persons as is required to give effect to the conversion of Euro Shares under the Offer.

Conversion

At 30 June 2008 (the "**Conversion Calculation Date**") shareholders may convert Euro Shares into the Sterling Shares by giving not less than five Business Days' notice to the Company in advance of such Conversion Calculation Date either through submission of the relevant instruction mechanism (for shareholders holding Shares in uncertificated form in Euroclear or any other relevant system) or through submission of a conversion notice and the return of the relevant Share certificate to the Registrar. Copies of the conversion notice will be available from the Company's Dutch paying agent, Kempen & Co N.V. (see below) and the Company's registrar, Carey Commercial Limited, PO Box 285, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 4LZ. Alternatively, shareholders may

obtain a copy from the conversion request from the Company's website (www.bgholdingltd.com). Each shareholder seeking to convert Euro Shares into Sterling Shares shall be required to make the representations set forth in "Selling and Transfer Restrictions" in the Prospectus. Such conversion will be on the basis of the ratio of the last reported Net Asset Value of the Euro Shares (less the costs of effecting such conversion), to the starting Net Asset Value of the Sterling Shares into which they will be converted (each as at 30 June 2008). Shareholders should note, however, that fractions of Shares arising on conversions will be rounded down and hence the aggregate Net Asset Value of those Shares held after conversion may be less than before such conversion. Shareholders should also note that if they elect to convert Shares they will be unable to deal in those Shares in the period between giving notice of conversion and the actual date of conversion which may be up to thirty Business Days. Thereafter, conversion between classes of Shares will take place quarterly in accordance with the detailed provisions of the Articles of Association.

Admission and Trading

Application has been made for the Sterling Shares to be admitted to trading and listing on Euronext Amsterdam by NYSE Euronext ("**Euronext**") under the symbol "BGHS". It is expected that trading in the Sterling Shares on Euronext Amsterdam by NYSE Euronext will commence on or about 28 July 2008 (the "**Euronext Listing Date**") on an "as-if-and-when-issued-basis" until the Settlement Date. Euronext is not responsible or liable for any loss or damage incurred by any person as a result of the listing on "as-if-and-when-issued" basis from the Euronext Listing Date until the Settlement Date.

Application has also been made by the Company for admission of the Sterling Shares and the Euro Shares to the Official List of the UKLA and to trading on the London Stock Exchange under the symbol "BGHS". It is expected that trading in the Shares on the London Stock Exchange will commence on or about 28 July 2008.

Settlement

Delivery of the Sterling Shares is expected to take place on or about 31 July 2008 (the "**Settlement Date**"), the third business day following the Euronext Listing Date (T+3), through CREST in accordance with the normal procedures applicable to equity securities.

Information

For further information about the Company or the Offer please refer to the Prospectus. The Prospectus is available free of charge from the Company's website (www.bgholdingltd.com), the registered office of the Company (Boussard & Gavaudan Holding Limited, Trafalgar Court, Admiral Park, St Peter Port, Guernsey), the offices of the Investment Manager (Boussard & Gavaudan Asset Management, LP, 1 Dover Street, London, W1S 4LA) and the offices of the Dutch Paying Agent, Kempen & Co N.V., Beethovenstraat 300, 1077 WZ Amsterdam, Postbus 75666, 1070 AR Amsterdam, Nederland, tel: +31 20 348 8000, fax: +31 20 348 8400.

Sponsor

UBS Investment Bank

1 July 2008