

## **BOUSSARD & GAVAUDAN HOLDING LIMITED**

### **LIQUIDITY ENHANCEMENT POLICY**

30 March 2007

Boussard & Gavaudan Holding Limited (the "**Company**") announces today that it has entered into a liquidity enhancement agreement (the "**Agreement**") with Boussard & Gavaudan Asset Management, LP ("**BGAM**") which provides the parameters and requirements for the Company's liquidity enhancement policy, of which share buy-backs form part. Under the Agreement, BGAM has sole discretion, in the name of the Company and subject to all applicable legal and regulatory requirements, to instruct brokers to effect share buy-backs on Euronext Amsterdam within the parameters set-out in the Agreement and summarised below. The purpose of the Agreement is to enhance liquidity in the trading of the Company's shares on Euronext Amsterdam. The Agreement has been entered into for a continuous period.

#### *Share Buy-Backs*

- Share buy-backs may take place whenever the share price of the relevant class is lower than 95 per cent. of the net asset value per share ("**NAV**") measured over a rolling 5 business day period. Subject to any limits to the authority granted to the Company by its shareholders to effect share buy-backs, there will be no limit to the number of shares which may be repurchased, provided that the Company shall not hold more than 10 per cent. of its issued share capital in treasury. The directors of the Company currently have shareholder authority to purchase in the market up to 14.99 per cent. of its shares in issue. This authority will expire at the date of the Company's next annual general meeting.
- The price per share repurchased will be based on a discount of 5 per cent. of the published NAV of the shares as at the close of the preceding business day, as adjusted for estimated market movements on the day. The price must be reduced for estimated portfolio realisation costs, if any, and must be at least equal to the nominal value per share plus a pro rata share of the share premium account attributable to that share at the time the purchase is made.
- Any Shares bought back will be subsequently cancelled by the Company, except for those held in treasury and used for the compensation of the Investment Manager's employees.

For further information please contact:

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This announcement is for information purposes only and is not an offer to invest. The Company is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (*Wet op het financieel toezicht*). All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.