H1

Interim Report
as of June 30, 2013

LLOYD FONDS
AKTIENGESELLSCHAFT

GROUP'S KEY PERFORMANCE INDICATORS AS OF JUNE 30, 2013

T€	H1–2013	H1–2012	H1–2011
Sales	7,338	7,144	5,987
Recurring income	5,353	5,230	5,080
EBIT	851	606	-5,148
Consolidated net profit/loss for the period	1,213	238	-4,541
EBIT margin (%)	11.6	8.5	-86.0
Return on sales (%)	16.5	3.3	-75.8
Total assets	30,411	41,184	46,862
Equity	16,781	18,355	3,643
Equity ratio (%)	55.2	44.6	7.8
Earnings/Loss per share (€)	0.04	0.01	-0.36
Personnel expenses	2,601	3,899	4,878
Employees (as of June 30)	54	72	113

FONDS' KEY PERFORMANCE INDICATORS

€ million	H1–2013	H1–2012	H1–2011
Equity placements	9.0	13.0	14.6
of which in umbrella funds	–	–	–
of which in the form of restructuring capital	4.3	–	7.7
Number of funds initiated, cumulative	106	105	104
Cumulative equity placements	2,032	2,007	1,965
Cumulative investment volume	5,010	5,109	4,682
Assets held under trust, cumulative	1,667	1,671	1,584
Number of subscribers	53,567	53,018	52,223

LETTER FROM THE MANAGEMENT BOARD

Ladies and gentlemen,

The new Capital Investment Code took effect on July 22 of this year, marking a paradigm change for the closed-end investment fund sector and for Lloyd Fonds AG. The closed-end funds in the form which they have had to date will cease to exist in the future, to be replaced by the fully regulated closed-end investment company or investment partnership. Whereas the new legislation doubtless offers our industry and also Lloyd Fonds AG the long-term opportunity of responding to the changed market environment and of tapping new sales channels with new products, the protracted debate on these new rules during the period under review has triggered considerable uncertainty on the part of all market participants, particularly retailers. This uncertainty is now reflected all too clearly in placement figures in the closed-end investment fund sector as a whole as well as our own Company's figures.

Despite the sustained difficult market conditions, Lloyd Fonds AG was able to achieve consolidated net profit for the period of € 1.2 million thanks to active and successful asset management. This shows that we are headed in the right strategic direction. Following our successful liability release and thanks to our decision to focus on our core skills in shipping and real estate, we have been able to lay the foundations and place the Company in a good position to make it a permanent fixture in the new world of real alternative investments. With equity of over € 1.6 billion, our broad portfolio under management provides the economic underpinnings for our Company. Thus, the income we generate from straight portfolio management is sufficient to cover our operating costs even in the event of substantial impairments. In this way, we have been able to create a solid basis for the Company's continued development.

With our very good asset management skills we are also able to generate additional income from the existing portfolio, something which is reflected in the profit which we have reported for the first half of the year. For the first time in the German closed-end investment fund market, we have been able to integrate six former single-ship entities within a new corporate fleet structure. The subscribers approved this transfer with a majority of almost 80 percent. This "Ocean MPP project" was developed in a partnership between Lloyd Fonds and Deutsche Bank, which discharged the previous finance for the six ships provided by the old banks.

In June of this year, it was also possible to sell two assets from the "Vier Einzelhandelsobjekte in Norddeutschland" real estate fund, in which Lloyd Fonds AG itself holds a roughly 45 % stake. As the selling prices substantially exceeded our expectations, Lloyd Fonds AG was able to generate considerable income from the proceeds of the sales. These two management successes together more or less contributed the profit which Lloyd Fonds earned in the first half of the year.

Whereas we will be successfully continuing our portfolio and asset management activities, Lloyd Fonds AG now faces the challenge of expanding its new business on a sustained basis. To this end, it must make adjustments to its operations and strategy to satisfy the new regulatory requirements. At the same time, it must develop new forms of finance and investment beyond those already in use and will then be primarily targeting semiprofessional and professional investors in Germany and other countries.

We have aligned the Company's strategy in such a way that we can seize all the opportunities currently being offered by alternative real assets in shipping and real estate. Our business model not only provides us with a number of different options in the two asset classes shipping and real estate but also includes Treuhand, which with over 53,000 subscribers is well positioned for the future. Lloyd Fonds AG is prepared for the changes facing the closed-end investment fund sector. In this way, we have laid the foundations for sustained profitability in the "new world".

We wish to thank our staff for their outstanding work. Our gratitude also goes out to our subscribers and shareholders as well as our business and sales partners for their confidence in us. We look forward to a continuation of our successful joint activities.

Yours sincerely

Dr. Torsten Teichert **Dr. Joachim Seeler**

INTERIM MANAGEMENT REPORT OF THE LLOYD FONDS GROUP FOR THE FIRST HALF OF 2013

BUSINESS PERFORMANCE

In the first half of the year, the Lloyd Fond Group's sales came to € 7.3 million (comparison period € 7.1 million). Earnings before interest and taxes (EBIT) of € 0.9 million was recorded (comparison period € 0.6 million). Consolidated net profit came to € 1.2 million for the period (comparison period € 0.2 million).

In the first six months of the year, Lloyd Fonds AG recorded equity placements of € 9.0 million including agio across all asset classes (comparison period € 13 million). Equity placements in the first half of 2013 also include restructuring capital of € 4.3 million (comparison period € 0.0 million). This low figure was due to continued sharp margin contraction (down 24 % in the first half of 2013 compared with the first half of 2012). In addition, the new legislation enshrined in the Capital Investment Code, which took effect on July 22, 2013, caused considerable uncertainty. In view of this, Lloyd Fonds AG had deliberately not launched any new funds under the old law since the beginning of 2013.

On October 17, 2012, the Management Board of Lloyd Fonds AG decided with the Supervisory Board's approval to transfer the Company from the Prime Standard to the Entry Standard of the Frankfurt Stock Exchange. Consequently, Lloyd Fonds AG stock has been listed in the Entry Standard since April of this year. The reason for the reclassification is to reduce expenses and the organizational resources required for a listing in the regulated market. At the same time, the Entry Standard ensures extensive transparency for the shareholders and business partners as well as high tradeability for the stock.

Lloyd Fonds AG's single-entity German GAAP financial statements prepared as of December 31, 2012 revealed a reduction in equity to less than 50 % of the share capital stipulated in the Company's articles of incorporation. This was immediately disclosed in an ad hoc bulletin published on February 8, 2013. An extraordinary shareholder meeting, at which the Management Board updated the shareholders on the Company's condition, was convened on April 10, 2013 in accordance with Section 92 (1) of the Joint Stock Companies Act.

Shipping

In May of this year, Lloyd Fonds AG was able to successfully secure funding for six portfolio ships together with Deutsche Bank against the current backdrop of very difficult financing conditions.

In connection with the funding arrangement, the six multipurpose ships have been pooled under the roof of a new entity known as Ocean Multipurpose Schifffahrtsunternehmen GmbH & Co KG ("Ocean MPP"). For this purpose, Ocean MPP has taken over the ships previously owned by the individual fund entities with the subscribers' approval. Via the previous funds, which will legally continue to exist, the subscribers are now shareholders in Ocean MPP and thus all six ships on a joint basis. The loan of a total of USD 50 million previously provided by HSH Nordbank, which now wanted to terminate this loan contract, was fully discharged by Deutsche Bank.

This project marks the first successful attempt in the German closed-end investment fund market to successfully restructure the funding of multiple ships on a fleet basis. As a result, the shareholders of the single-ship entities become owners of a new entity which is able to harness all the advantages of a fleet structure. Whereas it is almost impossible for single-ship entities to raise new funding in the capital market, Lloyd Fonds AG has been able with its Ocean idea to develop a model which satisfies banks' more stringent lending requirements and to gain in Deutsche Bank a strong partner for funding the fleet. In this connection, a key role is played by the cross collateral underlying the funding for all the ships, risk diversification within the fleet structure and the improved loan-to-value ratio for the entire portfolio. As well as this, the new company Ocean MPP is substantially more flexible, allowing it to negotiate the heightened volatility of shipping markets.

In addition to cost advantages, subscribers benefit from greater diversification and, hence, the ability to navigate the ships through the crisis on a solid financial basis. In this way, it will be possible to prevent fire sales at this stage so that the ships can be sold in a better market phase.

In the period under review, four ship entities entered insolvency as a result of the persistent crisis afflicting the shipping industry. Impairment losses have already been recognized on the corresponding receivables.

In the current year, the focus remains on managing the existing fleet as effectively as possible against the backdrop of the protracted shipping crisis and on developing innovative solutions. Moreover, it is the Company's declared intention to initiate new business in the shipping segment again primarily with institutional and professional investors.

Real estate

Given that business with institutional and professional investors is to be materially expanded, the Company is currently working on direct and private real estate placements for this target group. This includes new residential and medical practice construction and project development activities as well as urban shopping malls. Exclusive arrangements are already in place for some of these real estate projects.

Moreover, the "Bremen Domshof" real estate fund, which was launched in November 2012 with an equity volume of around € 8.9 million and a total investment volume of around € 17.9 million, is still in the subscription phase. 62 % of the necessary equity has so far been collected, with the subscription phase expected to be completed by the end of the year.

Lloyd Fonds AG had issued a guarantee in the amount of € 3.0 million in connection with bridge finance for the "Holland Utrecht" real estate fund in 2011. As this guarantee lapsed with the full placement of the fund and repayment of the bridge finance at the beginning of 2013, the resultant liability for Lloyd Fonds AG stood at € 0 as of June 30, 2013.

Effective March 1, 2013, Mr. Timo Wolf was appointed managing director of Lloyd Fonds Real Estate Management GmbH, taking over from Mr. Hanno Weiß, who had successfully managed Lloyd Fonds AG's real estate department since 2006 and retired at the end of February 2013. Mr. Wolf had previously held management positions at various renowned real estate companies.

A contract for the sale of the US TVO real estate portfolio had been signed in September 2012 subject to successful completion of the due diligence exercise and was to be executed by the end of 2012. However, as it was not possible for the transaction to be completed by the end of the year, Lloyd Fonds terminated the negotiations with the buyer and relaunched the sales process. In this connection, an agreement was reached to the effect that the bank providing the equity bridge finance would waive the interest owing to it for 2012 and for 2013 and absorb certain costs arising in connection with the previous sales process. The TVO portfolio was deconsolidated on this basis effective March 14, 2013.

Investments and alternative assets

The Investments and alternative assets department is responsible for managing a total of 17 fund entities particularly in the aircraft, endowment policy and renewable energies segment as well as the Group's own investments.

"Lloyd Fonds A380 Singapore Airlines", which is currently still in the subscription phase, has a financing structure in which all of the necessary equity and debt finance is secured upon acceptance of the aircraft. It was thanks to this financing system that it was possible to modify the fund structure in March of this year in accordance with an addendum published on March 12, 2013. In particular, the planned issue volume was reduced from US-$ 87.7 million to US-$ 45 million and replaced by the long-term retention of a debt finance component for which a contract had already been signed.

KALP GmbH, in which Lloyd Fonds holds a 45.1 % share, continued to successfully develop the first automatic lashing platform for loading and unloading container ships. Further technical development of this platform has been stepped up in conjunction with the Finnish Cargotec Group since the beginning of 2012. The Cargotec Group possesses the industrial expertise for series production of the platform as well as an international network for marketing the product and providing the necessary after-sales service.

RESULTS OF OPERATIONS

The following notes on the Group's results of operations analyze the material developments in the period from January 1 to June 30, 2013.

Results of operations for the first half of 2013 compared with the first half of 2012 were as follows:

	H1–2013	H1–2012
T€		
Sales	7,338	7,144
Cost of sales	-1,815	-2,358
Personnel expenses	-2,601	-3,899
Depreciation, amortization and impairments	-214	-489
Net other operating expense	-2,443	-2,769
Share of profit of associates	586	2,977
Net earnings/loss from ordinary activities (EBIT)	**851**	**606**
Net finance income/expense	84	-254
Earnings/loss before taxes (EBT)	**935**	**352**
Income taxes	278	-114
Consolidated net profit/loss for the period	**1,213**	**238**

The following changes arose in connection with sales:

	H1–2013	H1–2012
T€		
Placement of equity	373	1,213
Project organization	16	191
Arrangement of financing	262	264
Trusteeship	4,041	3,958
Management fees	1,358	1,518
Other	1,288	–
Sales	**7,338**	**7,144**

Compared with the year-ago period, sales rose by T€ 194 to T€ 7,338 in the first half of 2013. Income from equity placements declined by T€ 840 to T€ 373 due for the most part to the lower placement figures of € 9.0 million in the first half of 2013 (comparison period € 13.0 million). Equity placements in the first half of 2013 also include restructuring capital of € 4.3 million (comparison period € 0.0 million) on which no income was earned.

The project structuring income of T€ 16 (comparison period T€ 191) in the period under review was primarily attributable to the "A380 Singapore Airlines" fund.

At T€ 262, income from the arrangement of financing was largely unchanged over the previous year (T€ 264) primarily due to the trends in placement volumes for the "Bremen Domshof" fund in the period under review.

At T€ 4,041 in the period under review, income from trusteeship business was up slightly on the previous year (T€ 3,958). Recurring income from ongoing trusteeship fees came to T€ 3,995 (comparison period T€ 3,911). Establishment fees, which are recognized in accordance with the progress made in the placement of the fund, came to T€ 46 in the first half of 2013, down from T€ 47 in the comparison period.

At T€ 1,358 in the first half of 2013, management fees were slightly down on the previous year (T€ 1,518). Management fees earned in the period under review comprise amounts totaling T€ 756 (comparison period T€ 902) received for the management of active funds as well as services to the open-end ship fund "LF Open Waters OP" of T€ 602 (comparison period T€ 616).

The other income of T€ 1,288 relates to Ocean MPP. The commission arising in this connection comes to T€ 568 and is recorded within the cost of sales.

The cost of sales dropped by T€ 543 over the previous year to T€ 1,815, reflecting in particular the lower sales commission expense as a result of the aforementioned trends in equity placements.

Personnel costs declined by T€ 1,298, dropping from T€ 3,899 to T€ 2,601 in the period under review primarily due to the decline in the average head count from 74 to 57. This effect was amplified by the decline of T€ 734 in expenditure on variable remuneration and settlement payments over the previous year.

Depreciation, amortization and impairment losses came to T€ 214 in the period under review (comparison period T€ 489). This includes impairment expense on shares in associates of T€ 22 (comparison period T€ 280).

The decline in net other operating expense from T€ 2,769 to T€ 2,443 chiefly reflects the cost cuts implemented. Legal and consulting costs in particular declined by 35.1 % or T€ 215 over the comparison period.

The share of profit of associates came to T€ 586, down from T€ 2,977 in the previous year. The figure recorded in the comparison period was particularly due to fair value remeasurement gains on the investment in TVO Income Portfolio L. P. (T€ 1,280) as well as the gains of T€ 1,187 arising from the remeasurement of the investment in Feedback AG. The earnings recorded in the period under review chiefly result from the remeasurement gains by “Fünfte LF Immobiliengesellschaft mbH & Co. KG” on two items of real estate resulting from the reversal of an impairment of T€ 440 ahead of the planned sale.

The share of KALP GmbH’s loss stands at T€ 278 in the first half of 2013 and is chiefly due to start-up-related losses sustained by that company. The earnings recorded by TVO Income Portfolio L. P. result from application of the equity method as well as foreign-currency translations gains and losses up until the deconsolidation date on March 14, 2013.

As a result, the Lloyd Fonds Group recorded earnings before interest and taxes (EBIT) of T€ 851 for the first half of 2013 (comparison period T€ 606).

Net finance income came to T€ 84 in a swing away from the net finance expense of T€ 254 recorded in the year-ago period. This includes currency translation losses of T€ 87 (comparison period T€ 156), net interest income of T€ 115 (comparison period net income expense of T€ 121) and net investment income of T€ 56 (comparison period T€ 23).

The net tax income of T€ 278 (comparison period net tax expense of T€ 114) arising in the period under review chiefly results from assessment notices for prior years and tax expense in connection with companies outside the fiscal unit. No further tax expense arose in the period under review due to the income tax fiscal union established between Lloyd Fonds AG (dominant company) and Lloyd Treuhand GmbH (subordinate company).

Following on from the consolidated net profit of T€ 238 for the comparison period of the previous year, Lloyd Fonds recorded a consolidated net profit of T€ 1,213 in the first half of 2013.

NET ASSETS

Lloyd Fonds’ consolidated financial statements for 2012 have been affected by changes to the financial statements of an associate for 2012; these changes are set out with retroactive effect in a corresponding column of the balance sheet in this interim report. The Group’s net assets as of June 30, 2013 and December 31, 2012 are analyzed in the following table:

Aktiva	June 30, 2013	Dec. 31, 2012	Dec. 31, 2012
T€		adjusted	
Property, plant and equipment and intangible assets	620	794	794
Financial assets	14,147	20,767	21,140
Receivables and other assets	11,825	12,118	12,118
Cash and Cash equivalents	3,819	3,123	3,123
Total	**30,411**	**36,802**	**37,175**

Passiva	June 30, 2013	Dec. 31, 2012	Dec. 31, 2012
T€		adjusted	
Consolidated equity	16,781	15,265	15,638
Deferred income tax liabilities	807	776	776
Financial liabilities	3,010	10,229	10,229
Other liabilities	9,813	10,532	10,532
Total	**30,411**	**36,802**	**37,175**

As of June 30, 2013, total assets stood at T€ 30,411 and were thus down T€ 6,764 or 18.2 % on the end of 2012 (adjusted: down T€ 6,391 or 17.4 % as of December 31, 2012).

On the assets side, this is chiefly reflected in a decline in investments in associates (down T€ 7,222; adjusted: down T€ 6,849) and, on the liabilities side, by a decline in financial liabilities (down T€ 7,219).

Reference should be made to the notes in the section on the Company’s financial condition for details of the changes in cash and cash equivalents.

The decline of T€ 6,993 (adjusted: T€ 6,620) in financial assets to T€ 14,147 is chiefly due to the deconsolidation of TVO Income Portfolio L. P. (T€ 6,885) and the share of KALP GmbH's losses (T€ 278). The opposite effect arose from the fair value remeasurement gains of T€ 440 on "Fünfte LF Immobiliengesellschaft mbH & Co. KG".

On the equity and liabilities side of the balance sheet, the deconsolidation of TVO Income Portfolio L. P. and the resultant elimination of liabilities of T€ 6,814 in connection with the finance for the investment (including interest) were the main reason for the T€ 7,219 decline in financial liabilities to T€ 3,010.

As of June 30, 2013, equity stood at T€ 16,781, up from T€ 15,638 as of December 31, 2012 (adjusted as of December 31, 2012: T€ 15,265). In addition to the consolidated net profit for the period of T€ 1,213, equity was particularly buoyed by the recognition of fair value remeasurement changes on investments including deferred income taxes (T€ 308).

FINANCIAL CONDITION

The Group's financial condition in the first half of the year compared with the same period in the previous year is set out below:

	H1–2013	H1–2012
T€		
Consolidated net loss for the period before share of profit of investments, interest and income tax	178	-2,527
Non-cash income and expenses	1,442	1,296
Changes in working capital	-212	-14,122
Dividends and profit distributions received	381	390
Net interest and income taxes received and payed	-938	491
Cash flow from operating activities	**851**	**-14,472**
Cash flow from investing activities	-45	-132
Cash flow from financing activities	-96	-167
Net cash outflow/inflow	**710**	**-14,771**
Cash and cash equivalents at the beginning of the period	3,084	15,973
Changes in the companies consolidated	-10	-
Currency translation differences	-5	-18
Cash and cash equivalents at the end of the period	**3,779**	**1,184**

The net cash inflow of T€ 851 from operating activities in the period under review was due to the consolidated net profit before the share of profits of associates, interest and taxes. Non-cash expenses and income particularly include the impairments on receivables and irretrievable receivables (T€ 1,562) recognized in the period under review. The opposite effect particularly arose from the proceeds from the derecognition of liabilities (T€ -438) and income from the reversal of impairments on receivables (T€ -170).

The net cash outflow of T€ 45 from investing activities is chiefly due to payments made for the acquisition of investments and capital contributions made to newly incorporated management companies.

The net cash outflow from financing activities (T€ -96) is chiefly due to the settlement of financial liabilities.

This caused free cash and cash equivalents to increase by T€ 695 in the first half of the year to T€ 3,779.

EMPLOYEES

As of June 30, 2013, the Lloyd Fonds Group had 54 employees (June 30, 2012: 72). In the number of employees, which does not include members of the Management Board, employees on extended child-care leave, trainees and temporary staff.

SIGNIFICANT EVENTS AFTER JUNE 30, 2013

After the passage of the Capital Investment Code through the German parliament on May 16, 2013 , the AIFM Implementation Act took effect on July 22, 2013. For the first time, this act also governs closed-end alternative investments in full, giving them the same status as other investments. The key new aspects introduced by the Capital Investment Code include broad-based licensing and regulatory requirements imposed by BaFin on alternative investment fund managers (AIFM). As a result, they require permission by BaFin to engage in core activities. In this connection, BaFin determines, for example, whether the alternative investment fund manager operates a risk management system for itself and the funds which it manages and whether the minimum capital requirements are observed. If these conditions are not met or are subsequently breached, BaFin will refuse to license the manager or will revoke a license already granted. At the same time, the manager is liable for the content of the selling prospectuses. Moreover, the legislation defines two investment vehicles: the closed-end investment partnership and the closed-end investment joint-stock company. Binding rules have also been defined for the products, governing such aspects as risk diversification, the minimum investment amount for subscribers or leverage caps.

In July 2013, an agreement was signed with HelaBa providing for Lloyd Fonds AG to receive remuneration in the event of the successful sale of the TVO portfolio. Entitlement to this remuneration arises if the price for which the portfolio is sold is sufficient to cover all outstanding loan amounts plus interest as well as the transaction costs and the specifically defined other costs in connection with Lloyd Fonds US Real Estate I, LP. The remuneration equals 50 % of the surplus balance.

Lloyd Fonds' consolidated financial statements for 2012 have been affected by changes to dates in KALP GmbH's financial statements for 2012; these changes are set out with retroactive effect in a corresponding column of the balance sheet and the statement of changes in equity in this interim report.

A contract for the sale of two properties included in the "Fünfte LF Immobiliengesellschaft mbH & Co. KG" real estate fund was signed on June 14, 2013. The condition precedent provided for in this contract, namely payment of the purchase price, was satisfied on August 16, 2013.

No other reportable events occurred after the balance sheet date.

RISK REPORT

As of the date on which this interim financial report was prepared, there are no risks in connection with the guarantee issued in connection with bridge finance for the "Holland Utrecht" real estate fund as the fund was fully subscribed in December 2012 and the bridge finance completely repaid in early 2013; accordingly, Lloyd Fonds AG 's contingent liability under this loan was reduced to € 0 as of June 30, 2013.

The letter of comfort of € 3.0 million issued for the "Bremen Domshof" real estate fund to guarantee the finance was returned in full in the first half of 2013, meaning that there was no risk as of June 30, 2013.

The Capital Investment Code passed by the German parliament in May 2013 contains comprehensive regulatory stipulations and approval requirements, especially for fund managers and retailers, as well as provisions affecting the structuring of finance products. In the period under review, considerable uncertainty arose with respect to the interpretation of the provisions of the Capital Investment Code as well as the approach taken by the competent supervisory authority. Lloyd Fonds AG assumes that this considerable uncertainty will persist and may lead to false decisions and delays in structuring and retailing finance products.

Expansion of business with institutional and professional investors will be accompanied by the growing internationalization of finance products. Consequently, structuring and retailing of finance products will increasingly involve the consideration of the legal and tax requirements of other jurisdictions, while the products themselves may be subject to the supervision of the competent authority of another jurisdiction. Even when experienced advisors are used, there is still a risk arising from the failure to take full account of foreign jurisdictions, resulting in errors. Moreover, it may become more possible for the Company to assert its own rights and to defend itself against third-party claims or this may only be possible at considerable added expense. What is more, companies and their management bodies may be exposed to greater liability.

The detailed risk report can be found on page 40 of the annual report for 2012. In the light of the risks described and evaluated there together with the additional comments made in this report, there are no material changes in the risk situation as of June 30, 2013.

OUTLOOK FOR THE GLOBAL ECONOMY

The global economy is recovering slightly in 2013, although there are considerable regional disparities. Growth in the United States remains moderate, accompanied by an improvement in industrial production and order receipts, with the housing market now also bottoming out. Households are continuing to reduce their debt levels and corporate finance is still available on favorable terms. Growth is also feeding through to the job market, as a result of which the unemployment rate is generally declining. Japan is also reporting surprisingly brisk growth, with GDP expanding by 1 % over the previous quarter in the first quarter of 2013. On the other hand, the Eurozone remains mired in recession. Still, spurred by robust growth in Germany, the largest economy in the Eurozone, the longest recession in history appears to be drawing to a close especially as th French economy is picking up again and gross domestic product in Italy and Spain is shrinking only marginally. However, as growth in the emerging markets of Asia is less dynamic than expected and the economic outlook for the emerging markets of South America is now also clouding over, the International Monetary Fund (IMF) has scaled back its forecast for global growth to 3.1 % this year and 3.8 % next year. IMF expects global trade to grow by 3.1 % this year and by 5.4 % in 2014.

The German economy has continued on its moderate growth trajectory since the beginning of the year. Manufacturing output is edging upwards, while industrial order receipts are also climbing. Consumer spending is also buoying the economy, with rising incomes and benign inflation strengthening purchasing power. The labor market also remains in a robust condition; the upswing in employment is continuing, accompanied by a further decline in unemployment. The OECD expects gross domestic product in Germany to expand by 1.9 % in 2014.

CONTINUED CHANGE

With the Capital Investment Code taking effect on July 22, 2013, this year and next will be dominated by operational and strategic adjustments throughout the investment product market to meet the new regulatory requirements.

Against this backdrop, the next few years will be characterized by change and new beginnings for many market participants. These changes will have far-reaching ramifications.

In addition to regulatory requirements, they will be triggered by changing market conditions. It is important to realize that the loss of investor confidence in financial products has taken a particularly heavy toll on closed-end funds. In this connection, the global shipping crisis and the resultant massive negative ramifications for many ship funds is a major factor, although not the only one. This trend is mirrored in the sharp decline in placement figures from which all other asset classes are now also suffering. Moreover, the implementation of AIFM legislation will result in substantial changes for all initiators of closed-end investment funds.

That said, the new legislation also offers opportunities. Thus, the Capital Investment Code now ensures that the once completely unregulated closed-end investment fund sector will now be subject to full regulatory oversight like just about all other financial market products. When the Capital Investment Code took effect on July 22, 2013, the sector arrived in the “white” capital market once and for all. As a result, it is able to tap new markets particularly in business with professional investors as it is possible to specifically address their requirements via the investment vehicles defined by the AIFM Directive, namely closed-end investment partnerships and investment joint-stock companies. The 31 % increase in the proportion of institutional investors to a total of 30 % of aggregate placement figures across the sector testifies to the substantial interest which investors continued to have in alternative real assets. A further reason for cautious optimism is the high volume of liquidity chasing suitable investment opportunities on the part of many institutionals and private individuals.

With the incorporation of Lloyd Fonds Consulting GmbH in May 2012 and the application for a license under the German Banking Act as a basis for selling shares in special-purpose funds to institutional investors, Lloyd Fonds AG has responded to the shift in retailing activities and positioned itself for long-term success in this market. That said, even the optimists amongst the fund initiators and retailers acknowledge that uncertainty is dissipating only slowly in the market and that there is hardly any likelihood of any increase in placement figures in 2013.

At the same time, fund initiators are continuing to focus on German real estate. For this reason, Scope assumes that funds investing in German real estate will continue to dominate the German closed-end investment fund market as in the previous year.

Lloyd Fonds AG is also convinced that real estate will retain its status as the largest segment in the closed-end investment fund market this year.

Against this backdrop, the Company is concentrating on shipping as well as real estate.

THE COMPANY

Given the challenging market conditions and particularly the fact that 2013 will be a year of strategic and operational adjustments to address the new regulatory requirements, Lloyd Fonds AG will – as stated in the annual report for 2012 – again be dispensing with a specific forecast for placement figures in 2013. It sees potential for growth in business with professional and institutional investors as well as in private placements. In line with its strategy, Lloyd Fonds AG will be concentrating on shipping and real estate assets in the future.

It is continuing the cost-cutting program launched in 2008 this year as well and expects to be able to cut personnel costs by around 25 % over 2012 on the basis of the budget for 2013 and the personnel measures taken in the past. On the income side, it is working on stabilizing recurring income from management and trusteeship fees alongside selected funds chiefly targeted at private individuals and direct placements for professional investors. In addition, a special-purpose real estate fund for institutional investors is being prepared. On this basis, the Company expects to break even in 2013 and to at least break even in 2014. Moreover, management assumes that the Group's liquidity position will remain stable in line with its expected business performance.

Whereas demand for investments in alternative real assets remains strong, the "closed-end investment fund" will change. This is being triggered not only by new statutory requirements but also by changing investor expectations of capital investment products in the wake of the financial and economic crisis. Against this backdrop, Lloyd Fonds AG is examining the scope for arranging alternative vehicles for investments in tangible assets accommodating investors' heightened interest in flexibility and liquidity alongside conventional closed-end investment funds.

In the shipping segment, management is attaching top priority to the existing ship funds. With the successful execution of the Ocean model, Lloyd Fonds has completed the first restructuring exercise for multiple fund ships as a single fleet with subscriber participation in the German market. Moreover, it is the Company's declared intention to initiate new business in the shipping segment as soon as market conditions permit.

In the real estate segment, Lloyd Fonds AG plans to achieve full subscription of the current "Bremen Domshof" real estate fund this year, arrange private placements for semi-professional investors and additionally expand special-purpose fund business with professional investors. Investments will be primarily based in metropolitan areas and solid regional locations in Germany. Project sourcing activities will be directed at existing assets in a good state of repair, new buildings and project development in the office, hotel, shopping center and residential segments. In addition, project business is to be stepped up.

CLOSED-END INVESTMENT FUND SECTOR

The closed-end investment fund market is in a state of rapid flux due, on the one hand, to the turmoil being caused by the global economic crisis and the resultant restraint of investors in new business and, on the other, to new regulatory requirements and particularly the Capital Investment Code, which took effect on July 22, 2013. The research company FeriEuroRating Services AG assumes that more stringent regulation will trigger heavy market consolidation and is also likely to lead to material changes in the structures of closed-end investment products.

In this environment, there is little likelihood of any increase in placement figures over the year as a whole. This is also indicated by the sector figures for the first half of 2013, which dropped by around 25 % over the first half of 2012 to € 1.3 billion. The market is unlikely to recover until 2014.

OPPORTUNITIES

Against the backdrop of the general changes in the closed-end investment fund sector and the reorientation which it is undergoing, Lloyd Fonds AG sees itself as well positioned to operate successfully on a sustained basis. It will be additionally aided by its many years of experience, its potent organizational structures, which have been additionally optimized with the focus on the core shipping and real estate asset classes, and the fact that as a listed company Lloyd Fonds already satisfies many of the new regulatory requirements and will therefore be able to adopt the new stipulations efficiently compared with its peers.

Demand for alternative real assets remains strong – particularly on the part of institutional investors. This new weighting within the sales channels harbors considerable opportunities for investment products able to respond to these changes at an early stage. With the establishment of Lloyd Fonds Consulting GmbH, Lloyd Fonds AG has laid the foundations for expansion in this segment at an early stage and will therefore be able to position itself in this market on a sustained basis. The “classic” closed-end investment fund product must change to meet the expectations of new target groups as well as the new statutory requirements. Against this backdrop, Lloyd Fonds AG is examining the scope for arranging alternative vehicles for investments in tangible assets accommodating investors’ heightened interest in flexibility and liquidity. By developing new investment vehicles, Lloyd Fonds AG will be able to position itself on a sustained basis despite the changed market environment. Against the backdrop of sector consolidation, Lloyd Fonds is committed to making the best possible use of this potential by utilizing and building on its strengths and skills.

INTERIM FINANCIAL STATEMENTS OF THE LLOYD FONDS GROUP (IFRS) AS OF JUNE 30, 2013

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2013

	Note	H1-2013	H1-2012
T€			
Sales	**6.1**	**7,338**	**7,144**
Cost of sales	6.2	-1,815	-2,358
Personnel expenses	6.3	-2,601	-3,899
Depreciation, amortization and impairments	6.4	-214	-489
Net other operating expense	6.5	-2,443	-2,769
Share of profit of associates	6.6	586	2,977
Net profit/loss from ordinary activities		**851**	**606**
Finance income	6.7	829	528
Finance expense	6.7	-745	-782
Net profit/loss before taxes		**935**	**352**
Income taxes	6.8	278	-114
Consolidated net profit/loss for the period		**1,213**	**238**
Earnings/loss per share (diluted/basic) for the period (€ per share)	6.9	0.04	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2013

	H1-2013	H1-2012
T€		
Consolidated net profit/loss for the period	**1,213**	**238**
Other income components recognized in equity		
Available-for-sale financial assets	339	9
Deferred taxes on these	-31	-69
Investments in associates	-	-63
Currency translation differences	-5	-19
Other comprehensive income	**303**	**-142**
Consolidated comprehensive income	**1,516**	**96**

The notes on pages 17–25 are an integral part of this interim financial report.

CONSOLIDATED BALANCE SHEET

as of June 30, 2013 in comparison to December 31, 2012

	Note	June 30, 2013	Dec. 31, 2012	Dec. 31, 2012
T€			adjusted	
Assets				
Non-current assets				
Property, plant and equipment		516	603	603
Intangible assets		104	191	191
Receivables from related parties	9.3	2,074	1,905	1,905
Investments in associates	7.1	2,917	9,766	10,139
Available-for-sale financial assets	7.2	4,176	4,049	4,049
		9,787	**16,514**	**16,887**
Current assets				
Trade and other receivables	7.3	8,944	9,258	9,258
Receivables from related parties		235	262	262
Available-for-sale financial assets	7.2	7,054	6,952	6,952
Current income tax assets		572	693	693
Cash and cash equivalents	7.4	3,819	3,123	3,123
		20,624	**20,288**	**20,288**
Total assets		**30,411**	**36,802**	**37,175**
Equity				
Share capital	7.5	27,470	27,470	27,470
Additional paid-in capital	7.5	44,065	44,065	44,065
Retained earnings	7.5	-54,754	-56,270	-55,897
Total equity		**16,781**	**15,265**	**15,638**
Liabilities				
Non-current liabilities				
Net assets attributable to other limited partners	7.6	933	904	904
Trade payables		224	272	272
Financial liabilities	7.7	11	24	24
Other provisions	7.8	83	129	129
Deferred income tax liabilities		807	776	776
		2,058	**2,105**	**2,105**
Current liabilities				
Trade payables and other liabilities		7,172	7,010	7,010
Liabilities to related parties		715	581	581
Financial liabilities	7.7	2,999	10,205	10,205
Other provisions	7.8	604	611	611
Current income tax liabilities	7.9	82	1,025	1,025
		11,572	**19,432**	**19,432**
Total liabilities		**13,630**	**21,537**	**21,537**
Total equity and liabilities		**30,411**	**36,802**	**37,175**

The notes on pages 17–25 are an integral part of this interim financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to June 30, 2013

	Note	H1-2013	H1-2012
T€			
Cash flow from operating activities			
Consolidated net profit/loss for the period before share of profit of investment, interest and income taxes	8.1	178	-2,527
Deconsolidation gain	6.5	70	–
Depreciation, amortization and impairments on non-current assets	6.4	214	489
Loss from the sale of non-current assets	6.5	–	24
Other non-cash expenses and income	8.2	1,158	783
Changes in trade and other receivables and derivative financial instruments		-426	-4,280
Changes in receivables from related parties		-339	-70
Changes in trade payables, other liabilities and derivative financial instruments		506	-9,544
Changes in amounts due to related parties		36	-122
Changes in other provisions		11	-106
Interest received		81	39
Interest paid		-556	-24
Dividends and profit distributions received		381	390
Income tax refunds received		501	490
Income taxes paid		-964	-14
Net cash generated from operating activities		**851**	**-14,472**
Cash flow from investing activities			
Payments made for investments in:			
Intangible assets and property, plant and equipment		-18	-3
Available-for-sale financial assets and investments in associates		-50	-139
Proceeds from the disposal of:			
Available-for-sale financial assets and investments in associates		23	10
Net cash generated from investing activities		**-45**	**-132**
Cash flow from financing activities			
Transaction costs in connection with the issue of new shares		–	-131
Repayment of borrowings		-96	-36
Net cash generated from financing activities		**-96**	**-167**
Net increase/decrease of cash and cash equivalents		**710**	**-14,771**
Cash and cash equivalents on January 1		3,084	15,973
Changes in the companies consolidated		-10	–
Currency translation differences		-5	-18
Cash and cash equivalents on June 30	**8.3**	**3,779**	**1,184**

The notes on pages 17–25 are an integral part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2013

				Other comprehensive income			
	Subscribed capital	Additional paid-in capital	Retained earnings	Available-for-sale financial assets	Investments in associates	Currency translation differences	Total equity
T€							
Amount on January 1, 2012	**27,470**	**44,196**	**-56,957**	**3,695**	**63**	**-77**	**18,390**
Total net profit/loss recorded within consolidated equity	–	–	238	-60	-63	-19	96
Equity issue 2011	–	-131	–	–	–	–	-131
Amount on June 30, 2012	**27,470**	**44,065**	**-56,719**	**3,635**	**–**	**-96**	**18,355**
Amount on January 1, 2013	**27,470**	**44,065**	**-59,374**	**3,542**	**–**	**-65**	**15,638**
Adjusted amount on January 1, 2013	**27,470**	**44,065**	**-59,747**	**3,542**	**–**	**-65**	**15,265**
Total net profit/loss recorded within consolidated equity	–	–	1,213	308	–	-5	1,516
Amount on June 30, 2013	**27,470**	**44,065**	**-58,534**	**3,850**	**–**	**-70**	**16,781**

The notes on pages 17–25 are an integral part of this interim financial report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although Lloyd Fonds AG's change of segment from Prime Standard to Entry Standard means the Company is no longer required to prepare its financial statements in accordance with IFRS, it has nevertheless prepared its interim financial statements as of June 30, 2013 in accordance with international accounting standards on a voluntary basis. Lloyd Fonds AG's interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on or before June 30, 2013. As a matter of principle, Lloyd Fonds early adopts all standards and interpretations. Notwithstanding this, however, the following standards endorsed by the EU Commission were not early adopted:

- Amendments to IAS 27 "Separate Financial Statements"
- Amendments to IAS 28 "Investments in Associates and Joint Ventures"
- Amendments to IAS 32 "Financial Instruments: Presentation"
- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosure of Interests in Other Entities"

There were no changes in any of the other accounting policies described in the notes to the consolidated financial statements as of December 31, 2012. Accordingly, these interim financial statements must be read in the light of the disclosures made in the consolidated financial statements for 2012.

In accordance with IFRS guidance (IAS 34 "Interim Financial Reporting"), these interim financial statements have been prepared in condensed form compared with the consolidated financial statements as of December 31, 2012.

2 COMPANIES CONSOLIDATED

Lloyd Zweitmarkt GmbH, Hamburg, was liquidated in March 2013 and Lloyd Fonds Austria GmbH, Hamburg, in April 2013. The liquidation of these two companies did not have any material effect on the Lloyd Fonds Group's net assets, financial position or results of operation.

In addition, Lloyd Fonds US Real Estate Management Inc. and Lloyd Fonds US Real Estate I LP were deconsolidated in March, resulting in a reduction of around € 6.8 million in total assets. This is particularly reflected in financial assets recognized in accordance with the equity method and the decline in financial liabilities. A net gain of T€ 60 was generated from deconsolidation.

The companies consolidated now comprise the Parent Company as well as 18 subsidiaries.

3 CAPITAL MANAGEMENT

The objectives of the Lloyd Fonds Group with regard to capital management are to maintain an adequate level of equity on a sustained basis and to generate an appropriate return on the capital employed. In this connection, top priority is given to the Group's credit rating. The Group monitors its capital on the basis of absolute amounts in the light of the equity ratio. Future movements in capital and possible capital requirements are identified on the basis of an integrated planning model for the coming two years.

As a matter of principle, Lloyd Fonds AG manages its capital structure via its dividend policy. In the last four years, no dividend was distributed on account of the Company's earnings situation. Moreover, no dividends were permitted to be paid out until full liability release had been achieved (January 10, 2012).

As the Group's equity had come under considerable pressure in earlier years as a result of the crisis, 14,744,560 new shares were issued at the end of 2011 to improve its equity resources.

As of June 30, 2013, the Lloyd Fonds Group's equity capital stood at T€ 16,781, up from T€ 15,638 at the end of the previous year (adjusted as of December 31, 2012: T€ 15,265). The equity ratio came to 55.2 % as of the reporting date (December 31, 2012: 42.1 %; adjusted as of December 31, 2012: 41.5 %).

4 CHANGES IN CRITICAL ACCOUNTING ESTIMATES AS WELL AS ASSUMPTIONS AND ERRORS

All estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events which are believed to be probable under the circumstances. The Group makes estimates and assumptions concerning the future. The resultant accounting estimates may deviate from the related actual results. The following section describes changes to the estimates and assumptions liable to exert a material effect on the measurement of assets and liabilities.

A contract for the sale of the US TVO real estate portfolio had been signed in September 2012 subject to the successful completion of the due diligence exercise and was to be executed in 2012. However, as it was not possible for the transaction to be completed by the end of 2012, Lloyd Fonds terminated the negotiations with the buyer and initiated a new sales process. In this connection, an agreement was reached that the bank providing the equity bridge finance would waive the interest owing to it for 2012 and for 2013 and absorb certain costs arising in connection with the previous sales process. In return for this, it is to receive the entire net proceeds from the sale of assets regardless of the amount of the outstanding receivables. In addition, the bank imposed comprehensive approval requirements. As a result of this agreement, the TVO portfolio was deconsolidated effective March 14, 2013.

The fair value gains recorded in the previous year on the strength of a valuer's report resulted in a net gain of T€ 60 as a result of deconsolidation.

During the preparation of the interim financial report, an error was discovered in the recognition of the carrying amount of the investment in KALP GmbH as of December 31, 2012 due to the originally preliminary nature of that company's annual financial statements. This error has been corrected with retroactive effect in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Following the preparation of new financial statements for KALP GmbH as of December 31, 2012, the share of profit recorded in Lloyd Fonds' consolidated financial statements has been adjusted by T€ -373. If this information had been known in good time, this amount would have been included in the annual financial statements as of December 31, 2012. The resultant changes are set out in an additional column in the balance sheet and statement of changes in equity attached to this interim report. The adjusted figures as of December 31, 2012 reflect the correct measurement and its effects.

5 SEGMENT INFORMATION

Energy activities have been added to the investments and alternative assets segment in the current year. The previous year's figures have been restated accordingly.

The following reportable segments can be identified on the basis of the Lloyd Fonds Group's internal reporting system:

Shipping

- Purchase and structuring of assets in the shipping and secondary-market ship fund segments
- Financing of assets by arranging debt capital
- Earning of investment income
- Measures to ensure efficient management and supervision of the fund companies
- Integration in ongoing fund reporting
- Preparation of the meetings of the companies' advisory councils
- Support for trustee and submission of information of decision-making information
- Monitoring of existing fund companies' liquidity to identify any risks at an early stage and to take any necessary countermeasures
- Integration in the asset selling process including the winding-down of the corresponding fund companies

Real estate

- Purchase and structuring of assets in the real estate segment
- Other activities similar to those in the "Shipping" segment

Investments and alternative assets

- Purchase and structuring of assets and funds which do not form part of Lloyd Fonds' core business (e.g. aircraft funds, traded endowment policies, private equity funds, energy)
- Other activities similar to those in the "Shipping" segment
- Monitoring and coordination of the Lloyd Fonds Group's material investments

Sales and marketing

- Sale of the Group's investment products
- Execution of sales activities such as advertising and marketing

Trusteeship

- Handling of new issues on a trust basis
- Management of the subscribers trust accounts
- Provision of information and services for trustors

The "All other segments" column primarily comprises the Lloyd Fonds Group's management and central activities. As they do not generate any revenues as defined by IFRS 8, they are by definition not separate operating segments and are therefore pooled in this category.

Segment profit/loss for the first half of 2013 breaks down as follows:

H1–2013	Shipping	Real estate	Investments & alternative assets	Trusteeship	Sales & marketing	All other segments	Total
T€							
External sales	2,466	372	85	4,042	373	–	7,338
Other operating income	56	479	142	224	18	144	1,063
Cost of sales	-1,046	–	–	-398	-371	–	-1,815
Personnel expenses	-478	-225	-71	-460	-412	-955	-2,601
Other operating expenses	-330	-268	-150	-1,654	-128	-976	-3,506
Share of profit of associates	151	556	-121	–	–	–	586
Depreciation, amortization and impairments	-36	-1	–	-85	–	-92	-214
EBIT	**783**	**913**	**-115**	**1,669**	**-520**	**-1,879**	**851**
Net finance income/expense	-74	-69	144	37	–	46	84
Net profit/loss before taxes	**709**	**844**	**29**	**1,706**	**-520**	**-1,833**	**935**

H1–2012	Shipping	Real estate	Investments & alternative assets	Trusteeship	Sales & marketing	All other segments	Total
T€							
External sales	1,362	361	252	3,958	1,211	–	7,144
Other operating income	39	21	16	129	58	147	410
Cost of sales	-486	–	–	-407	-1,465	–	-2,358
Personnel expenses	-348	-200	-442	-573	-559	-1,777	-3,899
Other operating expenses	-422	-118	-159	-771	-285	-1,424	-3,179
Share of profit of associates	8	1,526	1,464	–	–	-21	2,977
Depreciation, amortization and impairments	-227	-8	–	-92	–	-162	-489
EBIT	**-74**	**1,582**	**1,131**	**2,244**	**-1,040**	**-3,237**	**606**
Net finance income/expense	–	-777	-14	20	3	514	-254
Net profit/loss before taxes	**-74**	**805**	**1,117**	**2,264**	**-1,037**	**-2,723**	**352**

Lloyd Fonds' internal reporting system does not include any provision for breaking down assets and liabilities by segment as management does not consider this data to be relevant for managing the Group. Accordingly, these disclosures have been dispensed with.

6 NOTES ON THE CONSOLIDATED INCOME STATEMENT

6.1 SALES

Breakdown:

	H1-2013	H1-2012
T€		
Placement of equity	373	1,213
Project organization	16	191
Arrangement of financing	262	264
Trusteeship	4,041	3,958
Managment fees	1,358	1,518
Other	1,288	–
	7,338	**7,144**

Sales rose by T€ 194 over the first half of the previous year from T€ 7,144 to T€ 7,338 primarily as a result of the net other income from Ocean MPP. However, the opposite effect arose from the lower placement volumes in the first half of 2013.

Reference should be made to the section on results of operations in the interim management report for further information on the breakdown of and changes in sales.

6.2 COST OF SALES

Breakdown:

	H1-2013	H1-2012
T€		
Commission	932	1,454
Cost of services bought	883	904
	1,815	**2,358**

Commission was paid in connection with the placement of equity. This item was lower due to the lower placement income. It also includes commission of T€ 568 in connection with Ocean MPP. The cost of other services bought primarily relates to management services utilized and fund-related marketing and retailing costs.

6.3 STAFF COSTS

Breakdown:

	H1-2013	H1-2012
T€		
Wages and salaries	2,328	3,550
Social security	268	343
Post-retirement benefit costs	5	6
	2,601	**3,899**

The reduction in personnel costs from T€ 3,899 to T€ 2,601 is chiefly due to the decline in the average head count from 74 in the first half of 2012 to 57 in the period under review. Moreover, variable remuneration dropped by T€ 135 and termination settlement payments by T€ 599.

6.4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Breakdown:

	H1-2013	H1-2012
T€		
Depreciation, amortization		
Property, plant and equipment	95	101
Intangible assets	97	108
	192	**209**
Impairments		
Available-for-sale financial assets	22	280
Depreciation, amortization and impairments	**214**	**489**

6.5 OTHER OPERATING INCOME/EXPENSES

Breakdown:

	H1-2013	H1-2012
T€		
Other operating income		
Derecognition of liabilities	438	88
Reversal of impairments on receivables	170	36
Income from recharged expenses	142	32
Rentals	112	163
Deconsolidation gain	60	–
Remuneration in kind	56	71
Income from sale of shares	37	–
Other income	48	20
	1,063	**410**
Other operating expenses		
Impairments on receivables and unrecoverable receivables	-1,562	-711
Rentals, ancillary rental costs, cost of premises and maintenance	-562	-541
Financial statement, legal and consulting costs	-397	-612
Office supplies, IT costs and communications	-303	-331
Retailing support and subscriber relations	-187	-309
Motor vehicle and travel costs	-160	-216
Insurance and levies	-64	-78
Costs assumed for fund companies	-46	-66
Other personnel expenses	-22	-62
Non-deductible input tax	–	-37
Losses from the sale of equity investments	–	-24
Other expenses	-203	-192
	-3,506	**-3,179**
Net other operating income/expense	**-2,443**	**-2,769**

In the period under review, net other operating expenses dropped from T€ 2,769 in 2012 to T€ 2,443. A positive effect in comparison to the same period of the previous year arose from the derecognition of interest of T€ 411 payable to the bank providing the equity bridge finance in connection with the deconsolidation of the TVO Portfolio, the increase of T€ 134 in reversals of impairments recognized on receivables, the increase of T€ 110 in income from recharged expenses and further general savings, particularly the decline of T€ 215 in legal and consulting costs and the T€ 122 drop in sales support expenses. On the other hand, earnings came under pressure from the increase of T€ 851 in impairments on receivables and bad debts particularly in connection with the persistent shipping crisis.

6.6 SHARE OF PROFIT OF ASSOCIATES

Breakdown:

	H1-2013	H1-2012
T€		
Fünfte LF Immobiliengesellschaft mbH & Co. KG, Hamburg	440	–
TVO Income Portfolio L.P., El Paso, USA	114	1,526
KALP GmbH, Böel	-278	-64
Feedback AG, Hamburg	–	1,187
Miscellaneous	310	328
	586	**2,977**

The earnings recorded by “Fünfte LF Immobiliengesellschaft mbH & Co. KG” chiefly result from the reversals of T€ 440 on impairments recognized on two items of real estate ahead of the planned sale.

The earnings recorded by TVO Income Portfolio L. P. result from application of the equity method as well as foreign-currency translations gains and losses up until the deconsolidation date on March 14, 2013. In the first half of the previous year, reversals of T€ 1,280 had been recorded. In addition, gains of T€ 207 were derived from the currency translation of the carrying amount of the investment in the comparison period.

The share in KALP GmbH’s loss stands at T€ 278 in the first half of 2013 and is chiefly due to start-up-related losses sustained by that company. As a result of the modifications to the annual financial statements of KALP GmbH, Böel, as of December 31, 2012, a further share of T€ 373 of that company’s losses accrued to the Lloyd Fonds Group as of December 31, 2012 (see also Note 4).

6.7 NET FINANCE INCOME/EXPENSES

Breakdown:

	H1–2013	H1–2012
T€		
Net profit affiliated entities	56	23
Net foreign-currency income/expense	-87	-156
Net interest income/expense	115	-121
	84	**-254**

Net investment income chiefly comprises dividends received from non-consolidated affiliated companies. Reference should be made to the analysis of the Group's results of operations in the management report for further information on changes in finance expense and finance income.

6.8 INCOME TAX EXPENSE

Income tax expense comprises income taxes paid or owed as well as deferred income taxes. Taxes comprise corporate tax plus the solidarity surcharge and trade tax.

The net tax expense of T€ 278 arising in the period under review chiefly results from assessment notices for prior years and tax expense in connection with companies outside the fiscal union. No further tax expense arose in the period under review due to the income tax fiscal union established between Lloyd Fonds AG (dominant company) and Lloyd Treuhand GmbH (subordinate company).

6.9 EARNINGS/LOSS PER SHARE

Earnings/loss per share are calculated by dividing profit or loss attributable to the ordinary equity holders by the average number of ordinary shares outstanding during the period under review.

No dilution effects arose either in the first half of 2013 or in the same period in the previous year.

	H1–2013	H1–2012
Profit/loss attributable to equity holders in Parent Company (T1)	1.213	238
Average number of shares issued (in thousands)	27,470	27,470
Basic earnings/loss per share (€ per Share)	**0.04**	**0.01**

The number of shares outstanding was unchanged at 27,469,927 in the first half of 2013.

7 NOTES ON THE CONSOLIDATED BALANCE SHEET

The following section describes the main items of the balance sheet and selected changes.

7.1 INVESTMENTS IN ASSOCIATES

There are a total of 127 associates on which the Lloyd Fonds Group exerts material influence. These primarily comprise investments in the limited-partner entities and project companies which Lloyd Fonds holds together with its shipping company partners.

The deconsolidation of TVO Income Portfolio L.P. and Lloyd Fonds US Real Estate Management Inc. resulted in a decline in investments in associates, which were valued at T€ 6,885 at the end of 2012. In this connection, financial liabilities also dropped as of June 30, 2013 (see Note 4 and Note 7.7).

This item also includes the investment in KALP GmbH, Böel (T€ 668; December 31, 2012: T€ 1,318; adjusted as of December 31, 2012: T€ 945). The share in KALP GmbH's loss recognized for the first half of the year stands at T€ 278. As a result of the adjustment to KALP GmbH's figures as of December 31, 2012, the value of the investment was reduced by T€ 373 as of December 31, 2012.

7.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets comprise a total of 175 investments as of the end of the period under review. These are predominantly shares which Lloyd Fonds holds in its own funds as the founding limited partner as well as affiliated companies, e. g. shelf or project companies, which are not consolidated for reasons of immateriality.

7.3 TRADE AND OTHER RECEIVABLES

Breakdown:

	June 30, 2013	Dec. 31, 2012
T€		
Receivables from issuing business	2,276	3,712
Receivables from trusteeship	2,411	1,812
Other receivables and assets	4,257	3,734
	8,944	**9,258**

The increase in receivables from trusteeship management relates to income arising in the period under review but not received until the following quarter and is due to reporting-day effects.

The increase in other receivables chiefly relates to prepaid expenses of T€ 434 arising in the year under review.

7.4 CASH AND CASH EQUIVALENTS

The changes in cash and cash equivalents are analyzed in the consolidated cash flow statement. Reference should be made to Note 8.3 for the breakdown.

7.5 EQUITY

The composition of and changes in the Group's equity are analyzed in the consolidated statement of changes in equity.

7.6 NET ASSET VALUE ATTRIBUTABLE TO OTHER LIMITED PARTNERS

This item results from the inclusion of Premium Portfolio Austria in Lloyd Fonds' consolidated financial statements. It comprises the shares of those limited partners who are not part of the Lloyd Fonds Group. As these are puttable financial instruments, they are reported under non-current financial liabilities. They were measured at their fair value on the date of initial consolidation and will be reported at amortized cost using the effective interest method in later periods, with the resultant expenses or income recorded within net finance income/expense.

7.7 FINANCIAL LIABILITIES

Non-current financial liabilities comprise liabilities under a finance lease for a server system.

The decline in current financial liabilities is particularly due to the deconsolidation of TVO Income Portfolio L. P. Accordingly, the loan in a nominal amount of TUS$ 9,000 or T€ 6,821 as of December 31, 2012 for financing the investment in TVO Income Portfolio L. P. is no longer recognized by the Lloyd Fonds Group as of June 30, 2013. As of the reporting date, current financial liabilities chiefly comprise the liabilities of T€ 2,974 (December 31, 2012: T€ 3,028) arising from the finance for the investments acquired in the Premium Portfolios Austria As in the previous year, the carrying amounts of the loans match their fair value.

7.8 OTHER PROVISIONS

As of the balance sheet date, other provisions primarily comprise amounts for pending repayments of dividends to ship entities (T€ 426). In addition, they include amounts for pending losses of T€ 191 arising from the subletting of office space. Of this, an amount of T€ 83 is recorded as non-current provisions. The remaining amount chiefly comprises provisions for uncertain liabilities due for settlement in less than one year.

7.9 CURRENT INCOME TAX LIABILITIES

The current income tax liabilities reported in the previous year mainly comprise tax liabilities in connection with the settlement of a dispute before the tax court which were settled in full in the period under review.

8 NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

8.1 RECONCILIATION WITH CONSOLIDATED NET PROFIT/LOSS FOR THE PERIOD

	Note	H1–2013	H1–2012
T€			
Net profit/loss from ordinary activities		851	606
Share of profit of associates	6.6	-586	-2,977
Net foreign-currency gains/losses	6.7	-87	-156
		178	**-2,527**

8.2 OTHER NON-CASH TRANSACTIONS

Breakdown:

	Note	H1–2013	H1–2012
T€			
Impairments on receivables and unrecoverable receivables	6.5	1,562	711
Unrealized foreign-currency gains/losses		204	196
Income from the reversal of impairments on receivables	6.5	-170	-36
Derecognition of liabilities	6.5	-438	-88
		1,158	**783**

8.3 COMPOSITION OF CASH AND CASH EQUIVALENTS

Composition for the purposes of the cash flow statement:

	June 30, 2013	June 30, 2012
T€		
Cash at banks	3,816	1,680
Cash in hand	3	4
Bank overdrafts	–	-493
Cash at banks subjet to drawing restrictions	-40	-7
	3,779	**1,184**

9 OTHER DISCLOSURES

9.1 CONTINGENCIES

The contingencies recognized as of June 30, 2013 solely comprise increased liable amounts. The bank guarantee obtained for the “Holland Utrecht” fund lapsed upon full placement of the fund in December 2012 and full repayment of the bridge finance during the period under review, meaning that no liability arises from it. Fixed-liability guarantees are recognized only in an amount reflecting the outstanding value of the principal debt. As of June 30, 2013, the Group’s contingent liabilities totaled T€ 3,298 (December 31, 2012: T€ 9,448).

The letter of comfort of T€ 3,000 issued for the “Bremen Domshof” real estate fund to guarantee the finance was returned in full in the first half of 2013.

As part of trust business, shares of T€ 1,667,536 (December 31, 2012: T€ 1,659,261) are managed on the Company’s own behalf but for the account of various trustors. In addition, trust accounts of T€ 4,262 (December 31, 2012: T€ 3,254) are maintained on the Company’s own behalf but for the account of various trustors.

Lloyd Treuhand has in some cases been entered in the commercial register as the limited partner in trust for subscribers with the corresponding liable amount attributable to such subscribers. In accordance with Sections 171, 172 IV of the German Commercial Code, Lloyd Treuhand is fundamentally liable for any liquidity surpluses which have been distributed but are not backed by profits. The amount by which the distribution is less than the liable amount entered in the commercial register may be subject to reimbursement by Lloyd Treuhand. Under the terms of the trusteeship contract, Lloyd Treuhand is in turn entitled to recover this amount from the subscriber in question. The Management Board does not consider the possible outflow of resources as a result of such recourse claims to be likely.

In the case of a number of shipping companies there is a risk that changes in extraordinary operating profits could lead to a change in tax status. In addition to a detrimental impact on the balance sheet, this could also negatively influence the Group’s liquidity.

9.2 OPERATING LEASE COMMITMENTS

Analysis of obligations under leases:

	June 30, 2013	Dec. 31, 2012
T€		
Office space	6,160	6,649
Motor vehicles	134	208
Miscellaneous	28	38
	6,322	**6,895**

9.3 RELATED-PARTY TRANSACTIONS

As of June 30, 2013, the non-current loan granted to KALP GmbH, Böel, including accrued interest was valued at T€ 1,957 (December 31, 2012: T€ 1,905). Other than this, there were no material transactions with related parties.

9.4 EVENTS AFTER THE REPORTING DATE

In July 2013, an agreement was signed with HelaBa providing for Lloyd Fonds AG to receive remuneration in the event of the successful sale of the TVO portfolio. Entitlement to this remuneration arises if the price for which the portfolio is sold is sufficient to cover all outstanding loan amounts plus interest as well as the transaction costs and the specifically defined other costs in connection with Lloyd Fonds US Real Estate I, LP. The remuneration equals 50 % of the surplus balance.

Lloyd Fonds' consolidated financial statements for 2012 have been affected by changes in KALP GmbH's financial statements for 2012; these changes are set out with retroactive effect in a corresponding column of the balance sheet and the statement of changes in equity in this interim report.

A contract for the sale of two properties included in the "Fünfte LF Immobiliengesellschaft mbH & Co. KG" was signed on June 14, 2013. The condition precedent provided for in this contract, namely payment of the purchase price, was satisfied on August 16, 2013.

No other events materially affecting the Group's net assets, financial position or results of operations occurred after the reporting date.

Hamburg, September 23, 2013

The Management Board

Dr. Torsten Teichert **Dr. Joachim Seeler**

RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Hamburg, September 23, 2013

The Management Board

Dr. Torsten Teichert **Dr. Joachim Seeler**

CERTIFICATION OF REVIEW BY AUDITORS

TO LLOYD FONDS AG, HAMBURG

We have reviewed the condensed consolidated interim financial statements – comprising the condensed statement of financial positions, condensed income statement and condensed statement of comprehensive income, condensed statement of cash flow, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of Lloyd Fonds AG, Hamburg, for the period from January 1 to June 30 2013, which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hamburg, September 24, 2013

TPW GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

signed	signed
Roger Hönig	Britta Martens
Wirtschaftsprüfer	*Wirtschaftsprüferin*
(German Public Auditor)	*(German Public Auditor)*

FINANCIAL CALENDAR

	2013
Extraordinary General Meeting	10 April
Annual Report 2012	27 June
General Annual Meeting	20 August
Semi-annual Report	26 September

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PICTURE CREDITS

Lloyd Fonds AG

This english language version of the interim report is a convenience translation. In the event of any debt, the German version is to apply.

LLOYD FONDS

AKTIENGESELLSCHAFT

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