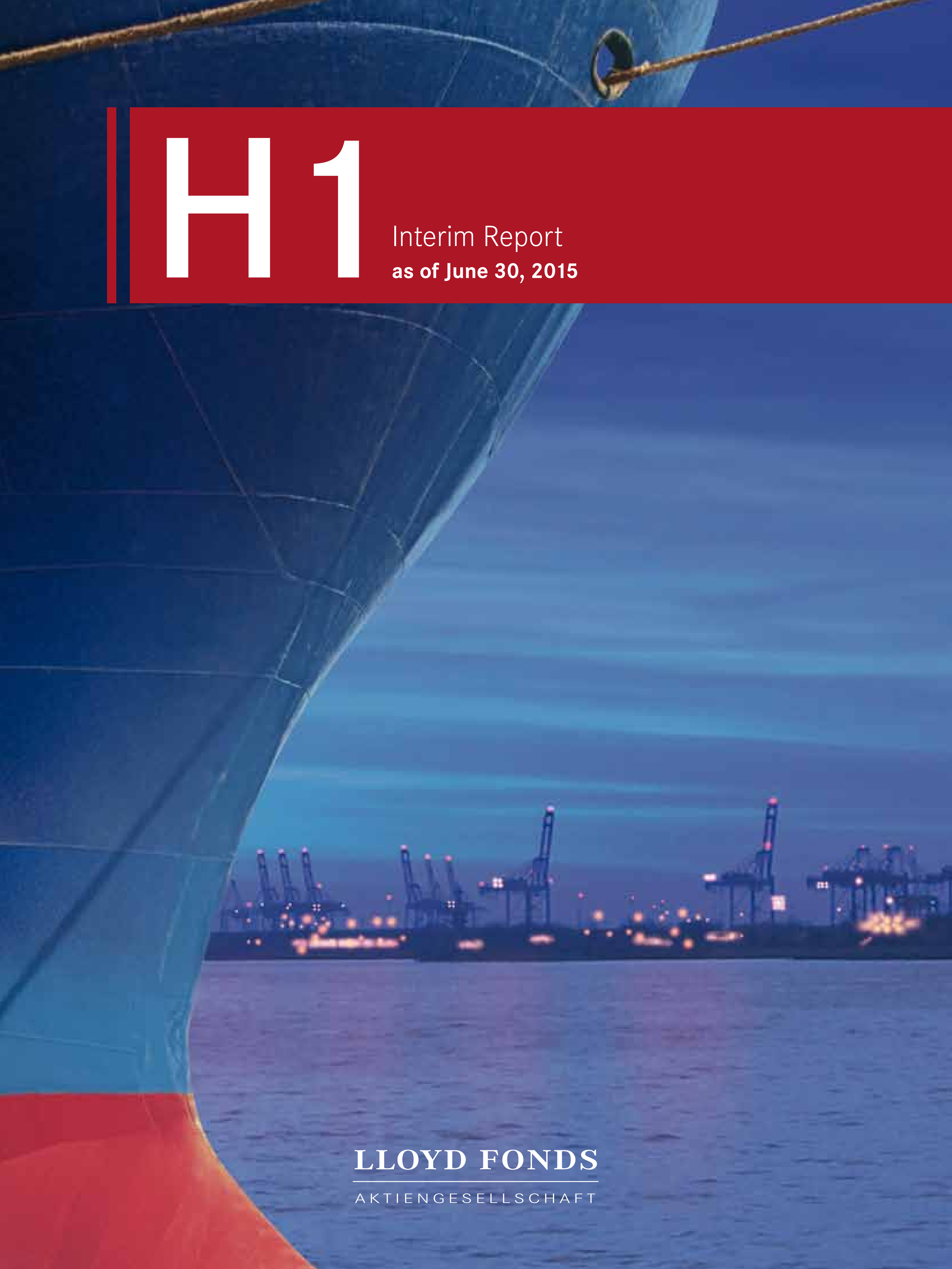


H1

Interim Report
as of June 30, 2015

LLOYD FONDS
AKTIENGESELLSCHAFT

GROUP FIGURES AS OF JUNE 30, 2015

	H1–2015	H1–2014	H1–2013
€ millions			
Sales	5.8	4.8	7.3
Recurring income	4.7	4.8	5.4
EBIT	0.1	-0.1	0.9
Consolidated net profit for the period	0.7	0.2	1.2
EBIT margin (%)	2.3	-2.7	11.6
Return on sales (%)	12.7	5.1	16.5
Total assets	28.1	27.4	30.4
Equity	17.9	16.2	16.8
Equity ratio (%)	63.8	59.0	55.2
Earnings per share (€)	0.08	0.01	0.04
Employees	45	51	54
Staff costs	2.2	2.4	2.6

Percentages calculated using T€ figures.

LETTER FROM THE MANAGEMENT BOARD

Ladies and gentlemen,

The past six months have been a decisive period for our Company. In February 2015, the Management Board and Supervisory Board decided to strategically reposition Lloyd Fonds AG as a listed shipping company in the medium-term and to thus pursue a new course in the German ship finance market.

We are convinced that it is necessary for the Company to realign itself in this way to ensure its continued viability in a market which has been experiencing major change and to re-establish Lloyd Fonds AG as a growth stock. One thing is certain, ships are increasingly being financed by institutional investors via the capital market on a fleet basis rather than by means of single-entity ship funds. This marks a drastic change in the ship finance market, which was dominated by the German ship fund model for decades and in which Lloyd Fonds AG evolved into one of the most established arrangers with a total of 77 ship funds over the past twenty years. The challenge facing our industry is now to adjust to this new ship finance market.

We have done precisely this with our strategic decision to turn Lloyd Fonds AG into a listed shipping company. Although we will be fundamentally repositioning ourselves, this does not mean that we will be turning our backs on our old business model. Rather, it is a logical step forward as we will be applying the same core skills: ship finance and asset management. Although over 50 percent of the limited partners in eleven ship funds to which Lloyd Fonds AG had submitted an offer to take over their ships in return for the issue of shares accepted this offer, only one of the funds achieved the necessary majority of 75 percent. Despite this result, we remain committed to our strategic goal of converting Lloyd Fonds AG into a listed shipping company and are currently exploring new avenues for implementing this goal.

We will be entering uncharted territory – at least in Germany. Whereas there are numerous successful listed shipping companies in the United States and Norway, Germany has nothing comparable which is anything more than a straight asset platform. We want to utilize the opportunities awaiting us as a first mover in this new financing market and reposition ourselves as a corporate that is comparable to listed shipping companies in the United States and Norway. And we have every chance of achieving this. This is because Lloyd Fonds AG is able to look back on 20 years of experience in ship finance and management. On top of this, however, it already has the necessary access to the capital market as a listed company to directly finance assets through the issue of new share capital in the future. In these times of change, our Company's long history and the equity of some € 1.7 billion which we currently have under management and which allows us to generate stable income give us the stability and endurance required to reposition ourselves.

In the period under review, the Lloyd Fonds Group generated net profit of € 0.7 million. This favorable performance was materially underpinned by the recurring income from the active management of our investment portfolio, which currently comprises 35 ship funds, twelve real estate funds and 18 funds investing in other assets. In the new business sector, we successfully executed two reale etate projects with institutional investors: In February, Lloyd Fonds Group acted as an advisor on the construction of a new city-owned home for apprentices in Hamburg and arranged its sale to a renowned foundation. In addition, Lloyd Fonds Group structured a refinancing transaction worth € 44.7 million for an Austrian hotel group.

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

INTERIM MANAGEMENT REPORT OF THE LLOYD FONDS GROUP FOR THE FIRST HALF OF 2015

BUSINESS PERFORMANCE

In a persistently difficult market environment, Lloyd Fonds Group was able to post a profit in the first half of 2015. The Lloyd Fonds Group's sales came to € 5.8 million (comparison period: € 4.8 million). Earnings before interest and taxes (EBIT) of € 0.1 million were recorded (comparison period: loss of € 0.1 million). Consolidated net profit for the period rose by roughly € 0.5 million over the comparison period to € 0.7 million (comparison period: € 0.2 million). Cash and cash equivalents stood at € 8.3 million as of June 30, 2015 (comparison period: € 5.9 million), while the equity ratio widened again by around 5 percent over the comparison period to 64 percent.

The profit achieved was chiefly due to recurring income from the active management of the investment portfolio containing equity of around € 1.7 billion. In addition, two real estate projects were successfully completed and additional income of € 1.1 million generated.

BUSINESS PERFORMANCE BY ASSET CLASS

Shipping & Special Assets

Lloyd Fonds AG has 20 years of experience in ship finance and management. As of the reporting date, it has 49 ships under management accounting for an investment volume of around US$ 2.5 billion. The fleet comprises a total of 29 container ships, 16 tankers and four multi-purpose ships. The charterers include A. P. Møller-Mærsk, CMA CGM and Neptune Orient Lines Ltd. Many of the tankers are used in different pools, e. g. Penfield Tankers Ltd. and Handytankers K/S. As well as this, Lloyd Fonds AG manages three secondary-market funds investing in ship funds holding some 220 container ships, tankers and bulkers.

In the first half of the year, ship asset management again concentrated on navigating the existing fleet as safely as possible through the persistent shipping crisis. In many cases, the rates which can be achieved on new charters for container ships are still not sufficient to cover the individual ship entities' interest and debt service obligations. Although it has recently been possible to achieve higher rates for tankers, these are only for short-term charterparties. Looking forward, this segment will continue to experience heavy volatility. Exceptional costs such as dry dock periods may cause liquidity problems for ship entities. To minimize the effects of the persistent shipping crisis on the fleet under management as far as possible, the loans for three container ships were, for example, successfully refinanced in the period under review.

Despite the enduring shipping crisis, payouts of around € 1.4 million were made to subscribers for two tankers and one secondary-market fund for ship investments in the first half of 2015. The favorable income situation of these two tanker entities also permitted a further payout of 20 percent in July 2015. There were no ship-entity insolvencies in the period under review.

With the funding of new assets coming to an almost complete halt in the last few years due to the shipping crisis, the traditional limited-partnership model has lost its former significance as a funding vehicle.

Against this backdrop, the Management Board and Supervisory Board of Lloyd Fonds AG adjusted the Company's strategy in February 2015 and will now be positioning it as a listed shipping company. Under this strategy, eleven of the single-ship entities initiated by Lloyd Fonds AG received an offer on February 6, 2015 to transfer their ship operations including the ships themselves to Lloyd Fonds AG in the form of a non-cash equity issue. Although a total of more than 50 percent of the subscribers were in favor of the model, the necessary 75 percent majority required to approve the transfer of the ship operations to Lloyd Fonds AG was achieved by only one of the eleven ship entities. Similarly, the listed shipping company model met with a favorable response in the shipping industry and also on the part of most of the ship entity subscribers. Despite the negative outcome of these votes, Lloyd Fonds AG remains committed to pursuing its strategic goal of transforming into a listed shipping company and is working on new ways of achieving this goal.

At the same time, the Shipping & Special Assets segment is responsible for managing a total of 18 fund entities particularly in the aircraft, UK traded endowment policy and renewable energies segments as well as the Group’s own investments.

In the first half of 2015, the Special Assets department made payments of around € 19.9 million and some US$ 1.5 million to a total of four fund entities. This included a payout of 40 percent to the subscribers of a diversified aircraft portfolio.

KALP GmbH, in which Lloyd Fonds AG holds a 45.1 percent share, filed for insolvency in June 2015. The company holds the global patents to an innovative automatic lashing platform for loading and discharging container ships. In the last few years, Lloyd Fonds AG has granted KALP GmbH a loan, which is still assumed to be recoverable despite the fact that KALP GmbH has filed for insolvency.

Real estate

As of the reporting date, the Real Estate segment managed twelve real estate investments worth a total of over € 400 million. The focus of the portfolio is on the German and Dutch real estate market. In terms of the floor area of the individual investments, office buildings account for around 55 percent and hotels for roughly 42 percent of the portfolio. The four hotel funds were initiated with renowned partners such as TUI, Linder and Motel One. The remaining roughly 3 percent of the portfolio is made up of retail space.

In the first half of 2015, payouts of a total of around € 4.7 million were made to subscribers of eight real estate funds. The real estate funds are structured in such a way as to provide semi-annual payouts.

Lloyd Fonds AG’s first real estate fund will successfully be terminated in the period under review. After the disposal of two portfolio assets in Northern Germany in 2013, the “Vier Einzelhandelsobjekte in Norddeutschland” real estate fund, the third asset was sold in September 2014. The last remaining asset was sold in January 2015 to a renowned project developer, meaning that the fund, in which Lloyd Fonds AG itself holds around 45 percent, will now been terminated.

In addition to the active management of the legacy portfolio, two new projects were successfully initiated with institutional customers in the period under review. In March 2015, Lloyd Fonds AG acted as an advisor on the construction of a new city-owned home for apprentices in Hamburg and arranged its sale to a renowned Hamburg-based foundation. The building is being funded by the City of Hamburg and has been leased to the “Azubiwerk” foundation on a long-term basis. After it is completed in summer 2016, it will provide accommodation for around 156 apprentices in 68 affordable apartments. In addition, Lloyd Fonds AG structured and organized a refinancing transaction for a hotel portfolio operated by renowned Austrian hotel group at the end of April 2015. Two Luxembourg fund entities have granted the hotel portfolio loans of a total of € 44.7 million. With a market value of over € 66 million, the hotel portfolio comprises seven 3- and 4-star hotels in Germany and Austria with a total of over 800 rooms.

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, 2015.

Results of operations for the period under review compared with the same period in the previous year were as follows:

T€	H1-2015	H1-2014
Sales	5,778	4,828
Cost of materials	-1,291	-748
Staff costs	-2,160	-2,436
Depreciation/amortization and impairment losses	-120	-212
Net other operating income/expenses	-2,339	-1,794
Share of profit of associates	264	231
Net profit/loss from operating activities (EBIT)	**132**	**-131**
Net finance income/expenses	581	379
Earnings before taxes (EBT)	**713**	**248**
Income taxes	20	-4
Consolidated net profit	**733**	**244**

The following changes arose in connection with sales:

T€	H1-2015	H1-2014
Income from management fees	1,353	1,334
Income from arrangement and commission-based solutions	1,106	10
Income from the trusteeship activities	3,318	3,484
Others	1	–
Sales	**5,778**	**4,828**

Compared with the year-ago period, sales rose by T€ 950 to T€ 5,778 in the first half of 2015. Arrangement and commission income primarily comprises an amount of T€ 1,021 from structuring the refinancing transaction for a hotel portfolio for a renowned Austrian hotel group. In addition, income of T€ 85 was generated in the period under review from the provision of advisory services in connection with the realization of a new apprentice home and its ensuing sale to a renowned foundation. The income of T€ 10 in the comparison period had arisen from equity placements.

At T€ 3,318 in the period under review, income from trusteeship business was down slightly on the previous year (T€ 3,484). This comprises solely recurring income derived from regular trusteeship fees. As in the previous year, no income was recorded for entities for which insolvency proceedings had already been commenced. The slight decline is due to the sale of individual ships.

At T€ 1,353 in the first half of 2015, management fees were slightly up on the previous year (T€ 1,334). Management fees earned in the period under review comprise amounts of T€ 789 (comparison period: T€ 758) earned from the management of active funds as well as T€ 564 for services to the open-end ship fund "LF Open Waters OP" (comparison period: T€ 576).

The cost of materials rose by T€ 543 over the comparison period to T€ 1,291. This particularly reflects the expense of T€ 534 on services purchased in connection with the structuring of the refinancing transaction for the hotel portfolio.

Staff costs declined by T€ 276, dropping from T€ 2,436 to T€ 2,160 in the period under review primarily due to the reduction in the average head count from 53 to 51. This effect was amplified by the decline of T€ 69 in expenditure on variable remuneration and settlement payments over the previous year.

Depreciation, amortization and impairment losses came to T€ 120 in the period under review (comparison period: T€ 212). This includes impairment expenses on shares in associates of T€ 47 (comparison period: T€ 128).

In the period under review, net other operating expenses widened from T€ 1,794 to T€ 2,339. For one thing, income from the reversal of provisions contracted by T€ 279 and income from the reversal of impairments on receivables by T€ 224, while rental expenditure rose by T€ 153 due to the recognition of provisions for impending losses in connection with the reduced sub-let floor area. For another, expenses for sales support and subscriber care rose by T€ 151 and accounting, legal and consulting costs by T€ 204. This particularly entails additional expenditure in connection with the planned establishment of a listed shipping company. A positive effect arose from the T€ 277 increase in income from recharged expenses, particularly in connection with the structuring of the hotel portfolio. Similarly, impairments of receivables and unrecoverable receivables were down T€ 174 on the same period of the previous year, while income from the derecognition of liabilities rose by T€ 120.

The share of profit of associates increased from T€ 231 to T€ 264. As in the previous year, this item predominantly comprises dividends received from associated companies.

As a result, the Lloyd Fonds Group achieved earnings before interest and tax (EBIT) of T€ 132 for the first half of 2015 (comparison period: loss of T€ 131).

Net finance income/expenses came to T€ 581, up from T€ 379 in the comparison period. This includes currency translation gains of T€ 195 (comparison period: currency translation losses of T€ 5), net interest income of T€ 239 (comparison period: T€ 208) and net investment income of T€ 147 (comparison period: T€ 176).

The net tax income of T€ 20 (comparison period: T€ -4) in the period under review chiefly results from assessment notices for prior years and tax expenses in connection with companies outside the fiscal unit. No further tax expenses 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). There were no net deferred income taxes through profit and loss in the period under review.

Lloyd Fonds recorded consolidated net profit of T€ 733 in the first half of 2015, up from T€ 244 in the same period of the previous year.

SEGMENT INFORMATION

This section provides further information on the consolidated earnings for the Shipping & Special Assets, Real Estate and Trusteeship segments. Reference should be made to the general comments on the Group's results of operations and the additional information provided in the segment report in the notes to the consolidated financial statements (see Note 5), where the main aspects for each reportable segment are described.

Shipping & Special Assets segment

EBIT in the Shipping & Special Assets segment dropped from T€ 390 to T€ 67 despite the stable income situation. This particularly reflects the expenses of T€ 315 on services purchased in connection with the structuring of the planned listed shipping company. In addition there was a substantial decline in other operating income, which dropped from T€ 352 to T€ 100. This was chiefly due to the reversal of provisions of T€ 279 in the comparison period for the repayment of dividends received on ships that had been sold. On the other hand, the lower staff costs of T€ 71 and reduced depreciation and amortization expenses of T€ 85 had a positive effect on EBIT.

Real Estate segment

EBIT in the Real Estate segment improved significantly, rising to T€ 623 in the period under review and thus reversing the loss of T€ 279 which had been recorded at the EBIT level in the comparison period of the previous year. This is particularly due to the two new transactions. Thus, the structuring of the refinancing transaction for the hotel portfolio in particular generated a margin contribution of T€ 711. In addition, income of T€ 85 was generated from the arrangement and ensuing sale of an apprentice home to a foundation.

Trusteeship segment

EBIT in the Trusteeship segment shrank from T€ 2,046 to T€ 1,726. In particular, other operating income dropped by T€ 171 particularly as a result of the lower income of T€ 194 from the reversal of impairments. Similarly, the cost of sales for Paxas rose slightly by T€ 67 due to foreign-currency translation effects.

NET ASSETS

The Group's net assets as of June 30, 2015 and December 31, 2014 are analyzed in the following table:

Assets	June 30, 2015	Dec. 31, 2014
T€		
Property, plant and equipment and intangible assets	349	419
Financial assets	11,003	11,478
Deferred income tax assets	354	354
Receivables and other assets	8,052	7,978
Cash and cash equivalents	8,329	7,592
Total assets	**28,087**	**27,821**

Equity and liabilities	June 30, 2015	Dec.31, 2014
T€		
Consolidated equity	17,906	16,829
Deferred income tax liabilities	745	738
Financial liabilities	2,795	2,837
Other liabilities	6,641	7,417
Total equity and liabilities	**28,087**	**27,821**

As of June 30, 2015, total assets stood at T€ 28,087 and were thus up by a slight T€ 266 on the end of 2014 (T€ 27,821).

On the assets side, this is chiefly reflected in an increase of T€ 737 in cash and cash equivalents to T€ 8,329 together with a decline of T€ 475 in financial assets to T€ 11,003. On the other side of the balance sheet, however, consolidated equity in particular increased by T€ 1,077 to T€ 17,906, whereas other liabilities dropped by T€ 776 to T€ 6,641.

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 T€ 475 decline in financial assets to T€ 11,003 is chiefly due to distributions received (down T€ 544), particularly from Fünfte LF Immobiliengesellschaft mbH & Co. KG (down T€ 376), equity-method measurements (down T€ 233) and depreciation/amortization (down T€ 47). The opposite effect arose from the reversal of impairments on equity investments of T€ 382, which was reported within other comprehensive income.

At T€ 2,795, financial liabilities came close to the figure for the comparable prior-year period (T€ 2,837). The decline is due to the settlement of financial liabilities in connection with the shares acquired in the target funds of "Premium Portfolio Austria".

As of June 30, 2015, equity stood at T€ 17,906, up from T€ 16,829 as of December 31, 2014. This was primarily as a result of the consolidated net profit of T€ 733 for the period.

FINANCIAL POSITION

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

	H1–2015	H1–2014
T€		
Consolidated profit/loss before share of profit of associates, interest and taxes	63	-366
Non-cash income and expenses	588	497
Changes in working capital	-99	-183
Dividends and profit distributions received	657	537
Net interest and income taxes received and paid	-346	-96
Cash flow from operating activities	**863**	**389**
Cash flow from investing activities	8	-60
Cash flow from financing activities	-101	-153
Non-cash changes in cash and cash equivalents	32	–
Net increase in cash and cash equivalents	**802**	**176**
Cash and cash equivalents at the beginning of the period	7,552	5,670
Currency translation differences	-32	-5
Cash and cash equivalents at the end of the period	**8,322**	**5,841**

The net cash inflow of T€ 863 from operating activities was due to the net consolidated profit recorded in the period before the share of profits of associates, interest and taxes. In addition, it was influenced by non-cash expenses and income of T€ 588. Non-cash expenses and income particularly include the impairments on receivables and irretrievable receivables (T€ 793) and on non-current assets (T€ 120) recognized in the period under review. The opposite effect particularly arose from the reversal of impairments on receivables (T€ 148) and income from the derecognition of liabilities (T€ 149). The dividends and distributions of T€ 657 received were sufficient to cover net interest and income tax payments of T€ 346 and thus made an additional positive contribution to cash flow from operating activities.

The net cash inflow of T€ 8 from investing activities is chiefly due to the repayment of the prorated share capital of entities which have since been wound up.

The net cash outflow of T€ 101 from financing activities is mainly due to the settlement of financial liabilities.

The non-cash change of T€ 32 in cash and cash equivalents primarily reflects the release of a bank balance which had been pledged as a rental deposit.

This caused free cash and cash equivalents to increase by T€ 770 in the first half of the year to T€ 8,322.

EMPLOYEES

As of June 30, 2015, the Lloyd Fonds Group had 45 employees (June 30, 2014: 51). This figure does not include the Management Board, employees on extended child-care leave, trainees and temporary staff. Consequently, employee numbers dropped by over 10 percent over the previous year. In contrast to the previous year, the Management Board has only one member (previous year: two members).

SIGNIFICANT EVENTS AFTER JUNE 30, 2015

Lloyd Fonds welcomed around 70 shareholders to its annual general meeting on July 14, 2015 in Hamburg. 6,335,768 shares, equivalent to 69.19 percent of the Company’s share capital, were represented at the annual general meeting. All the items on the agenda were approved with a large majority of over 99 percent. Among other things, the shareholders elected a new member to the Supervisory Board. After Gunther Bonz left the Supervisory Board at the end of his tenure, he was replaced by Bote de Vries, who has more than 20 years of experience in ship finance.

RISK REPORT

Lloyd Fonds initiates and structures alternative investments in various shipping and real estate assets for its customers. Accordingly, the Group’s business performance hinges materially on conditions in the financial, capital and assets markets as well as investor appetite.

The detailed risk report starts on page 36 of the english annual report for 2014. The risks described and evaluated in that report present the Company’s risk situation as of June 30, 2015, which is largely unchanged.

ECONOMIC CONDITIONS

OUTLOOK FOR THE INTERNATIONAL ECONOMY

After a relatively muted start to the year with a slight recovery in the global economy, the OECD has generally revised its growth forecast down slightly for 2015. At the same time, there are considerable regional disparities. The economic upswing in the United States, for example, was dampened by softer exports in the first quarter of 2015, with capital spending in the oil industry in particular declining against the backdrop of sagging oil prices. On the other hand, impetus was provided by consumer spending which, in turn, was spurred by sustained favorable conditions in the job market. With forecast growth of around 2 percent, the US economy generally continued to be a main growth driver among the industrialized nations. Japan is also registering surprisingly dynamic growth after the damper placed on the economy by the increase in excise taxes in the summer of 2014. The economic recovery also continued in the Eurozone, with GDP growth accelerating slightly to 0.4 percent in the first quarter of 2015 despite the Greek crisis and ongoing strain in Ukraine. In view of the low oil prices and the depreciation in the euro, the OECD generally expects the recovery to strengthen in Europe this year and has revised its growth forecast for 2015 upwards by 0.3 percentage points to 1.4 percent. On the other hand, many emerging markets, where structural problems are impeding growth, are causing concern. In China, for example, the economy is still weakening. At the same time, the economic situation in Russia remains fragile due to the geopolitical tensions and low oil prices. This has prompted the OECD to scale back its forecast for global economic growth by 0.6 percentage points to 3.1 percent in 2015 and by 0.1 percent to 3.8 percent in 2016.

OUTLOOK FOR ECONOMIC SITUATION IN GERMANY

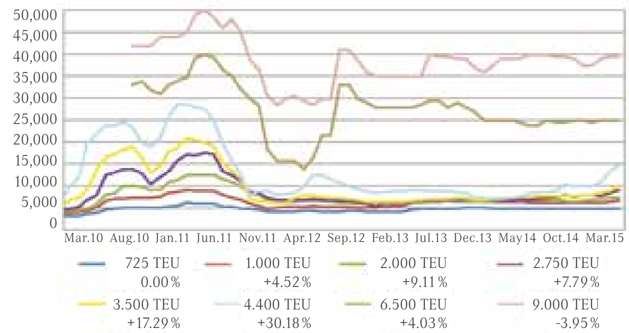
Economic output should increase over the next few months, underpinned in particular by domestic demand and especially consumer spending thanks to solid income and employment growth together with declining prices. At the same time, however, there are a number of risk factors such as an unexpectedly swift increase in oil prices. All told, the council of experts therefore projects GDP growth of 1.8 percent in its economic forecast for 2015, with consumer spending continuing to provide key stimulus. At the same time, exports will be spurred through the depreciation of the euro in the wake of the ECB's quantitative easing.

OUTLOOK FOR SHIPPING MARKETS

In view of the Lloyd Fonds Group's heavy focus on the management of investments in alternative real assets in the maritime sector, conditions in the shipping markets exert a material influence on its net assets, financial position and results of operations. This particularly refers to charter rates, on which the recoverability of fees and the value of ship investments depend.

Freight rates for container ships operated by liner shipping companies have come under strong pressure despite improved operating margins as a result of lower bunker prices. The situation is completely different with tramp shipping, however. Here, container ship charter rates have been continuing to rise across all size classes. The medium segment between 3,500 TEU and 4,400 TEU has benefited the most, achieving a level last seen in 2011. However, all the other segments have also registered gains of between 4 and 8 percent. Even so, charter rates are still historically low and not sufficient to ensure that all ships are capable of meeting their interest and debt servicing obligations in full.

Rates for 1-year charters over time and percentage quarter-on-quarter change



Source: Clarkson Research Services Ltd./Deutsche Fondsresearch AG

Growth in demand for container ships is expected to weaken somewhat in the course of the year as well as in future years. Although container shipping is benefiting from the generally positive condition of the US economy and the recovery of the Eurozone, the slower growth in emerging markets such as China and the recession in Russia are exerting a drag. Analysts therefore expect demand to rise by 7 percent in 2015 and by 6 percent in 2016. Capacity should grow by roughly the same rate in 2015 but somewhat more slowly in 2016 due to the continued high number of new ship deliveries and the full order books.

As with container shipping, trends in tanker shipping were also disparate. Still relatively high at the beginning of the year, freight rates for crude oil tankers – with the exception of Panamax tankers for example – have been softening since February 2015. On the other hand, demand for product tankers, for which charter rates dropped sharply at the beginning of the year, has recently been stronger. However, one-year time charter rates have moved in the opposite direction. After increasing in the first quarter of 2015, they have since declined somewhat.

The ratio between fleet availability and demand was relatively balanced. All told, order books shrank by 1.03 percent in the first quarter of 2015, with the tanker fleet comprising 5,917 vessels with a capacity of 508,730,000 tdw. Order books remained well filled, equaling around 14.8 percent of the fleet currently in operation.

The tanker market is particularly benefiting from low oil prices and stable demand. However, it remains to be seen how sustainable these favorable conditions are. Analysts expect growth to exceed demand from 2016, meaning that, after recovering, charter rates may slip again.

OUTLOOK FOR REAL ESTATE MARKET IN GERMANY AND THE NETHERLANDS

Against the backdrop of solid macroeconomic data, current underlying conditions for the German real estate market are still good. The depreciation of the euro and continued low borrowing costs ensure the enduring appeal of investments in the German commercial real estate market. In addition, the risk/reward ratio compared with other European markets remains attractive and there is still sufficient scope for diversification in terms of location and asset class. Accordingly, analysts expect a total investment volume of € 50 billion this year, i.e. substantially up on the previous year's figure of around € 40 billion. That said, the prices for real estate are not being accompanied by a comparable upside trend in commercial rentals.

This also applies to the German hotel market. With total transactions of around € 1.5 billion, the investment market for hotels was up just over 10 percent on the previous year in the first half of 2015 (half year 2014: € 1.36 billion). As a result, last year's record figure of € 3 billion is within striking distance. Institutional investors are increasingly focusing on brand-name hotels on long-term leases in the budget segment in particular.

With the emergence of an economic upswing in the Netherlands in 2014, gross domestic product should recover in 2015, spurred by growth in exports, an improvement in the domestic economy and corporate spending. That said, the office market is still suffering from the recession of the past few years. At 16 percent, vacancies are still high due to the surplus supply of office space and limited demand. Local governments have responded to this situation by modifying zoning plans to some extent. As a result, it is now possible for old office buildings to be converted into apartments, student homes or hotels, for example.

OUTLOOK FOR ALTERNATIVE INVESTMENT FUNDS (AIFS)

The market for investments in alternative real assets continued to falter in the first half of 2015 and is still very muted. According to rating agency Scope, only 21 new retail AIFs with a planned equity volume of € 573 million were initiated in the first half of 2015. By comparison, 354 closed-end funds had been arranged in 2008. The market picked up from a low level between April and June 2015, with the number of new funds doubling to 14 and accounting for a planned equity volume of a total of € 355 million. In the first quarter, only seven closed-end retail AIFs with a planned equity volume of € 218 million had been initiated. However, there was a substantial reduction in the planned equity volume per fund in the second quarter, with the average coming to only around € 25 million, down from over € 70 million in 2014. Real estate funds accounted for 14 out of the 21 newly arranged AIFs. On the other hand, institutional investors are showing brisk interest in alternative investment funds. This is demonstrated by the latest placement figures published by a number of members of the industry association Bundesverband Sachwerte und Investmentvermögen e.V.

OUTLOOK FOR THE COMPANY

In February, the Supervisory Board passed a resolution to strategically reposition Lloyd Fonds AG as a listed shipping company to ensure its future viability. In this way, Lloyd Fonds AG is responding to changes in the ship finance market. Today, ships are increasingly being financed via the capital market on a fleet basis rather than through closed-end investment funds. In this connection, the European capital market expects shipping companies to position themselves as a genuine corporates with their own management. By contrast, funding opportunities are less favorable for straight asset platforms.

As a listed company with access to the capital markets and 20 years of investment experience in the shipping segment, Lloyd Fonds has created the basis for positioning itself in this new maritime financing market successfully. Although the offer which Lloyd Fonds AG made to eleven ship entities to take over their ship operations was accepted by only one of the entities and was therefore not implemented, the “listed shipping company” business model is to be continued and executed in the near future. Several different alternatives are being explored in this connection. The aim is to finance a diversified fleet via Lloyd Fonds AG and to place the ships on the Company’s own balance sheet in order to manage them profitably in a fleet structure. At the same time, the new listed shipping company will be able to generate additional income from the provision of various ship management services and also leverage the 20 years of structuring experience to arrange new investment products for institutional investors. In this way, Lloyd Fonds AG is to be established as a growth stock again.

The consolidated net profit of € 0.7 million that Lloyd Fonds Group generated in the first half of the year again shows that with assets of some € 1.7 billion under management and its focus on its core skills the Company is headed in the right direction towards achieving sustained success. Lloyd Fonds AG expects to be able to report full-year consolidated net profit in both 2015 and 2016. The challenge now facing the Company is to leverage the skills and experience gained in 20 years of activity in the market – particularly in asset management – and to develop innovative products. The planned new positioning as a listed shipping company marks a decisive step in this direction.

OPPORTUNITIES

Overall assessment
With its consolidated net profit of € 0.7 million in the first half of the year, the Lloyd Fonds Group stands on a solid economic footing, permitting it to advance its strategic development in 2015 as a listed shipping company. Lloyd Fonds is committed to making the best possible use of this potential by utilizing and expanding its strengths and skills. Material opportunities will be derived from the following factors:

New business model: Listed shipping company
Lloyd Fonds AG is realigning itself as a listed shipping company with its own ships, direct access to the capital market and 20 years of investment experience to engage in the new market of ship finance. In this way, it is embarking on a promising new course for the future.

Active player in institutional asset finance
Demand for alternative real assets is particularly strong on the part of institutional investors. Having structured the refinancing of a hotel group and arranged a transaction for the construction of a home for apprentices in the first half of 2015, Lloyd Fonds AG has highlighted its expertise in this area. In addition to establishing itself as a listed shipping company, it will also continue to step up institutional business.

Expertise and many years of experience in active asset management
With a history now spanning 20 years, Lloyd Fonds AG is one of the oldest initiators of investments in alternative real assets. Since its establishment in 1995, it has arranged 106 closed-end investment funds, in which over 53,000 subscribers have placed equity of more than € 2 billion. The Company has to date realized a cumulative investment volume of over € 5 billion. With a value of some € 1.7 billion, our broad portfolio of assets under management provides the economic underpinnings for our Company. Moreover, additional income can be generated from this portfolio by means of active asset management. Thanks to the long-standing experience of its asset managers, the Lloyd Fonds Group is able to act on key opportunities.

Focus on shipping and real estate
Despite the strategic focus on repositioning itself as a listed shipping company, Lloyd Fonds AG will remain active in the real estate asset class in future. Shipping has been Lloyd Fonds AG’s core skill for more than 20 years. At the same time, business with institutional customers is to be stepped up in the real estate segment.

New target group-oriented products
The most significant challenge facing arrangers of investments in alternative real assets is to listen to the market and to develop products meeting the needs of private and professional investors. By repositioning itself as a listed shipping company, Lloyd Fonds AG will be creating the necessary basis for engaging in the new market for financing shipping investments on a sustained basis.

INTERIM FINANCIAL STATEMENTS OF THE LLOYD FONDS GROUP (IFRS) AS OF JUNE 30, 2015

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2015

	Note	H1-2015	H1-2014
T€			
Sales	6.1	5,778	4,828
Cost of materials	6.2	-1,291	-748
Staff costs	6.3	-2,160	-2,436
Depreciation/amortization and impairment losses	6.4	-120	-212
Net other operating income/expenses	6.5	-2,339	-1,794
Share of profit of associates	6.6	264	231
Net profit/loss from operating activities		**132**	**-131**
Finance income	6.7	699	457
Finance expenses	6.7	-118	-78
Earnings before taxes		**713**	**248**
Income taxes	6.8	20	-4
Consolidated net profit		**733**	**244**
Earnings per share (diluted/basic) for the period (€ per share)	6.9	0.08	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2015

	H1-2015	H1-2014
T€		
Consolidated net profit	**733**	**244**
Other income components recognized in equity		
Available-for-sale financial assets	382	6
Deferred taxes on these	-7	-30
Currency translation differences	-31	-6
Other comprehensive income	**344**	**-30**
Consolidated comprehensive income	**1,077**	**214**

All other items within comprehensive income can be recycled to profit and loss provided that certain conditions are satisfied.

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

CONSOLIDATED BALANCE SHEET

as of June 30, 2015 in comparison to December 31, 2014

	Note	June 30, 2015	Dec.31, 2014
T€			
Assets			
Non-current assets			
Property, plant and equipment		341	408
Intangible assets		8	11
Receivables from related parties	9.3	1,925	1,923
Investments in associates	7.1	1,644	2,282
Available-for-sale financial assets	7.2	3,605	3,548
Deferred income tax assets	7.3	354	354
		7,877	**8,526**
Current assets			
Trade receivables and other receivables	7.4	5,458	5,099
Receivables from related parties		30	281
Available-for-sale financial assets	7.2	5,754	5,648
Current income tax assets		639	675
Cash and cash equivalents	7.5	8,329	7,592
		20,210	**19,295**
Total assets		**28,087**	**27,821**
Equity			
Share capital	7.6	9,157	9,157
Retained earnings	7.6	8,749	7,672
Total equity		**17,906**	**16,829**
Liabilities			
Non-current liabilities			
Net asset value attributable to other limited partners	7.7	702	712
Trade payables		32	80
Other provisions	7.9	208	45
Deferred income tax liabilities	7.3	745	738
		1,687	**1,575**
Current liabilities			
Trade payables and other liabilities		4,979	5,137
Liabilities to related parties		412	615
Financial liabilities	7.8	2,795	2,837
Other provisions	7.9	308	409
Current income tax liabilities	7.10	–	419
		8,494	**9,417**
Total liabilities		**10,181**	**10,992**
Total equity and liabilities		**28,087**	**27,821**

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

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to June 30, 2015

	Note	H1-2015	H1-2014
T€			
Cash flow from operating activities			
Consolidated profit/loss before share of profit of associates, interest and taxes	8.1	63	-366
Depreciation/amortization and impairment losses on non-current assets	6.4	120	212
Other non-cash income and expenses	8.2	468	285
Changes in trade receivables and other receivables		-430	-1,289
Changes in receivables from related parties		-23	133
Changes in trade payables and other liabilities		110	1,167
Changes in amounts due to related parties		172	-119
Changes in other provisions		72	-75
Interest received		27	–
Interest paid		-11	-1
Dividends and profit distributions received		657	537
Income tax refunds received		191	53
Income taxes paid		-553	-148
Net cash generated from operating activities		**863**	**389**
Cash flow from investing activities			
Payments made for investments in:			
Intangible assets and property, plant and equipment		-2	-67
Available-for-sale financial assets and investments in associates		–	7
Proceeds from the disposal of:			
Available-for-sale financial assets and investments in associates		10	–
Net cash inflow/outflow from investing activities		**8**	**-60**
Cash flow from financing activities			
Changes in the net asset value attributable to other limited partners		-31	–
Settlement of financial liabilities		-70	-153
Net cash used in financing activities		**-101**	**-153**
Non-cash changes in cash and cash equivalents		32	–
Net increase in cash and cash equivalents		**802**	**176**
Cash and cash equivalents on January 1		7,552	5,670
Currency translation differences		-32	-5
Cash and cash equivalents on June 30	8.3	**8,322**	**5,841**

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, 2015

				Other comprehensive income		
	Share capital	Additional paid-in capital	Retained earnings	Available-for-sale financial assets	Currency translation differences	Total equity
T€						
Amount on January 1, 2014	**27,470**	**44,065**	**-58,612**	**3,094**	**-40**	**15,977**
Total net profit/loss recorded within consolidated equity	–	–	244	-24	-6	214
Amount on June 30, 2014	**27,470**	**44,065**	**-58,368**	**3,070**	**-46**	**16,191**
Amount on January 1, 2015	**9,157**	**–**	**4,517**	**3,247**	**-92**	**16,829**
Total net profit/loss recorded within consolidated equity	–	–	733	375	-31	1,077
Amount on June 30, 2015	**9,157**	**–**	**5,250**	**3,622**	**-123**	**17,906**

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, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial statements as of June 30, 2015 have been prepared voluntarily in accordance with international accounting standards. 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 Accounting Standards Board (IASB) as endorsed by the European Union (EU) before June 30, 2015. All figures are reported in thousands of euros (T€). This may result in rounding differences between the individual parts of the financial statements. Notwithstanding this, however, the following standards endorsed by the EU Commission were not early adopted:

- IAS 19 Employee Benefits
- IFRS 2 Share-Based Payment
- IFRS 3 Business Combinations
- IFRS 8 Operating Segments
- IFRS 13 Fair Value Measurement
- IAS 16 Property, Plant and Equipment
- Revisions arising from the Annual Improvement Project 2010–2012
- IAS 24 Related Party Disclosures
- IAS 38 Intangible Assets
- Revisions arising from the Annual Improvement Project 2011–2013
- IAS 40 Investment Property

There were no changes in any of the other accounting policies described in the notes to the consolidated financial statements as of December 31, 2014. Accordingly, these interim financial statements must be read in the light of the disclosures made in the consolidated financial statements for 2014. New standards and interpretations which must be applied for the first time in the year under review did not have any impact on these consolidated interim financial statements.

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, 2014.

2 COMPANIES CONSOLIDATED

The initial consolidation in February 2015 of LFS Tanker Portfolio I Verwaltung GmbH, LFS Containerschiff Portfolio I Verwaltung GmbH and LFS Containerschiff Portfolio II Verwaltung GmbH, all domiciled in Hamburg, did not exert any material effect on the Lloyd Fonds Group's net assets, financial position and results of operations.

The companies consolidated now comprise the parent company as well as 19 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 six years, no dividend has been distributed on account of the Company's earnings situation.

As of June 30, 2015, the Lloyd Fonds Group's equity stood at T€ 17,906, up from T€ 16,829 at the end of the previous year. The equity ratio came to 63.8 percent as of the reporting date (December 31, 2014: 60.5 percent).

4 CHANGES IN CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND DISCRETIONARY DECISIONS

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 further impairment of T€ 125 was recognized for Fünfte LF Immobiliengesellschaft mbH & Co. KG as of December 31, 2014, meaning that it was reported at a carrying amount of T€ 376. The carrying amount of the investment was reduced to T€ 0 as of June 30, 2015 following the receipt of a dividend payment during the period under review.

Following the full write-off of the shares in KALP GmbH as of December 31, 2013, no share of profits is recognized. The loan granted to this company is unchanged at T€ 1,800. The interest payable on this loan in the period under review was written off in full.

5 SEGMENT REPORT

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

Shipping & Special Assets

- Purchase, structuring and sale of assets in the shipping and secondary-market ship fund segments as well as special assets (e. g. aircraft, traded endowment policy and energy funds)
- Financing of assets by arranging debt and equity 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 of the trustee company & preparation of decision-making information
- Monitoring of existing fund companies' liquidity to identify any risks at an early stage and to take any necessary countermeasures
- Monitoring and coordination of the Lloyd Fonds Group's material investments in the Special Assets segment

Real estate

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

Trusteeship

- Management of payouts to subscribers
- Management of the subscribers' trust accounts
- Review and execution of share transfer and commercial register matters
- Regular reporting to fund entity subscribers on the economic and tax status of their investments
- Individual communications with subscribers particularly in connection with any departure from forecasts for the fund entities
- Additional services for fund entity investors
- Organization and chairing of subscriber meetings
- Appropriate measures for preventing money laundering and terror finance

The item “All general other expenses” is primarily made up of staff costs for the administrative and corporate units of the Lloyd Fonds Group such as accounting, legal, communication (IR/PR) and the Management Board as well as general other operating expenses, e.g. rental, office and IT expenses. Segment expenses comprise expenses which can be clearly allocated to any of the three segments as well as expenses in connection with the contractual and organizational arrangements between the individual Group companies. If the expenses are not clearly identifiable, they are recognized under “All general other expenses”, which comprises expenses which cannot be directly allocated to the individual segments. 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 2015 breaks down as follows:

H1–2015	Shipping & Special Assets	Real Estate	Trusteeship	All general other expenses	Total
T€					
External sales	1,212	1,248	3,318	–	5,778
Other operating income	100	365	218	158	841
Cost of materials	-397	-534	-360	–	-1,291
Staff costs	-474	-235	-482	-969	-2,160
Other operating expenses	-591	-222	-958	-1,409	-3,180
Share of profit of associates	263	1	–	–	264
Depreciation / amortization and impairment losses	-46	–	-10	-64	-120
EBIT	**67**	**623**	**1,726**	**-2,284**	**132**
Net finance income / expenses	200	160	89	132	581
Income taxes	-10	-28	29	29	20
Net profit / loss after tax	**257**	**755**	**1,844**	**-2,123**	**733**

H1–2014	Shipping & Special Assets	Real Estate	Trusteeship	All general other expenses	Total
T€					
External sales	1,221	122	3,484	1	4,828
Other operating income	352	25	389	150	916
Cost of materials	-450	-5	-293	–	-748
Staff costs	-545	-184	-487	-1,220	-2,436
Other operating expenses	-287	-238	-1,042	-1,143	-2,710
Share of profit of associates	230	1	–	–	231
Depreciation / amortization and impairment losses	-131	–	-5	-76	-212
EBIT	**390**	**-279**	**2,046**	**-2,288**	**-131**
Net finance income / expenses	106	211	-7	69	379
Income taxes	-4	–	–	–	-4
Net profit / loss after tax	**492**	**-68**	**2,039**	**-2,219**	**244**

The Lloyd Fonds Group’s 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:

T€	H1-2015	H1-2014
Income from management fees	1,353	1,334
Income from arrangement and commission-based solutions	1,106	10
Income from trusteeship activities	3,318	3,484
Others	1	–
Sales	**5,778**	**4,828**

Sales rose by T€ 950 over the first half of the previous year from T€ 4,828 to T€ 5,778. This particularly reflected the income of T€ 1,021 generated from structuring the refinancing transaction for a hotel portfolio for a renowned Austrian hotel group and income of T€ 85 from the provision of advisory in connection with the realization of a new apprentice home and its ensuing sale to a renowned foundation. Similarly, management fee income was up slightly. On the other hand, trusteeship income declined marginally to T€ 166.

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 MATERIALS

Breakdown:

T€	H1-2015	H1-2014
Commission	–	-3
Cost of services bought	1,291	751
Cost of materials	**1,291**	**748**

No commission arose in the period under review. The cost of services bought primarily relates to management services utilized and fund-related marketing and retailing costs. This also includes expenses of T€ 534 on services purchased in connection with the structuring of the refinancing transaction for the hotel portfolio.

6.3 STAFF COSTS

Breakdown:

T€	H1-2015	H1-2014
Wages and salaries	1,922	2,185
Social security	234	245
Retirement benefit costs	4	6
Staff costs	**2,160**	**2,436**

The reduction in staff costs from T€ 2,436 to T€ 2,160 is chiefly due to the decline in the average head count from 53 in the first half of 2014 to 51 in the period under review. Moreover, variable remuneration dropped by T€ 69.

6.4 DEPRECIATION / AMORTIZATION AND IMPAIRMENT LOSSES

Breakdown:

T€	H1-2015	H1-2014
Depreciation and amortization		
Property, plant and equipment	70	80
Intangible assets	3	4
	73	**84**
Impairment losses		
Available-for-sale financial assets	47	128
Depreciation/amortization and impairment losses	**120**	**212**

6.5 NET OTHER OPERATING INCOME/EXPENSES

Breakdown:

	H1-2015	H1-2014
T€		
Other operating income		
Income from recharged expenses	321	44
Income from the reversal of impairments on receivables	148	372
Income from the derecognition of liabilities	149	29
Rentals	99	138
Remuneration in kind	33	44
Income from the reversal of provisions	–	279
Other income	91	10
	841	**916**
Other operating expenses		
Impairment losses on receivables and unrecoverable receivables	-793	-967
Rentals, ancillary rental costs and cost of premises	-692	-539
Financial statement, legal and consulting costs	-679	-475
Office supplies, IT costs and communications	-348	-303
Retailing support and subscriber relations	-249	-98
Motor vehicle and travel costs	-86	-156
Insurance and subscriptions	-69	-53
Costs assumed for fund entities	-26	-14
Other personnel expenses	-8	-39
Other expenses	-230	-66
	-3,180	**-2,710**
Net other operating income/expenses	**-2,339**	**-1,794**

In the period under review, net other operating expenses widened from T€ 1,794 to T€ 2,339. For one thing, income from the reversal of provisions contracted by T€ 279 and income from the reversal of impairments of receivables by T€ 224, while rental expenditure rose by T€ 153 due to the recognition of provisions for impending losses in connection with the reduced sub-let floor area. For another, expenses for sales support and subscriber care rose by T€ 151 and accounting, legal and consulting costs by T€ 204. This particularly entails additional expenditure in connection with the planned establishment of a listed shipping company. A positive effect arose from the T€ 277 increase in income from recharged expenses, particularly in connection with the structuring of the hotel portfolio. Similarly, impairments on receivables and unrecoverable receivables were down T€ 174 on the same period of the previous year, while income from the derecognition of liabilities rose by T€ 120.

6.6 SHARE OF PROFIT OF ASSOCIATES

Breakdown:

	H1-2015	H1-2014
T€		
Others	264	231
Share of profit of associates	**264**	**231**

The other result predominantly comprises dividends received from associated companies and is unchanged over the previous year.

6.7 NET FINANCE INCOME/EXPENSES

Breakdown:

	H1-2015	H1-2014
T€		
Net investment income	147	176
Net gains/losses from foreign-currency translation	195	-5
Net interest income/expenses	239	208
Net finance income/expenses	**581**	**379**

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 expenses and finance income.

6.8 INCOME TAXES

This item 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 income of T€ 20 in the reporting period chiefly resulted from assessment notices for prior years and income tax in connection with companies outside the fiscal union. No further tax expenses 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). See Note 7.3 for details of deferred income taxes.

6.9 EARNINGS PER SHARE

Earnings/loss per share are calculated by dividing profit or loss attributable to the equity holders by the average number of shares outstanding during the period under review. No dilution effects arose either in the first half of 2015 or in the same period in the previous year.

	H1–2015	H1–2014
Profit attributable to equity holders of the parent company (T€)	733	244
Average number of shares issued (in thousands)	9,157	27,470
Earnings per share (€ per share)	**0.08**	**0.01**

At the annual general meeting for 2014 held on August 21, 2014, the shareholders approved a reduction in the Company's share capital in two stages: Initially, the share capital of a current € 27,469,927.00 was reduced by one share (€ 1.00) in accordance with Section 237 (3) No. 1 of the German Stock Corporation Act and then on a 3:1 basis in accordance with Section 229 et seq. of that Act by € 18,313,284.00 to € 9,156,642.00. As a result of this measure, the number of shares held by the shareholders in the company has dropped but there is no change in their relative proportion of the Company's capital. The capital reduction was duly implemented for stock-market purposes on September 22, 2014.

In the first half of 2014, earnings of € 0.03 per share had been achieved on the basis of the average number of shares outstanding in the period under review (9,156,642).

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 110 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 AG holds together with its shipping company partners.

This item also includes the investment in KALP GmbH, Böel, which was written off in full as of December 31, 2013. Accordingly, the share of KALP GmbH's loss was not recorded as the carrying amount of this investment has been written off in full. The managing director of KALP GmbH, Böel, filed for the company's insolvency on June 12, 2015.

The carrying amount of Fünfte LF Immobiliengesellschaft mbH & Co. KG equaled T€ 376 as of December 31, 2014. It was reduced to T€ 0 due to a dividend payment of the same amount received during the period under review. This entity is not expected to generate any material earnings in the future.

7.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets comprise a total of 164 investments as of the end of the period under review. These are predominantly shares which the Lloyd Fonds Group 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.

The available-for-sale financial assets are measured at their fair value using inputs that are not based on observable market data. The fair value of the investments is normally calculated using the discounted cash flow method in accordance with the data set out in Note 4.2 of the 2014 annual report, which is still considered to be stable. Further impairments of T€ 47 were recognized in the period under review. In addition, impairments of T€ 382 were reversed and the proceeds recorded within other comprehensive income.

There were no material changes in the measurement of the available-for-sale financial assets and the sensitivity analysis as of December 31, 2014 (capitalization rate and US-$/€ exchange rates).

7.3 DEFERRED INCOME TAXES

Deferred income tax assets were calculated using the same methods as those applied as of December 31, 2014. At an unchanged amount of T€ 354, deferred income tax assets relate to future utilization of existing unused tax losses. On the basis of a forward-looking view, this gave rise to expenses of T€ 138, which is matched by income of the same amount.

Deferred income tax liabilities on available-for-sale-financial assets increased by T€ 7 to T€ 745.

7.4 TRADE RECEIVABLES AND OTHER RECEIVABLES

Breakdown:

	June 30, 2015	Dec. 31, 2014
T€		
Receivables from arranging and commission-based solutions*	824	1,105
Receivables from trusteeship	1,570	1,071
Other receivables and other assets	3,064	2,923
	5,458	**5,099**

* Including issuing business in previous years

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 higher prepaid expenses of T€ 439 arising in the period under review.

On the other hand, receivables from fund subscribers dropped due to repayments of T€ 175 arising from distributions made in the past subject to a repayment obligation. At the same time, other liabilities rose by the same amount.

7.5 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.

7.6 EQUITY

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

7.7 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/expenses.

7.8 FINANCIAL LIABILITIES

There are no non-current financial liabilities as of the reporting date.

As of the reporting date, current financial liabilities comprise solely the liabilities of T€ 2,795 (December 31, 2014: T€ 2,837) arising from the finance raised for the investments acquired in the "Premium Portfolio Austria". As in the previous year, the carrying amounts of the loans match their fair value. RaiBa does not have any entitlement to compensation if the flowbacks from the investments are not sufficient to settle the financial liabilities towards it.

7.9 OTHER PROVISIONS

As of the balance sheet date, other provisions primarily comprise amounts for pending repayments of dividends to ship entities (T€ 161). In addition, they include amounts for pending losses of T€ 355 arising from the subletting of office space. Of this, an amount of T€ 208 is recorded as non-current provisions.

7.10 CURRENT INCOME TAX LIABILITIES

The current income tax liabilities for the previous year chiefly relate to tax liabilities accruing to companies outside the fiscal union which have since been settled.

8 NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

8.1 RECONCILIATION WITH CONSOLIDATED PROFIT/LOSS FOR THE PERIOD

	Note	H1-2015	H1-2014
T€			
Net profit/loss from operating activities		132	-131
Share of profit of associates	6.6	-264	-231
Net gains/losses from foreign-currency translation	6.7	195	-5
		63	**-367**

8.2 OTHER NON-CASH INCOME AND EXPENSES

Breakdown:

	Note	H1-2015	H1-2014
T€			
Impairment losses on receivables and unrecoverable receivables	6.5	793	967
Unrealized foreign-currency gains/losses		-28	-2
Income from the reversal of provisions	6.5	–	-279
Income from the reversal of impairments on receivables	6.5	-148	-372
Income from the derecognition of liabilities	6.5	-149	-29
		468	**285**

8.3 COMPOSITION OF CASH AND CASH EQUIVALENTS

Composition for the purposes of the cash flow statement:

	June 30, 2015	June 30, 2014
T€		
Cash at banks	8,326	5,877
Cash in hand	3	3
Cash at banks subject to drawing restrictions	-7	-39
	8,322	**5,841**

9 OTHER DISCLOSURES

9.1 CONTINGENCIES

The contingencies reported as of June 30, 2015 comprise guarantees for increased liable amounts and potential distribution repayment obligations. Including the settlement claims under joint and severable obligations towards third parties, contingencies come to a total of T€ 3,298 as of June 30, 2015 (December 31, 2014: T€ 3,298).

As part of trusteeship business, shares of T€ 1,742,987 (December 31, 2014: T€ 1,707,725) are managed on the Company's own behalf but for the account of various trustors. The trusteeship assets held in this connection stand at T€ 968,469 (December 31, 2014: T€ 939,736) and are matched by trusteeship liabilities of the same amount. In addition, trust accounts of T€ 7,824 (December 31, 2014: T€ 1,927) are maintained on the Company's own behalf but for the account of various trustors.

Lloyd Treuhand GmbH 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 GmbH 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. The potential repayment obligations from distributions stand at T€ 8,856 as of the reporting date (December 31, 2014: T€ 9,472); however, Treuhand can recover these amounts from the individual investors under the terms of the trusteeship contract. The Management Board does not consider the possible outflow of resources as a result of such recourse claims to be likely.

9.2 OPERATING LEASE COMMITMENTS

Analysis of obligations under leases:

	June 30, 2015	Dec. 31, 2014
T€		
Office space	4,498	4,988
Motor vehicles	93	123
Others	57	69
	4,648	**5,180**

9.3 RELATED-PARTY TRANSACTIONS

As of June 30, 2015, the long-term loan granted to KALP GmbH, Böel, was valued at T€ 1,800 (December 31, 2014: T€ 1,800). Despite the application of the KALP GmbH for the commencement of insolvency proceedings, this loan is still assumed to be recoverable. Other than this, there were no material transactions with related parties.

9.4 EVENTS AFTER THE REPORTING DATE

In addition, the shareholders elected a new member to the Supervisory Board on July 14, 2015. On the annual general meeting Mr. Bote de Vries (businessman) was elected to the Supervisory Board to replace Mr. Gunther Bonz (general manager), who did not stand for re-election at the end of his term of office.

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

Hamburg, September 1, 2015

The Management Board

Dr. Torsten Teichert

RESPONSIBILITY STATEMENT

"To the best of my 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 net assets, financial position and results of operations 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 1, 2015

The Management Board

Dr. Torsten Teichert

CERTIFICATION OF REVIEW BY AUDITORS

TO LLOYD FONDS AG

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 2015, 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 2, 2015

TPW GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

signed	signed
Roger Hönig	Oliver Pegelow
Wirtschaftsprüfer	*Wirtschaftsprüfer*
(German Public Auditor)	*(German Public Auditor)*

FINANCIAL CALENDAR

	2015
Annual Report for 2014	June 2
Annual General Meeting	July 14
Interim Report on the first half of 2015	September 3

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NOTE:

Lloyd Fonds AG's interim report for the first half of 2015 is also available as a PDF file on the Internet at www.lloydfonds.de. This English language version of the semi-annual Report is a convenience translation. In the event of any doubt, the German version is to apply.

LLOYD FONDS
AKTIENGESELLSCHAFT

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