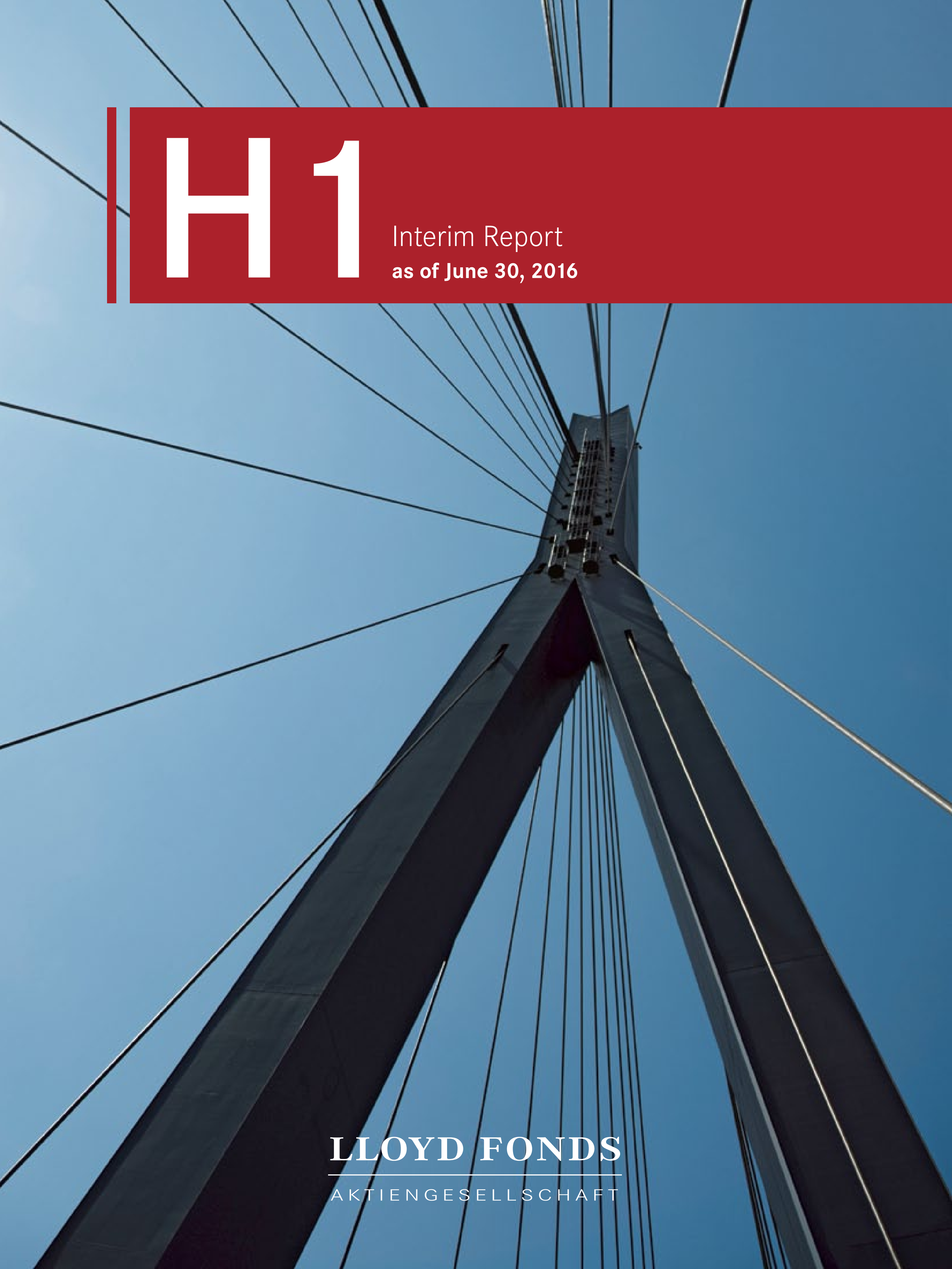


H1

Interim Report

as of June 30, 2016

LLOYD FONDS

AKTIENGESELLSCHAFT

Group figures as of June 30, 2016

	H1–2016	H1–2015
€ millions		
Sales	5.8	5.8
EBT	2.1	0.7
Consolidated net profit for the period	1.8	0.7
EBT margin (%)	36.0	12.3
Return on sales (%)	31.4	12.7
Total assets	28.5	28.1
Equity	18.5	17.9
Equity ratio (%)	65.0	63.8
Earnings per share (€)	0.20	0.08
Employees	47	45
Staff costs	2.0	2.2

Percentages calculated using T€ figures.

Contents

Foreword by the Management Board

**Dear shareholders,
customers and business associates,**

We are able to look back on a successful first half in which we not only generated strong earnings but were also able to achieve further progress in our strategic projects for the future. At € 1.8 million in the first half of the year, net profit was up more than twofold over the same period in the previous year. The increase in EBT from € 0.7 million in the first half of 2015 to € 2.1 million in the period under review was particularly encouraging. Our liquidity reached a figure of € 10.5 million, up roughly € 2.2 million on the same period of 2015. This provides us with a good basis for implementing our strategy for the future. The performance of our stock over the last few months is also gratifying. Thus, it was trading at € 2.73 on June 30, compared with € 1.68 a year ago, reaching € 3.69 on August 31.

One thrust of our strategy for the future is to establish a listed company for government-funded housing construction. For far too long, large cities in particular have neglected to focus on funded housing construction allowing people on average incomes – such as police officers, health care employees, fire brigade employees and bus drivers – to find respectable dwellings in towns and cities on acceptable terms. We see a fast-growing market for real estate in this area which we want to utilize.

The future is always based on the successes of the past. We are proud of the fact that our real estate asset management specialists were able to arrange the sale of two hotel buildings held in a real estate fund that we had initiated eight years ago on behalf of the fund subscribers. These hotels are operated by the renowned and successful budget design chain Motel One. On balance, the subscribers of this fund earned a return of over 11 percent per year while we were able to benefit from our considerable share of the success.

Our asset management team is also active outside conventional fund management. Thus, we sold a large hotel portfolio to a renowned family office.

As an innovative investment and asset manager, we offer comprehensive services along the entire value chain. In doing so, we focus on attractive markets and outstanding assets offering reasonable returns and develop new and innovative forms of investment and service structures.

At the core of our activities are alternative real assets. They provide the underpinnings for all Lloyd Fonds investments, ensuring portfolio stability and attracting very strong demand particularly in times of protracted low interest rates. According to a study by PwC, the value of alternative real investments is expected to widen from US-$ 1.4 trillion in 2013 to at least US-$ 2.5 trillion in 2020. Sourcing assets and structuring them in accordance with individual requirements calls for a great deal of expertise. In addition, market depth is a very important investment criterion these days. It is precisely these aspects that we are addressing with our plans to establish listed companies investing in alternative real assets.

In addition to establishing a listed company for government-funded housing construction, we are working with a partner on the development of a real estate investment trust (REIT). As we see it, the favorable tax structure, the planned high dividend distributions and the liquid markets available for shares in listed companies offer shareholders enormous potential for real estate investments.

Dr. Torsten Teichert
Chief Executive Officer (CEO) of Lloyd Fonds AG

Dr. Torsten Teichert studied literature, English and sociology in Kiel, Hamburg and Providence (United States). Thereafter, he completed his doctorate in 1986 with a thesis on the Hamburg author Hubert Fichte. From 1986 to 1988, Dr. Teichert was the personal assistant to the mayor of Hamburg at that time, Dr. Klaus von Dohnanyi. After that, he managed the Hamburg film funding board for seven years. Following five years as a real estate project developer, Dr. Teichert became managing director of Lloyd Fonds in 2000. He was appointed Chief Executive Officer of Lloyd Fonds AG in 2001.

Shipping is part of Lloyd Fonds AG's DNA and, despite the still challenging market environment, we will be continuing to step up our activities in this area. The shipping markets have been grappling with very difficult conditions since the onset of the global financial crisis in 2008. Accordingly, we expect to see further consolidation of the sector in Germany. We want to actively accompany this process with our experienced management by restructuring distressed ship investments for our subscribers, banks and other owners.

To prepare for these future activities, we have also expanded our senior management. We have in Holger Schmitz and Klaus M. Pinter two experienced experts who will be joining me in the future to steer the Company and to drive the new projects forward.

On the strength of our successful business performance, we reaffirm our guidance of a substantial increase in consolidated net profit to € 2 - 3 million in 2016. In view of the good earnings for the first half of the year, we assume that full-year consolidated net profit will come in at the top end of this range.

Lloyd Fonds AG paid its shareholders a dividend of € 0.07 per share for the first time again for last year.

As we reported at our annual general meeting in July, we have now firmly plotted our course for the future. One aspect of this is that we want to double the volume of assets under management from € 1.4 billion to € 3 billion in the medium term.

We wish to thank our staff for their committed work. At the same time, we would like to express our gratitude towards our subscribers, shareholders and business partners for the trust that they have placed in us.

Yours sincerely

Dr. Torsten Teichert

The stock

DAX with volatility in the first half of 2016

After a weak start to the year in 2016, the benchmark DAX index recovered, surpassing the 10,000 mark again at the end of March. The “Brexit” shock triggered brief turbulence again, causing the DAX to slip to 9,269 points on the days following the referendum. However, it quickly rebounded, underpinned by hopes of further monetary easing by the central banks among other things, and has climbed back up to 10,700 points in the intervening period.

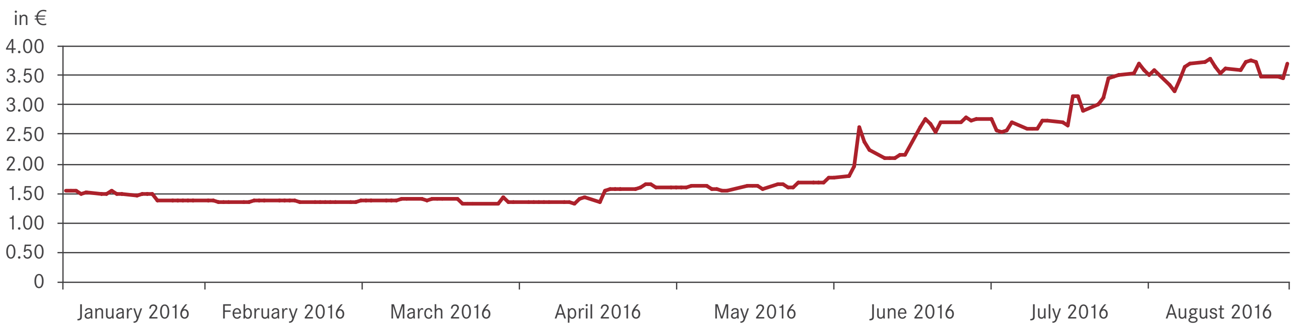
Lloyd Fonds AG stock up 76 percent in the first half of 2016

Lloyd Fonds AG stock rose by 76 percent in the first half of 2016. This increase was materially spurred by the reports on two hotel transactions with an institutional background, the net profit for 2015, which was twice as high as in the previous year, the announcement of new projects and the distribution of a dividend of € 0.07 per share.

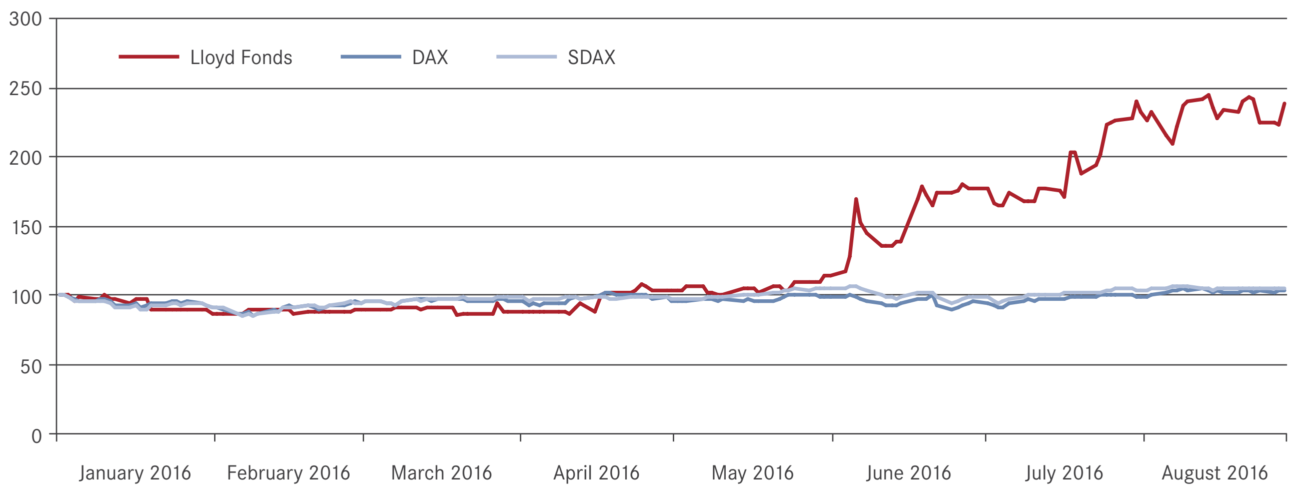
The stock entered the 2016 trading year at a price of € 1.55, reaching a high for the first half of € 2.79 on June 29 and closing at € 2.73 on June 30, 2016. Market capitalization stood at around € 25 million as of the reporting date. In the course of the first half of the year, a daily average of 7,046 shares were traded. After the announcement of the planned dividend payment on June 7, 2016, average daily trading volumes rose to 32,706 on the following day until June 30, 2016.

In the ensuing months of July and August 2016, the stock reached a high for the year to date of € 3.78 on August 16, 2016 against the backdrop of favorable company reports. The average price stood at € 3.24 in this period.

Performance of Lloyd Fonds stock in the year to August 31, 2016



Performance of Lloyd Fonds stock compared with the DAX and the SDAX, indexed



Dividend payment of € 0.07 per share

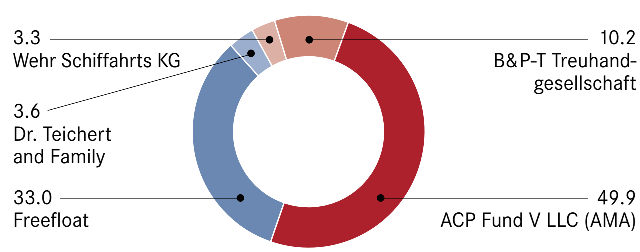
Lloyd Fonds AG's annual general meeting took place in Hamburg on July 20, 2016. In the presence of around 100 shareholders, the Management Board reported on the Company's performance in the previous year, its future orientation and new projects. 6,164,146 shares, equivalent to 67.32 percent of the Company's share capital, were represented at the annual general meeting. The motion submitted by the Management Board and the Supervisory Board for the distribution of a dividend of € 0.07 per share was approved by the shareholders with 99.98 percent of the votes. Consequently, around 52 percent of the Company's net profit under German GAAP (€ 1,235,107.72) was distributed to the shareholders. Lloyd Fonds AG has dividend-entitled share capital of € 9,156,642. The total dividend came to € 640,964.94. The remaining unappropriated surplus of € 594,142.78 was retained to strengthen the Company's capital base.

Resolutions passed at the annual general meeting

In addition to the allocation of the unappropriated surplus, the shareholders approved all the other motions submitted for voting at the annual general meeting with over 99.8 percent of the votes cast. This particularly included the re-election of Prof. Dr. Eckart Kottkamp, Dr. Thomas Duhnkrack, Paul M. Leand Jr., Jens Birkmann and Stephen Seymour to the Supervisory Board for a further five years. At the ensuing meeting of the Supervisory Board, Prof. Dr. Kottkamp was re-elected Chairman and Dr. Duhnkrack Deputy Chairman of the Supervisory Board.

Details of the number of shares represented in person or by proxy at the annual general meeting as well as all other relevant documents can be found in the investor relations section of Lloyd Fonds AG's website (www.lloydfonds.de).

Stable shareholder structure in %



Shareholders in companies listed in the Entry Standard of the Frankfurt stock exchange are not required to report any changes in their voting rights in accordance with the German Securities Trading Act. Accordingly, the description of the shareholder structure is provided according to the Company's best knowledge as of June 2016.

Basic stock data

Ticker	WKN A12UP2, ISIN DE000A12UP29, Reuters L10A
Stock exchange	OTC Frankfurt (Entry Standard), Xetra; OTC in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart and Tradegate
Market segment	Entry Standard
Share capital (June 30, 2016)	Around € 9.16 million
Designated sponsor	Oddo Seydler Bank AG
First day of trading	October 28, 2005
Type	Bearer shares with a notional share of € 1.00 per share in the Company's subscribed capital
Market capitalization (August 31, 2016)	EUR 33.7 million

Interim Group management report

1 Report on economic position

1.1 Business performance

In the first half of 2016, Lloyd Fonds AG generated consolidated net profit of € 1.8 million. This marked an increase of € 1.1 million over the same period in 2015 (€ 0.7 million). Earnings before taxes (EBT) came to € 2.1 million (comparison period: € 0.7 million). As of June 30, 2016, the Group had ample liquidity of € 10.5 million (comparison period: € 8.3 million). The equity ratio also widened again by 1.2 percentage points over the comparison period (63.8 percent) to 65.0 percent.

1.2 Additions to senior management

In the first half of 2016, the Company made additions to its senior management. Klaus M. Pinter was appointed general manager and is in charge of the Company's shipping activities. In his capacity as the other general manager, Holger Schmitz is responsible for finance and real estate. Accordingly, the Company will be managed by the Management Board comprising Dr. Torsten Teichert as well as the two general managers Holger Schmitz and Klaus M. Pinter.

Holger Schmitz played a material role in Lloyd Fonds AG's establishment and market flotation between 2001 and 2007, assuming the position of Chief Financial Officer in 2004. From 2010 to 2011, he was a board member at a company specializing in social housing, before returning to Lloyd Fonds in 2012 as a general manager.

Klaus M. Pinter held various management positions at Commerzbank between 2006 and 2015, where he established a very successful shipping asset platform in conjunction with Hanseatic Ship Asset Management GmbH. As managing director, he oversaw a fleet of 18 container ships and bulkers.

1.3 Business performance by asset class

1.3.1 Real estate

As of the reporting date, Lloyd Fonds AG managed twelve real estate funds investing in assets located in Germany and the Netherlands. The portfolio was composed of six German and five Dutch funds as of the reporting date. One investment fund is

From left:
Holger Schmitz, General Manager, finance and real estate
Dr. Torsten Teichert, CEO of Lloyd Fonds AG
Klaus M. Pinter, General Manager, shipping

in liquidation. The total leased floor area comes to 90,000 square meters. On top of this, there are around 1,400 hotel rooms/units. The average remaining period of all the leases in the portfolio stands at 8.6 years.

What is more, the Lloyd Fonds Group continued its successful series of hotel real estate transactions in the first half of 2016, arranging the sale of six tourist hotels to a renowned family office. The corresponding sale and purchase contract was notarized at the end of May. The package includes 4-star hotels which are leased to a renowned operator on a long-term basis. Mostly located on the Baltic sea coast, they have a total of around 700 rooms.

With the approval of the fund subscribers, the Lloyd Fonds Group also sold the two hotels operated by the renowned Motel One group in the “Moderne Großstadthotels” fund located in the central business districts of Berlin and Nuremberg, respectively, to the Motel One group at a multiple of 19.8 times the net annual rental. The two hotels had been acquired at a multiple of 14.6 times the net annual rental in 2008. In terms of the fund’s duration of 7.5 years, this translates into an annual pre-tax return of over 11 percent.

1.3.2 Shipping

Since its incorporation in 1995, Lloyd Fonds AG has been investing in shipping. As of June 30, 2016, the fleet under management comprised a total of 33 ships, including 20 container ships with a capacity of up to 8,500 TEU, ten product and oil tankers and three multi-purpose ships, which can alternatively be used for global transportation of equipment and project cargos in particular and also as container ships. In addition, the shipping team manages three secondary-market funds for ship investments. Reflecting the still very challenging conditions facing the shipping industry, asset management in this segment continued to focus in the first half of 2016 on navigating the existing fleet as safely as possible through the crisis. To this end, various measures were implemented in the period under review, including the restructuring of the finance for three tankers in the period under review. In this way, it was possible to prevent the sales of the ships. Although the container shipping market reached further all-time lows in the first half of 2016, the sustained positive performance in tanker charters again led to very good results for two Lloyd Fonds Panamax tankers and one Handysize tanker. Lloyd Fonds currently has a total of ten tankers under management in various funds that are either firmly chartered or operating in pools.

Other Assets: aircraft, renewable energies, private equity, traded UK endowment policies

The assets actively managed by Lloyd Fonds AG include a total of 17 fund entities investing in aircraft, renewable energies, private equity and traded UK endowment policies as well as portfolio funds.

Lloyd Fonds AG currently manages four aircraft fund. The fleet held by three of the total of four funds is relatively young and comprises two long-haul aircraft, an A380 and an A340-600, as well as two medium-haul Airbus A319 aircraft. The portfolio is fully leased. As the fourth fund, which had held a highly diversified portfolio of different types of aircraft, sold all of its assets in 2014 and 2015, a decision was made in early June 2016 to wind up the fund entity.

In the renewable energies segment, Lloyd Fonds AG is currently managing two wind farms with a total of twelve turbines in Germany and Scotland. Lloyd Fonds AG initiated a private equity fund in 2006. As well as this, the Company is managing eight traded UK endowment policy funds. As of May 31, 2016, the funds managed around 3,110 policies issued by various insurance companies.

In addition, two portfolio funds are under management. In the period under review, PPA Beteiligungsgesellschaft mbH sold its share of a nominal € 1.4 million in a real estate fund to a member of the HTB Group, which acquires shares in real estate funds. The proceeds flowing to the Company from the transaction will be used to make a further repayment towards the loan which was obtained from Raiffeisenbank Niederösterreich-Wien AG (RaiBa) to finance the acquisition of the shares. Thanks to the IFRS measurement of the fair value of the share in the target fund held by the Lloyd Fonds Group, this transaction made a positive contribution to profit and loss in the period under review.

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. Over the last few years, Lloyd Fonds AG had granted KALP GmbH a loan, which is still assumed to be recoverable despite the application for insolvency. The insolvency administrator has since sold the first six platforms to customers in Melbourne, Australia, under a new license contract.

2 Results of operations, net assets and financial condition

2.1 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, 2016.

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

	H1-2016	H1-2015
in T€		
Sales	5,846	5,778
Cost of materials	-726	-1,291
Staff costs	-2,043	-2,160
Depreciation/amortization and impairment losses	-243	-120
Net other operating income/expenses	-1,279	-2,339
Share of profit of associates	149	264
Net profit from operating activities (EBIT)	**1,704**	**132**
Net finance income/expenses	400	581
Earnings before taxes (EBT)	**2,104**	**713**
Income taxes	-269	20
Consolidated net profit for the period	**1,835**	**733**

The following changes arose in connection with sales:

	H1-2016	H1-2015
in T€		
Income from fund and asset management		
Income from management fees	853	1,353
Income from arrangement and structuring services	1,826	1,106
Income from trusteeship business	3,127	3,318
Others	40	1
Sales	**5,846**	**5,778**

Compared with the year-ago period, sales rose by T€ 68 to T€ 5,846 in the first half of 2016. The increase in income from arrangement and structuring services is due to the arrangement of the sale of six tourist hotels to a renowned family office and the sale of two Motel One hotels in Berlin and Nuremberg previously held in the "Moderne Großstadthotels" fund to the Motel One Group. On the other hand, income from management services dropped as a result of the deconsolidation of Lloyd Fonds Singapore Pte. Ltd., Singapore. At the same time, there was a decline in the cost of services bought. Accordingly, there is virtually no effect on consolidated net profit for the period.

The cost of sales dropped by T€ 565 over the previous year to T€ 726. The cost of services purchased particularly includes management fees. As with management fee income, this was due to the deconsolidation of the Singapore company. In addition, the project-related cost of sales arising in connection with income from arrangement and structuring services dropped significantly in the period under review.

Staff costs declined by T€ 117, dropping from T€ 2,160 to T€ 2,043 in the period under review primarily due to the reduction in the average head count from 51 to 45.

Depreciation, amortization and impairment losses came to T€ 243 in the period under review (comparison period T€ 120). This includes impairments of shares in associates of T€ 186 (comparison period T€ 47).

In the period under review, net other operating expenses contracted from T€ 2,339 to T€ 1,279. The proceeds from the sale of a share in a real estate fund had a positive effect, as did the higher rental income arising from the sublease entered into in the previous year. The reductions in legal and consulting expenses as well as sales support and subscriber relationship management expenses were largely due to the expenses which had arisen in the previous year in connection with the listed shipping company.

The opposite effect was generated by higher impairment losses on receivables and irretrievable receivables particularly as a result of the increased number of insolvencies.

The share of profit of associates primarily entails investment income earned and the share of the net profit/loss of associates. The lower figure is particularly due to the impairments recognized in connection with new insolvencies.

Net finance income came to T€ 400, down from T€ 581 in the comparison period. This includes net investment gains of T€ 269 (comparison period T€ 147), net interest income of T€ 225 (comparison period T€ 239) and currency translation losses of T€ 94 (comparison period currency translation gains of T€ 195).

As a result, the Lloyd Fonds Group achieved earnings before taxes (EBT) of T€ 2,104 in the first half of 2016 (comparison period T€ 713).

The net tax expenses of T€ 269 arising in the period under review chiefly result from tax expenses in connection with companies outside the tax group. 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). Net tax expenses also still include deferred income taxes of T€ 18.

Lloyd Fonds recorded consolidated net profit of T€ 1,835 in the first half of 2016, up from T€ 733 in the same period of the previous year.

The following section provides further information on consolidated net profit for the Real Estate, Shipping and Other Assets 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 6.5), where the main aspects for each reportable segment are described. All statements made are based on the adjusted figures (after proportionate allocation to "All general other expenses") for the first half of 2015.

2.1.1 Real Estate segment

Total sales rose by T€ 529 to T€ 1,777 particularly as a result of the arrangement of the sale of a large hotel portfolio to a renowned family office. Further income was generated by the sale of two hotel buildings. The related cost of sales dropped by T€ 534 to T€ 250. EBIT in the Real Estate segment almost doubled, rising to T€ 890 in the period under review, up from T€ 443 in the previous year.

2.1.2 Shipping and Other Assets segment

Sales dropped by T€ 353 to T€ 859 particularly as a result of the deconsolidation of the Singapore company. Reflecting the lower income, the cost of sales dropped by T€ 258 to T€ 139. Income from associates was also lower, dropping by T€ 115 to T€ 148 in the period under review. Impairments, particularly on limited-partnership shares, climbed by T€ 143 to T€ 189 due to the difficult market conditions in the shipping segment. The loss at the EBIT level contracted from T€ 286 in the previous year to T€ 143 in the period under review.

2.1.3 Trusteeship segment

Earnings after tax fell from T€ 1,249 to T€ 944 particularly as a result of currency translation effects.

2.2. Net assets

The Group's net assets as of June 30, 2016 and December 31, 2015 are analyzed in the following table:

Assets	June 30, 2016	Dec. 31, 2015
T€		
Property, plant and equipment and intangible assets	231	289
Financial assets	7,671	10,353
Deferred income tax assets	361	343
Receivables and other assets	9,759	6,992
Cash and cash equivalents	10,481	10,173
Total assets	**28,503**	**28,150**

Equity and liabilities	June 30, 2016	Dec. 31, 2015
in T€		
Consolidated equity	18,523	18,391
Deferred income tax liabilities	397	706
Financial liabilities	1,553	2,752
Other liabilities	8,030	6,301
Total equity and liabilities	**28,503**	**28,150**

As of June 30, 2016, total assets stood at T€ 28,503 and were thus up by a slight T€ 353 on the end of 2015 (T€ 28,150). This is due to opposing effects on either side of the balance sheet, which are described below:

On the assets side, financial assets dropped significantly by T€ 2,682 from T€ 10,353 to T€ 7,671. In particular, this was caused by the sale of the share in a real estate fund held by PPA Beteiligungsgesellschaft mbH. The same effect arose from impairments of T€ 832 of equity investments reported within other comprehensive income and other impairments of T€ 186 of equity interests reported through profit and loss. There was also a decline of T€ 271 in associates due to continued equity accounting as well as individual insolvencies.

On the other hand, receivables and other assets climbed significantly by T€ 2,767 to T€ 9,759. This reflects reporting date effects as well as fees for arrangement and structuring services which had been invoiced but not yet settled as of the reporting date.

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.

On the other side of the balance sheet, financial liabilities dropped substantially by T€ 1,199. This was primarily due to a repayment made from the proceeds gained from the sale of the shares held by PPA Beteiligungsgesellschaft mbH in the target fund. Accordingly, financial liabilities stood at only T€ 1,553 as of the reporting date and relate solely to liabilities arising from the finance for the investments in the target funds taken over from "Premium Portfolio Austria".

On the other hand, the other liabilities rose by T€ 1,729. This particularly applies to trade payables (T€ 415), liabilities for taxes and fees (T€ 562) and other liabilities (T€ 547) and primarily reflects reporting date effects.

As of June 30, 2016, equity stood at T€ 18,523, up from T€ 18,391 as of December 31, 2015. The consolidated net profit for the period of T€ 1,835 is not fully reflected in equity. This is particularly due to the decline in the revaluation reserve following the sale of a share in a real estate fund held by PPA Beteiligungsgesellschaft mbH as well as impairments recognized on available-for-sale financial assets.

2.3 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:

	H1-2016	H1-2015
in T€		
Consolidated profit/loss before share of profit of associates, interest and taxes	1,461	63
Profit from the sale of non-current assets	-957	-
Non-cash income and expenses	1,173	588
Changes in working capital	-1,819	-99
Dividends and profit distributions received	688	657
Net interest and income taxes received and paid	-45	-346
Cash flow from operating activities	**501**	**863**
Cash flow from investing activities	1,102	8
Cash flow from financing activities	-1,221	-101
Non-cash changes in cash	-15	32
Net increase in cash and cash equivalents	**367**	**802**
Cash and cash equivalents at the beginning of the period	10,165	7,552
Change in companies consolidated	-79	-
Currency translation differences	7	-32
Cash and cash equivalents at the end of the period	**10,460**	**8,322**

The net cash inflow of T€ 501 from operating activities was due to the net consolidated profit recorded in the period before the share of profits of associates, interest and taxes. This was influenced by the negative change in working capital of T€ 1,819 recognized in the cash flow statement.

In addition, it was affected by non-cash expenses and income of T€ 1,173. Non-cash expenses and income particularly include the impairments on receivables and irretrievable receivables (T€ 1,137) and on non-current assets (T€ 243) recognized in the period under review. The opposite effect particularly arose from proceeds from the derecognition of liabilities (T€ 138) and income from the reversal of impaired recognized on receivables (T€ 80).

Likewise, dividend distributions received of T€ 688 exerted a positive effect. These were more than sufficient to cover net interest expenses and net income tax payments of T€ 45 and thus made an additional positive contribution to cash flow from operating activities.

The cash flow from investing activities of T€ 1,102 is primarily due to proceeds from the sale of the shares by PPA Beteiligungsgesellschaft mbH in a real estate fund. The opposite effect arose from payments made for property, plant and equipment and intangible assets as well as newly incorporated entities.

The net cash outflow of T€ 1,221 from financing activities is mainly due to the settlement of financial liabilities.

Allowing for the aforementioned changes and the currency translation differences (positive T€ 7) as well as the absence of the bank balance due to the deconsolidation of Lloyd Fonds Singapore Pte. Ltd., Singapore (negative T€ 79), cash and cash equivalents rose by T€ 295 to T€ 10,460 in the first half of the year.

3 Employees

As of June 30, 2016, the Lloyd Fonds Group had 47 employees (June 30, 2015: 45). This figure does not include the Management Board, employees on extended child-care leave, trainees and temporary staff. Accordingly, employee numbers were virtually unchanged over the comparison period.

4 Risk report

Lloyd Fonds AG develops, markets and manages investments in alternative real assets and investment products for national and international institutional investors as well as for retail investors. To date, the investments have comprised assets in the areas of shipping, real estate, aircraft, renewable energies, private equity and traded UK endowment policies. Accordingly, the Group's business performance hinges materially on conditions in the asset markets and national and international capital markets as well as investor appetite.

The detailed risk report starts on page 28 of the annual report for 2015. The risks described and evaluated in that report present the Company's risk situation as of June 30, 2016, which is largely unchanged.

5 Material events occurring after the reporting date

At the annual general meeting held on July 20, 2016, the shareholders passed a resolution adopting the proposal of the Supervisory Board and Management Board for the distribution of a dividend of € 0.07 per share from Lloyd Fonds AG's profit calculated in accordance with German commercial law. In addition, Prof. Dr. Eckart Kottkamp (Chairman of the Supervisory Board), Dr. Thomas Duhnkrack (Deputy Chairman of the Supervisory Board), Paul M. Leand Jr., Jens Birkmann and Stephen Seymour were elected to the Supervisory Board for a period of a further five years. The corresponding positions were confirmed in the ensuing meeting of the Supervisory Board.

Lloyd Fonds AG transferred operations management for two wind farms to Chorus Clean Energy AG, Neubiberg near Munich. There were no changes to the ownership structures of the fund entities or the subscriber relationship management by Lloyd Treuhand GmbH.

6 Outlook

6.1 Macroeconomic and sector environment

The following section includes assumptions the occurrence of which is not certain. If one or more of these assumptions fail to eventuate, actual results or developments may differ substantially from the forecasts presented here.

6.1.1 International economy

The global economy is currently expanding at a relatively stable rate. The International Monetary Fund (IMF) projects global economic growth of 3.2 percent this year, up from 3.1 percent in the previous year, followed by slight acceleration to 3.5 percent next year. This forecast does not yet include the effects of the decision by the United Kingdom to exit the European Union. This constitutes a source of uncertainty for the global economy and could place a damper on growth in the Eurozone in particular.

6.1.2 Economic situation in Germany

The German economy is expected to continue expanding, with gross domestic product rising by 1.7 percent this year and by 1.5 percent next year. The factors expected to influence the economy include continued dynamic domestic demand, still low oil prices, muted interest rates and the exchange rate of the euro, which is buoying exports. With underlying conditions still favorable in conjunction with the high rate of immigration, private and public spending on housing construction looks set to rise sharply.

6.1.3 Conditions in the real estate market

In view of the strength of the local economy, JonesLangLasalle assumes that the German commercial real estate market will expand significantly again in 2016. However, transaction volumes are unlikely to reach the previous year's figure of over € 50 billion as supply is becoming increasingly scarce. In the first half of 2016, commercial real estate transactions were valued at € 18 billion. In terms of individual asset classes, office buildings accounted for the largest share of around 42 percent followed by retail premises (23 percent). The remaining proportion is composed of hotel buildings (almost 12 percent), warehouse/logistics buildings (around 10 percent), mixed-use real estate (around 5 percent) and other asset classes and land under development (almost 7 percent). In the first half of 2016, residential real estate transactions were valued at € 4.4 billion. As expected, this was lower than the record figure achieved in 2015. The Dutch office building market is painting a mixed picture. Individual regions have not yet overcome the crisis, although there are signs of a minor recovery.

6.1.4 Conditions in the shipping market

There were no signs of any recovery in the container shipping market in the first six months of the year. The weak conditions are no longer confined to the key routes between Asia and Europe, which are characterized by surplus capacities, but have since also spread to nearly all container shipping routes. As a result, freight rates have dropped to record lows. Although the number of new deliveries of tonnage is down on the previous year, while the number of ships being scrapped is growing, competitive pressure in the container shipping market remains strong. In the tanker segment, the surplus availability of oil should spur the currently strong demand for tanker tonnage despite the rising number of new deliveries between now and 2018.

6.1.5 Conditions in the market for other assets: aircraft, renewable energies, private equity, traded UK endowment policies

The continued low oil prices are spurring the aviation industry, which is therefore expected to continue growing at a moderate rate in 2016. Passenger transportation should increase by a further 6.2 percent to around 3.8 billion passengers. The private equity sector expects the European market to pick up in 2016 and sees good opportunities for new investments through the provision of venture capital. Insurance companies are still feeling the effects of low interest rates and are unable to generate any real income from their capital stocks. UK endowment insurance companies are no exception and are likely to continue grappling with the consequences in 2016.

6.1.6 Conditions in the capital market

The equity markets are exhibiting greater volatility – not least of all in the wake of the outcome of the "Brexit" referendum. Yields on bonds are negligible, while commodities have also been disappointing. Given the historically low interest rates, it is safe to assume that investments in alternative real assets will continue to have great importance for both professional and retail investors this year. Similarly, the growing number of successful listed real estate companies which are establishing themselves in the German market reflects strengthening demand by professional investors in particular for share-based funding vehicles.

According to Scope, real estate will remain the preferred asset class for alternative investments. Expectations of stable cash flows and mounting demand on the part of Asian and Northern American investors are likely to continue spurring prices in Germany.

6.2 Outlook for the Company

Successful real estate transactions

In the period under review, Lloyd Fonds AG continued is successful series of real estate transactions. The two transactions made a substantial contribution to the Lloyd Fonds Group's earnings in the first half of the year and will do so for in 2016 as a whole.

Full-year guidance confirmed

Lloyd Fonds AG expects to be able to report a substantial increase in consolidated net profit to € 2 - 3 million in 2016. In view of its strong performance in the first half of the year, it assumes that full-year consolidated net profit will come in at the top end of this range.

Many new projects in the pipeline

Over the last twelve months Lloyd Fonds has been developing many new projects and now has very strong products in the pipeline. Listed companies in particular will provide a sustainable structure for investments in alternative real assets by institutional and retail investors. This applies equally to real estate and the shipping markets in spite of the particular challenges at the moment. For example, Lloyd Fonds is planning to establish a listed company for government-funded housing construction in the real estate segment as well as a REIT and the establishment and management of a platform for ships in the maritime segment.

6.3 Opportunities

6.3.1 Overall assessment

The net profit of € 1.8 million generated in the first half of the year testifies to the Lloyd Fonds Group's solid economic basis, which provides the underpinnings for the further strategic development of its market position. The Company is committed to making the best possible use of this potential by leveraging and expanding its strengths and skills. Material opportunities will be derived from the following factors:

6.3.2 Focus on liquid, sustainable and listed investments

Risk aversion, stable cash flows and liquid markets as well as individual circumstances have a key bearing on investment decisions on the part of retail and institutional investors. Listed investments meet these requirements, allowing Lloyd Fonds AG to additionally strengthen its market position as an investment and assessment manager. Listed real estate companies provide a good example of the potential offered by this growth market. Lloyd Fonds AG has set itself the goal of offering alternative forms of investment and is currently working on various projects such as the incorporation of a listed company for social housing construction.

6.3.3 Successful asset management requires expertise and experience

Over the last 20 years, Lloyd Fonds AG has become one of the most experienced initiators of investments in alternative real assets. Since its establishment in 1995, it has offered over 100 investments in alternative real assets to more than 53,000 investors. Thanks to its long-standing experience in the management of investments in alternative real assets, the Lloyd Fonds Group is able to act on key opportunities. In the medium term, the volume of assets under management is to double from € 1.4 billion to € 3 billion.

6.3.4 Strong basis for further growth

The authorized capital of 13,734,963 shares and the existing liquidity reserves provide the basis for financing potential projects for Lloyd Fonds AG's planned growth.

Interim consolidated financial statements

1 Consolidated income statement

for the period from January 1 to June 30, 2016

	Note	H1-2016	H1-2015
T€			
Sales	6.6.1	**5,846**	**5,778**
Cost of materials	6.6.2	-726	-1,291
Staff costs	6.6.3	-2,043	-2,160
Depreciation/amortization and impairment losses	6.6.4	-243	-120
Other operating income/expenses	6.6.5	-1,279	-2,339
Share of profit of associates	6.6.6	149	264
Net profit from operating activities		**1,704**	**132**
Finance income	6.6.7	665	699
Finance expenses	6.6.7	-265	-118
Earnings before taxes		**2,104**	**713**
Income taxes	6.6.8	-269	20
Consolidated net profit for the period		**1,835**	**733**
Earnings per share (diluted/basic) in the reporting period (€ per share)	6.6.9	**0.20**	**0.08**

2 Consolidated statement of comprehensive income

for the period from January 1 to June 30, 2016

	H1-2016	H1-2015
T€		
Consolidated net profit for the period	**1,835**	**733**
Other income components recognized in equity		
Available-for-sale financial assets	-1,993	382
Deferred income taxes on these	309	-7
Currency translation differences	131	-31
Other comprehensive income	**-1,553**	**344**
Consolidated comprehensive income	**282**	**1,077**

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

The notes on pages 21 – 29 are an integral part of this interim financial report.

3 Consolidated balance sheet

as of June 30, 2016 in comparison to December 31, 2015

	Note	June 30, 2016	Dec. 31, 2015
T€			
Assets			
Non-current assets			
Property, plant and equipment		224	284
Intangible assets		7	5
Financial assets		20	–
Investments in associates	6.7.1	1,357	1,628
Available-for-sale financial assets	6.7.2	2,999	3,640
Other receivables	6.7.4	1,930	1,928
Deferred income tax assets	6.7.3	361	343
		6,898	**7,828**
Current assets			
Trade receivables and other receivables	6.7.4	7,292	4,472
Receivables from related parties		8	149
Available-for-sale financial assets	6.7.2	3,295	5,085
Current income tax assets		529	443
Cash and cash equivalents	6.7.5	10,481	10,173
		21,605	**20,322**
Total assets		**28,503**	**28,150**
Equity			
Share capital	6.7.6	9,157	9,157
Retained earnings	6.7.6	9,366	9,234
Total equity		**18,523**	**18,391**
Liabilities			
Non-current liabilities			
Net asset value attributable to other limited partners	6.7.7	741	719
Other provisions	6.7.9	81	154
Deferred income tax liabilities	6.7.3	397	706
		1,219	**1,579**
Current liabilities			
Trade payables and other liabilities		6,164	4,639
Liabilities to related parties		413	450
Financial liabilities	6.7.8	1,553	2,752
Other provisions	6.7.9	235	270
Current income tax liabilities	6.7.10	396	69
		8,761	**8,180**
Total liabilities		**9,980**	**9,759**
Total equity and liabilities		**28,503**	**28,150**

The notes on pages 21 – 29 are an integral part of this interim financial report.

4 Consolidated cash flow statement

for the period from January 1 to June 30, 2016

	Note	H1-2016	H1-2015
T€			
Cash flow from operating activities			
Consolidated net profit/loss for the period before share of profit of associates, interest and taxes	6.8.1	1,461	63
Depreciation/amortization and impairment losses of non-current assets	6.6.4	243	120
Profit from the disposal of non-current assets	6.6.5	-957	–
Other non-cash transactions	6.8.2	930	468
Changes in trade and other receivables		-3,450	-430
Changes in receivables from related parties		17	-23
Changes in trade payables and other liabilities		1,713	110
Changes in amounts due to related parties		-37	172
Changes in other provisions		-62	72
Interest received		–	27
Interest paid		–	-11
Dividends and profit distributions received		688	657
Income tax refunds received		2	191
Income taxes paid		-47	-553
Net cash generated from operating activities		**501**	**863**
Cash flow from investing activities			
Payments made for investments in:			
Property, plant and equipment and intangible assets		-12	-2
Available-for-sale financial assets and investments in associates		-48	–
Proceeds from the disposal of:			
Available-for-sale financial assets and investments in associates		1,162	10
Net cash generated from investing activities		**1,102**	**8**
Cash flow from financing activities			
Changes in the net asset value attributable to other limited partners		–	-31
Settlement of financial liabilities		-1,221	-70
Net cash used in financing activities		**-1,221**	**-101**
Non-cash change in cash and cash equivalents		-15	32
Net increase in cash and cash equivalents		**367**	**802**
Cash and cash equivalents on January 1		10,165	7,552
Changes in the companies consolidated		-79	–
Currency translation differences		7	-32
Cash and cash equivalents on June 30	6.8.3	**10,460**	**8,322**

The notes on pages 21 – 29 are an integral part of this interim financial report.

5 Consolidated statement of changes in equity

for the period from January 1 to June 30, 2016

			Other comprehensive income		
	Share capital	Retained earnings	Available-for-sale financial assets	Currency translation differences	Total equity
T€					
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**
Amount on January 1, 2016	**9,157**	**6,083**	**3,282**	**-131**	**18,391**
Total net profit/loss recorded within consolidated equity	–	1,835	-1,684	131	282
Deconsolidation	–	-150	–	–	-150
Amount on June 30, 2016	**9,157**	**7,768**	**1,598**	**–**	**18,523**

The notes on pages 21 – 29 are an integral part of this interim financial report.

6 Notes to the consolidated financial statements

to the interim financial statements as of June 30, 2016

6.1 Recognition and measurement methods

The consolidated interim financial statements as of June 30, 2016 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) on or before June 30, 2016. All figures are reported in thousands of euros (T€) This may result in rounding differences between the individual parts of the financial statements. The Lloyd Fonds Group early-adopted only those new standards and interpretations as well as amendments to existing standards which have been endorsed by the EU Commission.

- IAS 7 Presentation of Financial Statements (from January 1, 2017)
- IAS 12 Income Taxes (from January 1, 2017)
- IFRS 9 Financial Instruments (from January 1, 2018)
- IFRS 10/IFRS 12/IAS 28 Consolidated Financial Statements
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers (from January 1, 2018)
- IFRS 16 Leases (from January 1, 2019)
- Amendments under the Annual Improvement Project 2014–2016

There were no changes in any of the other accounting policies described in the notes to the consolidated financial statements as of December 31, 2015. Accordingly, these interim financial statements must be read in the light of the disclosures made in the consolidated financial statements for 2015. New standards and interpretations which must be applied for the first time in the year under review had no impact or at most only a minor impact on these consolidated interim financial statements.

- IAS 1 Presentation of Financial Statements
- IAS 16/IAS 38 Property, Plant and Equipment/Intangible Assets: Clarification of acceptable methods of depreciation and amortization
- IAS 16 Property, Plant and Equipment/IAS 41: Agriculture – bearer plants
- IAS 19 Employee Benefits: Defined-Benefit Plans
- IAS 27 Separate Financial Statements: Equity Method of Accounting
- IFRS 11 Joint Arrangements: Accounting for acquisitions of interests in joint operations
- Amendments under the Annual Improvement Project 2010–2012: Minor amendments to numerous IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24)
- Amendments under the Annual Improvement Project 2012–2014: Minor amendments to numerous IFRSs (IFRS 5, IFRS 7, IAS 19, IAS 34)

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, 2015.

6.2 Consolidation

The deconsolidation of Lloyd Fonds Singapore Pte. Ltd., Singapore, had the following effects on the consolidated financial statements. In particular, no income from management fees and no costs of services purchased in connection with “LF Open Waters OP” will be recognized in the future. In addition, there is a reduction that is not recognized through profit and loss of T€ 150 in retained earnings and of T€ 131 resulting from the reversal of the currency translation differences recorded within other comprehensive income.

The companies consolidated now comprise the Parent Company as well as 17 subsidiaries.

6.3 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. Lloyd Fonds AG paid its shareholders a dividend of € 0.07 per share for last year for the first time again. The distribution was paid in July 2016.

As of June 30, 2016, the Lloyd Fonds Group's equity stood at T€ 18,523, up from T€ 18,391 at the end of the previous year. The equity ratio came to 65.0 % as of the reporting date (December 31, 2015: 65.3 %).

6.4 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 amounts derived from such estimates may by definition vary from the later actual circumstances. There were no changes to the estimates and assumptions liable to exert a material effect on the measurement of assets and liabilities.

6.5 Segment report

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

Real Estate

- Purchase, structuring and sale of assets in the real estate segment
- 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 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

Shipping and Other Assets

- Purchase, structuring and sale of assets in the shipping and secondary-market ship fund segments as well as other assets (e.g. aircraft, renewable energies, private equity, traded UK endowment policies)
- Monitoring and coordination of the Lloyd Fonds Group's material investments in the Other Assets segment
- Other activities similar to those in the Real Estate 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 sharing of subscriber meetings
- Appropriate measures for preventing money laundering and terror finance

The "All general other expenses" item is primarily made up of staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) and the Management Board as well as general other operating expenses, e.g. rental, office and IT expenses. In contrast to the previous year, expenses were allocated proportionately to the individual segments in 2016. Staff costs and rental and IT expenses as well as rental income were allocated to the individual segments on the basis of their respective employee numbers. The remaining expenses were allocated to "All general other expenses". The previous year's figures were adjusted accordingly.

Segment profit/loss for the first half of 2016 breaks down as follows:

H1-2016	Real estate	Shipping and Other Assets	Trusteeship	All general other expenses	Total
T€					
External sales	1,777	859	3,210	–	5,846
Other operating income	51	128	301	1,035	1,515
Cost of materials	-250	-139	-337	–	-726
Staff costs	-321	-518	-958	-246	-2,043
Other operating expenses	-368	-432	-1,224	-770	-2,794
Share of profit of associates	1	148	–	–	149
Depreciation/amortization and impairment losses	–	-189	-8	-46	-243
EBIT	**890**	**-143**	**984**	**-27**	**1,704**
Net finance income/expenses	215	147	-40	78	400
Income taxes	-278	-9	–	18	-269
Net profit/loss after taxes	**827**	**-5**	**944**	**69**	**1,835**

H1-2015 (new)	Real estate	Shipping and Other Assets	Trusteeship	All general other expenses	Total
T€					
External sales	1,248	1,212	3,376	–	5,836
Other operating income	375	121	144	143	783
Cost of materials	-534	-397	-370	–	-1,301
Staff costs	-339	-681	-897	-243	-2,160
Other operating expenses	-308	-758	-1,112	-992	-3,170
Share of profit of associates	1	263	–	–	264
Depreciation/amortization and impairment losses	–	-46	-10	-64	-120
EBIT	**443**	**-286**	**1,131**	**-1,156**	**132**
Net finance income/expenses	160	200	89	132	581
Income taxes	-28	-10	29	29	20
Net profit/loss after taxes	**575**	**-96**	**1,249**	**-995**	**733**

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

The Lloyd Fonds Group's internal reporting system does not include any provision for disaggregating 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.

6.6 Notes on the consolidated income statement

6.6.1 Sales

Breakdown:

	H1-2016	H1-2015
T€		
Income from fund and asset management		
Income from management fees	853	1,353
Income from arrangement and structuring services	1,826	1,106
Income from trusteeship business	3,127	3,318
Others	40	1
Sales	**5,846**	**5,778**

The increase in income from arrangement and structuring services is due to the arrangement of the sale of six tourist hotels to a renowned family office and the sale of two Motel One hotels in Berlin and Nuremberg previously held in the "Moderne Großstadthotels" fund to the Motel One Group. On the other hand, income from management services dropped as a result of the deconsolidation of Lloyd Fonds Singapore Pte. Ltd., Singapore. At the same time, there was a decline in the cost of services bought. Accordingly, there is virtually no effect on consolidated net profit for the period.

6.6.2 Cost of materials

Breakdown:

	H1-2016	H1-2015
T€		
Cost of services bought	712	1,291
Other cost of materials	14	–
Cost of materials	**726**	**1,291**

The cost of materials dropped by T€ 565 over the previous year to T€ 726. The cost of services bought particularly includes management fees. As with management fee income, this was due to the deconsolidation of the Singapore company. In addition, the project-related cost of materials arising in connection with income from arrangement and structuring services dropped significantly in the period under review.

6.6.3 Staff costs

Breakdown:

	H1-2016	H1-2015
T€		
Wages and salaries	1,828	1,922
Social security	211	234
Retirement benefit expenses	4	4
Staff costs	**2,043**	**2,160**

The reduction in staff costs is chiefly due to the decline in the average head count from 51 in the first half of 2015 to 45 in the period under review.

6.6.4 Depreciation/amortization and impairment losses

Breakdown:

	H1-2016	H1-2015
T€		
Depreciation and amortization		
Property, plant and equipment	55	70
Intangible assets	2	3
	57	**73**
Impairment losses		
Available-for-sale financial assets	186	47
	186	**47**
Depreciation/amortization and impairment losses	**243**	**120**

6.6.5 Other operating income/expenses

Breakdown:

	H1-2016	H1-2015
T€		
Other operating income		
Income from sale of shares	957	–
Rentals	212	99
Income from the reversal of impairments of receivables	138	148
Income from the derecognition of liabilities	80	149
Income from recharged expenses	46	321
Remuneration in kind	37	33
Income from the reversal of provisions	11	–
Other income	34	91
	1,515	**841**
Other operating expenses		
Impairment losses on receivables and unrecoverable receivables	-1,137	-793
Rentals, ancillary rental costs and cost of premises	-541	-692
Financial statement, legal and consulting costs	-413	-679
Office supplies, IT costs and communications	-295	-348
Motor vehicle and travel costs	-73	-86
Insurance and subscriptions	-60	-69
Retailing support and subscriber relations	-58	-249
Other personnel expenses	-39	-8
Costs assumed for fund companies	-35	-26
Other expenses	-143	-230
	-2,794	**-3,180**
Other operating income/expenses	**-1,279**	**-2,339**

The proceeds from the sale of a share in a real estate fund had a positive effect, as did the higher rental income arising from the sublease entered into in the previous year. The reductions in legal and consulting expenses as well as sales support and subscriber relationship management expenses were largely due to the expenses which had arisen in the previous year in connection with the listed shipping company.

The opposite effect was generated by higher impairment losses on receivables and unrecoverable receivables particularly as a result of the increased number of insolvencies.

6.6.6 Share of profit of associates

The share of profit of associates primarily entails investment income earned and the share of the net profit/loss of associates. The lower figure is particularly due to the impairments recognized in connection with new insolvencies.

6.6.7 Net finance income/expenses

Breakdown:

	H1-2016	H1-2015
T€		
Net investment income	269	147
Net currency translation gains/losses	-94	195
Net interest	225	239
Net finance income/expenses	**400**	**581**

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.

The net currency translation losses were particularly due to losses from the measurement of foreign-currency trade receivables and foreign-currency accounts.

6.6.8 Income taxes

Income taxes comprise 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 expenses arising in the period under review chiefly result from tax expenses in connection with companies outside the tax group as well as deferred income taxes. See Note 6.7.3 for details.

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).

6.6.9 Earnings per share

Earnings per share are calculated by dividing the profit 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 2016 or in the same period in the previous year.

	H1-2016	H1-2015
T€		
Profit/loss attributable to equity holders of the Parent Company (T€)	1,835	733
Average number of shares issued (in thousands)	9,157	9,157
Earnings per share (€ per share)	**0.20**	**0.08**

The number of shares outstanding was unchanged at 9,156,642 in the year under review.

6.7 Notes on the consolidated balance sheet

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

6.7.1 Investments in associates

There is a total of 88 associates on which the Lloyd Fonds Group exerts a 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.

6.7.2 Available-for-sale financial assets

Available-for-sale financial assets comprise a total of 185 investments as of the end of the period under review. These are predominantly shares which 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, as well as insolvent former associates.

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 6.4.2 of the 2015 annual report, which is still considered to be stable. Further impairments of T€ 186 were recognized in the period under review. In addition, impairments of T€ 832 were recorded within other comprehensive income. This substantial decline is primarily due to the protracted difficult market environment in the shipping segment in particular.

There were no material changes in the measurement of the available-for-sale financial assets and the details of the sensitivity analysis as of December 31, 2015 (capitalization rates and US-$/€ exchange rates).

6.7.3 Deferred income taxes

Deferred income tax assets are valued at T€ 361 as of June 30, 2016 (December 31, 2015: T€ 343) and relate to the future utilization of existing unused tax losses. The deferred income tax liabilities on available-for-sale financial assets dropped by T€ 309 to T€ 397.

6.7.4 Trade receivables and other receivables

Breakdown:

	June 30, 2016	Dec. 31, 2015
T€		
Non-current receivables		
Other receivables	1,930	1,928
	1,930	**1,928**
Current receivables		
Trade receivables	2,540	1,015
Receivables from trusteeship	1,928	916
Other receivables and other assets	2,824	2,541
	7,292	**4,472**
Receivables	**9,222**	**6,400**

Other non-current receivables comprise receivables from KALP GmbH. They have been classified as non-current due to the appointment of an insolvency administrator. Despite the insolvency, the receivables are still assumed to be recoverable.

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 trade receivables primarily relates to receivables for arrangement and structuring services which had not yet been settled as of the reporting date.

The increase in other receivables particularly relates to higher prepaid expenses of T€ 344 arising in the period under review. On the other hand, receivables from fund subscribers dropped due to repayments of T€ 51. These receivables arise from distributions made in the past subject to a repayment obligation. At the same time, other liabilities rose by the same amount.

6.7.5 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 6.8.3 for the breakdown.

6.7.6 Equity

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

6.7.7 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/expense.

6.7.8 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€ 1,553 (December 31, 2015: T€ 2,752) arising from the finance raised for the investments acquired in the "Premium Portfolio Austria" target fund. The substantial decline is primarily due to the repayment of T€ 1,221 made from the proceeds gained from the sale of the shares held by PPA Beteiligungsgesellschaft mbH in the target fund. RaiBa does not have any entitlement to compensation if the flowbacks from the investments are not sufficient to settle the financial liabilities towards it.

6.7.9 Other provisions

As of the reporting date, other provisions primarily comprise amounts for pending losses.

6.7.10 Current income tax liabilities

The current income tax liabilities for the previous year chiefly relate to tax liabilities accruing to companies outside the tax group in that year. In the reporting period, they additionally relate to proportionate tax liabilities for the current year.

6.8 Notes on the consolidated cash flow statement

6.8.1 Reconciliation with consolidated net profit for the period

For the purposes of the cash flow statement, consolidated net profit before the share of profit of associates, interest and taxes is calculated as follows:

	Note	H1-2016	H1-2015
T€			
Net profit/loss from operating activities		1,704	132
Share of profit of associates	6.6.6	-149	-264
Net currency translation gains/losses	6.6.7	-94	195
		1,461	**63**

6.8.2 Other non-cash transactions

Breakdown:

	Note	H1-2016	H1-2015
T€			
Unrealized currency translation gains/losses		-16	-28
Deconsolidation of Singapore entity		38	–
Impairment losses on receivables and unrecoverable receivables	6.6.5	1,137	793
Income from the reversal of provisions	6.6.5	-11	–
Income from the reversal of impairments of receivables	6.6.5	-138	-148
Income from the derecognition of liabilities	6.6.5	-80	-149
		930	**468**

6.8.3 Composition of cash and cash equivalents

Composition for the purposes of the cash flow statement:

	June 30, 2016	June 30, 2015
T€		
Cash at banks	10,479	8,326
Cash in hand	2	3
Cash at banks subject to drawing restrictions	-21	-7
	10,460	**8,322**

6.9 Other disclosures

6.9.1 Contingencies

The contingencies reported as of June 30, 2016 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, 2016 (December 31, 2015: T€ 3,298).

As part of trusteeship business, shares of T€ 1,746,490 (December 31, 2015: T€ 1,755,451) 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€ 898,403 (December 31, 2015: T€ 947,847) and are matched by trusteeship liabilities of the same amount. In addition, trust accounts of T€ 1,462 (December 31, 2015: T€ 1,605) 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 by existing funds 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€ 11,019 as of the reporting date (December 31, 2015: T€ 11,013); 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.

6.9.2 Operating lease commitments

Analysis of obligations under leases:

	June 30, 2016	Dec. 31, 2015
T€		
Office space	3,467	3,983
Motor vehicles	49	71
Other	41	53
	3,557	**4,107**

6.9.3 Events after the reporting date

At the annual general meeting held on July 20, 2016, the shareholders passed a resolution adopting the proposal of the Supervisory Board and Management Board for the distribution of a dividend of € 0.07 per share from Lloyd Fonds AG's profit calculated in accordance with German commercial law. In addition, Prof. Dr. Eckart Kottkamp (Chairman of the Supervisory Board), Dr. Thomas Duhnkrack (Deputy Chairman of the Supervisory Board), Paul M. Leand Jr., Jens Birkmann and Stephen Seymour were elected to the Supervisory Board for a period of a further five years. The corresponding positions were confirmed in the ensuing meeting of the Supervisory Board.

Following the transfer of operations management for two wind farms to Chorus Clean Energy AG, Neubiberg, the general-partner entities and the limited-partner managing entities were sold in August 2016. Accordingly, Lloyd Fonds Energy Commercial Service GmbH and Lloyd Fonds Energy Management GmbH, both with registered offices in Hamburg, were deconsolidated as of that date. There were no changes to the ownership structures of the fund entities or the subscriber relationship management by Lloyd Treuhand GmbH.

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

Hamburg, September 26, 2016

The Management Board

Dr. Torsten Teichert

7 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 26, 2016

The Management Board

Dr. Torsten Teichert

8 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, 2016, 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 27, 2016

TPW GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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

9 Financial calendar

	2016
Annual Report for 2015	8. Juni
Annual General Meeting	20. Juli
Interim Report on the first half of 2016	28. September

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LLOYD FONDS

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