27 September, 2012

LIVERMORE INVESTMENTS GROUP LIMITED

("Livermore" or "Company")

UNAUDITED INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2012

Livermore Investments Group Limited (the "Company" or "Livermore") today announces its interim results for the six months ended 30 June 2012.

For further investor information please go to www.livermore-inv.com.

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Chairman's and Chief Executive's Review

Introduction

We are pleased to announce the interim financial results for Livermore Investments Group Limited ("Livermore" or "the Company") for the half year ended 30 June 2012.

During the first half of 2012, the Company generated a robust performance despite challenging economic conditions and weakening outlook for global growth. Overall NAV increased by 29.8% to USD 0.74 per share. During the reporting period, management focused on the financial portfolio with increased exposure to the US credit markets, which provided attractive risk adjusted returns.

Wyler Park, our investment property in Bern, Switzerland performed well, generating over CHF 2.7m in rent during the period. The property is fully rented. Market valuation of Wyler Park has remained stable.

There were no significant developments in the private equity portfolio during the period.

Financial Review

The NAV of the Group as at 30 June 2012 was approximately USD 168.6m. The net profit for the first half of 2012 was USD 19.3m, which represents earnings per share of USD 0.08. The increase in NAV relates largely to gains from the financial portfolio partly offset by write downs on certain investments.

Administrative expenses were USD 3.4m.

	30 June 2012	**30 June 2011**	**31 December 2011**
	US $m	**US $m**	**US $m**
Shareholders' funds at beginning of period	145.4	142.3	142.3
	———	———	———
Income from investments	10.2	6.7	24.6
Other income	0.5	3.0	3.0
Realised gains on investments	1.9	0.3	0.2
Loss on impairment on investments	(14.0)	(5.0)	(9.9)
Unrealised gains on investments	37.0	13.0	4.5
Unrealised exchange gains	-	3.5	(0.2)
Administrative costs including provisions for legal cases	(3.4)	(3.2)	(5.0)
Finance costs	(2.2)	(3.1)	(5.3)
Tax charge	(0.2)	(0.1)	(1.7)
	———	———	———
Increase in net assets from operations	29.8	15.1	10.2
Purchase of own shares	(6.6)	(2.5)	(7.1)
	———	———	———
Shareholders' funds at end of period	168.6	154.9	145.4
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Net Asset Value per share	*US $0.74*	*US $0.57*	*US $0.57*

Livermore's Strategy

The financial portfolio is focused on fixed income instruments which generate periodic cash flows and include mainly exposure to senior secured and usually broadly syndicated US loans. This part of the portfolio is geographically focused on the US with some exposure to Europe and emerging markets. In addition, the financial portfolio would include investments in select deep value public equities where management could exert influence.

The remaining portfolio is focused on Switzerland and Asia with investments primarily in real estate and select private equity opportunities. Investments are focused on sectors that management believes will provide superior growth over the mid to long term with relatively low downside risk.

Strong emphasis is given to maintaining sufficient liquidity and low leverage at the overall portfolio level and to re-invest in existing and new investments along the economic cycle.

Repurchase of shares

Between 31 December 2011 and 30 June 2012, the Company repurchased 27,121,532 shares at an average price of US$ 0.243 (£0.155) per share. On 30 June 2012, the Company held 76,454,415 shares in treasury. An additional 28,668,177 shares were purchased between 30 June 2012 and before the beginning of the interim close period.

Given that the Group's shares trade at a significant discount to NAV, the Board of Directors decided to continue with the buyback program. The buyback is being carried out subject to profitability, liquidity constraints and market conditions.

Dividends

No dividends are declared for the period ended 30 June 2012.

The Board of Directors will decide on the Company's dividend policy for 2012 based on profitability, liquidity requirements, portfolio performance, market conditions, and the share price of the Group relative to its NAV.

Richard Rosenberg Chairman	Noam Lanir Chief Executive

27 September 2012

Review of Activities

Economic & Investment Environment

In the first quarter of 2012, the global economy continued to grow at a moderate pace, although this varied considerably from one region to another. The emerging economies made a major contribution to global growth. By contrast, overall momentum in the advanced economies was subdued, although there were considerable differences from one country to another. Japan experienced strong growth in the first quarter due to a catch-up effect. In the US, momentum was moderate. In the euro area, a number of countries are in deep recession, while in Germany, GDP continued to expand strongly. Overall, the economy in the euro area stagnated.

In the second quarter of 2012, economic growth slowed worldwide, and while the emerging economies continued to support global expansion, their growth rates were lower than expected. In advanced economies, growth more or less ground to a halt, with recessionary tendencies intensifying in the euro area. Southern member states of the euro area reported a substantial decline in their GDP, and Germany lost considerable momentum.

Financial markets experienced some respite in the early months of 2012 from the significant market turmoil late last year. This relative calm, however, proved to be fragile and renewed pressures again emerged since April. Volatility continued to afflict the euro area and global financial system in the second quarter. The EuroStoxx 50 Index was up 6.9% in the first quarter but eventually ended down 2.2% for the first half of the year. The S&P 500 Index, however, recorded an 8.3% advance in the first half with most of the gains coming in the first quarter.

Corporate credit markets in general performed well during the period as investors searched for income in a low interest rate environment. In particular, the High Yield and the Leveraged Loan markets performed well amid steady credit fundamentals, low default rates, and increased inflows into funds. As of 30 June 2012, the U.S. last 12-month institutional loan default rate by principal amount increased marginally to 1.04% from 0.84% last year. During the first quarter and second quarter of 2012, U.S. S&P/LSTA Index issuers repaid or extended approximately 21.2% and 23.2% of loan maturities due by the end of 2014 respectively. The S&P/LSTA Leveraged Loan Total Return Index was up 4.5% in the first half of the year.

The international financial markets continue to be dominated by uncertainties emanating from Europe's financial and sovereign debt crisis as well as the slowing Chinese growth and the uncertainty over fiscal tightening in the US. Nonetheless, the situation in September 2012 has improved in large part due to additional monetary policy easing measures in the euro area and the US.

EURO ZONE: Growth developments in the euro area have been weaker than expected with flat growth in the first quarter of 2012 and further weakening of economic activity in the second quarter. Euro area total unemployment as of March 2012 rose to 10.9% - the highest rate since mid-1997. Considerable country-level dispersion continued to persist around the aggregate euro area outlook, with 2012 growth forecasts from Consensus Economics ranging from 0.7% for Germany and Austria to -5.4% for Greece. Monetary policy was loose with the ECB lowering rates and conducting additional Longer Term Refinancing Operations to support Euro zone economies and banks. Risks to the baseline economic outlook for the euro area remain tilted to the downside amid high uncertainty around the growth outlook.

SWITZERLAND: In Switzerland, real GDP rose faster than expected 2.8% in the first quarter of 2012 driven mainly by the banking sector, domestic trade and corporate services. The stabilising effect of the minimum exchange rate against the euro also played a major role in this development. By contrast, value added in manufacturing declined and the downward trend in hospitality continued. Robust GDP growth in the first quarter was followed by a decline in the second quarter of 0.2%. The drop in value added in manufacturing and trade had a major dampening effect. Value added in the banking industry also dropped, following a temporary recovery in the previous quarter. Furthermore, after a prolonged period of growth, transport and communication services and business-related services all weakened. Construction, however, offered a positive stimulus, as did insurance and the energy industry.

Sources: International Monetary Fund (IMF), Swiss National Bank (SNB), European Central Bank (ECB), Bloomberg

Review of Significant Investments

Name	Book Value US $m
Wyler Park*	37.8
SRS Charminar	13.9
Montana Tech Components	4.1
Other Real Estate Assets	1.4
Total	**57.2**

* Net of related loan.

Wyler Park - Switzerland

Wyler Park is a top quality mixed-use property located in Bern, Switzerland. It has over 16,800 square meters of commercial area, 4,100 square meters of residential area, and another 7,800 square meters available for additional commercial development. The commercial part is leased entirely to SBB (AAA rated), the Swiss national transport authority wholly owned by the Swiss Confederation, and serves as the headquarters of their Passenger Traffic division. The commercial lease is 100% linked to inflation and ends in 2019 with two 5 year extension periods thereafter. The annual rental income from the commercial area of the project is CHF 4.26m.

Following the successful development of 39 residential apartments, the entire property is now fully rented. The annual rental income expected from the residential area is CHF 1.1m.

The property generated rent of CHF 2.7m during the first half of 2012.

Livermore is the sole owner of Wyler Park through its wholly owned Swiss subsidiary, Livermore Investments AG. The loan outstanding on the project is CHF 79m, which is a non-recourse loan to Livermore Investments AG backed only by this property. The loan matures in July 2014.

Management continues to evaluate the potential development of the additional commercial development rights of 7,800 square meters attached to the property.

SRS Charminar - India

Livermore invested USD 20m in 2008 in a leading Indian Real Estate company, in association with SRS Private and other investors as part of a total investment of USD 154m.

The investment in the investee company was in the form of compulsorily convertible debt and included a put option, which can be exercised if the investee company does not have an IPO within 3 years or if certain terms in the agreement are not met. The put option is secured by land which was valued at around USD 1.3 billion at the time of investment and guarantees a minimum return of approximately 30% IRR if exercised.

As reported previously, the Manager (Infinite India Limited) for this investment served a put option exercise notice to the promoters in 2009. Following a dispute on the grounds of the put option notice between the promoters and the fund, the parties agreed to invoke arbitration to be held in Mumbai.

On 14 August 2009, the arbitration process was completed and the arbitrator ruled in favour of investors. The award entitles the investors to investment plus interest amounting to 30% IRR until 14 August 2009 and 18% IRR thereafter.

Meanwhile, the investors have filed and won an interim order for injunction against the promoters and the company to prohibit sales, transfer or encumbering of the assets of the company. Thereafter, the promoters have filed against the arbitral award and the injunction order. As at 30 June 2012 there was no change in the status of this case.

On January 13, 2011 the Company Law Board ("CLB") passed an order and allowed Infrastructure Leasing & Financial Services Limited ("IL&FS") to become 80% shareholder and control the management of the company. In 2012, the Manager has reported a finalization of settlement negotiations with IL&FS and the investee company which is subject to certain court and regulatory approvals.

Due to the legal complexity and the receipt of the regulatory and court approvals required for the implementation of the proposed settlement as well as the various counterparties involved, the outcome remains uncertain.

The carrying amount of the investment is based on discounted expected cash flows.

Montana Tech Components AG ("Montana") - Europe

Montana, based in Austria, is a leading components manufacturer in the fields of Aerospace Components, Metal Tech and Micro Batteries.

The Aerospace Components business segment manufactures specialized components for Airbus and Boeing and is the market leader. The facilities are currently located in the US and in Switzerland with a new low cost facility in Romania recently built-out. The company has a large market share in the US with Boeing and in Europe with Airbus. The build-out of the Romanian facility was completed as planned. The certification process with Airbus was concluded in significant areas.

The Micro Batteries business is a market leader in hearing aid batteries and rechargeable batteries with a strong brand (VARTA Micro Power). VARTA has formed a significant joint venture with the Volkswagen group to develop batteries for hybrid cars.

Metal Tech business segment operates in a niche area and is a market leader in an otherwise highly fragmented industry. This business segment produces tools for identification and marking of steel products. Revenues from Metal Tech increased in H1 2012 due to the delivery of single, large orders.

Due to an excellent market position, ongoing expansion and productivity-enhancing measures, MTC increased EBITDA by 32% to EUR 34.8m (H1 2011: EUR 26.4m) and EBIT increased 45% to EUR 26m (H1 2011: EUR 17.9m) in the first half of 2012. The Company's equity capital increased to EUR 244m (2011: EUR 225m).

The order intake within Montana is developing positively in most business units except Industrial Components and this trend has been strengthening recently. The company expects positive development of order income especially in the Aerospace and Energy Storage division.

In June 2012 Montana issued a 5 year corporate bond with a notional value of T€ 55,000 paying 5% annually. Proceeds from the corporate bond will be partially used to refinance existing bank loans and finance the growth project of the group.

Livermore and certain other minority shareholders in MTC have raised concerns about related party transactions between MTC and its majority shareholder as well as the unequal treatment of minority shareholders by the Board of MTC. Livermore is pursuing an activist role in order to increase transparency, ensure equal treatment of minority shareholders, and potentially gain representation on the Board of MTC. At the Annual General Meeting of Montana, the Board of Directors of Montana was denied discharge for the last two years. In addition, a case against Montana and its Board of Directors concerning an incorrect allocation of shares in the last capital increase is currently pending in court in Switzerland.

Private Equity Funds

The other private equity investments held by the Group are in the form of Managed Funds (mostly closed end funds) mainly in the emerging economies of India and China. The investments of these funds into their portfolio companies were mostly done in 2008 and 2009. The Company expects that substantial exits of portfolio companies should materialize between 2013 and 2015.

Name	**Book Value US $m**
SRS Private (India)	3.9
India Blue Mountains (India)	2.3
Evolution Venture (Israel)	1.8
Elephant Capital (India)	1.5
Da Vinci (Russia)	1.2
Blue Ridge Capital (China)	0.8
Panda Capital (China)	0.7
Total	**12.2**

SRS Private Fund: SRS Private is a private equity fund focused on real estate in India. The fund has invested in residential and commercial projects as well as directly in certain real estate companies. The assets are primarily located in and around major cities of India such as Mumbai and Hyderabad.

India Blue Mountains: India Blue Mountains is a leading hotel and hospitality development fund that is developing 4 star and 5 star hotels in India. The fund has acquired land and is in the process of developing three hotels in prime areas of Mumbai, Pune and Goa. All hotels will be managed by the Accor Group (Novotel brands). Accor has also invested equity and holds a 26% stake in all of the hotels.

The Pune hotel is being built on a land area of 70,200 sq ft with a total built-up area of approximately 343,297 sq ft. The hotel is expected to be a Novotel brand hotel with 223 rooms and two floors have been earmarked for commercial office space.

The Mumbai hotel is on a 82,609 sq ft land site with a built-up area of approximately 550,216 sq ft. The hotel will be a Novotel brand hotel with 543 rooms. As reported earlier, the contract with the general contractor was terminated due to delays caused by the contractor. The existing loan facility was repaid and a bridge loan due in February 2012 was undertaken. This bridge loan has been partly paid down and the remaining extended until July 2012. The manager is currently in process of syndicating a new construction loan.

For the Goa hotel, land measuring 20 acres was purchased at Majorda beach in Goa having 200 meters of sea front with a white sandy beach from nearly 40 parcels of land. Notification of the land for settlement is a government process and it has not been concluded so far despite expectations and is currently pending with the Town Planning department.

In 2012, the major shareholders took over control of the investment vehicle from the manager and agreed to exit the existing investments in an orderly fashion. The previous manager of the investment vehicle will still be involved in an advisory role but it will no longer control the board of the vehicle.

Livermore management believes that there are significant uncertainties with respect to delivery timelines and financing possibilities for the Mumbai project in the current environment. In addition, the Goa project rezoning has not been concluded. As a result, Livermore has decided to impair the valuation of the investment by USD 2.7m.

Evolution Venture: Evolution is an Israel focused Venture Capital fund. It invests in early stage technology companies. Its investments include a carrier-class Mobile Broadband Wireless (MBW) Wi-Fi solutions company, a language enhancement products company, a software company operating in the digital radio market, a software testing tool, and a virtualization technology company.

Elephant Capital: India-focused private equity fund, which is AIM quoted (formerly called Promethean India plc). (Ticker: ECAP). Its portfolio investments include a leading tiles manufacturer in India, an established automotive components manufacturer, a media business with an exclusive content library, a clinical research organization, a m-commerce player, and an online venture to distribute cricket related content.

As of 29 February 2012, the NAV of the fund was 40 pence per share. Additional information about the fund is available at www.elephantcapital.com

Da Vinci: The fund is primarily focused on Russia and CIS countries. The main investments of the fund are RTS, the leading Russian stock exchange (now merged with MiCex), and EPAM, a leading Eastern European software company. In 2011, RTS merged with MiCex stock exchange to form the largest financial exchange in Russia and distributed a dividend from the partial exit. The board of the merged company has announced a further dividend of USD 0.31 per share on 30 June 2012. EPAM conducted a successful initial public offering on NASDAQ in February 2012. The fund expects to exit the investment in the Eastern European software company over the next year subject to market conditions.

Blue Ridge: Blue Ridge is a China focused private equity fund. The fund has made investments in six portfolio companies. Portfolio companies include a distressed real estate turnaround company, a plastic and chemicals manufacturer, a higher education company, an innovative bio-pesticide company, a software company specializing in Oil & Gas applications and a refinery. In 2011, the fund realized partial exits from the plastic and chemicals manufacturer and the distressed real estate turnaround company at valuations higher than cost.

Panda Capital: China-based private equity fund focused on early-stage industrial operations in China and Taiwan, which represent strong growth opportunities. The fund's main investment is in a bamboo flooring company in China, which provides an innovative low cost alternative to hardwood flooring in shipping containers. The manager is in the process of building up operational capacity for product manufacturing. This investment could generate attractive returns once the shipping industry recovers from the current downturn.

Financial Investments and Corporate Bond Trading

The Group manages a financial portfolio valued at USD 99m (net of leverage) as at 30 June 2012, which is invested mainly in fixed income securities and special situation equity opportunities.

Fixed income:
During H1 2012 the Group increased its activity in the US syndicated loan market mainly through investment into US Collateralized Loan Obligations (CLO) of 2006 and 2007 issues as well as investments into newly issued transactions. These are managed portfolios invested into diversified pools of senior secured loans and financed with long term financing pre-fixed at the respective pre-crisis levels. On absolute and relative value basis the loan market continued to offer remarkable value as an undervalued, diversified inflation linked asset class with a senior secured claim on the borrower and with overall low volatility and low correlation to equity market.

The fundamentals of the US corporate credit market continued to show resilience during H1 2012. Trailing 12 month default rate for the S&P/LTSA index was 1.04% for Q2 2012 and 0.21% for Q1 2012 and corporate earnings and balance sheets continued to improve during the period. The S&P/LTSA index of issuers managed to gain 4.5% for the first half of 2012.

During H1 2012, the Group increased its exposure to performing CLOs at lower than current market prices and at modelled IRRs of over 17%. The CLO portfolio has performed extremely well on account of low default rates and improving credit fundamentals of their underlying loans which is evident by lower weighted average rating factor (WARF) levels in our deals and low DEBT/EBITDA multiples. At the end of the reporting period all of our US investments were passing their coverage tests (thereby making dividend distributions), which outperformed the general market average. During H1 2012, the portfolio generated USD 12.5m in cash distributions. CLO payments remained strong thanks to low credit losses and prevalence of Libor floors and healthy pre-payments, which in turn allowed managers to reinvest into wider spreads.

The excess spread of these CLOs, namely the difference between the interest income generated by a CLO's assets and the cost of financing through its liabilities as well as certain fees (which are locked-in at closing), increased substantially from original levels. Volatility in loan prices provided a good entry point for CLO's within their reinvestment period to build additional par and increase coverage ratios. This combination of improving coverage ratios and increasing excess spread availability also continued in H1 2012 and led to increased payments to CLO income notes. Furthermore, the cushions built up within the portfolios are expected to insulate the portfolio from moderate potential future credit losses, implying that performance should remain strong even in the absence of a significant improvement in macroeconomic conditions, so long as another dramatic fundamental downturn or financial market crisis is avoided.

During 2011 management concentrated on purchases of income notes in the secondary market as the IRRs and cash on cash returns offered better value than primary market offerings. During H1 2012, secondary market prices for CLOs rose, legacy CLOs reinvestment periods continued to shorten and the IRRs and cash returns offered by primary CLO issuances became attractive on relative basis. Livermore examined carefully the new issue market with the intention to extend the reinvestment period of its current portfolio and successfully launched as an anchor investor a new issue cash flow CLO called Venture X managed by MJX Asset Management LLC in June 2012.

As US interest rates are expected to remain low until 2015, corporate defaults are expected to remain low in the medium term and loan spreads are forecast to remain wide by historical standard, we believe that the environment should remain attractive for investments in CLO income notes. The investment team is evaluating investing in additional primary issue CLOs with the aim of acquiring a controlling or significant equity stake.

While management maintains a positive view, mid-long term performance may be negatively impacted by a pull back into a substantial double dip recession in US and/or Europe involving a spike in defaults. Despite positive developments in the overall health of the US economy we acknowledge the potential headwinds posed by continued weakness in the US housing market, high unemployment and the continued EU sovereign debt crisis as well the headwinds the economy may face in 2013 relating to the possible austerity measures following the US debt ceiling discussions and geopolitical risks.

Public Equities:
Babylon Ltd ("Babylon"): Babylon is an International Internet Company based in Israel and listed on the Tel-Aviv Stock Exchange (TASE: BBYL). It is a leading translation and language tools provider and its language translation software product is a recognized name in the industry. The company generates revenues through Search and Advertising, Online Sales, Corporate Sales, and Telesales.

In Q1 2012, Livermore acquired an additional 1.039m shares of Babylon. As of 30 June 2012, Livermore's investment in Babylon was valued at USD 33.5m.

Babylon has achieved exceptional growth in its Search and Advertising business since 2009. In its Q2 2012 results, it reported a 183% increase revenues to USD 41.3m as compared to USD 14.6m for the corresponding quarter in the previous year and net profit increased 714% to USD 5.7m from USD 0.7m in the corresponding quarter. Babylon declared a dividend of USD 12.5m to be paid on 8 August 2012.

In September 2012, Babylon announced that it had filed a draft prospectus with the Securities and Exchange Commission for a listing on one of the main US stock exchanges.

Noam Lanir, the majority shareholder of the Group, is also a major shareholder in Babylon (note 21).

The following is a table summarizing the financial portfolio as of month-end June 2012

Name	**Book Value US $m**
Investment in the loan market through CLOs	68.7
Babylon	33.5
Corporate Bonds	27.6
Hedge Funds	3.4
Other Public Equities	2.3
Total	**135.5**
Total net of leverage	**99.0**

Events after the reporting date

Following the end of the first half of 2012, the Company purchased additional 28,668,177 of its own shares, to be held in treasury, for a total cost of USD 9.7m.

In September 2012, Babylon (a related company - refer to note 21) announced that it had filed a draft prospectus with the Securities and Exchange Commission for a listing on one of the main US stock exchanges.

Litigation

At the time of this Report, there is one litigation matter that the Company is involved in. Further information is provided in note 23 to the interim condensed consolidated financial statements.

Livermore Investments Group Limited
Condensed Consolidated Statement of Financial Position
as at 30 June 2012

	Note	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
Assets				
Non-current assets				
Property, plant and equipment		87	196	81
Available-for-sale financial assets	2	101,774	87,249	88,752
Financial assets at fair value through profit or loss	3	3,000	5,005	3,029
Investment property	5	121,244	132,091	122,518
Deferred tax		483	1,996	488
		226,588	226,537	214,868
Current assets				
Trade and other receivables		1,997	4,780	8,655
Available-for-sale financial assets	2	11,080	19,325	12,833
Financial assets at fair value through profit or loss	3	57,240	39,807	31,318
Cash at bank	6	2,101	3,039	2,060
		72,418	66,951	54,866
Total assets		299,006	293,488	269,734
Equity				
Share capital	7	-	-	-
Share premium and treasury shares	7	190,104	201,329	196,727
Other reserves		11,107	4,315	606
Retained earnings		(32,635)	(50,790)	(51,896)
Total equity		168,576	154,854	145,437
Liabilities				
Non-current liabilities				
Bank loans	9	83,440	94,028	84,316
Derivative financial instruments	10	3,621	8,888	5,143
		87,061	102,916	89,459
Current liabilities				
Bank overdrafts	6	26,353	16,024	19,306
Short term bank loans		10,572	16,902	8,935
Trade and other payables		2,661	1,104	1,961
Provisions for legal and other cases	22	300	1,494	1,142
Current tax payable		123	32	122
Derivative financial instruments	10	3,360	162	3,372
		43,369	35,718	34,838
Total liabilities		130,430	138,634	124,297
Total equity and liabilities		299,006	293,488	269,734
Net asset valuation per share				
Basic and diluted net asset valuation per share (US $)	11	0.74	0.57	0.57

Livermore Investment Group Limited
Condensed Consolidated Income Statement
for the six months ended 30 June 2012

	Note	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Investment Income				
Interest and dividend income	13	7,310	3,873	18,891
Investment property income	14	2,722	2,805	5,684
Gain on investments	15	14,474	3,119	(10,247)
Gross profit		24,506	9,797	14,328
Other income	16	494	3,000	3,000
Administrative expenses	17	(3,358)	(3,160)	(5,051)
Operating profit		21,642	9,637	12,277
Finance costs	18	(2,240)	(3,083)	(5,294)
Finance income	18	23	-	-
Profit before taxation		19,425	6,554	6,983
Taxation charge		(164)	(92)	(1,627)
Profit for period / year		19,261	6,462	5,356
Earnings per share				
Basic and diluted earnings per share (US $)	20	0.08	0.02	0.02

Livermore Investment Group Limited
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2012

	Six months ended 30 June 2012 Unaudited US $000	**Six months ended 30 June 2011 Unaudited US $000**	**Year ended 31 December 2011 Audited US $000**
Profit for the period / year	19,261	6,462	5,356
Other comprehensive income:			
Available for sale financial assets			
- Fair value (losses) / gains	(2,407)	4,518	(4,367)
- Reclassification to profit or loss due to disposals	(1,128)	(371)	(438)
- Reclassification to profit or loss due to impairment	14,045	5,044	9,873
Foreign exchange gains / (loss) from translation of subsidiaries	(9)	(572)	(158)
Total comprehensive income for the period / year	29,762	15,081	10,266

The total comprehensive income for the period is wholly attributable to the owners of the parent company.

Livermore Investments Group Limited
Condensed Consolidated Statement of Changes in Equity
for the period ended 30 June 2012

	Note	**Share capital**	**Share premium**	**Treasury Shares**	**Share option reserve**	**Translation reserve**	**Investment revaluation reserve**	**Retained earnings**	**Total**
		US $000	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**
Balance at 1 January 2011		-	215,499	(11,647)	5,773	(728)	(9,353)	(57,252)	142,292
Purchase of own shares	7	-	-	(7,125)	-	-	-	-	(7,125)
Share option charge	8	-	-	-	4	-	-	-	4
Transactions with owners		-	-	(7,125)	4	-	-	-	(7,121)
Profit for the year		-	-		-	-	-	5,356	5,356
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(4,367)	-	(4,367)
- Reclassification to profit or loss due to disposals		-	-	-	-	-	(438)	-	(438)
- Reclassification to profit or loss due to impairment		-	-	-	-	-	9,873	-	9,873
Foreign exchange gain / (loss) arising from translation of subsidiaries		-	-	-	-	(158)	-	-	(158)
Total comprehensive income for the year		-	-	-	-	(158)	5,068	5,356	10,266
Balance at 31 December 2011		-	215,499	(18,772)	5,777	(886)	(4,285)	(51,896)	145,437
Purchase of own shares	7	-	-	(6,623)	-	-	-	-	(6,623)
Transactions with owners		-	-	(6,623)	-	-	-	-	(6,623)
Profit for the period		-	-	-	-	-	-	19,261	19,261
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(2,407)	-	(2,407)
- Reclassification to profit or loss due to disposals		-	-	-	-	-	(1,128)	-	(1,128)
Reclassification to profit or loss due to impairment		-	-	-	-	-	14,045	-	14,045
Foreign exchange gains / (loss) arising from translation of subsidiaries		-	-	-	-	(9)	-	-	(9)
Total comprehensive income for the period		-	-	-	-	(9)	10,510	19,261	29,762
Balance at 30 June 2012		-	215,499	(25,395)	5,777	(895)	6,225	(32,635)	168,576

Comparative period	Note	Share capital	Share premium	Treasury Shares	Share option reserve	Translation reserve	Investment revaluation reserve	Retained earnings	Total
		US $000	US $000	US $000	US $000	US $000	US $000	US $000	US $000
Balance at 1 January 2011		-	215,499	(11,647)	5,773	(728)	(9,353)	(57,252)	142,292
Purchase of own shares	7	-	-	(2,523)	-	-	-	-	(2,523)
Share option charge	8	-	-	-	4	-	-	-	4
Transactions with owners		-	-	(2,523)	4	-	-	-	(2,519)
Profit for the period		-	-	-	-	-	-	6,462	6,462
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value gains		-	-	-	-	-	4,518	-	4,518
- Reclassification to profit or loss due to disposal		-	-	-	-	-	(371)	-	(371)
- Reclassification to profit or loss due to impairment		-	-	-	-	-	5,044	-	5,044
Foreign exchange gain / (loss) arising from translation of subsidiaries		-	-	-	-	(572)	-	-	(572)
Total comprehensive income for the period		-	-	-	-	(572)	9,191	6,462	15,081
Balance at 30 June 2011		-	215,499	(14,170)	5,777	(1,300)	(162)	(50,790)	154,854

Livermore Investments Group Limited
Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2012

	Note	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Cash flows from operating activities				
Profit before tax		19,425	6,554	6,983
Adjustments for:				
Depreciation expense		50	50	100
Provisions for legal and other cases	22	-	-	(224)
Interest expense		2,159	2,082	4,335
Interest and dividend income	13	(7,310)	(3,873)	(18,891)
Gain / (loss) on investments	15	(14,474)	(3,119)	10,247
Equity settled share options		-	4	4
Exchange differences		(23)	926	819
Other income		-	(3,000)	-
		(173)	(376)	3,373
Changes in working capital				
Decrease / (Increase) in trade and other receivables		134	259	(1,030)
Increase / (decrease) in trade and other payables		748	(39)	993
Cash flows from operations		709	(156)	3,336
Tax paid		(140)	(142)	(357)
Net cash generated from operating activities		569	(298)	2,979
Cash flows from investing activities				
Purchase of property, plant and equipment		-	(18)	-
Acquisition of investments		(29,112)	(16,428)	(36,895)
Proceeds from investments		15,890	9,228	27,057
Payments for derivative financial instruments		-	(123)	-
Interest and dividend received		13,651	8,921	19,942
Net cash from investing activities		429	1,580	10,104
Cash flows from financing activities				
Purchases of own shares	7	(6,623)	(2,523)	(7,125)
Proceeds from bank loans		70,887	109,093	167,767
Repayment of bank loans		(69,250)	(109,471)	(175,960)
Interest paid		(2,159)	(2,082)	(4,335)
Settlement of litigation		(883)	1,482	(197)
Net cash from financing activities		(8,028)	(3,501)	(19,850)
Net (decrease) / increase in cash and cash equivalents		(7,030)	(2,219)	(6,767)
Cash and cash equivalents at the beginning of the period / year		(17,246)	(9,995)	(9,995)
Exchange differences on cash and cash equivalents		35	(926)	(483)
Translation differences on foreign operations' cash and cash equivalents		(11)	155	(1)
Cash and cash equivalents at the end of the period / year	6	(24,252)	(12,985)	(17,246)

Notes to the Financial Statements

1. Accounting policies

The interim condensed consolidated financial statements of Livermore have been prepared on the basis of the accounting policies and basis of consolidation stated in the 2011 Annual Report, available on www.livermore-inv.com.

The accounting policies have been applied consistently throughout the Group for the purpose of the presentation of these interim condensed consolidated financial statements.

Critical accounting judgments and key sources of estimation uncertainties are unchanged from the year end.

Basis of preparation

These unaudited interim condensed consolidated financial statements are for the six months ended 30 June 2012. They have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011.

The financial information for the year ended 31 December 2010 is extracted from the Company’s consolidated financial statements for the year ended 31 December 2010 which contained an unqualified audit report.

2. Available-for-sale financial assets

	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
Non-current assets			
Fixed income investments	68,673	43,894	53,815
Private equities	13,196	20,279	14,162
Financial and minority holdings	14,356	17,523	15,226
Other investments	5,549	5,553	5,549
	101,774	87,249	88,752
Current assets			
Fixed Income investments	6,881	12,702	7,007
Public Equities investments	3,115	3,486	2,900
Hedge Funds	1,084	3,137	2,926
	11,080	19,325	12,833

For description of each of the above categories, refer to note 4.

Available-for-sale financial assets are fair valued at least at each reporting date. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

During the six months ended 30 June 2012, the Group increased exposure to US broadly syndicated loans by investing USD 16.0m in CLO Income Notes.

During the six months ended 30 June 2012, due to market conditions, management considered the impairment of certain available-for-sale financial assets. Impairment testing indicated that for those financial assets their carrying amount may not be recoverable.

The related impairment charges for the six months ended 30 June 2012, of USD 14.045m (June 2011 USD 5.044m, December 2011 USD 9.873m), are included within loss on investments (note 15), and represent impairment losses arising due to:

	30 June 2012 Unaudited US $000	**30 June 2011 Unaudited US $000**	**31 December 2011 Audited US $000**
Significant fall in value	12,998	794	5,408
Prolonged fall in value	1,047	4,250	4,465
	14,045	5,044	9,873

3. Financial assets at fair value through profit or loss

	30 June 2012 Unaudited US $000	**30 June 2011 Unaudited US $000**	**31 December 2011 Audited US $000**
Non-current assets			
Private equities	1,619	2,991	1,575
Real estates	1,381	2,014	1,454
	3,000	5,005	3,029
Current assets			
Fixed income investments	20,403	34,158	21,609
Public equity investments	34,206	3,194	7,372
Hedge funds	2,359	2,167	2,066
Other investments	272	288	271
	57,240	39,807	31,318

For description of each of the above categories, refer to note 4.

The Financial assets at fair value through profit or loss are fair valued at least at each reporting date.

4. Categories of financial assets at fair value

The Group categorise its financial assets at fair value as follows:

- Fixed income investments relate to fixed and floating rate bonds, perpetual and investments in the loan market through CLOs.

- Private equities relate to investments in both high growth opportunities in emerging markets and deep value opportunities in mature markets. The company generally invests directly in prospects where it can exert significant influence.

- Financial and minority holdings relate to significant investments (of over USD 5m) which are strategic for the Company and are done in the form of equity purchases or convertible loans. Main investments under this category are in the fields of real estate and media.

- Hedge funds relate to investments in funds managed by sophisticated investment managers that pursue investment strategies with the goal of generating absolute returns.

- Public equity investments relate to investments in shares of companies listed on public stock exchanges.

- Real estate entities relate to investments in real estate projects.

5. Investment property

	30 June 2012 Unaudited US $000	**30 June 2011 Unaudited US $000**	**31 December 2011 Audited US $000**
Valuation as at 1 January	122,518	119,018	119,018
Change in fair value	-	-	4,103
Exchange differences	(1,274)	13,073	(603)
As at 30 June / 31 December	121,244	132,091	122,518

The investment property relates to Wyler Park property in Switzerland, which is used for earning rental income.

The investment property which is revalued at each year-end was last valued by Wuest & Partners as at 31 December 2011 on the basis of open market value in accordance with the appraisal and valuation guidelines of the Royal Institute of Certified Surveyors, and the European Group of Valuers' Associations.

Wyler Park property investment loan is secured on the property itself.

6. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following at the reporting date:

	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
Cash at bank	2,101	3,039	2,060
	2,101	3,039	2,060
Bank overdraft used for cash management purposes	(26,353)	(16,024)	(19,306)
Cash and cash equivalents for the purposes of the consolidated statement of cash flows	(24,252)	(12,985)	(17,246)

7. Share premium and treasury shares

Livermore Investments Group Limited (the "Company") is an investment company incorporated under the laws of the British Virgin Islands. The Company has an issued share capital of 304,120,401 ordinary shares of no par value.

As at 31 December 2011 the Company had 49,332,883 ordinary shares held in treasury. During the period from 1 January to 30 June 2012 the Company purchased an additional 27,121,532 ordinary shares at an average price of US$0.243 (£0.155) per share to be held in treasury. On 30 June 2012 the Company held 76,454,415 shares in treasury.

8. Share options

The Company has 11,340,000 outstanding share options at the end of the period. Options are normally exercisable in three equal tranches, on the first, second and third anniversary of the grant. There have been no changes to the term of the options in issue during the period. No options have been exercised during the period.

	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
<u>Number of outstanding options</u>			
At 1 January	11,340,000	11,340,000	11,340,000
At 30 June / 31 December	11,340,000	11,340,000	11,340,000

	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
<u>Number of exercisable options</u>			
At 1 January	11,340,000	11,173,333	11,173,333
Exercisable during the period	-	166,667	166,667
At 30 June / 31 December	11,340,000	11,340,000	11,340,000

9. Bank loans

The long-term bank loan relates to Wyler Park investment property purchase and is secured on this property. Decreases in the carrying amount reflect the effect of currency translation from CHF to USD.

10. Derivative financial instruments

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Non-current liabilities			
Interest rate swaps	3,621	8,888	5,143
Current liabilities			
Interest rate swaps	3,247	-	3,372
Forward contracts	113	162	-
	3,360	162	3,372

During the period the Group entered into new forward contracts between USD and ILS to partially hedge the foreign currency exposure from investment in Babylon stock.

11. Net asset value per share

	30 June 2012 Unaudited	30 June 2011 Unaudited	31 December 2011 Audited
Net assets attributable to ordinary shareholders (US $000)	168,576	154,854	145,437
Closing number of ordinary share in issue	227,665,986	272,287,518	254,787,518
Basic net assets value per share (USD)	0.74	0.57	0.57
Closing number of ordinary share including the effect of potentially diluted shares	227,665,986	272,287,518	254,787,518
Diluted net assets value per share (USD)	0.74	0.57	0.57

The Share options do not impact the diluted net asset value per share for 2012 as their exercise price was higher than the average market price of the Company's shares on the London Stock Exchange (AIM division) during the six months ended 30 June 2012.

12. Segment reporting

The Group's monitoring and strategic decision making process in relation to its investments, is separated into two activity lines, which are also identified as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Segment information can be analysed as follows:

Six months ended 30 June 2012 – Unaudited	**Equity and debt instruments investment activities**	**Investment property activities**	**Total per financial statements**
Segment results	**2012**	**2012**	**2012**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	7,310	-	7,310
Investment property income	-	2,722	2,722
Gain on investments	14,474	-	14,474
Gross profit	21,784	2,722	24,506
Other income	494	-	494
Administrative expenses	(2,952)	(406)	(3,358)
Operating profit	19,326	2,316	21,642
Finance costs	(459)	(1,781)	(2,240)
Finance income	23	-	23
Profit before taxation	18,890	535	19,425
Taxation charge	(3)	(161)	(164)
Profit for the period	18,887	374	19,261
Segment assets	175,167	123,839	299,006
Segment liabilities	39,887	90,543	130,430

Six months ended 30 June 2011 - Unaudited	**Equity and debt instruments investment activities**	**Investment property activities**	**Total per financial statements**
Segment results	**2011**	**2011**	**2011**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	3,873	-	3,873
Investment property income	-	2,805	2,805
Loss on investments	3,119	-	3,119
Gain from investment in associate			
	6,992	2,805	9,797
Gross profit	3,000	-	3,000
Administrative expenses	(2,882)	(278)	(3,160)
Operating profit	7,110	2,527	9,637
Finance costs	(1,277)	(1,806)	(3,083)
Profit before taxation	5,833	721	6,554
Taxation charge	(23)	(69)	(92)
Profit for the year	5,810	652	6,462
Segment assets	156,125	137,363	293,488
Segment liabilities	35,172	103,462	138,634

Year ended 31 December 2011 - Audited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2011**	**2011**	**2011**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	18,891	-	18,891
Investment property income	-	5,684	5,684
Loss on investments	(14,350)	4,103	(10,247)
Gross profit	4,541	9,787	14,328
Other income	3,000	-	3,000
Administrative expenses	(4,235)	(816)	(5,051)
Operating profit	3,306	8,971	12,277
Finance costs	(1,531)	(3,763)	(5,294)
Profit before taxation	1,775	5,208	6,983
Taxation charge	(167)	(1,460)	(1,627)
Profit for the year	1,608	3,748	5,356
Segment assets	145,599	124,135	269,734
Segment liabilities	31,628	92,669	124,297

The Group's investment income and its investments are divided into the following geographical areas:

Six months ended 30 June 2012 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2012	**2012**	**2012**
	US $000	**US $000**	**US $000**
Investment Income			
Switzerland	1,457	2,722	4,179
Other European countries	(262)	-	(262)
United States	18,711	-	18,711
India	(3,133)	-	(3,133)
Asia	5,011	-	5,011
	21,784	2,722	24,506
Investments			
Switzerland	-	121,244	121,244
Other European countries	36,703	-	36,703
United States	75,362	-	75,362
India	23,902	-	23,902
Asia	37,127	-	37,127
	173,094	121,244	294,338

Six months ended 30 June 2011 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2011	2011	2011
	US $000	US $000	US $000
Investment Income			
Switzerland	432	2,805	3,237
Other European countries	693	-	693
United States	3,962	-	3,962
India	2,102	-	2,102
Asia	(197)	-	(197)
	6,992	2,805	9,797
Investments			
Switzerland	-	132,091	132,091
Other European countries	46,287	-	46,287
United States	70,767	-	70,767
India	29,008	-	29,008
Asia	5,324	-	5,324
	151,386	132,091	283,477

Year ended 31 December 2011 - Audited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2011	2011	2011
	US $000	US $000	US $000
Investment Income			
Switzerland	72	9,787	9,859
Other European countries	(3,540)	-	(3,540)
United States	11,190	-	11,190
India	(1,429)	-	(1,429)
Asia	(1,752)		(1,752)
	4,541	9,787	14,328
Investments			
Switzerland	-	122,518	122,518
Other European countries	37,171	-	37,171
United States	70,681	-	70,681
India	24,670	-	24,670
Asia	3,410	-	3,410
	135,932	122,518	258,450

Investment income, comprising interest and dividend income, gains or losses on investments, and investment property revenue, is allocated on the basis of the customer's geographical location in the case of the investment property activities segment and the issuer's location in the case of the equity and debt instruments investment activities segment. Investments are allocated based on the issuer's location.

During the period, 88% of the investment property rent relates to rental income from a single customer (SBB – Swiss national transport authority) in the investment property activities segment (June 2011: 80%, December 2011: 88%).

13. Interest and dividend income

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Interest from investments	1,057	1,669	2,886
Dividend income	6,253	8,356	22,157
Interest receivable written off	-	(6,152)	(6,152)
	7,310	3,873	18,891

14. Investment property income

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Gross rental income	2,929	3,012	6,159
Direct expenses	(207)	(207)	(475)
	2,722	2,805	5,684

All direct expenses relate to the generation of rental income.

15. Gain on investments

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Gain on sale of investments	1,128	371	438
Investment property revaluation	-	-	4,103
Foreign exchange (loss) / gain	(197)	4,039	(456)
Loss due to impairment of available-for-sale financial assets	(14,045)	(5,044)	(9,873)
Fair value gains / (losses) on financial assets through profit or loss	26,291	3,510	(4,080)
Fair value gains / (losses) on derivative instruments	1,297	243	(379)
	14,474	3,119	(10,247)

The investments disposed of during the period resulted in the following realised gains / (losses) (i.e. in relation to their original acquisition cost):

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Available-for-sale	1,128	371	(430)
At fair value through profit or loss	(551)	352	535
	577	723	105

16. Other income

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Settlement of litigation	-	3,000	3,000
Disposal gain	250	-	-
Commission received	244	-	-
	494	3,000	3,000

Disposal gain relates to the sale of a fully amortized domain name.

17. Administrative expenses

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Legal expenses	73	1,285	1,989
Directors' fees and expenses	2,143	912	1,367
Share option expense	-	4	4
Professional and consulting fees	406	240	415
Other salaries and expenses	288	281	463
Office cost	154	150	298
Depreciation	50	50	100
Other operating expenses	228	219	493
Provision for legal and other matters- reversal	-	-	(224)
Audit fees	16	19	146
	3,358	3,160	5,051

18. Finance costs and income

	Six months ended 30 June 2012 Unaudited US $000	Six months ended 30 June 2011 Unaudited US $000	Year ended 31 December 2011 Audited US $000
Finance costs			
Bank interest on investment property loan	1,780	1,806	3,763
Other bank interest	379	276	572
Bank custody fees	81	75	140
Foreign exchange loss	-	926	819
	2,240	3,083	5,294
Finance income			
Foreign exchange gain	23	-	-
Net Finance costs	2,217	3,083	5,294

19. Dividends

No dividends were announced for the period ended 30 June 2012.

The Board of Directors will decide on the Company's dividend policy for 2012 based on profitability, liquidity requirements, portfolio performance, market conditions, and the share price of the Group relative to its NAV.

20. Earnings per share

Basic profit per share has been calculated by dividing the net profit attributable to ordinary shareholders of the parent by the weighted average number of shares in issue of the parent during the relevant financial periods.

Diluted profit per share is calculated after taking into consideration other potentially dilutive shares in existence during the period.

	Six months ended 30 June 2012 Unaudited	Six months ended 30 June 2011 Unaudited	Year ended 31 December 2011 Audited
Net profit attributable to ordinary shareholders ($000)	19,261	6,462	5,356
Weighted average number of ordinary shares in issue	239,801,168	276,188,449	267,345,907
Basic and diluted earnings per share (US $)	0.08	0.02	0.02
Weighted average number of ordinary shares including the effect of diluted potential ordinary shares	239,801,168	276,188,449	267,345,907
Diluted earnings per share (US $)	0.08	0.02	0.02

The share options do not impact the diluted earnings per share for 2012 as their exercise price was higher than the average market price of the company’s shares on the London Stock Exchange (AIM division) during the six months ended 30 June 2012.

21. Related party transactions

	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
Amounts owed by key management	5,523	5,523	5,568
Amounts owed to Directors	32	25	60
Key management compensation			
Short term benefits			
Executive directors fees*	397	375	795
Executive directors reward payments	1,700	500	500
Non-executive directors fees	46	37	72
	2,143	912	1,367
Share option expense	-	4	4
	2,143	916	1,371

*These payments were made either directly to them or to companies to which they are related.

Loans with a balance at 30 June 2012 of USD 5.5m (31 December 2011: USD 5.5m) were made to key management for the acquisition of shares in the Company. Interest is payable on these loans at 6 month US LIBOR plus 0.25% per annum and the loans are secured on the shares acquired. The loans are repayable on the earlier of the employee leaving the Company or April 2013. These loans are included within other investments under available-for-sale financial assets (note 2).

Noam Lanir, through an Israeli partnership, is the major shareholder of Babylon Limited, an Israel based Internet Services Company. The Group has purchased 1.039m additional shares of Babylon Ltd at the cost of USD 3.9m and as of 31 June 2012 it held a total of 3.825m shares at a value of USD 33.5m. The investment in Babylon Ltd is included within public equity investments under financial assets at fair value through profit or loss (note 3).

22. Provisions

Corporate guarantee

The Company provided a corporate guarantee to a bank in the amount up to €2.1m as part of a shareholders' guarantee required by a financing bank as condition to a loan facility provided to DTH-Boom. DTH-Boom is in a restructuring process and in breach of its loan covenants

A settlement agreement concerning the guarantee was reached during the first quarter of 2012 and the settlement concluded in the second quarter of 2012.

Litigation

For litigation refer to note 23.

The movement in the provisions for the period is as follows:

	30 June 2012 Unaudited US $000	30 June 2011 Unaudited US $000	31 December 2011 Audited US $000
Legal and other matters			
At 1 January	1,142	1,585	1,585
Amounts reversed	-	-	(224)
Settlements	(833)	(197)	(197)
Exchange differences	(9)	106	(22)
At 30 June / 31 December	300	1,494	1,142

23. Litigation

Ex employee vs Empire Online Ltd

In Q3 2007 an ex employee of Empire Online Limited (the Company's former name) filed a law suit against one of its Directors and the Company in the Labor Court in Tel Aviv. According to the lawsuit the plaintiff claims compensation relating to the sale of all commercial activities of Empire Online Limited until the end of 2006, and the dissolution of the company and the terms of termination of his employment with Empire Online Limited. The litigation procedure is in progress in Israel.

Prior to the filing of the lawsuit in Israel, the Company filed a claim against the plaintiff in the Court in Cyprus based upon claims concerning breach of faith of the plaintiff towards his employers. Litigation was completed in Israel and a final decision is pending.

No further information is provided on the above case as the Directors consider it could prejudice the outcome of any claim.

24. Commitments and contingencies

The Group has no capital or other commitments as at 30 June 2012.

25. Events after the reporting date

Following the end of the first half of 2012, the Company purchased additional 28,668,177 of its own shares, to be held in treasury, for a total cost of USD 9.7m.

In September 2012, Babylon (a related company - refer to note 21) announced that it had filed a draft prospectus with the Securities and Exchange Commission for a listing on one of the main US stock exchanges.

26. Preparation of interim statements

Interim condensed consolidated financial statements are unaudited and do not constitute statutory accounts within the meaning of The BVI Business Companies Act 2004. Consolidated Financial Statements for Livermore Investments Group Limited for the year ended 31 December 2011, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, on which the auditors gave an unqualified audit report are available from the Company's website www.livermore-inv.com.

Report by the Independent Auditors on Review of Condensed Interim Consolidated Financial Statements to the Board of Directors of Livermore Investments Group Limited

Independent Review Report on the Interim Condensed Consolidated Financial Statements

We have reviewed the accompanying interim condensed consolidated financial statements of Livermore Investments Group Limited (the ''Company'') and its subsidiaries (''the Group'') on pages 10 to 28, which comprise the condensed consolidated statement of financial position as at 30 June 2012 and the condensed consolidated income statement, and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and other explanatory notes.

Board of Directors' Responsibility for the Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ''Interim Financial Reporting'' as adopted by the European Union.

Accountant's Responsibility

Our responsibility is to express a conclusion to the Company on these interim condensed consolidated financial statements, based on our review. We conducted our review in accordance with International Standard on Auditing 2410 ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity''. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement.

A review of interim financial information is limited primarily to making inquiries of Company personnel and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Livermore Investments Group Limited and its subsidiaries for the six months ended 30 June 2012 are not prepared, in all material respects, in accordance with International Accounting Standard 34 ''Interim Financial Reporting'' as adopted by the European Union.

Other Matter

This report, including the conclusion, has been prepared for and only for the Company and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Augoustinos Papathomas
Certified Public Accountant and Registered Auditor
for and on behalf of

Grant Thornton (Cyprus) Ltd
Certified Public Accountants and Registered Auditors

Limassol, 27 September 2012