27 September, 2016

LIVERMORE INVESTMENTS GROUP LIMITED

UNAUDITED INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2016

Livermore Investments Group Limited (the "Company" or "Livermore") today announces its interim results for the six months ended 30 June 2016.

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 consolidated financial results for Livermore Investments Group Limited (the "Company" or "Livermore") and its subsidiaries (together the "Group") for the six months ended 30 June 2016.

During the first half of 2016, the Group generated net income of USD 6.18m (30 June 2015: USD 1.96m), which represents earnings per share of USD 0.03 (30 June 2014: USD 0.01). The NAV of the Group as of 30 June 2016 was USD 0.86 per share. During the reporting period, management continued to actively manage the financial portfolio and optimized exposure to US credit markets, which continues to provide 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. Valuation of Wyler Park has remained stable.

Financial Review

The NAV of the Group as at 30 June 2016 was USD 150.2m (30 June 2015: 157.8m). The profit after tax for the first half of 2016 was USD 6.18m, which represents earnings per share of USD 0.03. The performance relates largely to the CLO portfolio and net income from Wyler Park offset by write downs on certain investments.

	30 June 2016	**30 June 2015**	**31 December 2015**
	US $m	**US $m**	**US $m**
Shareholders' funds at beginning of period	148.6	160.0	160.0
	———	———	———
Income from investments	15.5	14.6	30.9
Other income	-	-	0.1
Realised losses on investments	(0.7)	(0.5)	(2.4)
Loss on impairment on investments	(7.6)	(10.8)	(31.7)
Unrealised gains on investments	3.9	0.7	8.5
Unrealised exchange gains / (losses)	0.4	0.5	(0.4)
Administration costs	(2.0)	(1.9)	(5.2)
Net finance costs	0.4	0.4	(2.5)
Tax charge	(0.4)	(0.2)	(1.9)
	———	———	———
Increase / (decrease) in net assets from operations	9.5	2.8	(4.6)
Purchase of own shares	(7.9)	-	(1.5)
Dividends paid	-	(5.0)	(5.0)
Adjustments for share option expiry	-	-	(0.3)
	———	———	———
Shareholders' funds at end of period	150.2	157.8	148.6
	═══	═══	═══
Net Asset Value per share	*US $0.86*	*US $0.81*	*US $0.77*

Livermore's Strategy

The financial portfolio is focused on fixed income instruments which generate regular cash flows and include exposure mainly to senior secured and usually broadly syndicated US loans and to a limited extent emerging market debt through investments in CLOs. This part of the portfolio is geographically focused on the US.

The remaining portfolio is focused on Switzerland and Asia with investments primarily in real estate and selected private equity opportunities. Investments are focused on sectors that Management believes will provide robust growth over the mid to long term with strong current cash flows.

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 2015 and 30 June 2016, the Company repurchased 17,475,585 shares at an average price of USD 0.45 (£0.34) per share. On 30 June 2016, the Company held 129,306,403 shares in treasury. No additional shares were purchased between 30 June 2016 and before the beginning of the interim closed period.

Dividends

No dividends are declared for the period ended 30 June 2016.

The Board of Directors will decide on the Company's dividend policy for 2016 based on profitability, liquidity requirements, portfolio performance, market conditions, and the share price of the Group relative to its NAV.

Richard Rosenberg	Noam Lanir
Chairman	Chief Executive

27 September 2016

Review of Activities

Economic & Investment Environment

Global economic growth at the beginning of 2016 was weaker than expected. Global trade and manufacturing remained sluggish contributing to a further drop in oil prices. Contrary to expectations, low oil prices so far provided only a modest stimulus to household consumer spending in most countries. Growth prospects worsened in oil producing countries, including the US. Financial markets experienced significant volatility and risky assets declined in value as investors weighed probability of an economic downturn at the same time as the US Federal Reserve indicated raising interest rates. The turbulence in financial markets subsided in late February as central banks in developed economies pledged additional monetary easing and the US Federal Reserve dialled back interest rate increase expectations. While still anaemic, global economic activity eventually stabilized and continued to grow moderately in the second quarter of 2016. Financial markets recovered significantly and risk-premia compressed as the European Central Bank (ECB) announced its corporate sector purchase programme.

US GDP increased at an annual rate of 1.1% in the second quarter after a growth of 0.8% in the first quarter. Private consumption temporarily slowed, despite higher levels of disposable income. Investment in fixed assets receded and further investment cuts in the energy sector due to the low oil price had a particularly dampening effect. Labour market conditions in the US, however, continued to improve with the unemployment rate at 4.9% as of June 2016, although the pace of improvement has declined as the economy reaches closer to full employment. While labour compensation has shown some tentative signs of acceleration, wage inflation continues to stay low given lacklustre productivity growth and some remaining slack in the labour market. Overall inflation also stayed low on account of higher US Dollar and low commodity prices.

The economic recovery in the euro area continued, driven by domestic demand, while foreign demand growth remained weak. Domestic demand was supported by monetary policy measures. Their favourable impact on financing conditions, together with improvements in corporate profitability, benefitted investment. Inflation in the euro area remained low with little wage pressures and low oil and commodity prices. Despite the accommodative monetary policy stance, economic recovery in the euro area is still dampened by ongoing balance sheet adjustments in a number of sectors, the insufficient pace of implementation of structural reforms in some countries and subdued growth prospects in emerging markets. The risks to the euro area growth outlook remain tilted to the downside, especially after the UK's decision to leave the euro zone.

Global financial markets experienced significant volatility and price declines at the beginning of the year as they digested the first US interest rate increase since the financial crisis and guidance of another four increases in 2016 in parallel with growing concerns about the global economy, The S&P 500 Index fell 10.5% and the EuroStoxx 50 Index declined by 18% from the start of the year to mid-February. US high yield markets continued to widen out as defaults from the energy sector increased with falling oil prices and fears of a spill-over in the other sectors took hold. Global central banks pledged additional monetary policy easing to stabilize financial markets with the European Central Bank's corporate sector purchase programme leading the way. The US Federal Reserve also ratcheted back their rate increase expectations and several developed market central banks delved further into negative interest rate territory. The financial markets recovered subsequently with the S&P 500 Index rising over 14% and the EuroStoxx 50 Index increasing by 6.8% by the end of June 2016. US credit markets also recovered sharply as fixed income investors facing over 10 trillion dollars of negative interest rate sovereign bonds were forced to look for yield elsewhere. Oil and other commodity prices also increased on the back of stable data from China and the positive sentiment in financial markets.

High yield and leveraged loans markets continued to experience high volatility as the spectre of higher US interest rates and exposure to energy and commodity issuers dampened investor sentiment. From the start of the year to the trough, the S&P/LSTA Leveraged Loan Index was down 1.5% but recovered sharply as global downturn fears subsided and risk-adjusted returns became quite attractive. From the trough to the end of June, the S&P/LSTA Leveraged Loan Index returned 6.1%. During the first six months of the year, new issue US leveraged loan volume decreased to USD 128.1 billion from USD 141.2 billion a year earlier. Collateralized Loan Obligations (CLOs) issuance was markedly muted in the first half of the year with total issuance of USD 26.2 billion versus USD 59.9 billion for the same period last year.

Sources: Swiss National Bank (SNB), European Central Bank (ECB), US Federal Reserve, Bloomberg, JP Morgan

Review of Significant Investments

Name	Book Value US $m
Wyler Park*	48.7
SRS Charminar	5.8
Other Real Estate Assets	1.3
Total	**55.8**

* 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 7,100 square meters available for additional commercial development. The commercial part is leased until 2029 to SBB (AAA rated), the Swiss national train transportation 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. The annual rental income from the commercial area of the project is CHF 4.36m (USD 4.43m).

The entire residential property remains fully rented. The annual rental income expected from the residential area is CHF 1.04m (USD 1.06m).

The property generated rent of CHF 2.70m (USD 2.74m) during the first half of 2016.

Livermore is the sole owner of Wyler Park through its wholly owned Swiss subsidiary, Livermore Investments AG. The outstanding principal of the loan facility is CHF 75.9m (USD 77.6m). The facility is committed until at least 30 June 2019. The loan is a non-recourse loan to Livermore Investments AG backed only by this property.

Management continues to evaluate the potential development of the additional commercial development rights of 7,100 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 132.1m. In 2009, the promoters of the investee company were arrested on charges of criminal conspiracy, cheating, and misappropriation of funds. Later it was discovered that the investee company had breached the terms of the investment agreement resulting in a default. On 13 January 2011 the Company Law Board ("CLB") passed an order and allowed Infrastructure Leasing & Financial Services Limited ("IL&FS") to become an 80% shareholder and control the management of the investee company. SRS Charminar and other investors have agreed to a settlement with IL&FS wherein the settlement amount will be paid in four tranches over five years. In 2015, Livermore received the first tranche in the amount of USD 2.9m and the second tranche is expected later in 2016. While the third and fourth tranches are scheduled to be paid in 2019, it is anticipated to be rescheduled given delays in the project underlying the third tranche.

The carrying amount of the investment is based on discounted expected cash flows and as of period-end was USD 5.8m (December 2015: USD 7.1m).

Financial Portfolio and trading activity

The Group manages a financial portfolio valued at USD 91.1m (net of leverage) as at 30 June 2016, which is invested mainly in US credit and fixed income securities.

The following is a table summarizing the financial portfolio as at 30 June 2016

Name	30 June 2016 Book Value US $m	30 June 2015 Book Value US $m	31 December 2015 Book Value US $m
Investment in the loan market through CLOs	78.9	73.9	66.0
Fixed income investment	6.1	-	5.0
Babylon	1.1	1.0	0.9
Corporate Bonds	1.1	1.7	1.8
Hedge Funds	1.1	1.1	1.0
Other Public Equities	1.7	1.8	2.0
Total	**90.0**	**79.5**	**76.7**
Total net of leverage	**91.1***	**90.4****	**90.3***

*this figure includes USD 6m (December 2015: USD 5m) which the Company invested during the period in the first loss tranche of a warehouse facility for accumulating loans with the intention to transfer these loans to a CLO.

** this figure includes USD 11.3m which the Company invested during the period in the first loss tranche of warehouse facilities for accumulating loans with the intention to transfer these loans to a CLO.

Senior Secured Loans and CLOs:

The US senior secured loan market continued to offer good risk adjusted returns as a floating rate asset class with a senior secured claim on the borrower and with overall low volatility and low correlation to the equity market. CLOs are managed portfolios invested into diversified pools of senior secured loans and financed with long term financing pre-fixed at the time of issuance.

Continuing from late last year, the high yield and leveraged loan market declined further in the first few weeks of the year but recovered sharply with the S&P/LSTA Leveraged Loan Index generating a total return of 4.5% for the first half of the year. As at the end of June 2016, the US loan market twelve month rolling default rate by principal amount was 1.97%. Default rates are expected to stay below average in the near future with the exception of the commodity related sector.

After very high levels of US CLO new issue volume in 2015, issuance was muted in the first quarter but picked up a steady state in the second quarter as cost of debt tranches declined with the rally in credit and equity markets. In line with broader markets, CLO equity tranche prices also declined further in the first quarter but rebounded significantly as new funds were raised to capture the price dislocation and investors reassessed the credit environment in the US. Despite the mark-to-market volatility on CLO equity tranches, cash flows to the equity tranche have remained strong.

During the reporting period the Group's US CLO portfolio performed well as cash flows remained strong and the Group took advantage of low prices for strongly performing CLO equity and added positions from the secondary market. In addition, the Group converted its warehouse into a CLO and generated a 23% cash return during the 10 month warehousing period. During the period, the CLO portfolio generated USD 12.9m in cash distributions, as well as earning USD 1.06m on warehousing facilities. Cash payments to CLO equity remained strong and CLO managers used volatility in the loan market to increase portfolio spreads. As at 30 June 2016, over 85% of the Group's CLO portfolio is invested in post-crisis CLOs.

As few loans mature in the near term and the US economy continues to grow, corporate defaults are expected to remain below average with the exception of certain energy related companies. Management believes that the environment should remain attractive for investments in CLO equity. In the first half of 2016, Livermore priced one new issue cash-flow CLO as an anchor investor.

While management maintains a positive view on the CLO portfolio, mid-long term performance may be negatively impacted by a strong pull back in the US or European economy or geo-political events that could result in a spike in defaults. Despite positive developments in the overall health of the US economy, we acknowledge the continued below trend growth globally as well as headwinds relating to the potential monetary tightening in the US, weak commodity markets and geopolitical risks.

The Group's CLO portfolio is divided into the following geographical areas:

	30 June 2016 Amount US $000	Percentage	31 June 2015 Amount US $000	Percentage
US CLOs	74,752	94.7%	63,556	86.0%
Global Credit CLOs	3,436	4.4%	9,124	12.3%
European CLOs	688	0.9%	1,234	1.7%
	78,876	100%	73,914	100%

Private Equity Funds

The other private equity investments held by the Group are incorporated in the form of Managed Funds (mostly closed end funds) mainly in emerging economies. The investments of these funds into their portfolio companies were mostly done in 2008 and 2009. Overall, during the first half of 2016 the investment environment relating to most funds was challenging and the Group expects that exits of portfolio companies should materialize between 2017 and 2020.

The following summarizes the book value of the private equity funds as at 30 June 2016:

Name	Book Value US $m
Evolution Venture (Israel)	1.9
SRS Private (India)	1.6
Elephant Capital (India)	0.7
India Blue Mountains (India)	0.7
Panda Capital (China)	0.3
Da Vinci (Russia)	0.3
Blue Ridge (China)	-
Other investments	1.0
Total	**6.5**

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, Whitesmoke Software Ltd (a Tel-Aviv listed language enhancement products company), a software company operating in the digital radio market, a software test tool developer, and a virtualization technology company. The Wi-Fi solutions company is not doing well and needs additional capital which the fund will not be able to provide. The language enhancements product company and the virtualization technology company have been performing well.

SRS Private: 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. In the last twelve months, the fund has distributed USD 0.22m to Livermore. Further distributions are expected in 2017 from two of its investments. Remaining proceeds from the partial sale of their IT project in Mumbai is expected to be delayed due to financial condition of the buyer.

Elephant Capital: India-focused private equity fund, which is AIM quoted (Ticker: ECAP). During the period, the fund delisted from the LSE/AIM market in order to reduce costs given the small size of the remaining fund. Livermore owns 9.9% of the delisted fund. As of 28 February 2016, the fund reported an unaudited NAV of 34 pence per share.

India Blue Mountains: India Blue Mountains was a hotel and hospitality development fund that has been reorganized into three separate companies each holding a hotel development in India in Mumbai, Pune and Goa. Once developed, 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 now operational.

Panda Capital: Panda Capital is a China-based private equity fund focused on early-stage industrial operations in China. 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.

Da Vinci: The fund is primarily focused on Russia and CIS countries and is primarily invested in the Moscow Exchange and a Ukrainian coal company. The Moscow Exchange continues to perform well in local currency terms. The coal company is located in Western Ukraine. The Group's investment in the fund was valued at USD 0.3m as of 30 June 2016.

The following table reconciles the review of activities to the Group's financial assets and investment property as at 30 June 2016.

Name	**30 June 2016 Book Value US $m**
Significant investments	55.8
Financial portfolio	90.0
Private Equity Funds	6.5
Total	**152.3**
Available-for sale financial assets (note 4)	93.2
Financial assets at fair value through profit or loss (note 5)	10.4
Net Investment property (notes 8/16)	48.7
Total	**152.3**

Events after the reporting date

Events after the reporting date are described in note 30 to the interim consolidated financial statements.

Litigation

Information is provided in note 28 to the interim condensed consolidated financial statements.

Livermore Investments Group Limited
Condensed Consolidated Statement of Financial Position
as at 30 June 2016

	Note	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Assets				
Non-current assets				
Property, plant and equipment		23	37	26
Available-for-sale financial assets	4	91,023	89,367	78,464
Financial assets at fair value through profit or loss	5	1,618	1,518	1,533
Investment property	8	126,185	123,812	123,324
Investments in associate and joint venture	9	-	3,750	-
Other assets	11	564	1,692	1,128
		219,413	220,176	204,475
Current assets				
Trade and other receivables	11	4,201	12,823	4,490
Available-for-sale financial assets	4	2,215	2,247	2,683
Financial assets at fair value through profit or loss	5	8,805	3,772	8,268
Current tax asset		4	9	6
Derivative financial instruments	15	-	192	-
Cash at bank	12	13,201	12,340	25,770
		28,426	31,383	41,217
Total assets		247,839	251,559	245,692
Equity				
Share capital	13	-	-	-
Share premium and treasury shares	13	169,187	178,597	177,053
Other reserves		5,911	3,839	2,631
Retained earnings		(24,864)	(24,599)	(31,047)
Total equity		150,234	157,837	148,637
Liabilities				
Non-current liabilities				
Bank loans	16	75,956	67,511	75,003
Deferred tax		4,408	2,535	3,937
Provisions		-	-	385
		80,364	70,046	79,325
Current liabilities				
Bank loans	16	1,504	3,315	1,407
Bank overdrafts	12	14,247	18,817	13,208
Trade and other payables	17	937	1,544	2,770
Provisions		385	-	128
Derivative financial instruments	15	168	-	217
		17,241	23,676	17,730
Total liabilities		97,605	93,722	97,055
Total equity and liabilities		247,839	251,559	245,692
Net asset valuation per share				
Basic and diluted net asset valuation per share (US $)	18	0.86	0.81	0.77

Livermore Investment Group Limited
Condensed Consolidated Statement of Profit or Loss
for the six months ended 30 June 2016

	Note	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Investment Income				
Interest and dividend income	20	12,930	11,850	25,675
Investment property income	21	2,580	2,738	5,227
Loss on investments	22	(7,360)	(10,944)	(26,136)
Gross profit		8,150	3,644	4,766
Other income		-	-	35
Administrative expenses	23	(2,004)	(1,879)	(5,155)
Operating profit / (loss)		6,146	1,765	(354)
Finance costs	24	(706)	(1,276)	(2,454)
Finance income	24	1,143	1,677	-
Profit / (loss) before taxation		6,583	2,166	(2,808)
Taxation charge		(400)	(206)	(1,951)
Profit / (loss) for period / year		6,183	1,960	(4,759)
Earnings per share				
Basic and diluted earnings per share (US $)	26	0.03	0.01	(0.02)

Livermore Investment Group Limited
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2016

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Profit / (loss) for the period / year	6,183	1,960	(4,759)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
- Available for sale financial assets – fair value losses	(4,749)	(11,032)	(34,906)
- Foreign exchange gains / (losses) from translation of subsidiaries	403	529	(314)
	1,837	(8,543)	(39,979)
Reclassification to profit or loss			
Available for sale financial assets			
- Reclassification to profit or loss due to disposals	-	577	3,459
- Reclassification to profit or loss due to impairment	7,626	10.828	31,726
	7,626	11,405	35,185
Total comprehensive income / (loss) for the period / year	9,463	2,862	(4,794)

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 2016

	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 2015		-	215,499	(36,902)	5,777	(1,414)	(1,426)	(21,560)	159,974
Purchase of own shares		-	-	(1,544)	-	-	-	-	(1,544)
Dividends		-	-	-	-	-	-	(4,999)	(4,999)
Transfer on expiry of options		-	-	-	(271)	-	-	271	-
Transactions with owners		-	-	(1,544)	(271)	-	-	(4,728)	(6,543)
Loss for the year		-	-		-	-	-	(4,759)	(4,759)
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(34,906)	-	(34,906)
- Reclassification to profit or loss due to disposals		-	-	-	-	-	3,459	-	3,459
- Reclassification to profit or loss due to impairment		-	-	-	-	-	31,726	-	31,726
Foreign exchange loss arising from translation of subsidiaries		-	-	-	-	(314)	-	-	(314)
Total comprehensive income for the year		-	-	-	-	(314)	279	(4,759)	(4,794)
Balance at 31 December 2015		-	215,499	(38,446)	5,506	(1,728)	(1,147)	(31,047)	148,637
Purchase of own shares		-	-	(7,866)	-	-	-	-	(7,866)
Transactions with owners		-	-	(7,866)	-	-	-	-	(7,866)
Profit for the period		-	-	-	-	-	-	6,183	6,183
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(4,749)	-	(4,749)
- Reclassification to profit or loss due to impairment		-	-	-	-	-	7,626	-	7,626
Foreign exchange gain arising from translation of subsidiaries		-	-	-	-	403	-	-	403
Total comprehensive income for the period		-	-	-	-	403	2,877	6,183	9,463
Balance at 30 June 2016		-	215,499	(46,312)	5,506	(1,325)	1,730	(24,864)	150,234

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 2015		-	215,499	(36,902)	5,777	(1,414)	(1,426)	(21,560)	159,974
Dividends		-	-	-	-	-	-	(4,999)	(4,999)
Transactions with owners		-	-	-	-	-	-	(4,999)	(4,999)
Profit for the period		-	-	-	-	-	-	1,960	1,960
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(11,032)	-	(11,032)
- Reclassification to profit or loss due to disposal		-	-	-	-	-	577	-	577
- Reclassification to profit or loss due to impairment		-	-	-	-	-	10,828	-	10,828
Foreign exchange gain arising from translation of subsidiaries		-	-	-	-	529	-	-	529
Total comprehensive income for the period		-	-	-	-	529	373	1,960	2,862
Balance at 30 June 2015		-	215,499	(36,902)	5,777	(885)	(1,053)	(24,599)	157,837

Livermore Investments Group Limited
Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2016

	Note	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Cash flows from operating activities				
Profit / (loss) before tax		6,583	2,166	(2,808)
Adjustments for:				
Depreciation expense	23	3	4	16
Provision charge		-	-	513
Interest expense	24	706	808	1,607
Interest and dividend income	20	(12,930)	(11,850)	(25,675)
Loss on investments	22	7,360	10,944	26,136
Exchange differences		(1,143)	(1,390)	723
		579	682	512
Changes in working capital				
Decrease in trade and other receivables		583	9,271	17,164
Decrease in trade and other payables		(1,839)	(162)	959
Cash flows from operations		(677)	9,791	18,635
Interest and dividend received		13,169	11,197	25,969
Settlement of litigation		(128)	-	-
Tax paid		(16)	(13)	(216)
Net cash generated from operating activities		12,348	20,975	44,388
Cash flows from investing activities				
Acquisition of investments		(16,841)	(11,118)	(32,415)
Addition to investment property		(102)	-	-
Proceeds from sale of investments		500	10,743	13,679
Settlement of derivative		(743)	1,332	2,332
Acquisition of associate	9	-	(3,750)	(7,500)
Capital return of associate		-	-	8,183
Net cash from investing activities		(17,186)	(2,793)	(15,721)
Cash flows from financing activities				
Purchases of own shares		(7,866)	-	(1,544)
Proceeds from bank loans		-	72,430	78,610
Repayment of bank loans		(768)	(84,520)	(79,751)
Interest paid		(717)	(870)	(1,731)
Dividends paid		-	(4,999)	(4,999)
Net cash from financing activities		(9,351)	(17,959)	(9,415)
Net (decrease) / increase in cash and cash equivalents		(14,189)	223	19,252
Cash and cash equivalents at the beginning of the period / year		12,562	(6,548)	(6,548)
Exchange differences on cash and cash equivalents		564	(181)	(124)
Translation differences on foreign operations' cash and cash equivalents		17	29	(18)
Cash and cash equivalents at the end of the period / year	12	(1,046)	(6,477)	12,562

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 2015 Annual Report, available on www.livermore-inv.com. The application of the IFRS pronouncements that became effective as of 1 January 2016 has no significant impact on the Group's consolidated financial statements.

2. Critical accounting judgements and estimation uncertainty

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual consolidated financial statements for the year ended 31 December 2015. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

3. Basis of preparation

These unaudited interim condensed consolidated financial statements are for the six months ended 30 June 2016. 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 2015.

The financial information for the year ended 31 December 2015 is extracted from the Company's consolidated financial statements for the year ended 31 December 2015 which contained an unqualified audit report.

4. Available-for-sale financial assets

	30 June 2016 Unaudited US $000	**30 June 2015 Unaudited US $000**	**31 December 2015 Audited US $000**
Non-current assets			
Fixed income investments	78,876	73,914	65,946
Private equities	6,220	6,187	5,295
Financial and minority holdings	5,927	9,266	7,223
	91,023	89,367	78,464
Current assets			
Public equities investments	1,191	1,156	1,619
Hedge funds	1,024	1,091	1,064
	2,215	2,247	2,683

For description of each of the above categories, refer to note 6.

The Group treats its investments in the loan market through CLOs as non-current investments as the Group generally intends to hold such investments over a longer period.

During the six months ended 30 June 2016, 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 2016, of USD 7.626m (June 2015: USD 10.828m, December 2015: USD 31.726m), are included within loss on investments (note 22), and represent impairment losses arising due to:

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Significant fall in value	2,406	2,175	11,119
Prolonged fall in value	-	3,560	1,490
Significant and prolonged fall in value	5,220	5,093	19,117
	7,626	10,828	31,726

5. Financial assets at fair value through profit or loss

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2014 Audited US $000
Non-current assets			
Private equities	330	330	330
Real estate entities	1,288	1,188	1,203
	1,618	1,518	1,533
Current assets			
Fixed income investments	7,165	1,649	6,655
Public equity investments	1,640	2,080	1,613
Hedge funds	-	43	-
	8,805	3,772	8,268

For description of each of the above categories, refer to note 6.

6. Financial assets at fair value

The Group allocates its non-derivative financial assets at fair value (notes 4 and 5) as follows:

- Fixed income investments relate to fixed and floating rate bonds, perpetual bank debt, 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.
- 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.

7. Fair value measurements of financial assets and liabilities

The following table presents financial assets measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

Valuation of financial assets and liabilities

- Fixed Income Investments, and Public Equity Investments are valued per their closing market prices on quoted exchanges, or as quoted by market maker. Investments in open warehouse facilities that have not yet been converted to CLOs, are valued based on an adjusted net asset valuation.

  The Group values the CLOs based on the valuation reports provided by market makers. CLOs are typically valued by market makers using discounted cash flow models. The key assumptions for cash flow projections include default and recovery rates, prepayment rates and reinvestment assumptions on the underlying portfolios (typically senior secured loans) of the CLOs.

  Default and recovery rates: The amount and timing of defaults in the underlying collateral and the amount and timing of recovery upon a default affect are key to the future cash flows a CLO will distribute to the CLO equity tranche. All else equal, higher default rates and lower recovery rates typically lead to lower cash flows. Conversely, lower default rates and higher recoveries lead to higher cash flows.

  Prepayment rates: Senior loans can be pre-paid by borrowers. CLOs that are within their reinvestment period may, subject to certain conditions, reinvest such prepayments into other loans which may have different spreads and maturities. CLOs that are beyond their reinvestment period typically pay down their senior liabilities from proceeds of such pre-payments. Therefore the rate at which the underlying collateral prepays impacts the future cash flows that the CLO may generate.

  Reinvestment assumptions: A CLO within its reinvestment period may reinvest proceeds from loan maturities, prepayments, and recoveries into purchasing additional loans. The reinvestment assumptions define the characteristics of the loans that a CLO may reinvest in. These assumptions include the spreads, maturities, and prices of such loans. Reinvestment into loans with higher spreads and lower prices will lead to higher cash flows. Reinvestment into loans with lower spreads will typically lead to lower cash flows.

  Discount rate: The discount rate indicates the yield that market participants expect to receive and is used to discount the projected future cash flows. Higher yield expectations or discount rates lead to lower prices and lower discount rates lead to higher prices for CLOs.

- Private Equities are valued using market valuation techniques as determined by the Directors, mainly on the basis of discounted cash flow techniques or valuations reported by third-party managers of such investments.

- Financial and Minority holdings are valued using market valuation techniques as determined by the Directors, mainly on the basis of discounted cash flow techniques or valuations reported by third-party managers of such investments.

- Hedge Funds are valued per reports provided by the funds on a periodic basis, and if traded, per their closing bid market prices on quoted exchanges, or as quoted by market maker.

- Real Estates entities are valued by independent qualified property valuers with substantial relevant experience on such investments. Underlying property values are determined based on their estimated market values.

- Derivative instruments are valued at fair value as provided by counter parties (banks) of the derivative agreement.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

30 June 2016	**Unaudited** **US$000** Level 1	**Unaudited** **US$000** Level 2	**Unaudited** **US$000** Level 3	**Unaudited** **US $000** Total
Assets				
Fixed income investments	1,103	78,876	6,062	86,041
Private equities	-	-	6,550	6,550
Financial and minority holdings	-	-	5,927	5,927
Public equity investments	2,831	-	-	2,831
Hedge funds	-	1,024	-	1,024
Real estate entities	-	-	1,288	1,288
	3,934	79,900	19,827	103,661
Liabilities				
Forward contract	-	168	-	168
	-	168	-	168

30 June 2015	**Unaudited** **US$000** Level 1	**Unaudited** **US$000** Level 2	**Unaudited** **US$000** Level 3	**Unaudited** **US $000** Total
Assets				
Fixed income investments	1,648	73,914	-	75,562
Private equities	-	-	6,517	6,517
Financial and minority holdings	-	-	9,266	9,266
Public equity investments	3,236	-	-	3,236
Hedge funds	-	1,134	-	1,134
Real estate entities	-	-	1,189	1,189
Forward contract	-	192	-	192
Investment in associate		3,750		3,750
	4,884	78,990	16,972	100,846

31 December 2015	**Audited** **US$000** Level 1	**Audited** **US$000** Level 2	**Audited** **US$000** Level 3	**Audited** **US $000** Total
Assets				
Fixed income investments	1,634	65,946	5,021	72,601
Private equities	-	-	5,625	5,625
Financial and minority holdings	-	-	7,223	7,223
Public equity investments	3,232	-	-	3,232
Hedge funds	-	1,064	-	1,064
Real estate entities	-	-	1,203	1,203
	4,866	67,010	19,072	90,948
Liabilities				
Forward contract	-	217	-	217
	-	217	-	217

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

No financial assets or liabilities have been transferred between levels.

Financial assets within level 3 can be reconciled from beginning to ending balances as follows:

	Available-for-sale		At fair value through profit or loss			
	Financial and minority holdings	Private equities	Real estate	Private equities	Fixed Income investments	Total
	US $000	US $000	US $000	US $000	US $000	US $000
As at 1 January 2016	7,223	5,295	1,203	330	5,021	19,072
Transfer	-	369	-	-	-	369
Gains recognised in:						
-Profit or loss	(1,296)	(79)	-	-	1,041	(334)
-Other comprehensive income	-	635	-	-	-	635
Exchange difference	-	-	85	-	-	85
As at 30 June 2016	5,927	6,220	1,288	330	6,062	19,827

	Available-for-sale		At fair value through profit or loss		Derivative financial instruments	
	Financial and minority holdings	Private equities	Real estate	Private equities	Total return swap	Total
	US $000	US $000	US $000	US $000	US $000	US $000
As at 1 January 2015	9,266	7,891	1,476	330	1,125	20,088
Purchases	-	-	-	-	-	-
Settlement	-	-	-	-	(1,332)	(1,332)
(Losses) / gains recognised in:						
-Profit or loss		(890)			207	(683)
-Other comprehensive income	-	(814)	-	-	-	(814)
Exchange difference	-	-	(287)	-	-	(287)
As at 30 June 2015	9,266	6,187	1,189	330	-	16,972

	Available-for-sale		At fair value through	profit or loss		Derivative financial instruments	
	Financial and minority holdings	Private equities	Real estate	Private equities	Fixed Income investments	Total return swap	Total
	US $000	US $000	US $000	US $000	US $000	US $000	US $000
As at 1 January 2015	9,266	7,891	1,476	330	-	1,125	20,088
Purchases	-	-	-	-	5,000	-	5,000
Settlement		(59)	-	-	-	(1,332)	(1,391)
(Losses) / gains recognised in:							
-Profit or loss	(2,043)	(2,134)	104	-	21	207	(3,845)
-Other comprehensive income	-	(403)	-	-	-	-	(403)
Exchange difference	-	-	(377)	-	-	-	(377)
As at 31 December 2015	7,223	5,295	1,203	330	5,021	-	19,072

The above recognised gains / (losses) are allocated as follows:

	Available-for-sale		At fair value through profit or loss			
Six month ended 30 June 2016	**Financial and minority holdings US $000**	**Private equities US $000**	**Real estate US $000**	**Private equities US $000**	**Fixed Income investments US $000**	**Total US $000**
Profit or loss						
-Financial assets held at period-end	(1,296)	(79)	-	-	1,041	(334)
	(1,296)	(79)	-	-	1,041	(334)
Other comprehensive income						
-Financial assets held at period-end	-	635	-	-	-	635
	-	635	-	-	-	635
Total gains for period	(1,296)	556	-	-	1,041	301

	Available-for-sale		At fair value through profit or loss		Derivative financial instruments	
Six month ended 30 June 2015	**Financial and minority holdings US $000**	**Private equities US $000**	**Real estate US $000**	**Private equities US $000**	**Total return swap US $000**	**Total US $000**
Profit or loss						
-Financial assets held at period-end	-	(890)	-	-	207	(683)
	-	(890)	-	-	207	(683)
Other comprehensive income						
-Financial assets held at period-end	-	(814)	-	-	-	(814)
	-	(814)	-	-	-	(814)
Total (losses) / gains for period	-	(1,704)	-	-	207	(1,497)

	Available-for-sale		At fair value through profit or loss			Derivative financial instruments	
	Financial and minority holdings	Private equities	Real estate	Private equities	Fixed Income investments	Total return swap	Total
Year ended 31 December 2015	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**
Profit or loss							
-Financial assets held at period-end	(2,043)	(2,134)	104	-	21	-	(4,052)
-Financial assets not held at period-end	-	-	-	-	-	207	207
	(2,043)	(2,134)	104	-	21	207	(3,845)
Other comprehensive income							
-Financial assets held at period-end	-	(403)	-	-	-	-	(403)
	-	(403)	-	-	-	-	(403)
Total gains / (losses) for year	(2,043)	(2,537)	104	-	21	207	(4,248)

The Group has not developed any quantitative unobservable inputs for measuring the fair value of its level 3 financial assets at the reporting date. Instead the Group used prices from third – party pricing information without adjustment.

A reasonable change in any individual significant input used in the level 3 valuations is not anticipated to have a significant change in fair values as above.

8. Investment property

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Valuation as at 1 January	123,324	116,609	116,609
Fair value (loss) / gain – recognised in profit or loss	(102)	-	7,819
Additions	102	-	-
Exchange differences	2,861	7,203	(1,104)
As at 30 June / 31 December	126,185	123,812	123,324

The investment property relates to Wyler Park property in Bern, Switzerland, which is used for earning rental income. The Group has no restrictions on the realisability of the property or the remittance of income and any proceeds of disposals.

The investment property which is revalued at each year-end was last valued by Wuest & Partners as at 31 December 2015 on the basis of open market value (as disclosed in the 2015 annual report) in accordance with the appraisal and valuation guidelines of the Royal Institute of Certified Surveyors, and the European Group of Valuers' Associations.

The Wyler Park property bank loan (note 16) is secured on the property itself.

9. Investments in associate and joint venture

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
As at 1 January	-	-	-
Additions	-	3,750	7,500
Capital return	-	-	(8,183)
Fair value gain	-	-	683
As at 30 June / 31 December	-	3,750	-

Name of investee	Type of investment	Place of incorporation	Principal activity	Proportion of voting rights held	Fair value 30 June 2016 Unaudited US $000	Fair value 30 June 2015 Unaudited US $000	Fair value 31 December 2015 Audited US $000
Silvermore Ltd	Joint venture	Cayman Islands	Investment holding (dormant)	50%	-	-	-
Highbridge	Associate	Cayman Islands	Investment holding	25%	-	3,750	-
					-	3,750	-

During the year 2015, the Group invested in a 25% interest in Highbridge Loan Management Warehouse 7-2015 Ltd (a company incorporated in Cayman Islands), through its subsidiary Mountview Holdings Ltd, until Highbridge was converted into a CLO. After the conversion into a CLO the entity ceased to be an associate of the Group.

10. Details of subsidiaries

Details of the investments in which the Group has a controlling interest are as follows:

Name of Subsidiary	Place of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Livermore Properties Limited	British Virgin Islands	Ordinary shares	100%	Holding of investments
Mountview Holdings Limited	British Virgin Islands	Ordinary shares	100%	Investment vehicle
Sycamore Loan Strategies Ltd	Cayman Islands	Ordinary shares	100%	Investment vehicle
Sycamore Loan Funding Ltd	Cayman Islands	Ordinary shares	100%	Investment vehicle
Livermore Israel Investments Ltd	Israel	Ordinary shares	100%	Holding of investments
Livermore Capital AG	Switzerland	Ordinary shares	100%	Administration services
Livermore Investments AG*	Switzerland	Ordinary shares	100%	Real Estate owner and management
Enaxor S.a.r.l	Luxembourg	Ordinary shares	100%	Holding of investment
Livermore Investments Cyprus Limited	Cyprus	Ordinary shares	100%	Administration services
Sandhirst Ltd*	Cyprus	Ordinary shares	100%	Holding of investments

* Held by Enaxor S.a.r.l.

Silvermore 2 Ltd was dissolved during the period.

11. Trade and other receivables

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Financial items			
Accrued interest and dividend income	64	735	304
Amounts due by related parties (note 27)	2,527	2,512	2,514
Other receivables	349	8,340	272
	2,940	11,587	3,090
Non-Financial items			
Other assets (note 27)	1,692	2,820	2,256
Prepayments	133	108	272
	4,765	14,515	5,618
Allocated as:			
Current assets	4,201	12,823	4,490
Non-current assets (other assets – note 27)	564	1,692	1,128
	4,765	14,515	5,618

12. Cash and cash equivalents

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

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Cash at bank	13,201	12,340	25,770
Bank overdraft used for cash management purposes	(14,247)	(18,817)	(13,208)
Cash and cash equivalents for the purposes of the consolidated statement of cash flows	(1,046)	(6,477)	12,562

13. Share capital, 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 with no par value.

The Company purchased an additional 17,475,585 ordinary shares at an average price of USD 0.45 (£0.34) per share to be held in treasury during the period. As at 30 June 2016 the Company had 129,306,403 ordinary shares held in treasury.

In the consolidated statement of financial position the amount included comprises of:

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Share premium	215,499	215,499	215,499
Treasury shares	(46,312)	(36,902)	(38,446)
	169,187	178,597	177,053

14. Share options

The Company has 10,650,000 outstanding share options at the end of the period. 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 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Outstanding options			
At 1 January	10,650,000	11,340,000	11,340,000
Options expired	-	-	(690,000)
At 30 June / 31 December	10,650,000	11,340,000	10,650,000

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
Exercisable options			
At 1 January	10,650,000	11,340,000	11,340,000
Options expired	-	-	(690,000)
At 30 June / 31 December	10,650,000	11,340,000	10,650,000

15. Derivative financial instruments

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Current assets			
Forward contract	-	192	-
Current liabilities			
Forward contract	168	-	217

16. Bank loans

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
As at 1 January	76,410	78,092	78,092
Additions	-	72,724	78,822
Interest charge	529	694	1,278
Repayments of principal	(768)	(84,520)	(79,751)
Repayments of interest	(529)	(694)	(1,278)
Exchange differences	1,770	4,824	(541)
Refinancing fees	-	(294)	(212)
Amortization of refinancing fees	48	-	-
As at 30 June / 31 December	77,460	70,826	76,410
Allocated as:			
Current bank loans	1,504	3,315	1,407
Non-current bank loans	75,956	67,511	75,003
	77,460	70,826	76,410

The bank loan relates to Wyler Park investment property purchase (note 8) and is secured on this property.

The principal amount of the loan facility as of 30 June 2016 is CHF 75.85 million. The facility is committed until at least 30 June 2019. The loan facility maybe extended up to 30 June 2029, unless terminated by either party.

The loan bears interest at 3-Month CHF Libor (with a floor rate at zero) plus 1.40% margin. The effective Interest rate of the loan as at 30 June 2016 is 1.40%.

17. Trade and other payables

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000
<u>Financial items</u>			
Trade payables	396	500	444
Amounts due to related parties (note 27)	190	565	1,377
Accrued expenses	277	394	386
	863	1,459	2,207
<u>Non-Financial items</u>			
Prepayment from tenants	-	-	510
VAT payable	74	85	53
	937	1,544	2,770

18. Net asset value per share

	30 June 2016 Unaudited	30 June 2015 Unaudited	31 December 2015 Audited
Net assets attributable to ordinary shareholders (USD 000)	150,234	157,837	148,637
Closing number of ordinary share in issue	174,813,998	195,289,583	192,289,583
Basic net asset value per share (USD)	0.86	0.81	0.77
Net assets attributable to ordinary shareholders (USD 000)	150,234	157,837	148,637
Dilutive share options – exercise amount	199	230	221
Net assets attributable to ordinary shareholders including the effect of potentially diluted shares (USD 000)	150,433	158,067	148,858
Closing number of ordinary shares in issue	174,813,998	195,289,583	192,289,583
Dilutive share options	500,000	500,000	500,000
Closing number of ordinary shares including the effect of potentially diluted shares	175,313,998	195,789,583	192,789,583
Diluted net asset value per share (USD)	0.86	0.81	0.77
Number of Shares			
Ordinary shares	304,120,401	304,120,401	304,120,401
Treasury shares	(129,306,403)	(108,830,818)	(111,830,818)
Closing number of ordinary shares in issue	174,813,998	195,289,583	192,289,583

The Share options granted on 13 May 2008 have a dilutive effect on the net asset value per share, given that their exercise price is lower than the net asset value per Company's share at 30 June 2016, 30 June 2015 and 31 December 2015. All other share options do not impact the diluted net asset value per share at 30 June 2016, 30 June 2015 and 31 December 2015 as their exercise price at these dates was higher than the net asset value per Company's share.

Repurchase of own shares

The Board believes that the ability of the Company to re-purchase its own Ordinary shares in the market may potentially benefit equity shareholders of the Company. The repurchase of Ordinary shares at a discount to the underlying net asset value enhances the net asset value per share of the remaining equity shares.

During the period, the Company bought an additional 17,475,585 ordinary shares at an average price of USD 0.45 per share.

19. 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 the Group's 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 2016 – Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2016**	**2016**	**2016**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	12,930	-	12,930
Investment property income	-	2,580	2,580
Loss on investments	(7,258)	(102)	(7,360)
Gross profit	5,672	2,478	8,150
Administrative expenses	(1,677)	(327)	(2,004)
Operating profit	3,995	2,151	6,146
Finance costs	(124)	(582)	(706)
Finance income	1,143	-	1,143
Profit before taxation	5,014	1,569	6,583
Taxation charge	(5)	(395)	(400)
Profit for the period	5,009	1,174	6,183
Segment assets	121,235	126,604	247,839
Segment liabilities	15,298	82,307	97,605

Six months ended 30 June 2015 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2015**	**2015**	**2015**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	11,850	-	11,850
Investment property income	-	2,738	2,738
Loss on investments	(10,944)	-	(10,944)
Gross profit	906	2,738	3,644
Administrative expenses	(1,535)	(344)	(1,879)
Operating (loss) / profit	(629)	2,394	1,765
Finance costs	(582)	(694)	(1,276)
Finance income	1,677	-	1,677
Profit before taxation	466	1,700	2,166
Taxation charge	-	(206)	(206)
Profit for the period	466	1,494	1,960
Segment assets	126,416	125,143	251,559
Segment liabilities	19,762	73,960	93,722

Year ended 31 December 2015 - Audited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2015**	**2015**	**2015**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	25,675	-	25,675
Investment property income	-	5,227	5,227
(Loss) / gain on investments	(33,955)	7,819	(26,136)
Gross (loss) / profit	(8,280)	13,046	4,766
Other income	35	-	35
Administrative expenses	(4,510)	(645)	(5,155)
Operating (loss) / profit	(12,755)	12,401	(354)
Finance costs	(1,109)	(1,345)	(2,454)
(Loss) / profit before taxation	(13,864)	11,056	(2,808)
Taxation charge	-	(1,951)	(1,951)
(Loss) / profit for the year	(13,864)	9,105	(4,759)
Segment assets	121,104	124,588	245,692
Segment liabilities	15,681	81,374	97,055

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

Six months ended 30 June 2016 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2016	**2016**	**2016**
	US $000	**US $000**	**US $000**
Investment Income			
Switzerland	-	2,478	2,478
Other European countries	192	-	192
United States	6,632	-	6,632
India	(1,199)	-	(1,199)
Asia	47	-	47
	5,672	2,478	8,150
Investments			
Switzerland	-	126,185	126,185
Other European countries	4,535	-	4,535
United States	85,896	-	85,896
India	8,912	-	8,912
Asia	4,318	-	4,318
	103,661	126,185	229,846

Six months ended 30 June 2015 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2015	2015	2015
	US $000	US $000	US $000
Investment Income			
Switzerland	-	2,738	2,738
Other European countries	(52)	-	(52)
United States	1,360	-	1,360
India	(820)	-	(820)
Asia	418	-	418
	906	2,738	3,644
Investments			
Switzerland	-	123,812	123,812
Other European countries	5,004	-	5,004
United States	74,931	-	74,931
India	12,475	-	12,475
Asia	4,686	-	4,686
	97,096	123,812	220,908

Year ended 31 December 2015 - Audited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2015	2015	2015
	US $000	US $000	US $000
Investment Income			
Switzerland	-	13,046	13,046
Other European countries	(22)	-	(22)
United States	(5,950)	-	(5,950)
India	(2,235)	-	(2,235)
Asia	(73)		(73)
	(8,280)	13,046	4,766
Investments			
Switzerland	-	123,324	123,324
Other European countries	5,089	-	5,089
United States	72,030	-	72,030
India	10,004	-	10,004
Asia	3,825	-	3,825
	90,948	123,324	214,272

Investment income, comprising interest and dividend income, gains or losses on investments, and investment property income, 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, 82% 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 2015: 89%, December 2015: 81.9%).

20. Interest and dividend income

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Interest from investments	63	63	127
Dividend income	12,867	11,787	25,548
	12,930	11,850	25,675

21. Investment property income

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Gross rental income	2,728	2,862	5,634
Direct expenses	(148)	(124)	(407)
	2,580	2,738	5,227

All direct expenses relate to the generation of rental income.

22. Loss on investments

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Gain / (loss) on sale of investments	-	(577)	(3,459)
Investment property revaluation	(102)	-	7,819
Loss due to impairment of available-for-sale financial assets	(7,626)	(10,828)	(31,726)
Fair value gains / (losses) on financial assets through profit or loss	1,121	124	(320)
Fair value gain on associate	-	-	683
Fair value (losses) / gains on derivative instruments	(694)	399	991
Bank custody fees	(59)	(62)	(124)
	(7,360)	(10,944)	(26,136)

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 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Available-for-sale	-	(822)	(5,723)
At fair value through profit or loss	46	(87)	(303)
	46	(909)	(6,026)

23. Administrative expenses

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Legal expenses	61	55	188
Directors' fees and expenses	993	996	2,414
Professional and consulting fees	429	299	872
Other salaries and expenses	113	124	213
Office cost	167	153	358
Depreciation	3	4	16
Other operating expenses	206	213	447
Provision charge	-	-	513
Audit fees	32	35	134
	2,004	1,879	5,155

24. Finance costs and income

	Six months ended 30 June 2016 Unaudited US $000	Six months ended 30 June 2015 Unaudited US $000	Year ended 31 December 2015 Audited US $000
Finance costs			
Bank interest on investment property loan	577	694	1,340
Other bank interest	129	114	267
Foreign exchange loss	-	468	847
	706	1,276	2,454
Finance income			
Foreign exchange gain	1,143	1,677	-
Net Finance (income) / costs	(437)	(401)	2,454

25. Dividends

No dividends are declared for the period ended 30 June 2016.

The Board of Directors will decide on the Company's dividend policy for 2016 based on profitability, liquidity requirements, portfolio performance, market conditions, and the share price of the Group relative to its NAV.

26. 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 2016 Unaudited	Six months ended 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
Profit / (loss) for the period / year attributable to ordinary shareholders of the parent (USD 000)	6,183	1,960	(4,759)
Weighted average number of ordinary shares outstanding	186,255,695	195,289,583	194,599,172
Basic earnings per share (USD)	0.03	0.01	(0.02)
Weighted average number of ordinary shares outstanding	186,255,695	195,289,583	194,599,172
Dilutive effect of share options	-	73,318	59,005
Weighted average number of ordinary shares including the effect of potentially dilutive shares	186,255,695	195,362,901	194,658,177
Diluted earnings per share (USD)	0.03	0.01	(0.02)

The Share options granted on 13 May 2008 have a dilutive effect on the weighted average number of ordinary shares only, given that their exercise price is lower than the average market price of the Company's shares on the London Stock Exchange (AIM division) during the period ended 30 June 2016, 30 June 2015 and the year ended 31 December 2015. All other share options do not impact the diluted earnings per share for the period ended 30 June 2016, 30 June 2015 and the year ended 31 December 2015 as their exercise price was higher than the average market price of the Company's shares during the corresponding periods.

27. Related party transactions

The Group is controlled by Groverton Management Ltd, an entity owned by Noam Lanir, which at 30 June 2016 held 76.6% of the Company's effective voting rights.

	30 June 2016 Unaudited US $000	30 June 2015 Unaudited US $000	31 December 2015 Audited US $000	
Amounts receivable from key management				
Other assets	1,692	2,820	2,256	(1)
Directors' current accounts	2,527	2,512	2,514	
	4,219	5,332	4,770	

Amounts payable to other related party				
Loan payable	(149)	(499)	(499)	(2)
	(149)	(499)	(499)	
Amounts payable to key management				
Directors' current accounts	(41)	(66)	(35)	
Other key management personnel	-	-	(843)	
	(190)	(565)	(1,377)	

Key management compensation				
<u>Short term benefits</u>				
Executive directors' fees	398	398	795	(3)
Executive directors' reward payments	564	564	1,528	
Non-executive directors' fees	32	34	69	
Non-executive directors' reward payments	-	-	22	
Other key management fees	146	-	383	
	1,140	996	2,797	

(1) Loans of USD 5.523m were made to a key management employee for the acquisition of shares in the Company. Interest was payable on these loans at 6 month US LIBOR plus 0.25% per annum and the loans were secured on the shares acquired. The loans were repayable on the earlier of the employee leaving the Company or April 2013. In December 2012 the Board decided to renew the outstanding amount of these loans for a period of another five years. Based on the Board's decision, the outstanding amount is reduced annually on a straight line over five years, as long as the key management employee remains with the Company. The relevant reduction in the loan amount for the period was USD 0.564m. The loans are classified as "other assets" and are included under trade and other receivables (note 11).

(2) A loan with a balance at 30 June 2016 of USD 0.149m (June 2015: USD 0.499m, December 2015: USD 0.499m) has been received from related company Chanpak Ltd. The loan is free of interest, unsecured and repayable on demand. This loan is included within trade and other payables (note 17).

(3) These payments were made directly to companies to which they are related.

No social insurance and similar contributions nor any other defined benefit contributions plan costs incurred for the Group in relation to its key management personnel in either 2016 or 2015.

Noam Lanir, through an Israeli partnership, is the major shareholder of Babylon Limited, an Israel based Internet Services Company. The Group as of 30 June 2016 held a total of 1.941m shares at a value of USD 1.092m (June 2015: 1.941m shares at a value of USD 0.997m, December 2015: 1.941m shares at a value of USD 0.931m) which represents 4.0% of its effective voting rights. The investment in Babylon Ltd is included within public equity investments under financial assets at fair value through profit or loss (note 5).

During the period the Group received administrative services of USD 0.028m (June 2015: USD 0.021m, December 2015: USD 0.039m) in connection with investments from related company Mash Medical Life Tree Marketing Ltd.

During the period, the Company bought 17,475,585 of its ordinary shares (treasury shares – note 13) at an average price of USD 0.45 per share from Groverton Management Ltd.

28. Litigation

Fairfield Sentry Ltd vs custodian bank and beneficial owners

One of the custodian banks that the Group uses faces a contingent claim up to USD 2.1m, and any interest as will be decided by a US court and related legal fees, with regards to the redemption of shares in Fairfield Sentry Ltd, which were bought in 2008 at the request of Livermore and on its behalf. The same case was also filed in BVI where the Privy Council ruled against the plaintiffs.

As a result of the surrounding uncertainties over the existence of any obligation for Livermore, as well as for the potential amount of exposure, the Directors cannot form an estimate of the outcome for this case and therefore no provision has been made.

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

Ex employee vs Empire Online Ltd

In 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.

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.

On 5 March 2014, the Labor Court in Tel Aviv issued a ruling in which the court denied most of the plaintiff's claims and accepted only his claim for termination of employment. On 16 April 2014 the plaintiff filed an appeal against the ruling. On 10 June 2015 the court held a hearing of the appeal and suggested that both sides settle the dispute by means of mediation. On 20 January 2016 the parties reached an agreement for an out of court settlement, for which a corresponding provision has been made.

29. Commitments

As part of the lease extension agreement with SBB in 2015, the Group will invest up to a maximum of CHF 3.95m (USD 4.04m) and SBB is expected to invest up to CHF 9m (USD 9.2m) to upgrade the property and allow for additional workspaces.

30. Events after the reporting date

In August 2016 loans of USD 2.5m were made to a key management employee. Interest is accrued on these loans at 6 month US LIBOR plus 0.25% per annum. The loans are secured by shares of the Company of an equal market value as at the date of grant, and (principal plus accumulated interest) are repayable on the earlier of the employee leaving the Company or 15 August 2019.

31. Preparation of interim financial statements

Interim condensed consolidated financial statements are unaudited. Consolidated financial statements for Livermore Investments Group Limited for the year ended 31 December 2015, 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 9 to 36, which comprise the condensed consolidated statement of financial position as at 30 June 2016 and the condensed consolidated statements of profit or loss, 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 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 do not present fairly, in all material respects, the financial position of Livermore Investments Group Limited and its subsidiaries as at 30 June 2016 and of its financial performance and its cash flows for the six month period then ended 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's members 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.

Nicos Mouzouris
Certified Public Accountant and Registered Auditor
for and on behalf of

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

Limassol, 27 September 2016