29 September, 2014

LIVERMORE INVESTMENTS GROUP LIMITED

UNAUDITED INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2014

Livermore Investments Group Limited (the "Company" or "Livermore") today announces its interim results for the six months ended 30 June 2014.

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 2014.

During the first half of 2014, the Group generated net income of USD 10.86m (30 Jun 2013: USD 7.3m), which represents earnings per share of USD 0.06 (30 Jun 2013: USD 0.04). The Group paid an interim dividend of USD 5m in H1 2014 (USD 0.0256 per share). The NAV of the Group as of 30 June 2014 was USD 0.86 per share after payment of the interim dividend. During the reporting period, management continued to actively manage the financial portfolio and optimized exposure to US credit markets, which provided attractive risk adjusted returns, albeit at a lower rate than prior years.

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 2014 was approximately USD 168.2m (30 Jun 2013: 174.2m). The profit after tax for the first half of 2014 was USD 10.86m, which represents earnings per share of USD 0.06. The performance relates largely to gains on the credit portfolio and the disposal of our investment in Montana Tech Components offset by write downs on certain investments.

	30 June 2014	**30 June 2013**	**31 December 2013**
	US $m	**US $m**	**US $m**
Shareholders' funds at beginning of period	168.4	173.0	173.0
	———	———	———
Income from investments	16.8	15.2	34.5
Other income	0.5	-	0.1
Realised gains / (losses) on investments	1.2	-	(0.6)
Loss on impairment on investments	(1.6)	(1.3)	(2.5)
Unrealised (losses) on investments	(6.4)	(1.9)	(16.0)
Unrealised exchange (losses) / gains	-	(0.1)	0.1
Administration costs including provisions	(2.7)	(6.5)	(12.3)
Net finance costs	(2.4)	(2.5)	(4.3)
Tax charge	(0.6)	-	(1.9)
	———	———	———
Increase / (Decrease) in net assets from operations	4.8	2.9	(2.9)
Purchase of own shares	-	(1.7)	(1.7)
Dividends paid	(5.0)	-	-
	———	———	———
Shareholders' funds at end of period	168.2	174.2	168.4
	═══	═══	═══
Net Asset Value per share	*US $0.86*	*US $0.89*	*US $0.86*

Livermore's Strategy

The financial portfolio is focused on fixed income instruments which generate regular cash flows and include exposure to senior secured and usually broadly syndicated US loans as well as emerging market debt through investments into Collateralized Loan Obligations ("CLOs"). This part of the portfolio is geographically focused on the US with some exposure to Europe and emerging markets. The remaining portfolio is focused on Switzerland and Asia with investments primarily in real estate and legacy private equity funds.

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 2013 and 30 June 2014, the Company repurchased no additional shares. On 30 June 2014, the Company held 108,830,818 shares in treasury. No additional shares were purchased between 30 June 2014 and before the beginning of the interim close period.

Dividends

In January 2014, the Company announced an interim dividend of USD 5m (USD 0.0256 per ordinary share).

The Board of Directors will decide on the Company's dividend policy for 2014 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

29 September 2014

Review of Activities

Economic & Investment Environment

Global economic recovery remained hesitant in the first half of 2014. In the US, GDP declined in the first quarter, which was largely attributed to an exceptionally cold winter. Second quarter growth, however, has been strong suggesting a reversal of the temporary drag in the first quarter. In the euro area, growth was weak and varied greatly from one country to another. While economic activity picked up in Germany in the first quarter, renewed stagnation in France and Italy was disappointing. The Euro area faces significant challenges including consolidation of public finances and reforms which promote growth. Growth dynamics in emerging economies were also below expectations. In the US, overall conditions in the labour market continued to improve during the first half of 2014 with the unemployment rate falling to 6.1% in June. Nonetheless, labour force participation rates and the number of people working part time for economic reasons continued to suggest that significant slack remains in the labour market. Inflation inched up in the US from the unusually low levels in 2013 but remains somewhat below the longer run goal of 2%.

Global financial and market conditions remained supportive of economic growth in the first half of 2014 as developed market central banks continued to add stimulus to grow their respective economies. The US Federal Reserve continued to purchase US Treasury and Mortgage Backed Securities, albeit at a reducing pace. The European Central Bank reduced its main interest rate by 0.10% in June 2014 and lowered its marginal lending facility rate by 0.35% to 0.40%. It also introduced negative interest rates on the deposit facility for the first time to encourage lending and promote growth. The S&P 500 Index was up 6.5% in the first half of the year and the EuroStoxx 50 Index gained 4.1%. The 10 year US treasury bonds yielded 2.53% as at end of June versus 3.03% as at the beginning of the year.

Flows into high yield funds were erratic while loan funds have experienced outflows since the beginning of the second quarter after 95 consecutive weeks of inflows. At the same time, record issuance of CLOs has kept the demand steady for loans. Excluding the bankruptcy of Energy Future Holdings, the US leveraged loan trailing 12 month default rate ended June at a modest 1.3% according to Fitch Ratings. The S&P/LSTA Leverage Loan Index generated a total return of 2.6% for the first half of the year.

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

Review of Significant Investments

Name	Book Value US $m
Wyler Park*	42.3
SRS Charminar	8.9
Other Real Estate Assets	1.6
Total	**52.8**

* 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 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 4.36m.

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 1.04m.

The property generated rent of CHF 2.7m during the first half of 2014.

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 78.03m, which is a non-recourse loan to Livermore Investments AG backed only by this property. The loan maturity has been extended until October 2014.

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. 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. As reported previously, the Manager for this investment served a put option exercise notice to the promoters in 2009 and entered into an arbitration process to resolve disputes. The arbitrator ruled in favour of investors and awarded investors the investment plus interest amounting to 30% IRR until 14 August 2009 and 18% IRR thereafter. Further, investors 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 filed against the arbitral award and the injunction order. As at 30 June 2014, 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 2013, SRS agreed to a settlement with IL&FS and the investee company. As per the terms of the settlement, INR 8.5bn will be paid to the investors in four tranches over a five year period. The settlement 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 and valued at USD 8.9m (2013: USD 8.9m).

Montana Tech Components AG (“Montana”) - Europe

Montana, based in Austria, is a leading components manufacturer in the fields of Aerospace Components, Metal Tech, Energy Storage, and Industrial Components.

In the first half of 2014, MTC bought back its shares from Livermore for a total consideration of EUR 6.9m.

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. Overall, during the first half of 2014, the investment environment relating to most funds was challenging and the Group expects that material exits of portfolio companies should materialize between 2015 and 2017.

Name	**Book Value US $m**
SRS Private (India)	3.7
Evolution Venture (Israel)	2.6
India Blue Mountains (India)	1.8
Da Vinci (Russia)	0.6
Elephant Capital (India)	0.6
Blue Ridge (China)	0.4
Panda Capital (China)	0.3
Other investments	0.7
Total	**10.7**

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 September 2014, the Fund has announced the first distribution of USD 25m from a partial exit of its investment in Supreme Housing in Mumbai. Livermore is expected to receive USD 0.67m from this distribution in September 2014.

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 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.

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.

In the first half of the year, the Fund aimed to raise USD 2m to support operations at the Pune Hotel and continue development of the Mumbai project. However, it was only successful in raising USD 1m.

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 Group's investment in the fund was valued at USD 0.6m as of 30 June 2014.

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, and an online venture to distribute cricket related content.

As of February 2014, the NAV of the fund was 34 pence per share. In the first half of 2014, the Fund realized its investment in Mahindra CIE and returned capital to shareholders via share buy-backs. Additional information about the fund and its portfolio is available at www.elephantcapital.com

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.

Panda Capital: Panda Capital is a China-based private equity fund focused on early-stage industrial operations in China and Taiwan. 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. As the fund is close to its end of life, the fund manager has proposed a restructuring in Q1 2014 whereby consenting limited partners will remain in the fund and non-consenting limited partners will be bought out by the fund at the prevailing net asset value. Livermore has decided to stay in the fund.

Financial Investments and Corporate Bond Trading

The Group manages a financial portfolio valued at USD 94m (net of leverage) as at 30 June 2014, which is invested mainly in US credit and special situation equity opportunities.

<u>Senior Secured Loans and CLOs:</u>

The US senior secured loan market continued to offer good risk adjusted returns as an inflation linked asset class with a senior secured claim on the borrower and with overall low volatility and low correlation to equity market. The CLO structure proved itself through the financial crisis and thereafter as a robust means of investing into the loan asset class.

During the first half of 2014 the Group reduced exposure to pre-crisis and emerging market CLOs and opportunistically added equity tranches from new issue CLO transactions. 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.

The fundamentals of the US corporate credit market continued to show resilience during the first half of 2014. Excluding the bankruptcy of Energy Future Holdings, the US leveraged loan trailing 12 month default rate ended June at a modest 1.3% according to Fitch Ratings and is below the historical average. New issue loan volumes stayed high driven by opportunistic re-financings by existing issuers as well as increased merger and acquisition activity. The S&P/LTSA index of issuers generated a total return of 2.6% for the first half of 2014.

The US CLO portfolio continued to perform well on account of low current default rates and a benign default outlook and stable credit fundamentals. At the end of the reporting period all of our CLO investments were passing their coverage tests (thereby making dividend distributions). The Emerging Market CLO portfolio, however, was negatively affected due to certain defaults in Latin America as well as the geopolitical situation in Ukraine. During the first half of 2014, the CLO portfolio generated USD 12.4m in cash distributions. CLO payments remained strong but reduced as loan spreads narrowed on account of aggressive re-pricings and re-financings in the latter part of 2013 and early part of 2014. Loan spread levels seem to have widened somewhat in the summer and prepayment rates seem to have settled down as well. As discussed in earlier reports, cash distributions from pre-crisis CLOs are on the decline as most pre-crisis CLOs have ended their reinvestment periods and are amortizing the cheapest liabilities or face other reinvestment constraints, divert cash-flow to pay manager incentive fees, and loan re-pricing activity reduces excess spread. While new issue CLOs also faced lower excess spread, they have longer reinvestment periods which should enable them to weather a downturn, and benefit from wider spreads or any volatility in loan prices in the future. As of 30 June 2014, over 80% of the Group CLO portfolio is invested in post-crisis CLOs.

Secondary market prices for equity tranches of post-crisis CLOs were steady to higher in the first half of 2014. Secondary market prices for CLO equities seem to have declined somewhat in the third quarter as investors look to lock in gains made from investing in new issue deals and reinvest the proceeds into future new issue transactions.

As US interest rates are expected to remain low until 2015 and very few loans mature in the near term, corporate defaults are expected to remain low in the near-medium term. Management believes that the environment should remain attractive for investments in CLO income notes. In the first half of 2014, Livermore launched a new issue cash-flow CLO as an anchor investor and participated in select US new issue CLOs of leading managers.

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 high unemployment, continued EU sovereign debt crisis as well as the headwinds the economy may face relating to the austerity measures and the US debt ceiling discussions and geopolitical risks.

	30 June 2014 Amount **US $000**	Percentage	31 Dec 2013 Amount **US $000**	Percentage
US CLOs	74,233	80.7%	64,874	70.6%
Global Credit CLOs	15,819	17.2%	25,021	27.2%
European CLOs	1,910	2.1%	1,986	2.2%
	91,962	100%	91,881	100%

<u>Public Equities:</u>

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. The company generates revenues through Search and Advertising, Online Sales, and Corporate Sales with the largest share of revenues coming from Search in partnership with Google and other search providers. In Q4 2013, Google terminated its agreement with Babylon which led to a sharp drop in the share price and a further decline in revenues is expected.

In the first quarter of 2014, Livermore sold approximately half of its shareholding in Babylon at an average price of USD 1.98 and now holds approximately 4% of Babylon's issued share capital. In August 2014, Babylon distributed a dividend of ILS 2.45 per share (USD 0.67 per share).

Noam Lanir, the majority shareholder of the Group, is also a major shareholder in Babylon (note 28).

The following is a table summarizing the financial portfolio as at 30 June 2014

Name	**30 June 2014 Book Value US $m**	**30 June 2013 Book Value US $m**	**31 December 2013 Book Value US $m**
Investment in the loan market through CLOs	92.0	96.1	91.9
Babylon	2.8	23.2	9.2
Corporate Bonds	1.6	4.3	1.9
Hedge Funds	1.3	2.1	2.2
Other Public Equities	2.4	2.7	2.8
Total	**100.1**	**128.4**	**108.0**
Total net of leverage	**94.0**	**106.0**	**98.0**

The following table reconciles the review of activities to the Group's financial assets and investment property as at 30 June 2014.

Name	**30 June 2014 Book Value US $m**
Significant investments	52.8
Private Equity Funds	10.7
Financial portfolio	100.1
Total	**163.6**
Available-for sale financial assets (note 4)	113.2
Financial assets at fair value through profit or loss (note 5)	8.1
Net Investment property (notes 8/15)	42.3
Total	**163.6**

Events after the reporting date

There were no significant events after the reporting date.

Litigation

Information is provided in note 30 to the interim condensed consolidated financial statements.

Livermore Investments Group Limited
Condensed Consolidated Statement of Financial Position
as at 30 June 2014

	Note	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Assets				
Non-current assets				
Property, plant and equipment		23	27	23
Available-for-sale financial assets	4	110,144	120,878	116,846
Financial assets at fair value through profit or loss	5	2,122	3,453	2,157
Investment property	8	129,953	122,615	129,916
Investments in associate and joint venture	9	-	-	5,524
Other assets	11	2,961	3,948	3,384
		245,203	250,921	257,850
Current assets				
Trade and other receivables	11	13,065	2,357	3,399
Available-for-sale financial assets	4	3,018	3,534	3,242
Financial assets at fair value through profit or loss	5	5,987	29,184	13,244
Current tax asset		-	27	6
Cash at bank	12	9,996	2,523	4,150
		32,066	37,625	24,041
Total assets		277,269	288,546	281,891
Equity				
Share capital	13	-	-	-
Share premium and treasury shares	13	178,597	178,597	178,597
Other reserves		7,485	14,563	13,539
Retained earnings		(17,908)	(18,955)	(23,765)
Total equity		168,174	174,205	168,371
Liabilities				
Non-current liabilities				
Bank loans	15	-	82,572	-
Deferred tax		2,413	503	1,956
		2,413	83,075	1,956
Current liabilities				
Bank loans	15	87,635	679	87,974
Bank overdrafts	12	13,527	16,255	15,188
Short term bank loans		2,377	7,600	3,475
Trade and other payables	16	2,752	2,798	2,776
Provisions	29	-	300	26
Current tax payable		13	-	-
Derivative financial instruments	17	378	3,634	2,125
		106,682	31,266	111,564
Total liabilities		109,095	114,341	113,520
Total equity and liabilities		277,269	288,546	281,891
Net asset valuation per share				
Basic and diluted net asset valuation per share (US $)	18	0.86	0.89	0.86

Livermore Investment Group Limited
Condensed Consolidated Statement of Profit or Loss
for the six months ended 30 June 2014

	Note	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Investment Income				
Interest and dividend income	20	14,069	12,611	29,068
Investment property income	21	2,698	2,661	5,473
(Loss) / gain on investments	22	(616)	1,083	(13,652)
Gross profit		16,151	16,355	20,889
Other income	23	450	-	55
Administrative expenses	24	(2,665)	(6,523)	(12,259)
Operating profit		13,936	9,832	8,685
Finance costs	25	(2,457)	(2,545)	(5,242)
Finance income	25	11	-	906
Profit before taxation		11,490	7,287	4,349
Taxation charge		(634)	(3)	(1,875)
Profit for period / year		10,856	7,284	2,474
Earnings per share				
Basic and diluted earnings per share (US $)	27	0.06	0.04	0.01

Livermore Investment Group Limited
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2014

	Six months ended 30 June 2014 Unaudited US $000	**Six months ended 30 June 2013 Unaudited US $000**	**Year ended 31 December 2013 Audited US $000**
Profit for the period / year	10,856	7,284	2,474
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
- Available for sale financial assets – fair value (losses)	(5,258)	(5,176)	(8,840)
- Foreign exchange (losses) / gains from translation of subsidiaries	(3)	(80)	92
	5,595	2,028	(6,274)
Reclassification to profit or loss			
Available for sale financial assets			
- Reclassification to profit or loss due to disposals	(2,409)	(356)	892
- Reclassification to profit or loss due to impairment	1,616	1,279	2,499
	(793)	923	3,391
Total comprehensive income for the period / year	4,802	2,951	(2,883)

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 2014

	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 2013		-	215,499	(35,180)	5,777	(880)	13,999	(26,239)	172,976
Purchase of own shares		-	-	(1,722)	-	-	-	-	(1,722)
Transactions with owners		-	-	(1,722)	-	-	-	-	(1,722)
Profit for the year		-	-		-	-	-	2,474	2,474
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(8,840)	-	(8,840)
- Reclassification to profit or loss due to disposals		-	-	-	-	-	892	-	892
- Reclassification to profit or loss due to impairment		-	-	-	-	-	2,499	-	2,499
Foreign exchange gain arising from translation of subsidiaries		-	-	-	-	92	-	-	92
Total comprehensive income for the year		-	-	-	-	92	(5,449)	2,474	(2,883)
Balance at 31 December 2013		-	215,499	(36,902)	5,777	(788)	8,550	(23,765)	168,371
Dividends		-	-	-	-	-	-	(4,999)	(4,999)
Transactions with owners		-	-	-	-	-	-	(4,999)	(4,999)
Profit for the period		-	-	-	-	-	-	10,856	10,856
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(5,258)	-	(5,258)
- Reclassification to profit or loss due to disposals		-	-	-	-	-	(2,409)	-	(2,409)
- Reclassification to profit or loss due to impairment		-	-	-	-	-	1,616	-	1,616
Foreign exchange loss arising from translation of subsidiaries		-	-	-	-	(3)	-	-	(3)
Total comprehensive income for the period		-	-	-	-	(3)	(6,051)	10,856	4,802
Balance at 30 June 2014		-	215,499	(36,902)	5,777	(791)	2,499	(17, 908)	168,174

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 2013		-	215,499	(35,180)	5,777	(880)	13,999	(26,239)	172,976
Purchase of own shares		-	-	(1,722)	-	-	-	-	(1,722)
Transactions with owners		-	-	(1,722)	-	-	-	-	(1,722)
Profit for the period		-	-	-	-	-	-	7,284	7,284
Other comprehensive income:									
Available-for-sale financial assets									
- Fair value losses		-	-	-	-	-	(5,176)	-	(5,176)
- Reclassification to profit or loss due to disposal		-	-	-	-	-	(356)	-	(356)
- Reclassification to profit or loss due to impairment		-	-	-	-	-	1,279	-	1,279
Foreign exchange loss arising from translation of subsidiaries		-	-	-	-	(80)	-	-	(80)
Total comprehensive income for the period		-	-	-	-	(80)	(4,253)	7,284	2,951
Balance at 30 June 2013		-	215,499	(36,902)	5,777	(960)	9,746	(18,955)	174,205

Livermore Investments Group Limited
Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2014

	Note	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Cash flows from operating activities				
Profit before tax		11,490	7,287	4,349
Adjustments for:				
Depreciation expense	24	-	3	32
Provisions for legal and other cases		-	-	(274)
Interest expense	25	2,159	2,025	4,739
Interest and dividend income	20	(14,069)	(12,611)	(29,068)
Gain / (loss) on investments	22	616	(1,083)	13,652
Exchange differences	25	298	520	503
		494	(3,859)	(6,067)
Changes in working capital				
(Increase) / decrease in trade and other receivables		(9,422)	173	(817)
(Decrease) in trade and other payables		(30)	(3,454)	(3,539)
Cash flows from operations		(8,958)	(7,140)	(10,423)
Interest and dividend received		13,981	12,964	28,821
Tax paid		(134)	(127)	(572)
Net cash generated from operating activities		4,889	5,697	17,826
Cash flows from investing activities				
Acquisition of investments		(22,498)	(31,159)	(43,597)
Proceeds from sale of investments		29,038	12,915	28,850
Acquisition of joint venture		-	-	(5,000)
Capital return of joint venture	9	5,000	-	-
Net cash from investing activities		11,540	(18,244)	(19,747)
Cash flows from financing activities				
Purchases of own shares		-	(1,722)	(1,722)
Proceeds from bank loans		7,242	36,034	48,374
Repayment of bank loans		(8,704)	(28,763)	(45,605)
Interest paid		(2,159)	(2,025)	(4,739)
Settlement of litigation		(26)	-	-
Dividends paid		(4,999)	-	-
Net cash from financing activities		(8,646)	3,524	(3,692)
Net increase / (decrease) in cash and cash equivalents		7,783	(9,023)	(5,613)
Cash and cash equivalents at the beginning of the period / year		(11,038)	(5,254)	(5,254)
Exchange differences on cash and cash equivalents		(276)	572	(182)
Translation differences on foreign operations' cash and cash equivalents		-	(27)	11
Cash and cash equivalents at the end of the period / year	12	(3,531)	(13,732)	(11,038)

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 2013 Annual Report, available on www.livermore-inv.com. The application of the IFRS pronouncements that became effective as of 1 January 2014 have 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 2013. 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 2014. 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 2013.

The financial information for the year ended 31 December 2013 is extracted from the Company's consolidated financial statements for the year ended 31 December 2013 which contained an unqualified audit report.

4. Available-for-sale financial assets

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Non-current assets			
Fixed income investments	91,962	96,083	91,881
Private equities	9,114	15,358	15,897
Financial and minority holdings	9,068	9,437	9,068
	110,144	120,878	116,846
Current assets			
Public equities investments	1,959	2,539	2,214
Hedge funds	1,057	993	1,026
Other investments	2	2	2
	3,018	3,534	3,242

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

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.

The total investment in CLO Income Notes as at 30 June 2014 amounts to USD 92.0m.

During the six months ended 30 June 2014, 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 2014, of USD 1.616m (June 2013: USD 1.279m, December 2013: USD 2.499m), are included within gains on investments, net (note 22), and represent impairment losses arising due to:

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Significant fall in value	1,400	794	1,707
Prolonged fall in value	216	485	792
	1,616	1,279	2,499

5. Financial assets at fair value through profit or loss

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Non-current assets			
Private equities	569	1,872	569
Real estate entities	1,553	1,581	1,588
	2,122	3,453	2,157
Current assets			
Fixed income investments	1,645	3,962	1,609
Public equity investments	3,845	23,806	10,137
Hedge funds	199	1,129	1,209
Other investments	298	287	289
	5,987	29,184	13,244

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

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

6. Categories of financial assets at fair value

The Group categorises its financial assets at fair value 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 Group generally invests directly in opportunities where it can exert significant influence.
- Financial and minority holdings relate to significant investments (of over USD 5m) which are strategic for the Group and are 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.

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

- Public Equities, and Fixed Income Investments are valued per their closing bid market prices on quoted exchanges, or as quoted by market maker.

  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.

- Hedge Funds and Private Equity 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.

- Private Equities and unlisted investments 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.

- Derivative instruments are valued at fair value as provided by counter parties of the derivative agreement. Derivative instruments consist of interest rate swaps and forward currency contracts.

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 2014 Unaudited US$000 Level 1	**30 June 2014 Unaudited US$000** Level 2	**30 June 2014 Unaudited US$000** Level 3	**30 June 2014 Unaudited US $000** Total
Assets				
Fixed income investments	1,645	91,962	-	93,607
Private equities	-	-	9,683	9,683
Financial and minority holdings	-	-	9,068	9,068
Public equity investments	5,804	-	-	5,804
Hedge funds	-	1,256	-	1,256
Real estate entities	-	-	1,553	1,553
Other investments	298	-	2	300
	7,747	93,218	20,306	121,271
Liabilities				
Interest rate swaps	-	378	-	378
	-	378	-	378

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 US $000	**Private equities US $000**	**Other investments US $000**	**Real estate US $000**	**Private equities US $000**	**Total US $000**
As at 1 January 2014	9,068	9,081	2	1,588	569	20,308
Purchases	-	132	-	-	-	132
(Losses) / gains recognised in:						
-Profit or loss	-	(217)	-	-	-	(217)
-Other comprehensive income	-	118	-	-	-	118
Exchange difference	-	-	-	(35)	-	(35)
As at 30 June 2014	9,068	9,114	2	1,553	569	20,306

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

	Available-for-sale			At fair value through profit or loss		
	Financial and minority holdings	**Private equities**	**Other investments**	**Real estate**	**Private equities**	**Total**
2014	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**	**US $000**
Profit or loss						
-Financial assets held at period-end	-	(217)	-	-	-	(217)
-Financial assets no longer held	-	-	-	-	-	-
	-	(217)	-	-	-	(217)
Other comprehensive income						
-Financial assets held at period-end	-	118	-	-	-	118
-Financial assets no longer held	-	-	-	-	-	-
	-	118	-	-	-	118
Net losses for period 2014	-	(99)	-	-	-	(99)

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 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Valuation as at 1 January	129,916	126,543	126,543
Fair value loss – recognised in profit or loss	-	-	(179)
Exchange differences	37	(3,928)	3,552
As at 30 June / 31 December	129,953	122,615	129,916

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 2013 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.

The Wyler Park property bank loan is secured on the property itself.

9. Investments in associate and joint venture

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
As at 1 January	5,524	-	-
Additions	-	-	5,000
Capital return	(5,000)		
Fair value (loss) / gain	(524)	-	524
As at 30 June / 31 December	-	-	5,524

Name of investee	Type of investment	Place of incorporation	Principal activity	Proportion of voting rights held	Fair value 30 June 2014 Unaudited US $000	Fair value 30 June 2013 Unaudited US $000	Fair value 31 December 2013 Audited US $000
Silvermore Ltd	Joint venture	Cayman Islands	Investment holding	50%	-	-	5,524
Covenant Credit Partners LLC*	Associate	Delaware, US	Investment holding	0%	-	-	-
					-	-	5,524

*Held by the subsidiary Blackline Investments Inc. Covenant Credit Partners is no longer an associate as at 30 June 2014.

The activities of the joint venture are in line with the Group's activities and strategy. The joint venture does not prepare any financial information. As at 30 June 2014 Silvermore had ceased to be a contractual party to the Total Return Swap (ISDA) agreement with Citibank N.A., and had no other assets or liabilities.

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%	Holding of investments
Silvermore 2 Ltd*	Cayman islands	Ordinary shares	100%	Holding of investments
Livermore Israel Investments Limited	Israel	Ordinary shares	100%	Holding of investments (Dormant)
Blackline Investments Inc.	USA	Ordinary shares	52.5%	Holding of investments (Dormant)
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

* Mountview Holdings Limited and Silvermore 2 Ltd were established during the period.
** Held by Enaxor S.a.r.l.

11. Trade and other receivables

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Financial items			
Accrued interest and dividend income	112	17	79
Amounts due by related parties (note 28)	500	497	1,339
Other receivables	11,334	594	654
	11,946	1,108	2,072
Non-Financial items			
Other assets (note 28)	3,948	5,076	4,512
Prepayments	132	121	199
	16,026	6,305	6,783
Allocated as:			
Current assets	13,065	2,357	3,399
Non-current assets	2,961	3,948	3,384
	16,026	6,305	6,783

Other receivables include an amount of USD 10m that 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 which would be managed by Covenant Credit Partners. In June 2014, the said CLO was priced and the loans accumulated in the warehouse were agreed to be transferred at purchase price to the CLO on 10 July, 2014. Consequently, Livermore's investment amount plus net carry earned became receivable as of end of June. On 11 July 2014 Livermore received USD 10.7m.

12. Cash and cash equivalents

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

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Cash at bank	9,996	2,523	4,150
Bank overdraft used for cash management purposes	(13,527)	(16,255)	(15,188)
Cash and cash equivalents for the purposes of the consolidated statement of cash flows	(3,531)	(13,732)	(11,038)

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 of no par value.

As at 31 December 2013 the Company had 108,830,818 ordinary shares held in treasury. During the period from 1 January to 30 June 2014 the Company purchased no additional ordinary shares to be held in treasury.

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

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Share premium	215,499	215,499	215,499
Treasury shares	(36,902)	(36,902)	(36,902)
	178,597	178,597	178,597

14. 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 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Outstanding options			
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 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Exercisable options			
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

15. Bank loans

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

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
As at 1 January	87,974	86,258	86,258
Repayments	(364)	(329)	(706)
Exchange differences	25	(2,678)	2,422
As at 30 June / 31 December	87,635	83,251	87,974
Allocated as:			
Current liabilities	87,635	679	87,974
Non-current liabilities	-	82,572	-
	87,635	83,251	87,974

16. Trade and other payables

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Financial items			
Trade payables	464	376	532
Amounts due to related parties (note 28)	1,247	1,581	1,212
Accrued expenses	787	773	964
Accrued interest expenses	180	-	-
	2,678	2,730	2,708
Non-Financial items			
Vat payable	74	68	68
	2,752	2,798	2,776

17. Derivative financial instruments

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Non-current liabilities			
Interest rate swaps	-	-	-
Current liabilities			
Interest rate swaps	378	3,634	2,125

During the period from January to June 2014 the Group has not entered into any new derivative instruments.

18. Net asset value per share

	30 June 2014 Unaudited	30 June 2013 Unaudited	31 December 2013 Audited
Net assets attributable to ordinary shareholders (USD 000)	168,174	174,205	168,371
Closing number of ordinary share in issue	195,289,583	195,289,583	195,289,583
Basic net asset value per share (USD)	0.86	0.89	0.86
Net assets attributable to ordinary shareholders (USD 000)	168,174	174,205	168,371
Dilutive share options – exercise amount	255	228	247
Net assets attributable to ordinary shareholders including the effect of potentially diluted shares (USD 000)	168,429	174,433	168,618
Closing number of ordinary shares in issue	195,289,583	195,289,583	195,289,583
Dilutive share options	500,000	500,000	500,000
Closing number of ordinary shares including the effect of potentially diluted shares	195,789,583	195,789,583	195,789,583
Diluted net asset value per share (USD)	0.86	0.89	0.86
Number of Shares			
Ordinary shares	304,120,401	304,120,401	304,120,401
Treasury shares	(108,830,818)	(108,830,818)	(108,830,818)
Closing number of ordinary shares in issue	195,289,583	195,289,583	195,289,583

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 2014 and 2013. All other share options do not impact the diluted earnings per share for June 2014 and June 2013 as their exercise price was higher than the net asset value per Company's share at 30 June 2014 and 2013.

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 2014 – Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2014**	**2014**	**2014**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	14,069	-	14,069
Investment property income	-	2,698	2,698
(Loss) / gain on investments	(2,016)	1,400	(616)
Gross profit	12,053	4,098	16,151
Other income	450	-	450
Administrative expenses	(2,033)	(632)	(2,665)
Operating profit	10,470	3,466	13,936
Finance costs	(622)	(1,835)	(2,457)
Finance income	11	-	11
Profit before taxation	9,859	1,631	11,490
Taxation charge	-	(634)	(634)
Profit for the period	9,859	997	10,856
Segment assets	146,304	130,965	277,269
Segment liabilities	17,794	91,301	109,095

Six months ended 30 June 2013 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2013**	**2013**	**2013**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	12,611	-	12,611
Investment property income	-	2,661	2,661
Gain on investments	1,083	-	1,083
Gross profit	13,694	2,661	16,355
Administrative expenses	(5,889)	(634)	(6,523)
Operating profit	7,805	2,027	9,832
Finance costs	(795)	(1,750)	(2,545)
Profit before taxation	7,010	277	7,287
Taxation charge	-	(3)	(3)
Profit for the period	7,010	274	7,284
Segment assets	164,240	123,782	288,022
Segment liabilities	26,347	87,470	113,817

Year ended 31 December 2013 - Audited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
Segment results	**2013**	**2013**	**2013**
	US $000	**US $000**	**US $000**
Investment income			
Interest and dividend income	29,068	-	29,068
Investment property income	-	5,473	5,473
(Loss) / gain on investments	(16,324)	2,672	(13,652)
Gross profit	12,744	8,145	20,889
Other income	55	-	55
Administrative expenses	(11,122)	(1,137)	(12,259)
Operating profit	1,677	7,008	8,685
Finance costs	(1,680)	(3,562)	(5,242)
Finance income	906	-	906
Profit before taxation	903	3,446	4,349
Taxation charge	(411)	(1,464)	(1,875)
Profit for the year	492	1,982	2,474
Segment assets	150,875	131,016	281,891
Segment liabilities	20,798	92,722	113,520

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

Six months ended 30 June 2014 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2014	**2014**	**2014**
	US $000	**US $000**	**US $000**
Investment Income			
Switzerland	-	3,045	3,045
Other European countries	116	-	116
United States	13,658	-	13,658
India	(311)	-	(311)
Asia	(357)	-	(357)
	13,106	3,045	16,151
Investments			
Switzerland	-	129,953	129,953
Other European countries	7,243	-	7,243
United States	92,033	-	92,033
India	15,148	-	15,148
Asia	6,847	-	6,847
	121,271	129,953	251,224

Six months ended 30 June 2013 - Unaudited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2013	**2013**	**2013**
	US $000	**US $000**	**US $000**
Investment Income			
Switzerland	-	4,037	4,037
Other European countries	317	-	317
United States	13,099	-	13,099
India	(983)	-	(983)
Asia	(115)	-	(115)
	12,318	4,037	16,355
Investments			
Switzerland	-	122,615	122,615
Other European countries	16,660	-	16,660
United States	97,169	-	97,169
India	15,524	-	15,524
Asia	27,696	-	27,696
	157,049	122,615	279,664

Year ended 31 December 2013 - Audited	Equity and debt instruments investment activities	Investment property activities	Total per financial statements
	2013	**2013**	**2013**
	US $000	**US $000**	**US $000**
Investment Income			
Switzerland	-	8, 145	8,145
Other European countries	(888)	-	(888)
United States	18,941	-	18,941
India	(3,749)	-	(3,749)
Asia	(1,560)		(1,560)
	12,744	8,145	20,889
Investments			
Switzerland	-	129,916	129,916
Other European countries	14,521	-	14,521
United States	98,406	-	98,406
India	14,887	-	14,887
Asia	13,199	-	13,199
	141,013	129,916	270,929

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, 89% 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 2013: 89%, December 2013: 89%).

20. Interest and dividend income

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Interest from investments	64	225	663
Dividend income	14,005	12,386	28,405
	14,069	12,611	29,068

21. Investment property income

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Gross rental income	3,039	2,891	5,846
Direct expenses	(341)	(230)	(373)
	2,698	2,661	5,473

All direct expenses relate to the generation of rental income.

22. (Loss) / gain on investments

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Gain / (loss) on sale of investments	2,409	356	(892)
Investment property revaluation	-	-	(179)
Foreign exchange (loss) / gain	(22)	(12)	81
Loss due to impairment of available-for-sale financial assets	(1,616)	(1,279)	(2,499)
Fair value (losses) / gains on financial assets through profit or loss	(2,398)	527	(13,985)
Fair value (loss) /gains on investment in joint venture	(524)	-	524
Fair value gains on derivative instruments	1,575	1,590	3,519
Bank custody fees	(40)	(99)	(221)
	(616)	1,083	(13,652)

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 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Available-for-sale	(1,982)	(2,704)	(3,953)
At fair value through profit or loss	(534)	1,029	898
	(2,516)	1,675	(3,055)

23. Other income

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Disposal gain	450	-	-
Gain on liquidation of subsidiaries	-	-	55
	450	-	55

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

24. Administrative expenses

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Legal expenses	41	22	57
Directors' fees and expenses	999	4,993	9,078
Professional and consulting fees	762	578	1,667
Other salaries and expenses	200	496	769
Office cost	130	139	284
Depreciation	-	3	32
Other operating expenses	477	255	512
Provisions for legal and other cases – reversal	-	-	(274)
Audit fees	56	37	134
	2,665	6,523	12,259

25. Finance costs and income

	Six months ended 30 June 2014 Unaudited US $000	Six months ended 30 June 2013 Unaudited US $000	Year ended 31 December 2013 Audited US $000
Finance costs			
Bank interest on investment property loan*	1,828	1,743	3,555
Other swap interest cost	173		689
Other bank interest	158	282	495
Foreign exchange loss	298	520	503
	2,457	2,545	5,242
Finance income			
Foreign exchange gain	11	-	906
Net Finance costs	2,446	2,545	4,336

*Includes interest payments on a related interest rate swap.

26. Dividends

In January 2014, the Company announced an interim dividend of USD 5m (USD 0.0256 per ordinary share).

The Board of Directors will decide on the Company's dividend policy for 2014 based on profitability, liquidity requirements, portfolio performance, market conditions, and the share price of the Group relative to its NAV.

27. 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 2014 Unaudited	Six months ended 30 June 2013 Unaudited	Year ended 31 December 2013 Audited
Profit for the year attributable to ordinary shareholders of the parent (USD 000)	10,856	7,284	2,474
Weighted average number of ordinary shares outstanding	195,289,583	198,095,143	196,692,363
Basic earnings per share (USD)	0.06	0.04	0.01
Weighted average number of ordinary shares outstanding	195,289,583	198,095,143	196,692,363
Dilutive effect of share options	95,687	-	83,102
Weighted average number of ordinary shares including the effect of potentially dilutive shares	195,385,270	198,095,143	196,775,465
Diluted earnings per share (USD)	0.06	0.04	0.01

The decrease in the weighted average number of ordinary shares outstanding is due to the acquisition of treasury shares during 2013.

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 2014 (June 2013: no dilutive effect since exercise price was higher than the average market price). All other share options do not impact the diluted earnings per share for June 2014 and June 2013 as their exercise price was higher than the average market price of the Company's shares during the period ended 30 June 2014 and 2013.

28. Related party transactions

The Group is controlled by Groverton Management Ltd, an entity owned by Noam Lanir, which at 30 June 2014 held 79.06% (June 2013: 79.06%, December 2013: 79.06%) of the Company's effective voting rights.

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000	
Amounts receivable from key management				
Other assets	3,948	5,076	4,512	(1)
Directors' current accounts	500	497	425	
	4,448	5,573	4,937	
Amounts receivable from associate				
Promissory notes	-	-	914	(2)
Amounts payable to other related party				
Loan payable	(1,212)	(1,212)	(1,212)	(3)
Trade payable	-	(313)	-	
	(1,212)	(1,525)	(1,212)	
Amounts payable to key management				
Directors' current accounts	(35)	(56)	-	
	(35)	(56)	-	
Key management compensation				
Short term benefits				
Executive directors fees	397	397	795	(4)
Executive directors reward payments	564	4,561	8,212	
Non-executive directors fees	38	35	71	
	999	4,993	9.078	

(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 will be 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) Demand promissory notes of USD 0.914m were made from Covenant Credit Partners LLC (maker) to Blackline Investments Inc. (holder). Interest on these notes was at 2.0% per annum and has been fully repaid in June 2014.

(3) A loan with a balance at 30 June 2014 of USD 1.2m (June 2013: USD 1.2m, December 2013: USD 1.2m) has been received from a related company Chanpak Ltd. The loan is free of interest, it is unsecured and is repayable on demand. This loan is included within trade and other payables.

(4) 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 2014 or 2013.

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 2014 held a total of 1.941m shares at a value of USD 2.8m (June 2013: 3.915m shares at a value of USD 23.2m, December 2013: 3.915m shares at a value of USD 9.3m) 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 0.62m in connection with investments from an other related company Mash Medical Life Tree Marketing Ltd.

29. Provisions

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

	30 June 2014 Unaudited US $000	30 June 2013 Unaudited US $000	31 December 2013 Audited US $000
Legal and other matters			
At 1 January	26	300	300
Amounts reversed	-	-	(274)
Settlements	(26)	-	-
At 30 June / 31 December	-	300	26

30. Litigation

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. 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.

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.

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

31. Commitments

The Group has no capital or other commitments as at 30 June 2014.

32. Events after the reporting date

There were no significant events after the reporting date.

33. 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 2013, 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 34, which comprise the condensed consolidated statement of financial position as at 30 June 2014 and the condensed consolidated statement of profit or loss, 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 does not present fairly, in all material respects, the financial position of Livermore Investments Group Limited and its subsidiaries as at 30 June 2014 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.

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

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

Limassol, 29 September 2014