INTERIM REPORT AS OF JUNE 30, 2006

LLOYD FONDS

AKTIENGESELLSCHAFT

KEY FIGURES FIRST HALF OF 2006

Performance indicators (EUR millions)	H1-2006	H1-2005	Δ
Sales	42.4	37.1	+14.3 %
EBIT	10.4	8.9	+17.4 %
Consolidated profit for period	8.5	6.5	+31.4 %
Return on sales	20.1 %	17.4 %	+2.7 % pts
Cost of sales ratio	63.4 %	64.7 %	–1.3 % pts
EBIT margin	24.6 %	23.9 %	+0.7 % pts
Earnings per share (in EUR)*	0.67	0.51	+31.4 %
Equity capital placed	197	167	+18.0 %

Balance sheet (EUR millions)	6/30/2006	6/30/2005	Δ
Total assets	95.9	52.6	+82.2 %
Shareholders' equity	69.9	18.5	+278.0 %
Equity ratio	72.9 %	35.1 %	+37.8 % pts

Employees	H1-2006	H1-2005	Δ
Average headcount	90	61	+47.5 %
Personnel expenses (EUR millions)	4.4	2.6	+67.6 %
Personnel expense ratio	10.5 %	7.1 %	+3.4 % pts

* based on 12.7 million shares after IPO

Dear shareholders, customers and business associates,

In the first six months of this year, Lloyd Fonds continued the encouraging business performance which it had achieved in 2005. Thus, sales in the first half of the year rose by more than 14 % year on year to EUR 42.4 million, with consolidated profit for the period climbing respectably by around 31 % to EUR 8.5 million. In the months from January to June, we placed equity of EUR 197 million in the market, up 18 % on the same period one year earlier.

With these results, we have lived up to the forecasts which we had announced at the beginning of the year. After our sterling performance in the first quarter, we used the second quarter to replenish our product pipeline in various asset classes. Accordingly, we are optimistic about the second half of the year. Lloyd Fonds has added further attractive ship investments as well as new traded UK endowment policy funds to its range. Our business in the first half of the year shows that, if placed swiftly, very large individual funds can exert a strong impact on the Company's performance in individual quarters. Thus, we achieved a placement volume far in excess of the average in the first quarter thanks to the ship fund which we had been retailing exclusively together with Deutsche Bank since January 2006. A further major change has occurred in that as of the beginning of the year funds designed to generate initial tax-deductible losses no longer play any role. As a result, fund arrangers' ability to select high-return assets for investment and to assemble an attractive product pipeline has now assumed crucial importance. At this stage, we have numerous interesting ships and plan to design attractive investment opportunities in new asset classes in the second half of the year.

There were also changes in our personnel lineup in the first half of the year. Dr. Marcus Simon, an experienced chief financial officer, has been on board as the third member of our Management Board since June 1. At Lloyd Fonds AG's annual general meeting held at the end of June, Professor Dr. Eckart Kottkamp was elected to the Company's Supervisory Board. Professor Kottkamp replaces Dr. Stefan Duhnkrack as Chairman of the Supervisory Board due to the fact that Dr. Duhnkrack did not stand for re-election upon the expiry of his office. The Management Board wishes to thank Dr. Duhnkrack for the very pleasant joint activities on both a professional and personal level over the past few years.

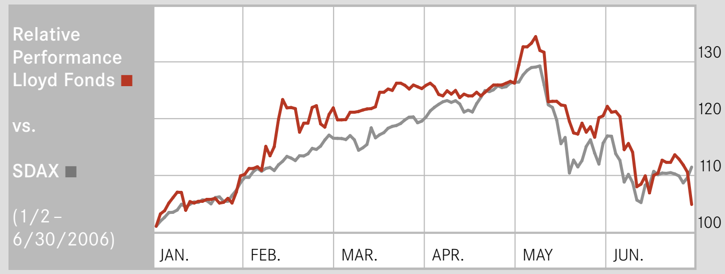
This year, Lloyd Fonds' excellent reputation has again been confirmed in the form of the management rating awarded by the independent analysis company Scope Analysis Closed-End Funds GmbH. It assigned Lloyd Fonds the overall rating of "high quality" with a general grade of "A" in recognition of its management qualities. This marked a further improvement over the previous year. Accordingly, we are ideally positioned to continue on our growth course successfully. We especially owe this to our customers, partners, shareholders and employees. For this reason, we wish to take this opportunity to thank all those who have contributed to our success.

Yours sincerely,

Dr. Torsten Teichert **Holger Schmitz** **Dr. Marcus Simon**

LLOYD FONDS STOCK

Despite the turbulence afflicting the stock markets in the first half of the year, Lloyd Fonds stock was able to defend the level it had reached at the end of last year, posting a gain of over 4%. The stock benefited from greater attention as a result of coverage by further analysts.



After an upbeat start to the year, conditions in equities markets deteriorated considerably towards the middle of the second quarter. Thus, the worsening conflict between the United States and Iran, fears of further interest rate hikes by the European Central Bank and concerns surrounding mounting inflation in the wake of a sharp rebound in commodity prices exerted considerable pressure on equities markets at times. This was exacerbated by strong volatility in May following the correction to the overheated equities and commodities markets in tandem with rekindled inflation fears and concerns surrounding rising interest rates. These corrections would have been even more pronounced had the markets not been able to take solace in the upbeat company earnings reports and high dividend payouts. The downward trend in stock markets around the world did not come to a halt until mid June.

Despite this, Lloyd Fonds stock advanced by no less than 4% over the end of 2005, climbing to EUR 16.16 in the first six months of this year. Yet, it too was unable to shield itself from the turbulence in the stock market and shed more than 4% of its value in July, causing it to drop back to EUR 15.44 on July 31, 2006. Still, this is more or less the price at which it was trading at the end of last year (EUR 15.56). Lloyd Fonds performed well compared with its peers, with its closest comparables dropping by more than 10% in the first half of the year and as much as 20% in July. Other financial services providers listed in the MDAX had retreated by up to 15% in the year to the end of July.

At the annual general meeting held on June 30, 2006, the shareholders of Lloyd Fonds AG passed a resolution approving a dividend for fiscal 2005 of EUR 1.10, equivalent to a dividend yield of around 6.5%, on the strength of the Company's favorable business performance.

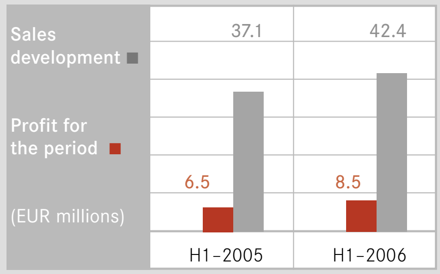
Lloyd Fonds stock as of June 30, 2006

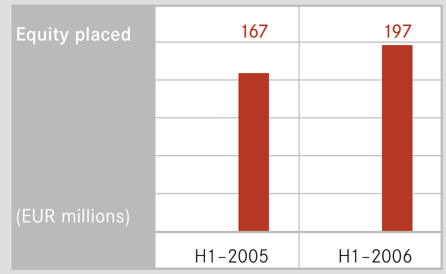
German securities code number (WKN)	617487
ISIN	DE0006174873
Reuters ticker	L1O
Market	Official trading Frankfurt / Main
Market segment	Index Prime Standard
Subscribed capital	EUR 12.67 million
Designated sponsors	DZ BANK, Sal. Oppenheim jr. & Cie. KGaA, Close Brothers Seydler AG
First day of trading	October 28, 2005
Syndicate banks	DZ Bank (Lead), Sal. Oppenheim und HSBC Trinkaus & Burkhardt (Co-Lead), M.M. Warburg (Co-Manager)
Type	Bearer shares with a notional share of EUR 1.00 per share in the Company's subscribed capital

Number of shares (6/30/2006)	12,666,667
Price on issue date (10/28/2005)	EUR 15.39
High	EUR 20.78
Low	EUR 15.01
Price on 6/30/2006	EUR 16.16
Market capitalization (6/30/2006)	EUR 204.7 million
Average trading volume per day, H1-2006	18,907 shares

BUSINESS PERFORMANCE IN THE FIRST HALF OF 2006

Once again, Lloyd Fonds is growing more quickly than the overall market for closed-end funds thanks to its successful business strategy. This should also be the case for 2006 as a whole.





ECONOMIC CONDITIONS

Favorable economic environment

In the course of the second quarter of 2006, the global economy confirmed its growth trend, defying negative determinants, according to the latest analyses issued by the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF). Despite high commodity prices and rekindled inflation concerns and fears of rising interest rates, recent trends in the national economies have exceeded the forecasts of analysts and economists. Not least of all, this has been aided by generally clement conditions in the financial markets. According to IMF forecasts, international gross domestic profit (GDP), i.e. the sum total of all goods and services produced around the world, will expand by 4.9 % this year, up from 4.8 % in 2005. In its most recent outlook, the OECD projects GDP growth of 3.1 % for its 30 member countries in 2006.

With expansion rates of 9.5 % and 7.3 %, respectively, China and India will again top the league according to the IMF forecast, with other emerging economies in Asia also set to grow by 8.2 %. However, Japan and Europe will also make considerable headway in 2006 compared with the previous year. This year, the euro zone will grow by 2.0 %, up from 1.3 % in 2005. The OECD confirms that Europe has overcome the economic weakness which emerged at the end of 2005 and is now showing clear signs of recovery. In fact, the OECD forecasts growth of as much as 2.2 % for the euro zone. Turning to Germany, the IMF projects GDP growth of 1.3 % in 2006, up from 0.9 % in 2005. The OECD expects this favorable trend to continue, meaning that there is a growing likelihood of the economic recovery in Germany spreading from sustained strong export business to encompass consumer spending as well.

MARKET

Weaker growth in the overall market

According to a recent preliminary analysis published in July/August by rating agency Scope, which specializes in closed-end funds, the investment product market saw a decline in investment offerings in the first half of 2006; however, these tentative findings must first be corroborated by further evidence. According to this analysis, the volume of new fund issues contracted by just on 20 % from January through June. Scope explains that this was due to the reduced availability of attractively priced high-quality investments in many segments.

The decline in offerings was evident in nearly all segments according to Scope. Yet, despite the assumed reduction in the number of offerings, there is also evidence suggesting a substantial increase in the volume of individual products. This contraction particularly reflects the absence of US endowment policies as well as film funds. These two segments, which are now completely inactive, had attracted equity of over EUR 1 billion in the first half of 2005.

As Lloyd Fonds was not engaged in either of these segments, it is not affected by their absence. Following the boom in ship funds, which left strong traces on the market last year, it is fair to say that growth was confined to the traded endowment policy and renewable energies segments in the first half of 2006.

Scope reports that signs of a slowdown in the overall market were visible at an early stage, adding that the risk/reward profile of products is now the sole criterion following the broad-based abolition of tax advantages. According to Scope, the number of offerings will now automatically decline.

BUSINESS PERFORMANCE

Substantial increase in equity placed

In the first half of 2006, Lloyd Fonds was able to place equity of EUR 197 million in the market, thus exceeding the previous year's volume by 18%. Of this sum, 81% found its way into shipping investments and 19% into traded UK endowment policies. As a result, Lloyd Fonds' sales in this period increased by a good 14% to EUR 42.4 million in line with forecasts, with the second quarter contributing EUR 10.9 million.

In the course of the first half of the year, Lloyd Fonds very successfully marketed investments in traded UK endowment policies. Thus, the "BKL III" fund achieved excellent placement results, with the fund volume expanded from EUR 30 million to EUR 40 million in June. "BKL IV" also met with a good reception in the second quarter of 2006. "BKL V" has been in the placement phase since July. The "Lloyd Fonds Schiffsportfolio" fund, which was retailed in collaboration with Deutsche Bank, also achieved superb results.

Higher net profit

In the first six months of 2006, the cost of sales grew by only 12% and thus slightly less quickly than in the year-ago period. At the same time, personnel costs climbed by just on 68% following the recruitment of new and highly qualified staff. These investments are important to ensure Lloyd Fonds sustained growth. Earnings before interest and tax (EBIT) rose by over 17% year on year to EUR 10.4 million in the first six months of 2006 and thus outpaced top-line growth. This was particularly due to an interim profit of EUR 2.9 million realized in the second quarter (year-ago period EUR 0.8 million) from the sale of a ship to a fund company. Including the net financial result of EUR 0.3 million (versus net financial result of minus EUR 0.1 million in the same period one year earlier), earnings before tax (EBT) surged by just under 22% to EUR 10.7 million. Consolidated profit (earnings after tax) in the first half of the year grew by a disproportionately strong 31% to EUR 8.5 million on account of the tax-exempt dividend income from the interim profit. Net profit for the second quarter came to EUR 3.5 million.

Total assets and the balance sheet structure were essentially unchanged in the first half of 2006. The equity ratio as at June 30, 2006 contracted by three percentage points to around 73% following the distribution of the dividend for fiscal 2005 (EUR 1.10 per share) and an increase in VAT liabilities. The dividend payout was also the largest item in the cash flow statement for the first half of the year, resulting in a net cash outflow from financing activities of EUR 13.9 million. As planned, the dividend payment of EUR 13.9 million was covered in full using the net cash inflow from operating activities of EUR 14.8 million, meaning that there was no material reduction in cash and cash equivalents.

Structure of product range for the second half of the year

With high prices having prompted a decision not to buy or order any ships over a period of around twelve months, Lloyd Fonds has been making use of market opportunities arising in the past few months. The container ship "Lloyd Parsifal" entered the market at the beginning of August. Acquired in April 2006, it is one of the world's largest container ships with a capacity of 8,200 TEU. The equity to be placed for this ship fund stands at around EUR 30 million. In addition, six container ships each with a capacity of 4,300 TEU have been ordered for delivery in 2009.

"Flottenfonds X" entered the marketing phase at the end of April. The two full container ships have been chartered to the renowned shipping companies Maersk and APL, respectively, for a period of at least eight years.

"Britische Kapital Leben IV" has been available for subscription since May of this year. It has a volume of around EUR 20 million, which can be increased to a maximum of EUR 30 million if this is necessitated by demand over the next few months. "BKL IV" is being retailed exclusively in conjunction with a large marketing partner. With a volume of around EUR 25 million, "Britische Kapital Leben V" entered the subscription phase in July. One of the special features of this fund is the early subscriber bonus up until the end of 2006 in the form of 3% interest on the paid-in equity in tandem with a minimum subscription sum of EUR 10,000.

In addition, we plan to launch further real estate and private equity funds by the end of 2006. A fund comprising several commercial buildings in Cologne is currently being prepared, while a private equity fund is being designed for the second half of the year.

OUTLOOK

Brighter investment climate

Notwithstanding the muted sentiment in the first half of 2006, business conditions have since improved and are in fact even brighter than they were in early summer 2005 according to rating agency Scope. Thus, Scope reports that just under 80 % of initiators have entered the third quarter on an optimistic note and, after the restraint exercised in the first half of the year, are now planning new issues. Many of these are in new segments and involve innovative products.

Continued growth

Lloyd Fonds AG's Management Board intends to continue the successful strategy of the past few years and to further enhance it. To this end, the quality of the Company's products and services is to be additionally optimized and the range of services extended. The Management Board is confident of being able to unlock further potential by deepening the value chain and launching attractive new products in the real estate, regenerative energies and private equity asset classes. Against this backdrop, the Lloyd Fonds Group still intends to achieve a placement volume of EUR 370 – 390 million, equivalent to an increase of 30% over the previous year. Lloyd Fonds projects consolidated sales of around EUR 90 million for this year, with consolidated profit for the year expected to equal EUR 19 – 20 million. This year, Lloyd Fonds will presumably not only grow more quickly than the overall market for closed-end funds but also outperform its two listed competitors.

INTERIM REPORT AS OF JUNE 30, 2006

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2006 and for the period from April 1 to June 30, 2006

TEUR	Note	H1-2006	H1-2005[1)]	Q2-2006	Q2-2005[1)]
Sales	4.1	42,398	37,101	10,929	25,712
Increase in inventories		109	–	109	–
Cost of sales	4.2	–26,873	–23,986	–6,212	–16,942
Personnel costs	4.3	–4,435	2,646	–2,301	–1,461
Depreciation and amortization		–279	–250	–125	–102
Other operating result	4.4	–3,276	–2,155	–1,478	–1,531
Share of profit of associates	4.5	2,787	819	2,615	819
Profit from operating activities		10,431	8,883	3,537	6,495
Finance income	4.6	1,961	340	1,567	222
Finance costs	4.6	–1,677	–425	–1,357	–220
Profit before income tax		10,715	8,798	3,747	6,497
Income tax expense	4.7	–2,208	–2,325	–264	–1,749
Profit for the period		**8,507**	**6,473**	**3,483**	**4,748**
Attributable to:					
Equity holders of the parent company		8,524	6,473	3,483	4,748
Minority interest		–17	–	–	–
Earnings per share for profit attributable to the equity holders of the Company during the year (EUR per share)					
- basic	4.8	0.67	0.68	0.27	0.50
- diluted	4.8	0.67	0.68	0.27	0.50

1) adjusted, see Note 1.1

The notes on pages 10–17 are an integral part of this interim report.

CONSOLIDATED BALANCE SHEET

as of June 30, 2006

TEUR	Note	6/30/2006	12/31/2005
Assets			
Non-current assets			
Property, plant and equipment		693	692
Intangible assets		1,591	1,669
Investments in associates	5.1	14,320	14,785
Available-for-sale financial assets	5.1	4,371	3,565
		20,975	20,711
Current assets			
Trade and other receivables	5.2	18,057	17,673
Receivables from related parties	5.3	3,865	7,805
Inventories		730	621
Current income tax assets		1,556	799
Cash and cash equivalents		50,695	51,251
		74,903	78,149
Total assets		**95,878**	**98,860**
Equity			
Share capital	5.4	12,667	12,667
Additional paid-in capital	5.4	44,047	43,971
Retained earnings	5.4	13,128	18,537
Capital and reserves attributable to the parent company's equity holders		69,842	75,175
Minority interest		8	8
Total equity		69,850	75,183
Liabilities			
Non-current liabilities			
Borrowings	5.5	151	117
Deferred income tax liabilities	5.5	1,400	1,088
		1,551	1,205
Current liabilities			
Trade and other liabilities	5.6	11,956	8,661
Amounts due to related parties		2,481	3,206
Borrowings		10,040	10,605
		24,477	22,472
Total liabilities		26,028	23,677
Total equity and liabilities		**95,878**	**98,860**

The notes on pages 10–17 are an integral part of this interim report.

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to June 30, 2006

TEUR	Note	H1–2006	H1–2005 [1]
Cash flow from operating activities			
Profit for the period before share of profit of associates, interest and income taxes	6.2	7,573	8,293
Depreciation and amortization of non-current assets		279	250
Loss from the disposal of non-current assets		5	–
Other non-cash income and expenses	6.1	–452	–274
Changes in inventories		–109	
Changes in trade and other receivables		–514	–7,292
Changes in receivables from related parties		3,940	1,046
Changes in trade and other liabilities		3,953	298
Changes in amounts due to related parties		–785	3,928
Changes in the companies consolidated	5.4	17	–
Interest received		693	54
Interest paid		–306	–263
Dividends and profit distributions received		3,215	820
Income tax paid		–2,679	–2,539
Net cash generated from operating activities		14,830	4,321
Cash flow from investing activities			
Purchases of:			
intangible assets and property, plant and equipment		–207	–252
available-for-sale financial assets and investments in associates		–1,316	–770
Proceeds from the disposal of:			
intangible assets and property, plant and equipment		1	20
available-for-sale financial assets and investments in associates		2	–
Net cash used in investing activities		–1,520	–1,002
Cash flow from financing activities			
Dividends paid to the equity holders of the parent company		–13,933	–
Proceeds from borrowings		50	–
Repayment of borrowings		–14	–92
Net cash used in financing activities		–13,897	–92
Net decrease/increase in cash and cash equivalents		**–587**	**3,227**
Cash and cash equivalents at January 1		51,251	5,473
Cash and cash equivalents at June 30	6.3	**50,664**	**8,700**

1) adjusted, see Note 1.1

The notes on pages 10–17 are an integral part of this interim report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2006

TEUR	Note	Share capital	Additional paid-in capital	Retained earnings	Minority interest	Total equity
		Attributabe to equity holders of the parent company				
Amount at January 1, 2005		1,000	639	14,665	–	16,304
Profit for the period, net income H1–2005		–	–	6,473	–	6,473
Dividend for 2004		–	–	–4,300	–	–4,300
Amount at June 30, 2005		**1,000**	**639**	**16,838**	**–**	**18,477**
Amount at January 1, 2006		12,667	43,971	18,537	8	75,183
Changes in the companies consolidated	5.4	–	–	–	17	17
Profit for the period, net income H1–2006		–	–	8,524	–17	8,507
Dividend paid for 2005	5.4	–	–	–13,933	–	–13,933
Equity component of the convertible bond, net of tax	5.4	–	76	–	–	76
Amount at June 30, 2006		**12,667**	**44,047**	**13,128**	**8**	**69,850**

The notes on pages 10–17 are an integral part of this interim report.

NOTES

TO THE INTERIM FINANCIAL REPORT AS OF JUNE 30, 2006

1 ACCOUNTING POLICIES

This interim financial report as of June 30, 2006 has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), as accepted by the European Union as of June 30, 2006. The accounting policies applied correspond to those applied to the consolidated financial statements as of December 31, 2005 and are described in detail there. Accordingly, this interim financial report must be read in the light of the disclosures made in the consolidated financial statements as of December 31, 2005 as well as the additions to the accounting policies disclosed in the interim financial report as of March 31, 2006.

In accordance with the IFRS rules (IAS 34 Interim Financial Reporting), this interim report has been prepared in condensed form compared with the consolidated financial statements as of December 31, 2005.

The new and modified standards listed in Note 2.1 of the consolidated financial statements as of December 31, 2005, which became mandatory as of January 1, 2006 following adoption by the EU Commission, did not have any material impact on the Group's net assets, financial condition or results of operations.

1.1 Comparatives

In accordance with Note 2.18 of the consolidated financial statements as of December 31, 2005, the comparative figures included in the income statement as of June 30, 2005 have been adjusted accordingly.

Advertising, agency and printing costs of TEUR 568 were transferred from the cost of sales to other operating result. Net gains (TEUR 285) and losses (TEUR 57) from the translation of foreign currencies are now reported as financial result instead of other operating result. Investment income of TEUR 33 as well as interim profit of TEUR 787 from the sale of ships, which was hitherto reported under other operating result, is now assigned to the share of profit of associates. The adjustments relate almost solely to the Issuing segment.

In addition, earnings per share were adjusted from EUR 6.47 to EUR 0.68 on account of the equity issue from the Company's own funds.

2 COMPANIES CONSOLIDATED

In articles of incorporation dated April 12, 2006, Lloyd Fonds Special Assets GmbH, Hamburg, was established with share capital of TEUR 25. The purpose of this company is to develop, design and manage private equity investment vehicles. The Group holds a share of 100% in this company. Lloyd Fonds Special Assets GmbH was consolidated in full for the first time on June 30, 2006. Initial consolidation did not have any material effect on the Group's net assets, financial position or results of earnings. The balance sheet date of this subsidiary is identical to that of the Lloyd Fonds Group (December 31).

With the first-time inclusion of Lloyd Fonds Austria GmbH in the consolidated financial statements as of March 31, 2006, a total of nine subsidiaries in addition to the parent company are now consolidated.

The income statement for the comparison period contains the expenses and income of Fünfte LF Immobiliengesellschaft mbH & Co. KG assigned to the Rental and Leasing segment in the segment report. Following the deconsolidation explained in the consolidated financial statements for 2005, the company is accounted for as an associate using the equity method of accounting as of June 30, 2006.

3 SEGMENT INFORMATION

The Lloyd Fonds Group continued to comprise the Issuing and Design, Rental and Leasing and Trusteeship segments. Whereas the Rental and Leasing segment comprised solely Fünfte LF Immobiliengesellschaft mbH & Co. KG in the comparison period, in the period under review it also included expenses and income in connection with the US real estate fund. Segment results break down as follows:

TEUR **H1–2006**	Issuing and Design	Rental and Leasing	Trustee-ship	unallo-cated	**Group**
Sales	39,790	–	2,587	21	42,398
Cost of sales and changes in inventories	–26,655	–	-109	–	–26,764
Personnel costs	–3,836	–	-599	–	–4,435
Depreciation and amortization	–162	–	-113	–4	–279
Other operating result	–2,924	–79	–255	–18	–3,276
Share of profit of associates	3,018	–231	–	–	2,787
Profit from operating activities	9,231	–310	1,511	–1	10,431
Net financial result	–20	322	–22	4	284
Profit before income tax	9,211	12	1,489	3	10,715
Income tax expense					–2,208
Profit for the period					**8,507**

TEUR **H1–2005**	Issuing and Design	Rental and Leasing	Trustee-ship	unallo-cated	**Group**
Sales	34,814	614	1,673	–	37,101
Cost of sales	–23,934	–52	-	–	–23,986
Personnel costs	–2,262	–	-384	–	–2,646
Depreciation and amortization	–102	–21	–127	–	–250
Other operating result	–2,158	206	–203	–	–2,155
Share of profit of associates	819	–	–	–	819
Profit from operating activities	7,177	747	959	–	8,883
Net financial result	252	–346	9	–	–85
Profit before income tax	7,429	401	968	–	8,798
Income tax expense					–2,325
Profit for the period					**6,473**

TEUR Q2-2006	Issuing and Design	Rental and Leasing	Trustee-ship	unallo-cated	Group
Sales	9,497	–	1,415	17	10,929
Cost of sales and changes in inventories	-5,994	–	-109	–	-6,103
Personnel costs	-1,984	–	-317	–	-2,301
Depreciation and amortization	-66	–	-57	-2	-125
Other operating result	-1,434	104	-145	-3	-1,478
Share of profit of associates	3,010	-395	–	–	2,615
Profit from operating activities	3,029	-291	787	12	3,537
Net financial result	-253	470	-9	2	210
Profit before income tax	2,776	179	778	14	3,747
Income tax expense					-264
Profit for the period					**3,483**

TEUR Q1-2005	Issuing and Design	Rental and Leasing	Trustee-ship	unallo-cated	Group
Sales	24,442	305	965	–	25,712
Cost of sales	-16,914	-28	-	–	-16,942
Personnel costs	-1,268	–	-193	–	-1,461
Depreciation and amortization	-34	-11	-57	–	-102
Other operating result	-1,372	-45	-114	–	-1,531
Share of profit of associates	819	–	–	–	819
Profit from operating activities	5,673	221	601	–	6,495
Net financial result	169	-172	5	–	2
Profit before income tax	5,842	49	606	–	6,497
Income tax expense					-1,749
Profit for the period					**4,748**

See Note 1.1 for details of the adjustments to comparative figures.

4 NOTES ON THE CONSOLIDATED INCOME STATEMENT

4.1 Sales

Sales break down as follows:

TEUR	H1-2006	H1-2005	Q2-2006	Q2-2005
Issuing and Design				
Placement of investment capital	31,699	25,842	6,296	18,254
Fund design	7,046	7,306	2,605	5,371
Arrangement of financing	685	1,524	361	684
Management fees	329	44	200	36
Others	52	99	52	99
	39,811	34,815	9,514	24,444
Trusteeship	2,587	1,673	1,415	965
Rental and Leasing	–	613	–	303
	42,398	**37,101**	**10,929**	**25,712**

Issuing income from the placement of equity capital in the second quarter of 2006 is dominated by income from "Flottenfonds X" (TEUR 2,207), "Flottenfonds VIII" (TEUR 1,256) as well as "Britische Kapital Leben III" (TEUR 2,576). In addition, placement of investment capital for "Britische Kapital Leben IV" was commenced.

Income from fund design in the second quarter of 2006 relates to "Lloyd Parsifal" and "Britische Kapital Leben V". Income from the arrangement of financing stems from "Britische Kapital Leben V".

4.2 Cost of sales

The cost of sales comprises almost exclusively commission paid to retail partners in connection with the funds referred to in Note 4.1.

4.3 Personnel costs

The slight increase in personnel costs compared with the first quarter is primarily due to the increase in staff numbers: On June 30, 2006, the Group had 93 employees, up from 88 on March 31, 2006.

4.4 Other operating result

Other operating result breaks down as follows:

TEUR	H1–2006	H1–2005	Q2–2006	Q2–2005
Other operating income				
Income from the reduction in the net assets attributable to other limited partners	–	273	–	–
Other income	110	119	59	60
	110	392	59	60
Other operating expenses				
Entertainment expenses	–722	–438	–375	–267
Financial statement, legal and consulting costs	–586	–508	–344	–441
Office supplies, IT costs and communications	–404	–287	–192	–154
Circulars, press and advertisements	–473	–203	–289	–129
Motor vehicle and travel costs	–350	–131	–184	–68
Rentals, ancillary rental costs and cost of premises	–299	–283	–153	–171
Other staff costs	–289	–270	–218	–166
Other expenses	–263	–427	218	–195
	–3,386	–2,547	–1,537	–1,591
Other operating result	**–3,276**	**–2,155**	**–1,478**	**–1,531**

Other expenses include income from non-deductible input tax in the year under review arising from the exercise of the value added tax option in the second quarter of 2006.

4.5 Share of profit of associates

The share of profit of associates is dominated by the interim profit from the sale of a ship of TEUR 2,900 (comparison period TEUR 787).

4.6 Net financial result

Net financial result in the second quarter primarily comprises the balance of interest income from and interest expense to banks (TEUR 199; comparison period TEUR –116). The gains and losses from foreign-currency translation were almost balanced.

4.7 Income tax expense

Income tax expense comprises income taxes paid or owed as well as deferred taxes. Taxes entail corporate tax and the solidarity surcharge.

The tax rate for the first half of 2006 dropped to around 20 % on account of the tax-free dividend received in the second quarter (see Note 4.5).

4.8 Earnings per share

Basic

Basic earnings per share are calculated by dividing profit or loss attributable to the ordinary equity holders by the average number of ordinary shares outstanding during the period under review:

	H1–2006	H1–2005	Q2–2006	Q2–2005
Profit attributable to equity holders in parent company (TEUR)	8,524	6,473	3,483	4,748
Average number of shares issued (in thousands)	12,667	9,500	12,667	9,500
Basic earnings per share (EUR per share)	**0.67**	**0.68**	**0.27**	**0.50**

Diluted

Diluted earnings per share are calculated by adding all conversion rights to the average number of ordinary shares outstanding. It is assumed that the convertible bond will be converted into shares and the net profit will be adjusted to allow for interest expense and the tax effect. With respect to the conversion rights, the number of shares which it was possible to acquire at the fair value is calculated. The number of shares thus calculated is compared with the number which would have arisen had the conversion rights been exercised.

	H1–2006	H1–2005	Q2–2006	Q2–2005
Profit attributable to equity holders in parent company (TEUR)	8,524	6,473	3,483	4,748
Interest income on convertible bond (TEUR)	–5	–	–5	–
Interest expense on convertible bond (net; TEUR)	3	–	1	–
Profit for determining diluted earnings per share (TEUR)	8,522	6,473	3,479	4,748
Weighted average number of shares issued (in thousands)	12,667	9,500	12,667	9,500
Adjustments for assumed conversion of convertible bonds (in thousands)	42	–	44	–
Weighted average number of shares for diluted earnings per share (in thousands)	12,709	9,500	12,711	9,500
Diluted earnings per share (EUR per share)	**0.67**	**0.68**	**0.27**	**0.50**

See Note 1.1 for details of the adjustments to comparative figures.

5 NOTES ON THE CONSOLIDATED BALANCE SHEET

Compared with December 31, 2005, the consolidated balance sheet shows a 3% decline in total assets to TEUR 95,878. The assets side is characterized by the drop in receivables to related parties as the receivables relating to the design of the "Lloyd Fonds Schiffsportfolio" were settled in the second quarter. On the liabilities side, shareholders' equity in particular was down due to the distribution of the dividend for 2005. This section describes the main changes in the items of the balance sheet.

5.1 Financial assets

Changes in investments in associates and available-for-sale financial assets since December 31, 2005 are primarily due to the reclassification of fund companies placed, the inclusion of the non-distributed share of profit of associates and the incorporation of shelf companies.

5.2 Trade and other receivables

Trade and other receivables break down as follows:

TEUR	6/30/2006	12/31/2005
Receivables from issuing business	15,451	16,043
Receivables from trusteeship	2,238	533
Others	368	1,097
	18,057	**17,673**

The receivables from trusteeship are shown in gross amounts. Deferred income of TEUR 1,497 is reported under trade payables.

5.3 Receivables from related parties

The decline in receivables from associates is due mainly to the settlement of design receivables and the receivables arising from the arrangement of financing for the "Lloyd Fonds Schiffsportfolio".

5.4 Equity

Movements in the Lloyd Fonds Group's consolidated equity are set out in the statement of changes in equity.

As of June 30, 2006, share capital is unchanged and consists of 12,666,667 ordinary bearer shares with no par value, each with a nominal value of EUR 1.00. There have been no changes in the authorized and contingent capital since December 31, 2005.

The reserve for convertible bonds included in additional paid-in capital increased by the prorated equity component of TEUR 102 net of tax of TEUR 26. Details concerning the issue of new partial convertible bonds are set out in Note 7.3.

A sum of TEUR 13,933 was distributed from Lloyd Fonds AG's unappropriated surplus on June 30, 2006.

The additions and disposals in minority interests shown relate to minority interests in Lloyd Fonds Austria GmbH.

5.5 Non-current liabilities

The increase in non-current liabilities is due to convertible bonds issued to a member of the Management Board in the second quarter (see Note 7.3). An opposite effect arose from the buy-back of convertible bonds from Installment 2 by employees leaving the Company.

The increase in deferred tax liabilities compared with December 31, 2005 is due primarily to the increase in taxable loss allocations from shares in non-incorporated entities as well as deferred taxes on unrealized foreign-currency gains.

5.6 Trade and other liabilities

Trade and other liabilities break down as follows:

TEUR	6/30/2006	12/31/2005
Trade payables	6,380	7,040
Liabilities arising from operating taxes and levies	4,584	700
Other liabilities	992	921
	11,956	**8,661**

The increase in liabilities arising from operating taxes and levies particularly entails value added tax.

6 NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

6.1 Other non-cash transactions

Other non-cash income and expenses particularly relate to personnel expenses in connection with the convertible bond (TEUR 102) and certain unrealized foreign-currency gains (TEUR –547). Other non-cash income in the comparison period concerns income from the reduction in the net assets attributable to other limited partners (TEUR –274).

6.2 Reconciliation with profit for the period

For the purposes of the cash flow statement, profit for the period before the share of profit of associates, interest and income tax is calculated as follows:

TEUR	H1–2006	H1–2005
Profit from operating activities	10,431	8,883
Share of profit of associates	–2,787	–819
Gains from foreign-currency transactions	1,263	286
Losses from foreign-currency transactions	–1,334	–57
	7,573	**8,293**

6.3 Composition of cash and cash equivalents

Short-term bank overdrafts of TEUR 31 (comparison period TEUR 150) have been deducted from cash and cash equivalents for the purposes of the cash flow statement.

Of the cash and cash equivalents held as at June 30, 2006, a sum of TEUR 4,024 is subject to drawing restrictions (comparative period: nil).

7 OTHER DISCLOSURES

7.1 Contingencies

Contingencies break down as follows:

TEUR	6/30/2006	12/31/2005
Hedge relationships from interim equity finance	181,503	316,493
Placement guarantees for equity to be obtained	70,186	26,007
	251,689	**342,500**

Capital contributions of an unchanged TEUR 3,480 for four shipping companies have been entered in the companies register but not yet called up.

7.2 Operating lease commitments

The Group leases office space, motor vehicles and copiers under operating leases.

Commitments break down as follows:

TEUR	6/30/2006	12/31/2005
Office space	8,836	9,034
Vehicles and copiers	178	162
	9,014	**9,196**

The obligations particularly relate to the rental of new office space. In addition, there were other financial obligations as of June 30, 2006 in connection with the acquisition of financial assets of TEUR 95.

As part of trusteeship business, shares of TEUR 913,715 (December 31, 2005: TEUR 728,457) are managed on the Company's own behalf but for the account of various trustors. In addition, trust accounts of TEUR 23,528 (December 31, 2005: TEUR 8,327) are maintained on the Company's own behalf but for the account of various trustors.

7.3 Related parties

Under the staff participation program, 50,000 partial convertible bonds from Installment 1 were issued to Dr. Marcus Simon on June 13, 2006. There were no material effects on the Company's net assets, financial condition or results of operations in the second quarter of 2006.

7.4 Events after the balance sheet date

No events of material importance for the Lloyd Fonds Group have occurred after the balance sheet date of June 30, 2006.

Hamburg, August 22, 2006

The Management Board

Dr. Torsten Teichert **Holger Schmitz** **Dr. Marcus Simon**

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