

# Semi-Annual Report

2009



ALPINE SELECT

## Board of Directors

Daniel J. Sauter, *Chairman*

Hans Müller

Walter Geering

## Auditors

Ernst & Young AG

Badenerstrasse 47

8022 Zurich

Switzerland

## Company Info Sheet

Listing:	SIX Swiss Exchange
Stock Exchange Symbol:	ALPN
Swiss Security Number:	1.919.955
ISIN Code:	CH0019199550
Reuters:	ALPN.S
Bloomberg:	ALPN SW EQUITY
Type of Shares:	Registered shares
Outstanding Shares:	15'864'144 (adjusted on 15 July 2009 to 13'278'447)

Net Asset Value is published on a weekly basis in  
Finanz und Wirtschaft, Zurich, on Bloomberg  
and on the Company website.

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This semi-annual report is for the information of the shareholders of Alpine Select AG and does not constitute an offering. This document does not purport to be a complete description of the securities, markets or developments referred to in the material.

While some information used in this document has been obtained from various published and unpublished sources considered to be reliable, Alpine Select AG does not guarantee its accuracy or completeness and accepts no liability for any direct or consequential losses arising from its use.

# Chairman's statement

Dear Shareholders

During the first six months of the year the net asset value of Alpine (NAV) has increased by 6.1% from CHF 10.92 to CHF 11.59. In the corresponding period the share price increased by 3.6% or CHF 0.40 from CHF 11.00 to CHF 11.40.

Despite a further decline of markets during the first quarter of the year, the NAV and the share price of Alpine Select remained relatively stable and benefited from the somewhat unexpected market upturn in the second quarter. The buy back program was terminated at the end of March and a total of 16.30% was approved for cancellation at the Company's shareholders meeting in April. A new buy back program was approved by the shareholders which has been launched after the semi annual closing.

The Company continues to maintain a strong liquidity representing 24% of the NAV. The shares of Cicor Technologies were sold during the period and the positions in Absolute Invest, HBM Bioventures and Schaffner were slightly increased. The former two companies are proactively addressing their discount situation. We believe that their measures taken will reduce their respective discounts to the net asset value.

Despite the good sentiment in the market with large institutional investors rebuilding their stock positions, the fear of higher inflation coupled with the lack of any signs of the real economy picking up commands continuous caution.

On behalf of the Board of Directors I thank you for your continued interest and trust.

A handwritten signature in black ink, appearing to read 'D. Sauter', with a stylized, flowing script.

Daniel J. Sauter

Chairman of the Board of Directors

7 August 2009

# Key figures

## Performance table

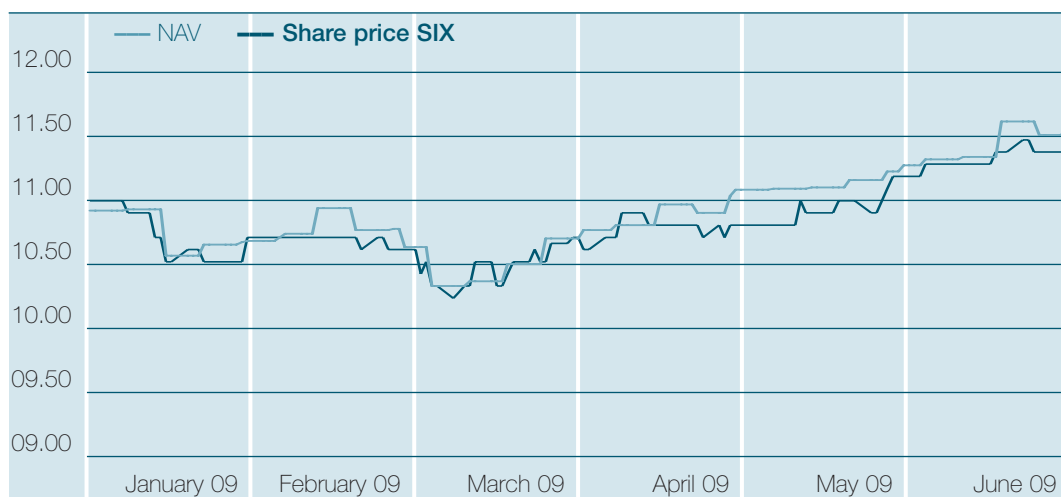
	30 June 2009	31 December 2008
Share price	CHF 11.40	CHF 11.00
NAV	CHF 11.59	CHF 10.92

	High 2009	Low 2009
Share price	CHF 11.50	CHF 10.20
NAV	CHF 11.65	CHF 10.30

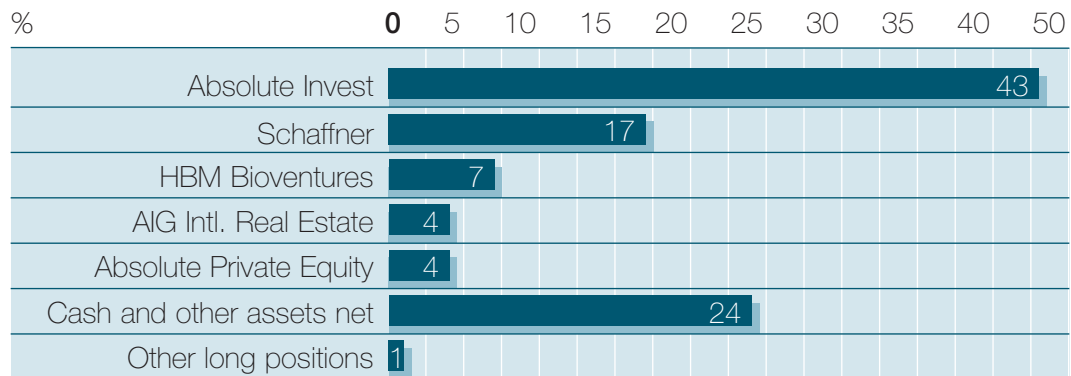
## 6 Months price-history in CHF for the period January-June 2009

(weekly NAV and daily closing share price)



# Key figures

## Positions as a percentage of net book value on 30 June 2009



## Monthly NAV-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
<b>2004</b>	5.8	1.7	3.1	2.2	-2.6	1.1	0.9	-1.3	3.7	0.1	0.5	0.9	16.9
<b>2005</b>	-0.1	0	0.1	0.7	0.7	0.6	4.6	1.9	2.0	-1.8	-1.2	3.3	11.1
<b>2006</b>	2.6	3.3	2.7	3.2	-4.4	1.6	0.8	-0.3	2.6	9.2	0.3	0.3	23.6
<b>2007</b>	7.5	-3.5	2.0	1.8	0.7	-0.7	-1.3	-6.0	0	0.6	-0.9	0.9	2.8
<b>2008</b>	-4.6	-0.7	-1.9	1.7	-2.1	-1.9	-2.4	-1.2	-5.7	-14.1	-11.0	-4.3	-39.6
<b>2009</b>	-2.3	-0.5	2.2	2.2	1.8	2.7							6.1*

\*year to date

## Monthly share price-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
<b>2004</b>	6.2	3.2	5.4	2.2	1.4	-0.7	0	1.4	-1.4	-0.7	-1.8	2.6	18.9
<b>2005</b>	0.7	0	1.1	-0.7	0.7	0.3	5.2	3.9	2.0	0	-5.1	-0.3	6.8
<b>2006</b>	3.7	4.5	3.7	1.8	-4.4	1.2	1.2	1.7	2.6	5.1	1.5	1.7	27.1
<b>2007</b>	8.9	-2.1	0.5	2.1	0.7	-1.5	-0.5	0	0	0.8	0	0.6	1.7
<b>2008</b>	-5.5	0.0	-2.3	1.2	-4.7	0.0	-1.2	-1.3	-6.3	-15.5	-9.6	-2.7	-39.6
<b>2009</b>	-2.7	-0.9	0.9	0.9	3.7	1.8							3.6*

\*year to date

# Unaudited interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
	Notes	<b>30 June 2009 (unaudited)</b>	<b>31 Dec 2008 (audited)</b>	
<b>in TCHF</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		33'388	33'721	
Financial assets at fair value through profit or loss	3	0	10'613	
Other current assets	4	5'722	1'972	
<b>Total current assets</b>		<b>39'110</b>	<b>46'306</b>	
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss	3	115'986	104'728	
Furniture and equipment		24	27	
<b>Total non-current assets</b>		<b>116'010</b>	<b>104'755</b>	
<b>TOTAL ASSETS</b>		<b>155'120</b>	<b>151'061</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Financial liabilities at fair value through profit or loss	3	927	0	
Accounts payable and accrued liabilities		239	181	
<b>Total current liabilities</b>		<b>1'166</b>	<b>181</b>	
<b>Shareholders' equity</b>				
Share capital	6	317	317	
Additional paid-in capital		152'313	152'313	
Treasury shares	6	(36'767)	(31'095)	
Retained earnings		38'091	29'345	
<b>Total shareholders' equity</b>		<b>153'954</b>	<b>150'880</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>155'120</b>	<b>151'061</b>	

# Unaudited interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE</b>			
<b>in TCHF</b>	Notes	<b>2009</b> <b>(unaudited)</b>	<b>2008<sup>1)</sup></b> <b>(unaudited)</b>
<b>OPERATING INCOME</b>			
Gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net	7	9'323	(27'660)
Dividend and other (loss) / gain from securities, net		(382)	968
Interest income from cash and cash equivalents		0	858
Interest income from bonds		265	0
Other income		300	204
Foreign exchange gains on cash and cash equivalents, net		95	25
<b>Total operating income / (loss)</b>		<b>9'601</b>	<b>(25'605)</b>
<b>OPERATING EXPENSES</b>			
General and administrative expenses		(632)	(848)
Commissions and other bank fees		(220)	(481)
Interest expense on short-term bank debts		0	(7)
Depreciation on furniture and equipment		(3)	(3)
<b>Total operating expenses</b>		<b>(855)</b>	<b>(1'339)</b>
<b>Net profit / (loss) before tax</b>		<b>8'746</b>	<b>(26'944)</b>
Income tax	5/8	0	607
<b>Net profit / (loss) for the period</b>		<b>8'746</b>	<b>(26'337)</b>
Other comprehensive income for the period, net of tax		0	0
<b>Total comprehensive income / (loss) for the period</b>		<b>8'746</b>	<b>(26'337)</b>
Profit / (loss) per share in CHF (basic and diluted)	9	0.65	(1.67)

<sup>1)</sup> Certain comparatives have been reclassified to conform with the current period's presentation

# Unaudited interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE</b>			
<b>in TCHF</b>	Notes	<b>2009 (unaudited)</b>	<b>2008<sup>1)</sup> (unaudited)</b>
<b>Cash flows from operating activities</b>			
Net profit / (loss) for the period		8'746	(26'944)
Adjustments for:			
- (Gain) / loss on financial assets and financial liabilities at fair value through profit or loss, net		(9'323)	27'660
- Dividend and other loss / (gain) from securities, net		382	(968)
- Interest income		(265)	(858)
- Interest expense		0	7
- Depreciation on furniture and equipment		3	3
- Other non-cash (income) / expense		0	2
Withholding taxes received		1'906	19'921
Change in other current assets		10	15
Change in accounts payable and accrued liabilities		58	(122)
Dividends received		889	964
Interest received		193	856
Interest paid		0	(7)
Income taxes paid		0	(798)
<b>Net cash inflow from operating activities</b>		<b>2'599</b>	<b>19'731</b>
<b>Cash flows from investing activities</b>			
Purchases of financial assets at fair value through profit or loss		(18'704)	(31'252)
Proceeds from sale of financial assets at fair value through profit or loss		13'432	35'011
Net cash inflow from currency forwards and financial futures		8'012	5'662
<b>Net cash inflow from investing activities</b>		<b>2'740</b>	<b>9'421</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares	6	(5'672)	(14'060)
<b>Net cash outflow from financing activities</b>		<b>(5'672)</b>	<b>(14'060)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(333)</b>	<b>15'092</b>
Cash and cash equivalents at beginning of period		33'721	49'686
<b>Cash and cash equivalents at end of period</b>		<b>33'388</b>	<b>64'778</b>
Cash and cash equivalents consist of:			
Cash at banks		33'388	1'198
Short-term deposits		0	64'300
./. Due to banks		0	(720)
<b>Cash and cash equivalents as defined for the Cash flow statement</b>		<b>33'388</b>	<b>64'778</b>

<sup>1)</sup> Certain comparatives have been reclassified to conform with the current period's presentation

# Unaudited interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>					
<b>in TCHF</b>	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Total
<b>Balance at 1 January 2008</b>	<b>317</b>	<b>152'313</b>	<b>0</b>	<b>134'313</b>	<b>286'943</b>
Net loss for the period 1.1.-30.6.2008				(26'337)	(26'337)
Total recognized income and expense	0	0	0	(26'337)	(26'337)
Acquisition of treasury shares (Notes 6)			(14'060)		(14'060)
<b>Balance at 30 June 2008</b>	<b>317</b>	<b>152'313</b>	<b>(14'060)</b>	<b>107'976</b>	<b>246'546</b>
Net loss for the period 1.7.-31.12.2008				(78'631)	(78'631)
Total recognized income and expense	0	0	0	(78'631)	(78'631)
Acquisition of treasury shares (Note 6)			(17'045)		(17'045)
Income tax on transaction costs included in "Acquisition of treasury shares" (Note 6)			10		10
<b>Balance at 31 December 2008</b>	<b>317</b>	<b>152'313</b>	<b>(31'095)</b>	<b>29'345</b>	<b>150'880</b>
Net profit for the period 1.1.-30.6.2009				8'746	8'746
Total recognized income and expense	0	0	0	8'746	8'746
Acquisition of treasury shares (Note 6)			(5'672)		(5'672)
<b>Balance at 30 June 2009</b>	<b>317</b>	<b>152'313</b>	<b>(36'767)</b>	<b>38'091</b>	<b>153'954</b>

# Notes to the unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2009

## **1. Corporate information**

Alpine Select AG (the "Company", "Alpine" and together with its subsidiary Sumara AG, the "Group") is a limited liability company incorporated on 17 September 1997 under the laws of Switzerland. The Company has its registered office at Bahnhofstrasse 23, Zug, Switzerland.

The Company's purpose is to invest in securities of any form of Swiss or foreign corporations taking advantage of particular corporate circumstances. As of 30 June 2009, the Company had three employees of which one works part time.

The unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2009 were authorized for issue by the Board of Directors on 7 August 2009.

## **2. Accounting policies**

### **2.1. Basis of presentation of the unaudited interim condensed consolidated financial statements**

The accompanying unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2009 comply with the recognition criteria and the measurement methods of International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard (IAS) 34 "Interim Financial Reporting", Swiss law and the special provisions for investment companies regarding interim financial statements according to the Listing Rules and the Directive of financial reporting of the SIX Swiss Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. The accounting conventions and accounting policies are the same as those applied and described by the Company in its Annual Report as at 31 December 2008 (pages 24-45) except for the adoption of the following new Standards and Interpretations:

## Notes to the unaudited interim condensed consolidated financial statements

- IFRS 1/ IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate – Amendment (effective 1 January 2009);
- IFRS 2: Share-based Payment – Vesting Conditions and Cancellations – Amendment (effective 1 January 2009);
- IFRS 7: Financial Instruments – Improving Disclosures – Amendment (effective 1 January 2009);
- IFRS 8: Operating Segments (effective 1 January 2009);
- IAS 1: Revised – Presentation of Financial Statements (effective 1 January 2009);
- IAS 23: Revised - Borrowing Costs (effective 1 January 2009);
- IAS 32 / IAS 1: Financial Instruments: Presentation / Puttable Financial Instruments and Obligations Arising on Liquidation – Amendment (effective 1 January 2009);
- IAS 39 / IFRS 7: Reclassification of Financial Assets – Amendment (effective 1 July 2008);
- IFRIC 9 / IAS 39: Embedded Derivatives – Amendment (effective 1 July 2008);
- IFRIC 13: Customer Loyalty Programmes (effective 1 July 2008);
- IFRIC 15: Agreements for the Construction of Real Estate (effective 1 January 2009);
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008).

The adoption of these Standards and Interpretations do not have any impact on the financial position or performance of the Group.

# Notes to the unaudited interim condensed consolidated financial statements

In May 2008 the International Accounting Standards Board (IASB) issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. With the exception of IFRS 5 (effective 1 July 2009) all amendments and improvements are effective 1 January 2009. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

## 2.2. Foreign currencies

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. On the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated into Swiss Francs at the exchange rates prevailing at the end of the period. The resulting exchange gains and losses are included in the comprehensive income statement. The exchange rate difference resulting from foreign currency positions within cash and cash equivalents is disclosed separately in the comprehensive income statement. Other exchange rate differences are included in "Gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net" (see also Note 7).

The following exchange rates have been applied:

		30 June 2009	31 Dec 2008
<b>USD/CHF</b>			
Balance sheet	End of month rate	1.0876	1.0644
<b>EUR/CHF</b>			
Balance sheet	End of month rate	1.5255	1.4796

## 2.3. Financial assets and financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss comprise equity investments, futures, options, warrants, swaps as well as unrealized gains from currency forward contracts. Financial liabilities at fair value through profit or loss mainly include equity investments, futures and options sold short as well as unrealized losses from currency forward contracts.

# Notes to the unaudited interim condensed consolidated financial statements

Financial assets and financial liabilities at fair value through profit or loss are initially recorded at their fair value (corresponding to their cost) and are subsequently measured at their fair value. Transactions are recognized on the trade date.

The fair value of investments that are traded in an organized financial market is determined by reference to quoted market prices at the close of business on the statement of financial position date. In estimating the fair value of securities for which no market quotation is available, the Group considers all appropriate and applicable factors relevant to their value, including but not limited to the following: results of operations, multiples and discounted cash flow analysis, comparable transactions. The fair values so determined may differ from the values that are actually realized upon the sale of the investments.

All realized and unrealized gains and losses including foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognized in the comprehensive income statement. The realized and unrealized gains and losses are calculated based on the weighted average cost formula.

## **2.4. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and short-term deposits with a maturity of up to three months.

## **2.5. Taxes**

Alpine Select AG and Sumara AG have the status of a holding company in the Canton of Zug and as such benefit from the participation exemption at federal level on income from dividends, stock dividends and capital gains and from the complete exemption at cantonal and communal level. For federal tax purposes, the Companies are subject to income tax at a rate of 7.8% (based on the profit before tax) on income which does not qualify for the participation exemption.

Deferred tax liabilities are recognized on temporary differences between the carrying amount and the tax base of assets and liabilities based on the expected applicable tax

# Notes to the unaudited interim condensed consolidated financial statements

rates. Deferred tax assets and deferred tax liabilities are measured by taking into account the Group's expectations to recover or settle the carrying amount of its assets and liabilities at the statement of financial position date.

## **2.6. Seasonality of operations**

The business of the Company does not present relevant seasonal patterns.

## **2.7. Comparatives**

Prior period figures have been adjusted where applicable to disclose them on the same basis as current period figures and to conform with the current period's presentation. "Interest income from lent securities" of TCHF 12 for the six month period ended 30 June 2008 was reclassified in 2009 to "Other income". As a result of that reclassification the corresponding positions in the "Cash flows from operating activities" for the six month period ended 30 June 2008 were also reclassified as follows: "Interest income" decreased from TCHF -870 to TCHF -858 and "Interest received" decreased from TCHF 868 to TCHF 856.

## Notes to the unaudited interim condensed consolidated financial statements

### 3. Financial assets / liabilities at fair value through profit or loss

The financial assets and financial liabilities at fair value through profit or loss consist of the following:

in TCHF	30 June 2009	31 Dec 2008
<b>Financial assets at fair value through profit or loss</b>		
Unrealized gains resulting from currency forward contracts	0	10'613
Trading securities	115'986	104'728
<b>Total</b>	<b>115'986</b>	<b>115'341</b>
of which current	0	10'613
of which non-current	115'986	104'728
<b>Financial liabilities at fair value through profit or loss</b>		
Unrealized losses resulting from currency forward contracts	927	0
<b>Total</b>	<b>927</b>	<b>0</b>
of which current	927	0
of which non-current	0	0

Further details are shown in the investment table on the following pages.

# Notes to the unaudited interim condensed consolidated financial statements

<b>Investment table as of 30 June 2009</b>		<b>in TCHF</b>		
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2009	1 January 2009		
<b>LONG POSITIONS:</b>				
Absolute Invest AG	2'039'090	50'353	11'828	(15'403)
Absolute Private Equity AG		0	4'909	
AlG International Real Estate GmbH & Co KGaA	393'803	7'809	141	(121)
Atrium V Ltd.	1'500	303		
Cicor Technologies	90'000	2'250		(2'160)
HBM Bioventures AG	176'311	7'229	30	(59)
Highland Financial Partners LP	600'000	0		
ING Investment Management CLO	2'000	404		
Invisa Inc.	130'000	1		
New Venturetec AG	190'178	1'713		
Peoples Choice Financial Corporation	70'800	0		
Prime New Energy AG	210'492	105		
Prokmu Invest AG	57'350	0		
Schaffner Holding AG	176'973	25'661	839	(1'062)
Stone Tower CLO VI LTD	2'000	426		
Vitafort International Corporation	317'543	0		
Var. Obl. Stone Tower CLO VII	2'000'000	404		
2 1/2% Convertible Bonds HBM Bioventures AG	5'000'000	4'737	760	
2 1/4% Convertible Bonds Schaffner Holding AG	3'363'000	3'333	197	
<b>Total Long Positions:</b>		<b>104'728</b>	<b>18'704</b>	<b>(18'805)</b>
of which gains				
of which losses				
of which "Other gain from securities":				
of which "Other loss from securities":				
<b>CURRENCY FORWARDS:</b>				
Forward sales EUR/CHF		698		
Forward sales USD/CHF		9'915		
<b>Total Currency Forwards:</b>		<b>10'613</b>	<b>0</b>	<b>0</b>
of which gains				
of which losses				
of which assets		10'613		
of which liabilities		0		

<sup>1)</sup> Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year.

## Notes to the unaudited interim condensed consolidated financial statements

		in TCHF						
Realized gains/(losses) net of FX	Realized FX gains/(losses)	Unrealized gains/(losses) net of FX <sup>(1)</sup>	Unrealized FX gains/(losses) <sup>(1)</sup>	Fair value at	Number of shares at	Stock price (closing) in local currency at		Dividends received
				30 June	30 June	30 June		
For the six months from 1 January to 30 June 2009				2009	2009	2009		
(1'301)		19'082	2'139	66'698	1'919'454	USD	32	
		852	(78)	5'683	772'877	USD	7	
(262)	(12)	(2'453)	544	5'646	398'400	EUR	9	
		(337)	34	0	1'500	USD	0	80
(6'864)		6'774		0	0			
(191)		(2'471)		4'538	174'875	USD	26	
				0	600'000	USD	0	
		(363)	46	87	2'000	USD	40	213
		(4)	4	1	130'000	USD	0	
		(365)		1'348	190'178	CHF	7	
				0	70'800	USD	0	
		(84)		21	210'492	CHF	0	631
				0	57'350	CHF	0	
(194)		(2'906)		22'338	180'146	CHF	124	
		(395)	45	76	2'000	USD	35	112
				0	317'543	USD	0	
		(403)	42	43	2'000'000	USD	2	74
		345		5'842	5'756'000	CHF	101	
		135		3'665	3'563'000	CHF	103	
<b>(8'812)</b>	<b>(12)</b>	<b>17'407</b>	<b>2'776</b>	<b>115'986</b>				<b>1'110</b>
		27'188	2'854					
(7'320)	(12)	(9'781)	(78)					
(1'492)								
	480		(756)	(57)				
	7'532		(10'784)	(870)				
<b>0</b>	<b>8'012</b>	<b>0</b>	<b>(11'540)</b>	<b>(927)</b>				<b>0</b>
	8'603		(10'613)					
	(591)		(927)					
				0				
				(927)				

# Notes to the unaudited interim condensed consolidated financial statements

## 4. Other current assets

in TCHF	30 June 2009	31 Dec 2008
Withholding tax	5'714	1'954
Prepaid expenses	8	18
<b>Total</b>	<b>5'722</b>	<b>1'972</b>

## 5. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are disclosed net in the interim condensed consolidated financial statements. Deferred tax liabilities result from valuation differences of financial assets and financial liabilities designated at fair value through profit or loss. Deferred tax assets are recognized for losses carried-forward to an extent for which the realization of the related tax benefit is probable due to future taxable profits.

The Group's deferred tax liability of TCHF 532 was netted against deferred tax assets arising from tax losses carried-forward in the same amount. The movements of deferred tax assets and liabilities were as follows:

in TCHF	Fin. assets at fair value through profit or loss	Capitalized tax losses carried-forward	Total
Balance at 1 January 2008	(2'380)	0	(2'380)
Deferred tax income	2'380	0	2'380
<b>Balance at 31 December 2008</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax income / (expense)	(532)	532	0
<b>Balance at 30 June 2009</b>	<b>(532)</b>	<b>532</b>	<b>0</b>

Deferred tax assets and deferred tax liabilities are netted in case there is a legally enforceable right and the deferred income taxes relate to the same fiscal authority. Provisions for deferred taxes are calculated in accordance with the liability method using a tax rate of 7.8% (based on the result before tax).

As of 30 June 2009 the Group has unrecorded tax losses carried-forward of approx. CHF 68.0 million (31 December 2008: approx. CHF 77.0 million) which will expire in the

# Notes to the unaudited interim condensed consolidated financial statements

year 2015. Due to the uncertainty of market movements, an exact estimate concerning future profits is not possible. As a result, deferred tax assets are capitalized only to the extent that they can be netted with deferred tax liabilities.

## **6. Share capital and treasury shares**

As of 30 June 2009 and 31 December 2008 the share capital of the Company was CHF 317'282.88 consisting of 15'864'144 fully paid-in registered shares with a nominal value of CHF 0.02 each. Each share has one vote and all shares are equally entitled to dividends.

During the year 2008 the Company acquired 2'051'917 treasury shares at an average price of CHF 15.10 per share. The total acquisition costs of treasury shares of TCHF 31'105 as per 31 December 2008 include transaction costs of TCHF 128. The corresponding income tax effect applying the tax rate of 7.8% amounts to TCHF 10.

During the six month period ended 30 June 2009 the Company acquired another 533'780 treasury shares at an average price of CHF 10.63 per share for a total amount of TCHF 5'672. The share re-purchase program was stopped as per 31 March 2009. In total 2'585'697 treasury shares (16.3% of the share capital) were acquired for an amount of TCHF 36'777.

No treasury shares were sold during the six month period ended 30 June 2009 and in 2008. After considering the deduction of 2'585'697 treasury shares, 13'278'447 shares were outstanding as of 30 June 2009 (31 December 2008: 13'812'227 shares).

The Annual General Shareholders' Meeting held at 30 April 2009 decided to annul the 2'585'697 treasury shares and to reduce the nominal share capital of the Company from currently CHF 317'282.88 to CHF 265'568.94. The capital reduction was certified by a public notary on 14 July 2009 and filed by the Register of Commerce of the Canton Zug on 15 July 2009. As a result, related accounting entries were not considered in the six month period ended 30 June 2009. Furthermore that Annual General Shareholders' Meeting entitled the Board of Directors to launch a new share re-purchase program at a maximum of 10% of the share capital.

# Notes to the unaudited interim condensed consolidated financial statements

## 7. Gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net

The following table provides the results on financial assets and financial liabilities for the six month period ended 30 June 2009 and 2008:

in TCHF	2009	2008
Realized gains – securities	0	241
Realized losses – securities	(7'320)	(8'631)
Net realized currency losses – securities	(12)	(3)
<b>Net realized – securities</b>	<b>(7'332)</b>	<b>(8'393)</b>
Unrealized gains – securities	27'188	3'011
Unrealized losses – securities	(9'781)	(21'486)
Net unrealized currency gains / (losses) – securities	2'776	(8'590)
<b>Net unrealized – securities</b>	<b>20'183</b>	<b>(27'065)</b>
<b>Total securities, net</b>	<b>12'851</b>	<b>(35'458)</b>
Realized gains – options	0	551
Realized losses – options	0	(421)
<b>Net realized – options</b>	<b>0</b>	<b>130</b>
Unrealized losses – options	0	(1'505)
<b>Net unrealized – options</b>	<b>0</b>	<b>(1'505)</b>
<b>Total options, net</b>	<b>0</b>	<b>(1'375)</b>
Realized gains – forwards and financial futures	8'012	5'662
Unrealized (losses) / gains – forwards and financial futures	(11'540)	3'511
<b>Total forwards and financial futures, net</b>	<b>(3'528)</b>	<b>9'137</b>
<b>Gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net</b>	<b>9'323</b>	<b>(27'660)</b>

## 8. Income tax

The components for the six month period ended 30 June 2009 and 2008 are:

in TCHF	2009	2008
Current tax expense	0	(17)
Deferred tax income	0	624
<b>Total income tax</b>	<b>0</b>	<b>607</b>

For the six month period ended 30 June 2009, no current income tax expense or provisions were recognized. Deferred tax income and expense is presented net in the interim condensed consolidated statement of comprehensive income.

# Notes to the unaudited interim condensed consolidated financial statements

## 9. Profit / (loss) per share

	2009	2008
Net profit / (loss) in TCHF for the six month period ended 30 June as per the condensed consolidated statement of comprehensive income	8'746	(26'337)
Weighted average number of outstanding shares	13'421'489	15'761'089
<b>Profit / (loss) per share in CHF (basic and diluted)</b>	<b>0.65</b>	<b>(1.67)</b>

## 10. Net asset value (NAV) per share

The net asset value per share is calculated using the adjusted number of outstanding shares at the end of the statement of financial position date. The net asset value per share at 30 June 2009 is CHF 11.59 (31 December 2008: CHF 10.92).

## 11. Contingencies; commitments

For the presented periods, no contingent liabilities and/or commitments exist.

## 12. Significant shareholders

To the best knowledge of the Company, the following shareholders held a participation exceeding 3% of the share capital of the Company at:

	30 June 2009	31 Dec 2008
<b>Fabrel AG</b> Seestrasse 50, 6052 Hergiswil:		
- Number of shares (including 140 shares directly held by Hans Müller)	3'634'515	3'634'515
- Percentage	22.91%	22.91%
Beneficial owner is Hans Müller, 6052 Hergiswil		
<b>Trinsic AG</b> Artherstrasse 21, 6300 Zug:		
- Number of shares (incl. 70'000 shares directly held by Daniel Sauter)	2'330'406	2'330'955
- Percentage	14.69%	14.69%
Beneficial owners are Daniel Sauter, 6300 Zug and Michel Vukotic, 8706 Meilen		

## 13. Events after the statement of financial position date

There are no events after the statement of financial position date to report.



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