

# Semi-Annual Report

2008



ALPINE SELECT

## Board of Directors

Daniel J. Sauter, *Chairman*

Hans Müller

Walter Geering

## Company Auditors

Ernst & Young AG

Badenerstrasse 47

8022 Zurich

Switzerland

## Company Info Sheet

Listing:	SWX 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

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

# Table of contents

Chairman's statement	3
Key figures	4-5
Interim condensed consolidated financial statements	6-9
Notes to the unaudited interim condensed consolidated financial statements	10-21



# Chairman's statement

Dear Shareholders

During the first six months of the year the net asset value of Alpine Select AG (NAV) has decreased by 9.2% from CHF 18.09 to CHF 16.42. In the corresponding period the share price has declined by CHF 2.00 from CHF 18.20 to CHF 16.20 representing a decrease of 11%.

Influenced by the subprime debt-crisis in the USA and their effects on the financial universe, markets continued to lose ground in the first half of 2008. Although Alpine Select AG has only marginal exposure to these critical markets, mounting pressure is felt on our investments as well. To absorb surplus liquidity in the Company's stock and to give effect to our undertaking to keep the discount to the net asset value within a narrow band, the Board of Directors decided to launch a share repurchase program at the end of May 2008.

The already strong liquidity of the Company was further increased from 22% to 26% of total assets by disposing of some smaller positions. Should opportunities arise, Alpine Select AG therefore is in a good position to take advantage thereof.

Positions in Feintool, OC Oerlikon and Pargesa were significantly reduced. Our large positions in Schaffner Holding and Absolute Invest were slightly increased. In some cases we enhanced the returns by engaging in derivatives.

Despite a somewhat lackluster sentiment in the market and a growing fear of rekindling inflation, the economic performance shows remarkable signs of resilience. The major stock markets around the world have anticipated significantly weaker economic results; hence the downward risk has substantially materialized.

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



Daniel J. Sauter

Chairman of the Board of Directors

11 August 2008

# Key figures

## Performance table

	30 June 2008	31 December 2007
Share price	CHF 16.20	CHF 18.20
NAV	CHF 16.42	CHF 18.09

  

	High 2008	Low 2008
Share price	CHF 18.20	CHF 16.20
NAV	CHF 18.05	CHF 16.42

## 6 Months price-history in CHF for the period January-June 2008

(weekly NAV and daily closing share price)



## Key figures

### Positions as a percentage of net book value on 30 June 2008

%	0	5	10	15	20	25	30	35	40	50
Absolute Invest	31									
Schaffner	16									
AIG Intl. Real Estate	10									
HBM Bioventures	5									
Castle Private Equity	3									
Cash and other assets net	26									
Other long positions	9									

### Monthly NAV-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
2003*						0.1	-1.4	5.5	1.4	-2.8	5.1	-1.7	5.9*
2004	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
2005	-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
2006	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
2007	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
2008	-4.6	-0.7	-1.9	1.7	-2.1	-1.9							-9.2**

\*seven months only \*\*year to date

### Monthly share price-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
2003*						2.4	0.9	2.0	1.6	1.7	-0.4	1.0	5.9*
2004	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
2005	0.7	0	1.1	-0.7	0.7	0.3	5.2	3.9	2.0	0	-5.1	-0.3	6.8
2006	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
2007	8.9	-2.1	0.5	2.1	0.7	-1.5	-0.5	0	0	0.8	0	0.6	1.7
2008	-5.5	0.0	-2.3	1.2	-4.7	0.0							-11.0**

\*seven months only \*\*year to date

# Interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED BALANCE SHEET</b>			
in TCHF	Notes	<b>30 June 2008 (unaudited)</b>	<b>31 Dec 2007 (audited)</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		65'498	49'686
Financial assets at fair value through profit or loss	3	1'754	0
Other current assets	4	460	19'683
<b>Total current assets</b>		<b>67'712</b>	<b>69'369</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	3	184'586	222'777
Furniture and equipment		30	33
<b>Total non-current assets</b>		<b>184'616</b>	<b>222'810</b>
<b>TOTAL ASSETS</b>		<b>252'328</b>	<b>292'179</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Due to banks		720	0
Financial liabilities at fair value through profit or loss	3	3'119	1'757
Accounts payable and accrued liabilities		187	318
Income tax payables		0	781
Deferred tax liabilities		1'756	2'380
<b>Total current liabilities</b>		<b>5'782</b>	<b>5'236</b>
<b>Shareholders' equity</b>			
Share capital	5	317	317
Additional paid-in capital		152'313	152'313
Treasury shares	5	(14'060)	0
Retained earnings		107'976	134'313
<b>Total shareholders' equity</b>		<b>246'546</b>	<b>286'943</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>252'328</b>	<b>292'179</b>

# Interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED 30 JUNE</b>			
<b>in TCHF</b>	Notes	<b>2008</b> <b>(unaudited)</b>	<b>2007<sup>1)</sup></b> <b>(unaudited)</b>
<b>OPERATING INCOME</b>			
(Loss) / gain on financial assets and financial liabilities at fair value through profit or loss, net	6	(27'660)	23'009
Dividend and other gain / (loss) from trading securities, net		968	2'731
Interest income from cash and cash equivalents		858	304
Interest income from lent securities		12	44
Other income		192	0
Foreign exchange gains / (losses) on cash and cash equivalents, net		25	(529)
<b>Total operating (loss) / income</b>		<b>(25'605)</b>	<b>25'559</b>
<b>OPERATING EXPENSES</b>			
General and administrative expenses		(848)	(576)
Commissions and other bank fees		(481)	(1'080)
Interest expense on short-term bank debts		(7)	(107)
Interest expense on borrowed securities		0	(21)
Depreciation on furniture and equipment		(3)	(3)
<b>Total operating expenses</b>		<b>(1'339)</b>	<b>(1'787)</b>
<b>Net (loss) / profit before tax</b>		<b>(26'944)</b>	<b>23'772</b>
Income tax	7	607	(1'863)
<b>Net (loss) / profit after tax</b>		<b>(26'337)</b>	<b>21'909</b>
(Loss) / profit per share in CHF (basic and diluted)	8	(1.67)	1.38

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

# Interim condensed consolidated financial statements

<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE</b>		
<b>in TCHF</b>	<b>2008 (unaudited)</b>	<b>2007<sup>1)</sup> (unaudited)</b>
<b>Cash flows from operating activities</b>		
Net (loss) / profit before tax	(26'944)	23'772
Adjustments for:		
- (Loss) / gain on financial assets and financial liabilities at fair value through profit or loss	27'660	(23'009)
- Dividend and other gain / (loss) from trading securities, net	(968)	(2'731)
- Interest income	(870)	(348)
- Interest expense	7	128
- Depreciation on furniture and equipment	3	3
- Other non-cash expense	2	265
Withholding taxes received	19'921	1'314
Change in other current assets	15	(39)
Change in accounts payable and accrued liabilities	(122)	(1'419)
Dividends received	964	2'731
Interest received	868	362
Interest paid	(7)	(265)
Income taxes paid	(798)	(29)
<b>Net cash inflow from operating activities</b>	<b>19'731</b>	<b>735</b>
<b>Cash flows from investing activities</b>		
Purchases of financial assets at fair value through profit or loss	(31'252)	(146'518)
Proceeds from short sale of financial assets at fair value through profit or loss	0	4'289
Proceeds from sale of financial assets at fair value through profit or loss	35'011	105'402
Settlement of financial liabilities at fair value through profit or loss	0	(5'216)
Net cash inflow from currency forwards and financial futures	5'662	2'957
<b>Net cash inflow / (outflow) from investing activities</b>	<b>9'421</b>	<b>(39'086)</b>
<b>Cash flows from financing activities</b>		
Increase in fixed term bank loans	0	3'000
Repayment fixed term bank loans	0	(19'300)
Purchase of treasury shares	(14'060)	0
<b>Net cash outflow from financing activities</b>	<b>(14'060)</b>	<b>(16'300)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>15'092</b>	<b>(54'651)</b>
Cash and cash equivalents - beginning of period	49'686	53'944
<b>Cash and cash equivalents - end of period</b>	<b>64'778</b>	<b>(707)</b>
Cash and cash equivalents consist of:		
Cash at banks	1'198	549
Short-term deposits	64'300	0
./. Due to banks	(720)	(1'256)
<b>Cash and cash equivalents as defined for the Cash flow statement</b>	<b>64'778</b>	<b>(707)</b>

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

# 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	Currency translation differences	Retained earnings	Total
<b>Balance at 1 January 2007</b>	<b>317</b>	<b>152'313</b>	<b>(209)</b>	<b>(136)</b>	<b>126'999</b>	<b>279'284</b>
Net profit for the period 1.1.-30.6.2007					21'909	21'909
Total recognized income and expense	0	0	0	0	21'909	21'909
Settlement of treasury shares			209		(209)	0
<b>Balance at 30 June 2007</b>	<b>317</b>	<b>152'313</b>	<b>0</b>	<b>(136)</b>	<b>148'699</b>	<b>301'193</b>
Currency translation differences released in the period 1.7.-31.12.2007				136	(136)	0
Net loss for the period 1.7.-31.12.2007 before release of currency translation differences					(14'250)	(14'250)
Total recognized income and expense	0	0	0	136	(14'386)	(14'250)
<b>Balance at 31 December 2007</b>	<b>317</b>	<b>152'313</b>	<b>0</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	0	(26'337)	(26'337)
Purchase of treasury shares			(14'060)			(14'060)
<b>Balance at 30 June 2008</b>	<b>317</b>	<b>152'313</b>	<b>(14'060)</b>	<b>0</b>	<b>107'976</b>	<b>246'546</b>

# Notes to the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2008

## **1. Corporate information**

Alpine Select AG (the "Company", "Alpine" and together with its subsidiary, 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 2008, the Company had three employees of which one works part time.

The interim condensed consolidated financial statements for the six months ended 30 June 2008 were authorized for issue by the Board of Directors on 11 August 2008.

## **2. Basis of preparation and significant accounting policies**

### **2.1. Basis of preparation**

The accompanying unaudited interim condensed consolidated financial statements for the six months ended 30 June 2008 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 accounting guide-lines recommended by the SWX Swiss Exchange's Additional Rules for Listing of Investment Companies. 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 2007 (pages 24-47) except of the new IFRS standards and IFRIC interpretations (IFRIC 11, 12, 14) during the six month period. Adoption of these revised standards and interpretations did not have any effect on the interim condensed consolidated financial statements.

### **2.2. Foreign currencies**

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. On the balance sheet 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 income statement. The exchange rate difference resulting from foreign currency positions within cash and cash equivalents is disclosed separately in the income statement. Other exchange rate differences are included in "(Loss) / gain on financial assets and financial liabilities at fair value through profit or loss, net".

# Notes to the unaudited interim condensed consolidated financial statements

The following exchange rates have been applied:

		30 June 2008	31 Dec 2007
<b>USD/CHF</b>			
Balance sheet	End of month rate	1.0186	1.1321
<b>EUR/CHF</b>			
Balance sheet	End of month rate	1.6049	1.6552

### 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.

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 balance sheet date. In estimating the fair value of financial assets and financial liabilities 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 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.

# Notes to the unaudited interim condensed consolidated financial statements

## **2.5. Taxes**

Alpine Select AG and its subsidiary 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 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 balance sheet 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.

The "purchases" and the "proceeds from sale" of financial assets and financial liabilities at fair value through profit or loss previously classified in "Cash flows from operating activities" have been reclassified to "Cash flows from investing activities" to more accurately reflect the cash flows from investing activities. This reclassification in the Cash flow statement for the six months ended 30 June 2007 resulted in an increase of "Net cash inflow from operating activities" and in a reduction of "Net cash inflow / (outflow) from investing activities" of approx. CHF 39 million.

The line "Result on interest, net" of TCHF 220 in the interim condensed consolidated statement of income for the six months ended 30 June 2007 was split into its components "Interest income from cash and cash equivalents", "Interest income from lent securities", "Interest expense on short-term bank debts" and "Interest expense on borrowed securities" resulting in a reclassification of TCHF 128 in total from "Operating income" to "Operating expenses".

# Notes to the unaudited interim condensed consolidated financial statements

### 3. Financial assets and financial 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 2008	31 Dec 2007
<b>Financial assets at fair value through profit or loss</b>		
Trading securities	184'586	222'777
Unrealized gains resulting from currency forward contracts	1'754	0
<b>Total</b>	<b>186'340</b>	<b>222'777</b>
of which current	1'754	0
of which non-current	184'586	222'777
<b>Financial liabilities at fair value through profit or loss</b>		
Trading options	3'119	0
Unrealized losses resulting from currency forward contracts	0	1'757
<b>Total</b>	<b>3'119</b>	<b>1'757</b>
of which current	3'119	1'757
of which non-current	0	0

Further details are shown in the investment table on page 14-17.

### 4. Other current assets

in TCHF	30 June 2008	31 Dec 2007
Withholding tax	430	19'627
Accrued income and prepaid expenses	30	56
<b>Total</b>	<b>460</b>	<b>19'683</b>

# Notes to the unaudited interim condensed consolidated financial statements

Investment table as of 30 June 2008	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2008	1 January 2008		
<b>LONG POSITIONS:</b>				
Absolute Invest AG <sup>2)</sup>	193'316	79'775	5'957	
Absolute Private Equity AG	25'482	3'289		(3'133)
AlG International Real Estate GmbH & Co KGaA	322'545	22'263	3'360	
Atrium V Ltd.	1'500	1'486		
Castle Private Equity	60'000	8'286		
Cicor Technologies	90'000	6'507		
Feintool Intl Holding AG	20'350	8'038		(3'977)
HBM Bioventures AG	167'890	15'950	463	
Highland Financial Partners LP	600'000	10'189		
ING Investment Management CLO	2'000	2'219		
Invisa Inc	130'000	2		
Ivanhoe Energy Inc	61'983	112		(189)
New Venturetec AG	190'178	3'756		
OC Oerlikon Corp. AG	33'466	15'838	10'701	(20'277)
Pargesa Holding AG	30'034	3'800	467	(1'904)
Peoples Choice Financial Corporation	70'800	0		
Prime New Energy AG	210'492	105		
Prokmu Invest AG	57'350	0		
Schaffner Holding AG	135'875	35'599	5'796	(595)
Stone Tower CLO VI LTD	2'000	2'095		
Vitafort International Corporation	317'543	0		
Von Roll Holding AG			2'520	(2'559)
Var. Obl. Stone Tower CLO VII	2'000'000	2'151		
2 1/4% Convertible Bonds Schaffner Holding	1'200'000	1'317	716	
<b>Total Long Positions:</b>		<b>222'777</b>	<b>29'980</b>	<b>(32'634)</b>
of which gains				
of which losses				
of which "Other gain / (loss) on trading securities":				

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

<sup>2)</sup> Split of the shares based on a ratio 1:10.

# 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 2008				2008	2008	2008	
		(2'551)	(6'469)	76'712	2'091'991	USD 36	
(79)	(3)	(115)	41	0	0		
		(1'165)	(485)	23'973	377'235	EUR 40	
		(402)	(167)	917	1'500	USD 600	273
		(1'386)		6'900	60'000	CHF 115	
		(927)		5'580	90'000	CHF 62	
(1'129)		(54)		2'878	8'515	CHF 338	145
		(5'111)		11'302	173'469	CHF 65	
		(4'021)	(1'022)	5'146	600'000	USD 8	
		(611)	(223)	1'385	2'000	USD 680	256
		17	(17)	2	130'000	USD 0	
189		(112)		0	0		
		(951)		2'805	190'178	CHF 15	
(7'273)		2'994		1'983	7'000	CHF 284	
(229)		(82)		2'052	18'000	CHF 114	63
		(179)	179	0	70'800	USD 0	
				105	210'492	CHF 1	
				0	57'350	CHF 0	
13		(2'359)		38'454	159'561	CHF 241	
		(588)	(223)	1'284	2'000	USD 630	310
				0	317'543	USD 0	
39				0	0		
		(785)	(204)	1'162	2'000'000	USD 57	
		(87)		1'946	1'892'000	CHF 103	
<b>(8'469)</b>	<b>(3)</b>	<b>(18'475)</b>	<b>(8'590)</b>	<b>184'586</b>			<b>1'047</b>
241		3'011	220				
(8'631)	(3)	(21'486)	(8'810)				
(79)							

# Notes to the unaudited interim condensed consolidated financial statements

Investment table as of 30 June 2008	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2008	1 January 2008		
<b>TRADING OPTIONS:</b>				
Call OC Oerlikon Corp. AG CHF 400.00		0		(156)
Call OC Oerlikon Corp. AG CHF 440.00		0		(185)
Put OC Oerlikon Corp. AG CHF 360.00		0	379	(561)
Put OC Oerlikon Corp. AG CHF 360.00		0		(562)
Put OC Oerlikon Corp. AG CHF 380.00		0		(1'052)
Put OC Oerlikon Corp. AG CHF 380.00		0	893	(500)
<b>Total Trading Options:</b>		<b>0</b>	<b>1'272</b>	<b>(3'016)</b>
of which gains				
of which losses				
of which assets		0		
of which liabilities		0		
<b>CURRENCY FORWARDS:</b>				
Forward exchange EUR/CHF		(72)		
Forward exchange USD/CHF		(1'685)		
<b>Total Currency Forwards:</b>		<b>(1'757)</b>	<b>0</b>	<b>0</b>
of which gains				
of which losses				
of which assets		0		
of which liabilities		(1'757)		

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

<sup>2)</sup> Split of the shares based on a ratio 1:10.

## 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 30 June 2008	Number of shares at 30 June 2008	Stock price (closing) in local currency at 30 June 2008	Dividends received
For the six months from 1 January to 30 June 2008							
156				0			
185				0			
182				0			
		(611)		(1'173)	(1'500)		
		(894)		(1'946)	(2'000)		
(393)				0			
<b>130</b>	<b>0</b>	<b>(1'505)</b>	<b>0</b>	<b>(3'119)</b>			<b>0</b>
551							
(421)		(1'505)					
				0			
				(3'119)			
	(180)		278	206			
	5'842		3'233	1'548			
<b>0</b>	<b>5'662</b>	<b>0</b>	<b>3'511</b>	<b>1'754</b>			<b>0</b>
	11'112		3'535				
	(5'450)		(24)				
				1'754			
				0			

# Notes to the unaudited interim condensed consolidated financial statements

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

As of 30 June 2008, the share capital of the Company was CHF 317'282.88 (31 December 2007: CHF 317'282.88) consisting of 15'864'144 registered shares with a nominal value of CHF 0.02 each. All of the registered shares are fully paid in. Each share has one vote and all shares are equally entitled to dividends.

During the six month period ended 30 June 2008 the Company acquired 850'000 treasury shares at an average price per share of CHF 16.54. The total acquisition costs for the 850'000 treasury shares amount to TCHF 14'060 as per 30 June 2008. The Company held no treasury shares at 31 December 2007 and no treasury shares were sold in the period under review.

Own shares of the Company held directly or indirectly by its subsidiaries are designated as treasury shares. Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented as a change in equity. Gains or losses on the sale, issuance or cancellation of treasury shares are recognized in equity.

After considering the deduction of 850'000 treasury shares, a total of 15'014'144 shares were outstanding as of 30 June 2008 (31 December 2007: 15'864'144 shares).

## Notes to the unaudited interim condensed consolidated financial statements

### 6. (Loss) / gain 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 2008 and 2007:

in TCHF	2008	2007
Realized gains – trading securities	241	20'135
Realized losses – trading securities	(8'631)	(40)
Net realized currency (losses) / gains – trading securities	(3)	330
<b>Net realized – trading securities</b>	<b>(8'393)</b>	<b>20'425</b>
Unrealized gains – trading securities	3'011	7'413
Unrealized losses – trading securities	(21'486)	(2'328)
Net unrealized currency (losses) / gains – trading securities	(8'590)	456
<b>Net unrealized – trading securities</b>	<b>(27'065)</b>	<b>5'541</b>
<b>Total trading securities, net</b>	<b>(35'458)</b>	<b>25'966</b>
Realized gains – trading liabilities	0	193
Net realized currency gains – trading liabilities	0	7
<b>Net realized – trading liabilities</b>	<b>0</b>	<b>200</b>
Unrealized losses – trading liabilities	0	(564)
Net unrealized currency losses – trading liabilities	0	(65)
<b>Net unrealized – trading liabilities</b>	<b>0</b>	<b>(629)</b>
<b>Total trading liabilities, net</b>	<b>0</b>	<b>(429)</b>
Realized gains – trading options	551	5'549
Realized losses – trading options	(421)	(4'009)
<b>Net realized – trading options</b>	<b>130</b>	<b>1'540</b>
Unrealized gains – trading options	0	182
Unrealized losses – trading options	(1'505)	(1'123)
<b>Net unrealized – trading options</b>	<b>(1'505)</b>	<b>(941)</b>
<b>Total trading options, net</b>	<b>(1'375)</b>	<b>599</b>
Realized gains / (losses) – forwards and financial futures	5'662	(4'774)
Unrealized gains – forwards and financial futures	3'511	1'647
<b>Total forwards and financial futures, net</b>	<b>9'173</b>	<b>(3'127)</b>
<b>(Loss) / gain on financial assets and financial liabilities at fair value through profit or loss, net</b>	<b>(27'660)</b>	<b>23'009</b>

# Notes to the unaudited interim condensed consolidated financial statements

## 7. Income tax

The components of income tax in the interim condensed consolidated financial statements for the six months ended 30 June are as follows:

in TCHF	2008	2007
Current tax expense	17	1'297
Deferred tax (income) / expense	(624)	566
<b>Total income tax</b>	<b>(607)</b>	<b>1'863</b>

Deferred tax liabilities result from valuation differences of financial assets and financial liabilities designated at fair value through profit or loss. Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. No unrecorded tax losses carried-forward existed at 31 December 2007. During the six month period ended 30 June 2008 the Group generated tax losses of approx. CHF 19 million. Because of the uncertainty of market movements, an exact estimate concerning future profits is not possible. As a result, deferred tax assets are not capitalized.

## 8. Profit / (loss) per share

The profit / (loss) per share for the six month period ended 30 June 2008 and 2007 is as follows:

	2008	2007
Net (loss) / profit after tax as per the condensed consolidated statement of income in CHF	(26'336'606)	21'909'481
Weighted average number of outstanding shares	15'761'089	15'864'144
<b>(Loss) / profit per share in CHF (basic and diluted)</b>	<b>(1.67)</b>	<b>1.38</b>

## 9. 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 balance sheet date. The net asset value per share at 30 June 2008 is CHF 16.42 (30 June 2007: CHF 18.99).

## 10. Contingencies; commitments

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

# Notes to the unaudited interim condensed consolidated financial statements

## 11. 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 2008	31 Dec 2007
<b>Fabrel AG</b>		
Seestrasse 50, 6052 Hergiswil:		
- Number of shares	3'500'000	3'500'000
- Percentage	22.06%	22.06%
Beneficial owner is Hans Müller, 6052 Hergiswil		
<b>Trinsic AG</b>		
Artherstrasse 21, 6300 Zug:		
- Number of shares	2'302'161	2'207'267
- Percentage	14.51%	13.91%
Beneficial owners are Daniel Sauter, 6300 Zug and Michel Vukotic, 8706 Meilen		

## 12. Events after the balance sheet date

There are no events after the balance sheet date to report.



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