

Semi-Annual Report

2011



ALPINE SELECT

Board of Directors

Daniel J. Sauter, *Chairman*

Hans Müller

Walter Geering

Auditors

KPMG AG

Badenerstrasse 172

8026 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:	12'559'215
Link:	www.alpine-select.ch/report/

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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Chairman's statement

Dear Shareholders

During the first six months of the year the net asset value (NAV) of Alpine Select has increased by 12.6% from CHF 14.86 to CHF 16.73. During the corresponding period the share price increased by 14.5% from CHF 14.67 to CHF 16.80. These figures are adjusted by the distribution of reserves of CHF 2.00 per share from capital contributions.

The positive performance was the result of a strong performance of our core investments Absolute Invest, Absolute Private Equity, HBM Bioventures and Schaffner Holding. These positions represent 86% of our NAV. In addition we continue to receive significant distributions from our CLO portfolio. The Company's liquidity stood at 8% (2010: 11.7%).

During the period we increased our holdings in Absolute Invest, Absolute Private Equity and HBM Bioventures. Based on the solid performance of the underlying assets and the expected narrowing of their respective discounts to net asset value we still expect a significant value creation. Our strategy to alimnet the market with liquidity in Schaffner Holding met with substantial demand. Hence we reduced our position at rising prices to a level we intend to hold going forward.

Under the share buy-back program which started in July 2009 and ended on 4 March 2011, the Company purchased 719'232 shares (or 5.42% of the outstanding share capital). The so purchased shares were cancelled on 30 June 2011 and the outstanding share capital was reduced to CHF 251'184.30 (12'559'215 shares outstanding). The annual general meeting on 18 April 2011 approved a new re-purchase program which may be launched at the discretion of the Board of Directors should the markets warrant it. Under this program up to 10% of the shares of the Company can be purchased.

During the first six months our portfolio has shown remarkable resilience against the general market trends. The international debt crisis, however, will likely have an impact on the performance of our holdings in the future.

Chairman's statement

Subsequent to the reporting period, the Company launched certain private offers for shares in Absolute Private Equity, which did not materialize.

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

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

Daniel J. Sauter

Chairman of the Board of Directors

Key figures

Performance table*

	30 June 2011	31 December 2010
Share price	CHF 16.80	CHF 14.67
NAV	CHF 16.73	CHF 14.86

	High 2011	Low 2011
Share price	CHF 17.20	CHF 14.67
NAV	CHF 17.03	CHF 14.86

*figures adjusted for the dividend payment out of reserves from capital contributions

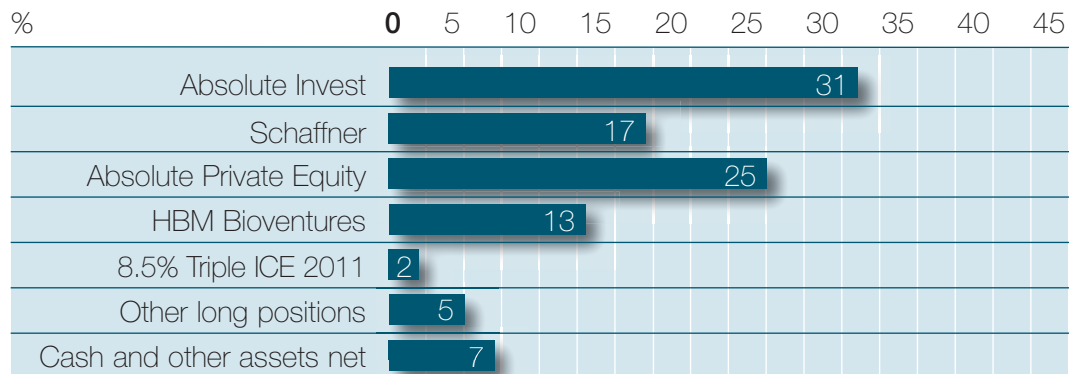
6 Months price-history in CHF for the period January-June 2011

(weekly NAV and daily closing share price)



Key figures

Positions as a percentage of net asset value (NAV) on 30 June 2011



Monthly NAV-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
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	-2.4	-1.2	-5.7	-14.1	-11.0	-4.3	-39.6
2009	-2.3	-0.5	2.2	2.2	1.8	2.7	3.1	3.6	4.4	-0.2	-2.9	-0.2	14.6
2010	1.4	1.2	-0.6	4.2	0.8	2.8	0.8	1.8	2.5	3.4	7.6	3.6	33.4
2011	3.6	2.0	0.6	4.1	4.2	-1.2							12.6*

*Year to date

Monthly share price-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
2006	3.7	4.5	3.7	1.8	-1.8	1.2	1.2	0.0	1.7	5.1	1.5	1.7	27.1
2007	8.9	-2.1	-0.5	2.1	0.5	-1.5	-0.5	-5.8	0.0	0.6	0.0	0.6	1.7
2008	-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
2009	-2.7	-0.9	0.9	0.9	3.7	1.8	3.5	2.5	5.0	0.8	-2.3	0.0	13.6
2010	-1.2	2.8	2.4	1.5	0.0	3.0	1.5	0.0	4.0	3.8	7.4	3.1	32.0
2011	4.2	3.5	-0.8	3.6	3.7	-0.3							14.5*

*Year to date

Condensed interim consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
			30 June 2011	31 Dec 2010
in TCHF	Notes		(unaudited)	(audited)
ASSETS				
Current assets				
Cash and cash equivalents			17'398	20'782
Financial assets at fair value through profit or loss - trading	4		0	4'479
Other current assets	5		124	15'833
Total current assets			17'522	41'094
Non-current assets				
Financial assets at fair value through profit or loss - trading	4		195'870	170'741
Furniture and equipment			10	13
Total non-current assets			195'880	170'754
TOTAL ASSETS			213'402	211'848
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Financial liabilities at fair value through profit or loss - trading	4		1'166	1
Accounts payable and accrued liabilities			180	175
Total current liabilities			1'346	176
Non-current liabilities				
Deferred tax liabilities	6		1'914	688
Total non-current liabilities			1'914	688
Shareholders' equity				
Share capital	7		251	266
Additional paid-in capital			80'998	115'597
Treasury shares	7		0	(8'515)
Retained earnings			128'893	103'636
Total shareholders' equity			210'142	210'984
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			213'402	211'848

Condensed interim consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE			
in TCHF	Notes	2011 (unaudited)	2010 (unaudited)
OPERATING INCOME			
Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading	8	16'350	15'153
Dividend income		9'528	894
Interest income from financial assets		479	1'549
Other income		146	0
Foreign exchange gains / (losses) on cash and cash equivalents, net		984	(197)
Total operating income		27'487	17'399
OPERATING EXPENSES			
General and administrative expenses		(530)	(653)
Commissions and other bank fees		(471)	(616)
Interest expense on bank overdrafts		0	(4)
Depreciation on furniture and equipment		(3)	(3)
Total operating expenses		(1'004)	(1'276)
Net profit before tax		26'483	16'123
Income tax	6/9	(1'226)	(3)
Net profit for the period		25'257	16'120
Other comprehensive income for the period, net of tax		0	0
Total comprehensive income for the period		25'257	16'120
Profit per share in CHF (basic and diluted)	10	2.01	1.26

Condensed interim consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE			
in TCHF	Notes	2011 (unaudited)	2010 (unaudited)
Cash flows from operating activities			
Net profit before tax		26'483	16'123
Adjustments for:			
- Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading		(16'350)	(15'153)
- Dividend income		(9'528)	(894)
- Interest income from financial assets		(479)	(1'549)
- Interest expense on bank overdrafts		0	4
- Depreciation on furniture and equipment		3	3
- Other non-cash expense		0	48
Withholding taxes received		15'722	9'993
(Increase) Decrease in other current assets		(13)	218
Increase in accounts payable and accrued liabilities		5	1
Dividends received		9'528	894
Interest received		479	918
Interest paid		0	(4)
Income taxes paid		0	0
Net cash inflow from operating activities		25'850	10'602
Cash flows from investing activities			
Purchases of financial assets at fair value through profit or loss - trading		(59'759)	(67'111)
Proceeds from sale of financial assets at fair value through profit or loss - trading		39'825	60'821
Proceeds from short sale of financial liabilities at fair value through profit or loss - trading		91	0
Net cash inflow / (outflow) from currency forwards		16'708	(3'780)
Net cash outflow from investing activities		(3'135)	(10'070)
Cash flows from financing activities			
Purchase of treasury shares, incl. transaction costs	7	(981)	(3'563)
Dividend paid to shareholders		(25'118)	0
Net cash outflow from financing activities		(26'099)	(3'563)
Net decrease in cash and cash equivalents		(3'384)	(3'031)
Cash and cash equivalents at the beginning of the period		20'782	14'828
Cash and cash equivalents at the end of the period		17'398	11'797
Cash and cash equivalents consist of:			
Current accounts at banks		17'398	11'797
Cash and cash equivalents as defined for the consolidated statement of Cash flows		17'398	11'797

Condensed interim consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
in TCHF	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Total
Balance at 1 January 2010	266	115'597	(3'960)	50'464	162'367
Net profit for the six months 1.1.-30.6.2010				16'120	16'120
Other comprehensive income for the six months 1.1.-30.6.2010					0
Total comprehensive income for the six months 1.1.-30.6.2010	0	0	0	16'120	16'120
Purchase of treasury shares (Note 7)			(3'563)		(3'563)
Income tax on transaction costs included in "Purchase of treasury shares" (Note 7)			3		3
Balance at 30 June 2010	266	115'597	(7'520)	66'584	174'927
Net profit for the six months 1.7.-31.12.2010				37'052	37'052
Other comprehensive income for the six months 1.7.-31.12.2010					0
Total comprehensive income for the six months 1.7.-31.12.2010	0	0	0	37'052	37'052
Purchase of treasury shares (Note 7)			(995)		(995)
Balance at 31 December 2010	266	115'597	(8'515)	103'636	210'984
Net profit for the six months 1.1.-30.6.2011				25'257	25'257
Other comprehensive income for the six months 1.1.-30.6.2011					0
Total comprehensive income for the six months 1.1.-30.6.2011	0	0	0	25'257	25'257
Dividend paid to shareholders*)		(25'118)			(25'118)
Purchase of treasury shares (Note 7)			(981)		(981)
Cancellation of treasury shares	(15)	(9'481)	9'496		0
Balance at 30 June 2011	251	80'998	0	128'893	210'142

*) the Annual Shareholders' Meeting held on 18 April 2011 decided to pay the dividend out of the capital contribution reserves

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

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 2011, the Company has three employees all working part-time.

2. Accounting policies

2.1. Basis of presentation of the condensed interim consolidated financial statements

The accompanying condensed interim consolidated financial statements for the six month period ended 30 June 2011 were prepared in accordance with 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 and are presented in Swiss Francs (CHF) / thousands of Swiss Francs (TCHF).

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2010.

2.2. Changes in accounting policies

The accounting policies are the same as those applied and described by the Company in its Annual Report as at 31 December 2010 (pages 26-49) except for the adoption of the following new and amended Standards and Interpretations issued for financial years beginning on or after 1 January 2011:

- IAS 24: Related Party Disclosures - Amendment (effective 1 January 2011);
- IAS 32: Financial Instruments: Presentation: Classification of Rights issued - Amendment (effective 1 February 2010);

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

- IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Amendment (effective 1 January 2011);
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010);
- Various: Annual improvements to IFRS (May 2010) – Omnibus Change to many Standards (mostly effective 1 July 2010 and 1 January 2011);

The adoption of the new and revised/amended standards and interpretations during the first six months of the year 2011 did not have any effect on the condensed interim consolidated financial statements or the performance of the Group.

In 2012, the Group will adopt the following revised standards:

- IFRS 7: Financial Instruments: Disclosures: Transfers of Financial Assets - Amendment (effective 1 July 2011);
- IAS 1: Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income - Amendment (effective 1 July 2012);
- IAS 12: Income Taxes: Deferred Tax: Recovery of Underlying Assets - Amendment (effective 1 January 2012);

The Group has not yet determined the potential effects of these new and revised standards on the consolidated financial statements and the performance of the Group.

In 2013, the Group will adopt the following new and amended standards:

- IFRS 9: Financial Instruments (effective 1 January 2013);
- IFRS 10: Consolidated Financial Statements (effective 1 January 2013);

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

- IFRS 11: Joint Arrangements (effective 1 January 2013);
- IFRS 12: Disclosure of Interest in Other Entities (effective 1 January 2013);
- IFRS 13: Fair Value Measurement (effective 1 January 2013);
- IAS 19: Employee Benefits – Amendment (effective 1 January 2013);
- IAS 27: Separate Financial Statements (effective 1 January 2013);
- IAS 28: Investments in Associates and Joint Ventures (effective 1 January 2013);

The Group has not yet determined the potential effects of these new and revised standard on the consolidated financial statements and the performance of the Group.

2.3. Foreign currencies

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. On the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into Swiss Francs at the exchange rates prevailing at that date. The resulting exchange gains and losses are included in profit or loss. The exchange rate difference resulting from foreign currency positions within “Cash and cash equivalents” is disclosed separately in profit or loss. Other exchange rate differences are included in “Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading” (see also Note 8).

The following exchange rates have been applied:

		30 June 2011	31 Dec 2010	30 June 2010
USD/CHF				
Balance sheet	End of month rate	0.8420	0.9321	1.0784
EUR/CHF				
Balance sheet	End of month rate	1.2208	1.2505	1.3209

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

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

Financial assets at fair value through profit or loss may comprise equity investments, bonds, collective investment schemes, futures, options, warrants, swaps as well as currency forward contracts. Financial liabilities at fair value through profit or loss mainly include futures and options sold short as well as currency forward contracts. For the positions at the end of the reporting period we refer to the investment table under Note 4.

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: net asset value, 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 profit or loss. The realized and unrealized gains and losses are calculated based on the weighted average cost formula.

2.5. Cash and cash equivalents

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

2.6. Furniture and equipment

Furniture and equipment is measured at the acquisition cost less accumulated depreciation and accumulated impairment losses. A straight-line method of depreciation is applied through the estimated useful life of 8 years for furniture and equipment.

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

2.7. Dividend income

Dividend income is recognized in profit or loss on the date the Company's right to receive payments is established and recorded net of withholding tax when applicable.

2.8. Income 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.

3. Subsidiaries

Since 2005 the Company holds a 100% interest in Sumara AG, Zug. The condensed interim consolidated financial statements include the financial statements of Alpine Select AG and Sumara AG. The financial statements of Sumara AG are prepared for the same reporting period as the parent company Alpine Select AG, using consistent accounting policies. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

**4. Financial assets and financial liabilities at fair value
through profit or loss - trading**

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

in TCHF	30 June 2011	31 Dec 2010
Financial assets at fair value through profit or loss - trading		
Positive fair value of currency forward contracts	0	4'479
Financial assets held for trading	195'870	170'741
Total	195'870	175'220
of which current	0	4'479
of which non-current	195'870	170'741
Financial liabilities at fair value through profit or loss - trading		
Negative fair value of currency forward contracts	1'166	0
Trading options sold short	0	1
Total	1'166	1
of which current	1'166	1
of which non-current	0	0

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

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

Investment table as of 30 June 2011	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2011	1 January 2011		
LONG POSITIONS				
Absolute Invest AG	1'990'807	70'513	19'825	(18'524)
Absolute Private Equity AG	2'257'744	30'725	21'831	(1'513)
AIRE GmbH & Co. KGaA	350'000	4'152		
Atrium V Ltd.	1'500	950		
BB Biotech AG	18'000	1'112		(1'150)
HBM Bioventures AG	246'574	10'482	15'611	(2'675)
Highland Financial Partners LP	600'000	0		
ING Investment Management CLO	2'000	1'491		
Invisa Inc. ²⁾	130'000	1		
Orior AG	70'000	3'822		(3'848)
Peoples Choice Financial Corporation	70'800	0		
Prime New Energy AG (in liquidation)	210'492	21		
Prokmu Invest AG	57'350	0		
Schaffner Holding AG	134'914	40'069	2'492	(12'115)
Stone Tower CLO VI LTD	2'000	1'287		
Vitafort International Corporation	317'543	0		
Var. Obl. Stone Tower CLO VII	2'000'000	1'043		
8 1/2 % Triple ICE KI Bank Julius Baer	5'000'000	5'073		
Total Long Positions		170'741	59'759	(39'825)
of which gains				
of which losses				
of which gains from second line trades				
of which losses from second line trades				

¹⁾ Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year

²⁾ Reverse split 5:1

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

									in TCHF		
Realized gains/(losses) net of FX	Realized FX gains/(losses)	Unrealized gains/(losses) net of FX ⁽¹⁾	Unrealized FX gains/(losses) ⁽¹⁾	Fair value at 30 June 2011	Number of shares at 30 June 2011	Stock price (closing) in local currency at 30 June 2011		Dividends received			
For the period 1 January to 30 June 2011											
3'798	(3'213)	(3'610)	(2'854)	65'935	2'041'859	USD	38	7'978			
328	(89)	3'807	(2'621)	52'468	3'591'456	USD	17				
		917	(299)	4'770	350'000	EUR	11				
		508	(132)	1'326	1'500	USD	1'050	278			
69		(31)		0	0						
(21)		2'872		26'269	530'669	CHF	50				
				0	600'000	USD	0				
		268	(177)	1'582	2'000	USD	940	283			
		15	(14)	2	26'000	USD	0				
488		(462)		0	0			38			
				0	70'800	USD	0				
				21	210'492	CHF	0				
				0	57'350	CHF	0				
4'301		929		35'676	105'238	CHF	339	595			
		288	(177)	1'398	2'000	USD	830	356			
				0	317'543	USD	0				
		499	(162)	1'380	2'000'000	USD	82				
		(30)		5'043	5'000'000	CHF	101				
8'963	(3'302)	5'970	(6'436)	195'870				9'528			
5'276	0	10'113	0								
(77)	(3'302)	(4'143)	(6'436)								
3'784											
(20)											

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

Investment table as of 30 June 2011	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2011	1 January 2011		
TRADING OPTIONS				
FX-OTC-E-Option (Call EUR / Put CHF; Strike: 1.32)				(91)
FX-OTC-E-Option (Call EUR / Put CHF; Strike: 1.35)	(5'000'000)	(1)		
Total Trading Options		(1)	0	(91)
of which gains				
of which losses				
of which assets		0		
of which liabilities		(1)		
CURRENCY FORWARDS				
Currency Forwards CHF/USD; USD/CHF		4'258		
Currency Forwards CHF/EUR; EUR/CHF		221		
Total Currency Forwards		4'479	0	0
of which gains				
of which losses				
of which assets		4'479		
of which liabilities		0		

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

²⁾ Reverse Split 5:1

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

in TCHF							
Realized gains / (losses) net of FX	Realized FX gains / (losses)	Unrealized gains / (losses) net of FX ⁽¹⁾	Unrealized FX gains / (losses) ⁽¹⁾	Fair value at 30 June 2011	Number of shares at 30 June 2011	Stock price (closing) in local currency at 30 June 2011	Dividends received
For the period 1 January to 30 June 2011							
91				0	0		
117		(116)		0	0		
208	0	(116)	0	0			0
208	0	0	0				
0	0	(116)	0				
				0			
				0			
	16'488		(5'424)	(1'166)			
	220		(221)	0			
0	16'708	0	(5'645)	(1'166)			0
0	16'708	0	11				
0	0	0	(5'656)				
				0			
				(1'166)			

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

Investment table as of 31 December 2010	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2010	1 January 2010		
LONG POSITIONS				
Absolute Invest AG	1'877'214	60'545	83'382	(84'611)
Absolute Private Equity AG	1'576'509	13'282	14'139	(6'277)
AIRE GmbH & Co. KGaA	398'400	4'249		(517)
Atrium V Ltd.	1'500	418		
BB Biotech AG		0	1'802	(742)
Bellevue Funds (LUX) SICAV	123'077	6'164		(6'506)
HBM Bioventures AG	261'136	12'522	8'159	(9'575)
Highland Financial Partners LP	600'000	0		
ING Investment Management CLO	2'000	558		
Invisa Inc.	130'000	2		
Orior AG		0	9'000	(5'837)
Peoples Choice Financial Corporation	70'800	0		
Prime New Energy AG (in liquidation)	210'492	21		
Prokmu Invest AG	57'350	0		
Schaffner Holding AG	172'061	27'530	864	(9'910)
Stone Tower CLO VI LTD	2'000	621		
Vitafort International Corporation	317'543	0		
Var. Obl. Stone Tower CLO VII	2'000'000	413		
2 1/2 % Convertible Bonds HBM Bioventures AG	8'707'000	9'377	6'027	(14'288)
2 1/4 % Convertible Bonds Schaffner Holding AG	4'143'000	4'240	20	(4'163)
8 1/2 % Triple ICE KI Bank Julius Baer		0	5'000	
Total Long Positions		139'942	128'393	(142'426)
of which gains				
of which losses				
of which gains from second line trades				
of which losses from second line trades				

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

Selected notes to the condensed
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in TCHF							
Realized gains / (losses) net of FX	Realized FX gains / (losses)	Unrealized gains / (losses) net of FX ⁽¹⁾	Unrealized FX gains / (losses) ⁽¹⁾	Fair value at 31 December 2010	Number of shares at 31 December 2010	Stock price (closing) in local currency at 31 December 2010	Dividends received
For the period 1 January to 31 December 2010							
5'576	(169)	9'754	(3'964)	70'513	1'990'807	USD 38	
741	(22)	10'625	(1'763)	30'725	2'257'744	USD 15	
(1'373)	(295)	4'320	(2'232)	4'152	350'000	EUR 9	
		681	(149)	950	1'500	USD 680	479
21		31		1'112	18'000	CHF 62	
1'446		(1'104)		0	0		
(2'135)		1'511		10'482	246'574	CHF 43	
				0	600'000	USD 0	
		1'132	(199)	1'491	2'000	USD 800	519
		15	(16)	1	130'000	USD 0	
197		462		3'822	70'000	CHF 55	
				0	70'800	USD 0	
				21	210'492	CHF 0	
				0	57'350	CHF 0	
1'200		20'385		40'069	134'914	CHF 297	
		865	(199)	1'287	2'000	USD 690	581
				0	317'543	USD 0	
		813	(183)	1'043	2'000'000	USD 56	
(421)		(695)		0	0		
(175)		78		0	0		
		73		5'073	5'000'000	CHF 101	
5'077	(486)	48'946	(8'705)	170'741			1'579
4'126	12	50'745	0				
(3'069)	(498)	(1'799)	(8'705)				
5'532							
(1'512)							

Selected notes to the condensed
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Investment table as of 31 December 2010	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2010	1 January 2010		
TRADING OPTIONS				
FX-OTC-E-Option (Call EUR / Put CHF; Strike: 1.35)				(117)
Total Trading Options		0	0	(117)
of which gains				
of which losses				
of which assets		0		
of which liabilities		0		
CURRENCY FORWARDS				
Currency Forwards CHF/USD; USD/CHF		1'404		
Currency Forwards CHF/EUR; EUR/CHF		863		
Total Currency Forwards		2'267	0	0
of which gains				
of which losses				
of which assets		2'267		
of which liabilities		0		

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

Selected notes to the condensed
interim consolidated financial statements
for the six month period ended 30 June 2011

in TCHF							
Realized gains / (losses) net of FX	Realized FX gains / (losses)	Unrealized gains / (losses) net of FX ⁽¹⁾	Unrealized FX gains / (losses) ⁽¹⁾	Fair value at 31 December 2010	Number of shares at 31 December 2010	Stock price (closing) in local currency at 31 December 2010	Dividends received
For the period 1 January to 31 December 2010							
		116		(1)	(5'000'000)	CHF 0	
0	0	116	0	(1)			0
0	0	116	0				
0	0	0	0				
				0			
				(1)			
	3'892		2'129	4'258			
	1'108		83	221			
0	5'000	0	2'212	4'479			0
0	14'182	0	2'223				
0	(9'182)	0	(11)				
				4'479			
				0			

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

5. Other current assets

in TCHF	30 June 2011	31 Dec 2010
Withholding tax	0	15'722
Other	124	111
Total	124	15'833

6. Deferred tax assets and deferred tax liabilities

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

The movements of deferred tax assets and deferred tax 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 2010	(371)	371	0
Deferred tax (expense) / income 1.1.-30.6.2010	(438)	438	0
Balance at 30 June 2010	(809)	809	0
Deferred tax (expense) / income 1.7.-31.12.2010	(2'000)	1'312	(688)
Balance at 31 December 2010	(2'809)	2'121	(688)
Deferred tax expense 1.1.-30.6.2011	(140)	(1'086)	(1'226)
Balance at 30 June 2011	(2'949)	1'035	(1'914)

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).

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

As of 30 June 2011 the Group has tax losses carried-forward of approx. CHF 13.2 million (31 December 2010: approx. CHF 37.9 million) which will expire in the year 2015. As per 30 June 2011 there are no unrecorded tax losses carried-forward (31 December 2010: unrecorded tax losses carried-forward of approx. CHF 10.8 million). As per 31 December 2010 the uncertainty of market movements did not allow an exact estimate concerning future profits and - as a result - deferred tax assets of TCHF 2'121 corresponding to tax losses carried-forward of CHF 27.2 million were capitalized only to the extent that they can be netted with related deferred tax liabilities.

7. Share capital and treasury shares

Share capital: The share capital of the Company as of 30 June 2011 is CHF 251'184.30 (31 December 2010: CHF 265'568.94) consisting of 12'559'215 (31 December 2010: 13'278'447) fully paid-in registered shares with a nominal value of CHF 0.02 each. No preferential or similar rights exist. Each share has one vote and all shares are equally entitled to dividends. There are no voting right restrictions. The Company does not have participation certificates.

The Annual Shareholders' Meeting held on 18 April 2011 decided to reduce the share capital by CHF 14'384.64 from CHF 265'568.94 to CHF 251'184.30 by cancelling 719'232 treasury shares. The decrease of the share capital was recorded in the Commercial Register of the Canton Zug as per 30 June 2011.

Re-purchase program: In July 2009 the Company started a re-purchase program under which 316'926 treasury shares were re-purchased until 31 December 2009 at an average price of CHF 12.33 per share. The total purchase costs of TCHF 3'964 include transaction costs of TCHF 57. The income tax effect on transaction costs amounts to TCHF 4 applying the tax rate of 7.8%.

The Annual Shareholder Meeting held on 29 April 2010 entitled the Company's Board of Directors to continue the re-purchase program that was started in July 2009 and to re-purchase a maximum of 1'327'844 treasury shares being 10% of the nominal share capital of the Company.

During the year ended 31 December 2010 the Company acquired another 346'306 treasury shares at an average price of CHF 13.05 per share under the continued re-

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

purchase program for a total amount of TCHF 4'558 including transaction costs of TCHF 37. The income tax effect on transaction costs as per 31 December 2010 amounts to TCHF 3 applying the tax rate of 7.8%.

During the six month period ended 30 June 2011 the Company acquired another 56'000 treasury shares at an average price of CHF 17.52 per share under the continued re-purchase program for a total amount of TCHF 981.

Since July 2009, when the re-purchase program was started, until 30 June 2011 a total of 719'232 treasury shares (5.4% of the outstanding share capital) were acquired for a total amount of TCHF 9'409 including transaction costs of total TCHF 94. The total income tax effect on transaction costs as per 30 June 2011 amounts to TCHF 7 applying the tax rate of 7.8%. All 719'232 treasury shares were cancelled as per 30 June 2011 when the share capital of the Company was reduced.

Treasury shares / sale of treasury shares: Own shares of the Company held directly or indirectly by its subsidiaries are designated as treasury shares. Treasury shares are presented in the consolidated statement of financial position 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.

No treasury shares were sold during the six month period ended 30 June 2011 and in 2010. As per 30 June 2011 the Group did not hold any treasury shares (31 December 2010: the Group held 663'232 treasury shares). After the capital reduction registered in the Commercial Register of the Canton Zug as per 30 June 2011, 12'559'215 shares were outstanding as of 30 June 2011 (31 December 2010: 13'278'447 outstanding shares).

Conditional share capital: The share capital could be increased by an amount not exceeding CHF 125'592.14 through the issue of a maximum of 6'279'607 registered shares to be fully paid-in with a nominal value of CHF 0.02 each through the exercise of conversion or option rights in connection with bonds or similar instruments that may be issued by the Company or by its subsidiary or through the exercise of option rights granted to shareholders.

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

8. Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading

The following table provides the results on financial assets and financial liabilities for the six month period ended 30 June 2011 and 2010:

in TCHF	2011	2010
Realized gains – financial assets held for trading	5'276	2'152
Realized gains – financial assets held for trading (second trading line)	3'784	2'440
Realized losses – financial assets held for trading	(77)	(1'454)
Realized losses – financial assets held for trading (second trading line)	(20)	(624)
Net realized currency losses – financial assets held for trading	(3'302)	(124)
Net realized – financial assets held for trading	5'661	2'390
Unrealized gains – financial assets held for trading	10'113	17'299
Unrealized losses – financial assets held for trading	(4'143)	(2'807)
Net unrealized currency (losses)/gains – financial assets held for trading	(6'436)	2'108
Net unrealized – financial assets held for trading	(466)	16'600
Total financial assets held for trading, net	5'195	18'990
Realized gains – financial liabilities held for trading (Trading options)	208	0
Unrealized losses – financial liabilities held for trading (Trading options)	(116)	0
Total financial liabilities held for trading, net (Trading options)	92	0
Realized gains – currency forwards	16'708	2'790
Realized losses – currency forwards	0	(6'570)
Unrealized gains – currency forwards	11	923
Unrealized losses – currency forwards	(5'656)	(980)
Total currency forwards, net	11'063	(3'837)
Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading	16'350	15'153

9. Income tax

The components of income tax for the six month period ended 30 June 2011 and 2010 are as follows:

in TCHF	2011	2010
Current tax expense	0	(3)
Deferred tax expense	(1'226)	0
Total income tax	(1'226)	(3)

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

No current tax expense is recorded for the six month period ended 30 June 2011. The current tax expense of TCHF 3 for the six month period ended 30 June 2010 relates to the income tax on transaction costs for the acquisition of treasury shares during that period. No other current income tax expense or provisions were recognized for the six month period ended 30 June 2011 and 2010. Deferred tax income and expense is presented on a net basis.

10. Profit per share

	2011	2010
Net profit in TCHF as per the consolidated statement of comprehensive income for the six month period ended 30 June	25'257	16'120
Weighted average number of outstanding shares	12'573'526	12'832'978
Profit per share in CHF (basic and diluted)	2.01	1.26

11. 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 2011 is CHF 16.73 (31 December 2010: CHF 16.72 or CHF 14.86 when adjusted for the dividend payment out of reserves from capital contributions).

12. Contingencies; commitments

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

Selected notes to the condensed interim consolidated financial statements for the six month period ended 30 June 2011

13. 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 2011	31 Dec 2010
Fabrel AG		
Seestrasse 50, 6052 Hergiswil:		
- Number of shares (incl. 140 shares directly held by Hans Müller)	3'000'140	3'500'140
- Percentage	23.89%	26.36%
Beneficial owner is Hans Müller, 6052 Hergiswil		
Trinsic AG		
Artherstrasse 21, 6300 Zug:		
- Number of shares (incl. 70'000 shares directly held by Daniel Sauter)	2'241'628	2'299'667
- Percentage	17.85%	17.32%
Beneficial owners are		
Daniel Sauter, 6300 Zug and Michel Vukotic, 8706 Meilen		
Hans Hornbacher		
3 avenue De Grande-Bretagne, 98000 Monte-Carlo, Monaco:		
- Number of shares	415'637	–
- Percentage	3.31%	–

14. Events after the balance sheet date

On 28 July 2011 Alpine Select AG issued a press release in which the Company offered to enter into a contract exclusively with Credit Suisse Group to purchase 4'511'261 shares of Absolute Private Equity AG (valor symbol ABSP; "Absolute"). The price Alpine offered per Absolute-share amounts to USD 19.00 in cash. This private offer to Credit Suisse Group is unconditional but ends on 11 August 2011.

The condensed interim consolidated financial statements for the six month period ended 30 June 2011 were authorized for issue by the Board of Directors on 9 August 2011. There were no significant events to report until this date.

Review Report to the Board of Directors of Alpine Select AG on the Condensed Interim Consolidated Financial Statements for the six month period ended 30 June 2011

Introduction

We have been engaged to review the accompanying condensed consolidated statement of financial position of Alpine Select AG as at 30 June 2011 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (the interim consolidated financial statements) on pages 8 to 31. The Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements as at 30 June 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* and article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange.

KPMG AG



Marc Ziegler
Licensed Audit Expert, Auditor in Charge



Alexander Fähndrich
Licensed Audit Expert

Zurich, 9 August 2011

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