

## **Impacts of a potential merger of Alpine Select (ALPN) with Absolute Invest (ABSI)**

### **Introduction**

In the press releases dated 19th March 2012 both ALPN and ABSI inform that the companies are in discussions which may lead to a merger of the two firms. Furthermore it is stated that the companies will inform in due course on the outcome of these discussions.

Based on ALPN's web page ([www.alpine-select.ch](http://www.alpine-select.ch)) ALPN already holds roughly 2'175'000 ABSI shares. According to the most recent report from ABSI (semi-annual report 2011) the company does not own any ALPN shares.

### **Possible impacts of a merger**

In the past both companies have successfully completed comparable transactions:

- In May 2004 ALPN completed a merger by absorption with Terra Trust
- In November 2005 ABSI completed a merger by absorption with Absolute Europe
- In November 2006 ABSI completed a merger by absorption with Absolute Manager

The terms of above transactions were based on the prevailing market environment. It is expected that such an approach is required for a successful completion of the envisaged transaction.

**The calculation of hypothetical intrinsic values is based on the assumption that ABSI merges by absorption with a discount to net asset value of 6%. This leads to an increase of ALPN's intrinsic value of more than 8%. Based on ALPN's applied strategy of "instant liquidity" (avoiding discount to net asset value) there is a high probability that a discount to net asset value of the merged company will be prevented. Hence, the possible transaction will increase value for both companies.**

Zug, 20th March 2012