

Semi-Annual Report

2012



ALPINE SELECT

Board of Directors

Thomas Amstutz, *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.

Corporate calendar: www.alpine-select.ch/corporatecalendar.html

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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 AG has increased by 6.3% from CHF 14.53 to CHF 15.42. During the corresponding period the share price increased by 9.5% from CHF 14.53 to CHF 15.90. These figures are adjusted for the distribution of reserves of CHF 1.00 per share from capital contributions in April 2012 and for our share buy-back program.

The positive performance was the result of a good development of our two investments in AIRE GmbH & Co. KGaA which was repurchased by the AIG-Group in April 2012 and created for us a substantial gain and HBM Healthcare Inv. AG. The latter position represents 25% of our NAV. In addition we continue to receive significant distributions from our CLO portfolio. As per 30 June 2012 the Company's liquidity stood at 6% (30 June 2011: 8%). Our strategic investment in Absolute Invest AG lost slightly in value.

During the period we increased our holdings in HBM Healthcare Inv. AG. Based on the solid performance of the underlying assets and the expected narrowing of their respective discounts to net asset value we still expect significant value creation. We have, based on market demand, slightly reduced our position in Schaffner Holding AG.

New investments took place in Bank Sarasin & Cie AG and Castle Private Equity AG, representing 4% of our assets.

Under the share buy-back program, which started on 27 September 2011 and which is still running, the Company repurchased totally 381'261 shares (or 3.04% of the outstanding share capital). Under this program up to 10% of the shares of the Company can be repurchased. To facilitate our organisation we have merged in June 2012 our 100% investment Sumara AG into Alpine Select AG.

During the first six months our portfolio has shown remarkable stability against the general market trends. Corporate actions in the market offer interesting opportunities for the

Chairman's statement

upcoming months. Our discussions to merge eventually with Absolute Invest AG are continuing.

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

A handwritten signature in blue ink, appearing to read 'T. Amstutz', written in a cursive style.

Thomas Amstutz

Chairman of the Board of Directors

Key figures

Performance table*

	30 June 2012	31 December 2011
Share price	CHF 15.90	CHF 14.53
NAV	CHF 15.42	CHF 14.51

	High 2012	Low 2012
Share price	CHF 15.90	CHF 14.53
NAV	CHF 15.50	CHF 14.50

*All figures are adjusted for the dividend payment in April 2012 and April 2011 out of reserves from capital contributions

6 months price-history in CHF for the period January-June 2012

(weekly NAV and daily closing share price)



Key figures

Positions as a percentage of net asset value (NAV) on 30 June 2012

%	0	5	10	15	20	25	30	35	40	45
Absolute Invest										42
HBM Healthcare										25
Schaffner										16
Bank Sarasin										4
Other long positions										7
Cash and other assets net										6

Monthly NAV-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
2007	7.5	-3.5	2.0	1.8	0.7	-0.7	-1.3	-6.0	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	3.5	2.0	0.6	3.0	4.2	-1.2	-1.2	-4.5	-2.0	1.7	-1.4	-0.5	3.8
2012	1.5	3.1	0.0	1.8	-2.7	2.6							6.3*

*Year to date

Monthly share price-performance in %

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annually
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	-1.8	-3.9	-0.9	0.0	-1.9	0.3	5.3
2012	1.0	2.9	4.0	0.6	0.0	0.6							9.5*

*Year to date

Condensed interim financial statements

STATEMENT OF FINANCIAL POSITION			
		30 June 2012	31 Dec 2011
in TCHF	Notes	(unaudited)	(audited)
ASSETS			
Current assets			
Cash and cash equivalents		12'505	46'732
Financial assets at fair value through profit or loss - trading	5	1'036	2'082
Other current assets		194	185
Total current assets		13'735	48'999
Non-current assets			
Financial assets at fair value through profit or loss - trading	5	176'219	158'565
Furniture and equipment		4	7
Total non-current assets		176'223	158'572
TOTAL ASSETS		189'958	207'571
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Financial liabilities at fair value through profit or loss - trading	5	152	12'989
Current income tax liabilities		1'150	1'150
Accounts payable and accrued liabilities		392	178
Total current liabilities		1'694	14'317
Non-current liabilities			
Deferred tax liabilities	6	456	503
Total non-current liabilities		456	503
Shareholders' equity			
Share capital	7	251	251
Additional paid-in capital		68'820	80'998
Treasury shares	7	(6'095)	(1'100)
Retained earnings		124'832	112'602
Total shareholders' equity		187'808	192'751
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		189'958	207'571

Condensed interim financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE			
in TCHF	Notes	2012 (unaudited)	2011 (unaudited)
OPERATING INCOME			
Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading	8	11'215	17'161
Dividend income	5	1'577	9'528
Interest income from financial assets		511	479
Other income		0	146
Foreign exchange (losses) / gains on cash and cash equivalents, net		(121)	173
Total operating income		13'182	27'487
OPERATING EXPENSES			
General and administrative expenses		(670)	(530)
Commissions and other bank fees		(324)	(471)
Interest expense on bank overdrafts		(2)	0
Depreciation on furniture and equipment		(3)	(3)
Total operating expenses		(999)	(1'004)
Profit before tax		12'183	26'483
Income tax	6/9	47	(1'226)
Profit for the period		12'230	25'257
Other comprehensive income for the period, net of tax		0	0
Total comprehensive income for the period		12'230	25'257
Profit per share in CHF (basic and diluted)	10	1.00	2.01

Condensed interim financial statements

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE			
in TCHF	Notes	2012 (unaudited)	2011 (unaudited)
Cash flows from operating activities			
Profit before tax		12'183	26'483
Adjustments for:			
- Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading		(11'215)	(17'161)
- Dividend income		(1'577)	(9'528)
- Interest income from financial assets		(511)	(479)
- Interest expense on bank overdrafts		2	0
- Depreciation on furniture and equipment		3	3
- Foreign exchange losses / (gains) on cash and cash equivalents		121	(173)
Withholding taxes received		0	15'722
Increase in other current assets		(9)	(13)
Increase in accounts payable and accrued liabilities		214	5
Dividends received	5	1'577	9'528
Interest received		511	479
Interest paid		(2)	0
Income taxes paid		0	0
Net cash inflow from operating activities		1'297	24'866
Cash flows from investing activities			
Purchases of financial assets at fair value through profit or loss - trading	5	(35'739)	(59'759)
Proceeds from sale of financial assets at fair value through profit or loss - trading	5	30'394	39'825
Proceeds from short sale of financial liabilities at fair value through profit or loss - trading	5	170	91
Net cash (outflow) / inflow from currency forwards	5	(13'055)	17'519
Net cash outflow from investing activities		(18'230)	(2'324)
Cash flows from financing activities			
Purchase of treasury shares, incl. transaction costs	7	(4'995)	(981)
Dividend paid to shareholders		(12'178)	(25'118)
Net cash outflow from financing activities		(17'173)	(26'099)
Effect of exchange rate changes on cash and cash equivalents		(121)	173
Net decrease in cash and cash equivalents		(34'227)	(3'384)
Cash and cash equivalents at the beginning of the period		46'732	20'782
Cash and cash equivalents at the end of the period		12'505	17'398
Cash and cash equivalents consist of:			
Current accounts at banks		12'505	17'398
Cash and cash equivalents as defined for the statement of Cash flows		12'505	17'398

Condensed interim financial statements

STATEMENT OF CHANGES IN EQUITY					
	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Total
in TCHF					
Balance at 1 January 2011	266	115'597	(8'515)	103'636	210'984
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 under program 2 (Note 7)			(981)		(981)
Cancellation of treasury shares	(15)	(9'481)	9'496		0
Total contributions by and distributions to owners of the Company for the six months 1.1.-30.6.2011	(15)	(34'599)	8'515	0	(26'099)
Balance at 30 June 2011	251	80'998	0	128'893	210'142
Loss for the six months 1.7.-31.12.2011				(16'291)	(16'291)
Other comprehensive income for the six months 1.7.-31.12.2011					0
Total comprehensive income for the six months 1.7.-31.12.2011	0	0	0	(16'291)	(16'291)
Purchase of treasury shares under program 3 (Note 7)			(1'102)		(1'102)
Income tax on transaction costs included in "Purchase of treasury shares under program 3" (Note 7)			2		2
Total contributions by and distributions to owners of the Company for the six months 1.7.-31.12.2011	0	0	(1'100)	0	(1'100)
Balance at 31 December 2011	251	80'998	(1'100)	112'602	192'751
Profit for the six months 1.1.-30.6.2012				12'230	12'230
Other comprehensive income for the six months 1.1.-30.6.2012					0
Total comprehensive income for the six months 1.1.-30.6.2012	0	0	0	12'230	12'230
Dividend paid to shareholders*)		(12'178)			(12'178)
Purchase of treasury shares under program 3 (Note 7)			(4'995)		(4'995)
Total contributions by and distributions to owners of the Company for the six months 1.1.-30.6.2012	0	(12'178)	(4'995)	0	(17'173)
Balance at 30 June 2012	251	68'820	(6'095)	124'832	187'808

*) the Annual Shareholders' Meeting decided to pay the dividend out of the capital contribution reserves.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

1. Corporate information

Alpine Select AG (the “Company”, “Alpine”) is a limited liability company incorporated on 17 September 1997 under the laws of Switzerland having 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 2012, the Company has two employees all working part-time.

2. Change in Group structure / change in the Company's Board of Directors

Prior to 1 January 2012, Alpine Select AG together with its wholly owned subsidiary Sumara AG, Zug (Switzerland) formed a group of companies for which consolidated financial statements were prepared and issued. Effective 1 January 2012, Sumara AG was merged by absorption into Alpine Select AG. The merger was registered in the Register of Commerce of the Canton of Zug on 12 June 2012.

As already announced in a press release dated 19 March 2012, Daniel Sauter resigned from and Thomas Amstutz was elected to the Company's Board of Directors at the ordinary annual shareholders' meeting held on 18 April 2012.

3. Accounting policies

3.1. Basis of presentation of the condensed interim financial statements

The accompanying condensed interim financial statements for the six month period ended 30 June 2012 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 financial statements do not include all the information and disclosures required in the annual financial statements and therefore should be read in conjunction with the annual (consolidated) financial statements as at and for the year ended 31 December 2011.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

3.2. 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 2011 (pages 26-55) except for the adoption of the following new, revised and amended Standards and Interpretations issued for financial years beginning on or after 1 January 2012.

- IFRS 7: Financial Instruments: Disclosures: Transfers of Financial Assets - Amendments (effective 1 July 2011);
- IAS 12: Income Taxes: Deferred Tax: Recovery of Underlying Assets - Amendments (effective 1 January 2012);

The adoption of the amended standards and interpretations during the first six months of the year 2012 did not have any effect on the condensed interim financial statements or the performance of the Company.

In 2013, the Company will adopt the following new standards:

- IFRS 7: Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities - Amendments (effective 1 January 2013);
- IFRS 10: Consolidated Financial Statements (effective 1 January 2013);
- 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 1: Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income - Amendments (effective 1 July 2012);
- IAS 19: Employee Benefits – Amendments (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);
- Various: Annual Improvements to IFRS (May 2012) – Omnibus Change to many Standards (mostly effective 1 January 2013);

The Company has not yet determined the potential effects of these revised and amended standards on the financial statements and the performance of the Company.

In 2014, the Company will adopt the following amended standard:

- IAS 32: Financial Instruments: Offsetting Financial Assets and Financial Liabilities - Amendments (effective 1 January 2014);

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

The Company has not yet determined the potential effects of this amended standard on the financial statements and the performance of the Company.

In 2015, the Company will adopt the following new standard:

- IFRS 9: Financial Instruments and related amendments to IFRS 7 regarding transition (effective 1 January 2015);

The Company has not yet determined the potential effects of this new standard on the financial statements and the performance of the Company.

3.3. 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 2012	31 Dec 2011	30 June 2011
USD/CHF				
Balance sheet	End of month rate	0.9465	0.9351	0.8420
EUR/CHF				
Balance sheet	End of month rate	1.2012	1.2139	1.2208

3.4. 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 5.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

Investments in which the Company holds more than 20% but less than 50% voting rights, are accounted for as venture capital investments and are designated at fair value through profit or loss in accordance with the exemption included in IAS 28 Investments in Associates and IAS 39 Financial Instruments: Recognition and Measurement.

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 Company 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.

3.5. 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.

3.6. 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.

3.7. 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. For quoted equity securities the date usually equals the ex-dividend date.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

3.8. Income taxes

Alpine Select AG has the status of a holding company in the Canton of Zug and as such benefits 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 Company is 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.

3.9. Treasury shares

Own shares of the Company are designated as treasury shares. Treasury shares are presented in the 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.

4. Subsidiaries

Since 2005 the Company held a 100% interest in Sumara AG, Zug (Switzerland). Effective 1 January 2012, Sumara AG was merged by absorption into Alpine Select AG. As per 1 January 2012, the Company has no subsidiaries anymore as Sumara AG was the only subsidiary of the Company (see also Note 2).

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

**5. 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 2012	31 Dec 2011
Financial assets at fair value through profit or loss - trading		
Positive fair value of currency forward contracts	1'036	2'082
Financial assets held for trading	176'219	158'565
Total	177'255	160'647
of which current	1'036	2'082
of which non-current	176'219	158'565
Financial liabilities at fair value through profit or loss - trading		
Negative fair value of currency forward contracts	38	12'989
Trading options sold short	114	0
Total	152	12'989
of which current	152	12'989
of which non-current	0	0

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

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

Investment table as of 30 June 2012	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2012	1 January 2012		
LONG POSITIONS				
Absolute Invest AG	2'266'717	80'545	9'274	(9'464)
AIRE GmbH & Co. KGaA	429'272	4'986	4'983	(16'156)
Atrium V Ltd.	1'500	1'276		
Bank Sarasin & Cie AG		0	6'905	
Castle Private Equity AG		0	447	
HBM Healthcare Inv. AG ²⁾	752'357	30'059	11'626	(1'590)
Highland Financial Partners LP	600'000	0		
ING Investment Management CLO	2'000	1'571		
Invisa Inc.	26'000	7		
Peoples Choice Financial Corporation	70'800	0		
Prime New Energy AG (in liquidation)	210'492	0		
Prokmu Invest AG	57'350	0		
Schaffner Holding AG	141'814	32'475	2'504	(3'184)
Stone Tower CLO VI LTD	2'000	1'441		
Vitafort International Corporation	317'543	0		
Var. Obl. Stone Tower CLO VII	2'000'000	1'308		
9.0 % Triple ICE KI Bank Julius Baer	5'000'000	4'897		
Total Long Positions		158'565	35'739	(30'394)
of which gains				
of which gains from second line trades				
of which losses				
of which losses from second line trades				

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

²⁾ Formerly: HBM Bioventures AG

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

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 2012	Number of shares at 30 June 2012	Stock price (closing) in local currency at 30 June 2012	Dividends received
For the period 1 January to 30 June 2012							
796	(543)	(3'329)	1'386	78'665	2'261'542	USD 37	
(1'809)	(3'713)	8'146	3'563	0	0		
		198	17	1'491	1'500	USD 1'050	218
		207		7'112	266'380	CHF 27	
		23		470	40'125	CHF 12	
(115)		7'003		46'983	978'808	CHF 48	
				0	600'000	USD 0	
		129	22	1'722	2'000	USD 910	344
		(5)	2	4	26'000	USD 0	
				0	70'800	USD 0	
				0	210'492	CHF 0	
				0	57'350	CHF 0	
303		(806)		31'292	139'076	CHF 225	621
		317	21	1'779	2'000	USD 940	394
				0	317'543	USD 0	
		365	21	1'694	2'000'000	USD 90	
		110		5'007	5'000'000	CHF 100	
(825)	(4'256)	12'358	5'032	176'219			1'577
307	0	16'498	5'032				
795	0	0	0				
(1'909)	(3'714)	(4'140)	0				
(18)	(542)	0	0				

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

Investment table as of 30 June 2012	in TCHF			
	Number of shares at	Fair value at	Additions	Reductions
	1 January 2012	1 January 2012		
TRADING OPTIONS				
FX-OTC-E-Option (Call USD / Put CHF; Strike: 1.00)				(170)
Total Trading Options		0	0	(170)
of which gains				
of which losses				
of which assets		0		
of which liabilities		0		
CURRENCY FORWARDS				
Currency Forwards CHF/USD; USD/CHF		(10'840)		
Currency Forwards CHF/EUR; EUR/CHF		(67)		
Total Currency Forwards		(10'907)	0	0
of which gains				
of which losses				
of which assets		2'082		
of which liabilities		(12'989)		

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

²⁾ Formerly: HBM Bioventures AG

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

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 2012	Number of shares at 30 June 2012	Stock price (closing) in local currency at 30 June 2012	Dividends received
For the period 1 January to 30 June 2012				30 June 2012	30 June 2012	30 June 2012	
		56		(114)	(10'000'000)	CHF 0	
0	0	56	0	(114)			0
0	0	56	0				
0	0	0	0				
				0			
				(114)			
	(12'988)		11'876	1'036			
	(67)		29	(38)			
0	(13'055)	0	11'905	998			0
0	4'642	0	12'951				
0	(17'697)	0	(1'046)				
				1'036			
				(38)			

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

Investment table as of 31 December 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	46'380	(37'481)
Absolute Private Equity AG	2'257'744	30'725	61'489	(103'804)
AIRE GmbH & Co. KGaA	350'000	4'152	898	
Atrium V Ltd.	1'500	950		
BB Biotech AG	18'000	1'112		(1'150)
HBM Bioventures AG ²⁾	246'574	10'482	26'742	(3'786)
Highland Financial Partners LP	600'000	0		
ING Investment Management CLO	2'000	1'491		
Invisa Inc. ³⁾	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	12'888	(13'393)
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		
8.5 % Triple ICE KI Bank Julius Baer	5'000'000	5'073		(5'005)
9.0 % Triple ICE KI Bank Julius Baer		0	5'000	
Total Long Positions		170'741	153'397	(168'467)
of which gains				
of which gains from second line trades				
of which losses				
of which losses from second line trades				

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

²⁾ in 2012 the name was changed to HBM Healthcare Inv. AG

³⁾ Reverse split 5:1

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

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 2011	Number of shares at 31 December 2011	Stock price (closing) in local currency at 31 December 2011		Dividends received
For the period 1 January to 31 December 2011								
4'958	(5'853)	(4'507)	6'535	80'545	2'266'717	USD	38	7'978
20'810	791	(12'157)	2'146	0	0			
		315	(379)	4'986	429'272	EUR	10	
		322	4	1'276	1'500	USD	910	550
69		(31)		0	0			
(125)		(3'254)		30'059	752'357	CHF	40	
				0	600'000	USD	0	
		74	6	1'571	2'000	USD	840	563
		6		7	26'000	USD	0	
488		(462)		0	0			38
				0	70'800	USD	0	
		(21)		0	210'492	CHF	0	
				0	57'350	CHF	0	
4'442		(11'531)		32'475	141'814	CHF	229	595
		148	6	1'441	2'000	USD	770	700
				0	317'543	USD	0	
		260	5	1'308	2'000'000	USD	70	
5		(73)		0	0			
		(103)		4'897	5'000'000	CHF	98	
30'647	(5'062)	(31'014)	8'323	158'565				10'424
25'905	1'548	1'123	8'702					
4'952	0	0	0					
(105)	(834)	(32'137)	(379)					
(105)	(5'776)	0	0					

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

Investment table as of 31 December 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: 1.35)	(5'000'000)	(1)		
FX-OTC-E-Option (Call EUR / Put CHF; Strike: 1.32)				(91)
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⁾ in 2012 the name was changed to HBM Healthcare Inv. AG

³⁾ Reverse split 5:1

Selected notes to the condensed
interim financial statements for the
six month period ended 30 June 2012

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 2011	Number of shares at 31 December 2011	Stock price (closing) in local currency at 31 December 2011	Dividends received
For the period 1 January to 31 December 2011							
117		(116)		0	0		
91				0	0		
208	0	(116)	0	0			0
208	0	0	0				
0	0	(116)	0				
				0			
				0			
	12'980		(15'099)	(10'840)			
	221		(287)	(67)			
0	13'201	0	(15'386)	(10'907)			0
0	23'253	0	2'093				
0	(10'052)	0	(17'479)				
				2'082			
				(12'989)			

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

6. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are disclosed net in the 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 only to the extent to 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:

	Fin. assets at fair value through profit or loss	Capitalized tax losses carried- forward	Deferred tax (liabilities) / assets, net
in TCHF			
Balance at 1 January 2011	(2'809)	2'121	(688)
Deferred tax expense for the six months 1.1.-30.6.2011	(140)	(1'086)	(1'226)
Balance at 30 June 2011	(2'949)	1'035	(1'914)
Deferred tax income / (expense) for the six months 1.7.-31.12.2011	2'404	(993)	1'411
Balance at 31 December 2011	(545)	42	(503)
Deferred tax income / (expense) for the six months 1.1.-30.6.2012	89	(42)	47
Balance at 30 June 2012	(456)	0	(456)

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 2012 the Company has no tax losses carried-forward. As of 31 December 2011 the tax losses carried-forward amounted to approx. CHF 19.0 million of which CHF 18.5 million were unrecorded.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

7. Share capital and treasury shares

Share capital: The Company's share capital is CHF 251'184.30 as of 30 June 2012 and 31 December 2011 consisting of 12'559'215 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.

Re-purchase program 2 (extended until February 2011): In July 2009 the Company started a new share re-purchase program (re-purchase program 2) 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%. During the year 2010 the Company acquired another 346'306 treasury shares at an average price of CHF 13.05 per share under the continued re-purchase program 2 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%. In February 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 2 for a total amount of TCHF 981. Since July 2009, when the re-purchase program 2 was started, until 30 June 2011, a total of 719'232 treasury shares (5.4165% 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.

Re-purchase program 3: The Annual Shareholders' Meeting held on 18 April 2011 entitled the Company's Board of Directors to start a new re-purchase program and to re-purchase a maximum of 1'255'921 treasury shares being 10% of the nominal share capital of the Company.

The re-purchase program 3 was started in October 2011. During the period October 2011 until 31 December 2011, the Company acquired 70'000 treasury shares at an average price of CHF 15.42 per share for a total amount of TCHF 1'102 including transaction costs of TCHF 23. The income tax effect on transaction costs amounts to TCHF 2 as per 31 December 2011 applying the tax rate of 7.8%.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

The Annual Shareholders' Meeting held on 18 April 2012 entitled the Company's Board of Directors to continue the re-purchase program 3 that was started in October 2011.

During the six month period ended 30 June 2012 the Company acquired another 311'261 treasury shares at an average price of CHF 16.05 per share under the continued re-purchase program 3 for a total amount of TCHF 4'995.

Since October 2011, when the re-purchase program 3 was started, until 30 June 2012 a total of 381'261 treasury shares (3.0357% of the outstanding share capital) were acquired for a total amount of TCHF 6'097 including transaction costs of total TCHF 23. The total income tax effect on transaction costs as per 30 June 2012 amounts to TCHF 2 applying the tax rate of 7.8%.

No treasury shares were sold during the six month period ended 30 June 2012 and during the year ended 31 December 2011. As per 30 June 2012 the Company held 381'261 treasury shares (31 December 2011: 70'000 treasury shares). After considering the deduction of 381'261 treasury shares, 12'177'954 shares were outstanding as of 30 June 2012 (31 December 2011: 12'489'215 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 financial statements for the six month period ended 30 June 2012

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 2012 and 2011:

in TCHF	2012	2011
Realized gains – financial assets held for trading	307	5'276
Realized gains – financial assets held for trading (second trading line)	795	3'784
Realized losses – financial assets held for trading	(1'909)	(77)
Realized losses – financial assets held for trading (second trading line)	(18)	(20)
Net realized currency losses – financial assets held for trading	(4'256)	(3'302)
Net realized – financial assets held for trading	(5'081)	5'661
Unrealized gains – financial assets held for trading	16'498	10'113
Unrealized losses – financial assets held for trading	(4'140)	(4'143)
Net unrealized currency gains / (losses) – financial assets held for trading	5'032	(6'436)
Net unrealized – financial assets held for trading	17'390	(466)
Total financial assets held for trading, net	12'309	5'195
Realized gains – financial liabilities held for trading (Trading options)	0	208
Unrealized gains – financial liabilities held for trading (Trading options)	56	0
Unrealized losses – financial liabilities held for trading (Trading options)	0	(116)
Total financial liabilities held for trading, net (Trading options)	56	92
Realized gains – currency forwards	4'642	17'519
Realized losses – currency forwards	(17'697)	0
Unrealized gains – currency forwards	12'951	11
Unrealized losses – currency forwards	(1'046)	(5'656)
Total currency forwards, net	(1'150)	11'874
Gain on financial assets and financial liabilities at fair value through profit or loss, net - trading	11'215	17'161

9. Income tax

No current tax expenses are recorded for the six month period ended 30 June 2012 and 2011. No other current income tax expense or provisions were recognized for the six month period ended 30 June 2012 and 2011. Deferred tax income and expense is presented on a net basis.

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

10. Profit per share

	2012	2011
Net profit in TCHF as per the statement of comprehensive income for the six month period ended 30 June	12'230	25'257
Weighted average number of outstanding shares	12'259'550	12'573'526
Profit per share in CHF (basic and diluted)	1.00	2.01

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 2012 is CHF 15.42 (31 December 2011: CHF 15.43 unadjusted resp. CHF 14.51 when adjusted for the dividend paid out of the capital contribution reserves in April 2012).

12. Contingencies; commitments

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

Selected notes to the condensed interim financial statements for the six month period ended 30 June 2012

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 2012	31 Dec 2011
Fabrel AG		
Seestrasse 50, 6052 Hergiswil:		
- Number of shares (including 140 shares directly held by the beneficial owner of Fabrel AG)	2'900'140	2'900'140
- Percentage	23.09%	23.09%
Beneficial owner of Fabrel AG is Hans Müller, 6052 Hergiswil		
Trinsic AG		
Artherstrasse 21, 6300 Zug:		
- Number of shares (including 100'000 shares directly held by the beneficial owners of Trinsic AG)	2'419'235	2'425'776
- Percentage	19.26%	19.31%
Beneficial owners of Trinsic AG are Daniel Sauter, 6300 Zug, Florian Sauter, 6340 Baar, Regina Sauter, 6300 Zug, Viktoria Sauter, 6300 Zug and - partly indirect through Talpas AG, 7502 Bever - Michel Vukotic, 8706 Meilen, Corinne Vukotic, 8706 Meilen, Fabienne Vukotic, 8706 Meilen and Aline Vukotic, 8706 Meilen		
Hans Hornbacher		
3 Avenue de Grande-Bretagne, 98000 Monte-Carlo, Monaco:		
- Number of shares	415'637	415'637
- Percentage	3.31%	3.31%

14. Events after the balance sheet date

In the press releases issued 19 March 2012 and 12 April 2012, Alpine Select AG (ALPN) informed that the Company is in discussions with Absolute Invest AG (valor symbol ABSI) that may lead to a merger of ALPN and ABSI. Meanwhile, a Due Diligence has been performed in both companies. The discussions are still ongoing.

The condensed interim financial statements for the six month period ended 30 June 2012 were authorized for issue by the Board of Directors on 10 August 2012. 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 Financial Statements for the six month period ended 30 June 2012

Introduction

We have been engaged to review the accompanying condensed statement of financial position of Alpine Select AG as at 30 June 2012 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and selected explanatory notes (the interim financial statements) on pages 8 to 31. The Board of Directors is responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these interim 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 financial statements as at 30 June 2012 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



Alexander Fähndrich
Licensed Audit Expert

Zurich, 10 August 2012

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ALPINE SELECT

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