

PRIVATE MARKETS  
PUBLIC MARKETS  
REAL ESTATE

ALTIRA  
GROUP

SEMIANNUAL  
FINANCIAL REPORT  
AS OF JUNE 30, 2008

Entrepreneurial Asset Management

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SEMIANNUAL FINANCIAL REPORT  
AS OF JUNE 30, 2008



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## ALTIRA AT A GLANCE

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## OUR GUIDING PRINCIPLES

### Entrepreneurial asset management

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The Altira Group is an owner-managed, exchange-listed asset management company. We manage money in Private Markets, Public Markets and Real Estate on behalf of institutional investors.

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Our investment approach focuses on inefficient markets. This means promising developing markets and regions with above-average growth opportunities as well as established markets undergoing major structural changes.

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With their specialised knowledge and experience over a number of years, our investment teams are able to generate a sustainable above-average risk/return profile (“high alpha” strategies) in these markets by using an active investment approach.

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With this philosophy, we have been increasing the wealth of our demanding investors for many years, some of which (such as the Silvia Quandt Family) are not only investors in our funds, but also Altira Group shareholders.

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## OUR CORPORATE STRUCTURE

The Altira Group is owner-managed and at the same time exchange-listed. Focused affiliated boutiques, which act independently, implement our corporate strategy through specific investment products. While investment decisions are made by the investment teams independently, all the boutiques rely on a centralised, common institutional infrastructure.

In general, the Altira Group holds majority interests in the affiliated boutiques as founding shareholder or acquires shares in existing asset management companies that wish to attach themselves to the Altira platform.

### Our corporate divisions

Private Markets	Public Markets	Real Estate
Management of private equity funds	Management of financial products that invest in liquid or exchange-listed assets	Management of real estate funds of a private equity character
<b>Boutiques</b>	<b>Boutiques</b>	<b>Boutiques</b>
<ul style="list-style-type: none"> <li>— Sigma Capital Management GmbH (equity capital for German small-to-medium-sized businesses)</li> <li>— CFC Industrie Beteiligungen Verwaltungs GmbH (direct investments in restructurings and turnarounds)</li> <li>— ClearSight Investments AG (restructurings and turnarounds fund of funds)</li> <li>— eolutions Management GmbH (climate protection investments)</li> <li>— ADC African Development Management GmbH (development investments in Africa)</li> </ul>	<ul style="list-style-type: none"> <li>— VCH Investment Group AG (equity funds focused on future themes)</li> <li>— Patriarch Multi-Manager GmbH (broadly invested fund of funds)</li> </ul>	<ul style="list-style-type: none"> <li>— R-QUADRAT Immobilien GmbH (real estate development in Eastern Europe, special situations in Germany)</li> <li>— Greenland Management GmbH (agricultural investments in Eastern Europe)</li> </ul>

## DIFFERENT INVESTMENT STRATEGIES – ONE INSTITUTIONAL INFRASTRUCTURE.

While investment decisions are made independently and autonomously in the boutique subsidiaries, all of these subsidiaries draw upon a common central institutional infrastructure. Thus, the Altira Group assumes responsibility, in particular, for important tasks like marketing, distribution, risk management and internal audit, and also provides support when questions of (tax) law are raised. This makes it possible, on the one hand, for subsidiaries to concentrate on their investment activity, while Altira, on the other, is able to achieve valuable synergies thereby. In addition, the Altira Group frequently also makes important seed money for new funds available to these subsidiaries in their start-up phase, thereby enabling investment ideas to be quickly implemented – the time factor that is decisive precisely with newly developing markets.

### Altira Group



## Buy-and-build strategy

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As part of this strategy, the Altira Group, as founding shareholder, generally holds a majority stake in boutique subsidiaries, or makes acquisitions, when appropriate, in already existing asset management companies that wish to affiliate with the Altira Group. In addition to continuing to develop its existing strategies, then, Altira is continually seeking new product ideas and asset classes to make additional growth and diversification possible.

## Diversification and stability

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The effects for the Altira Group of this strategy unique in Germany are, above all, a broad diversification across different asset classes and customer groups and, over the long term, the concomitant greater stability in company earnings. It is precisely in economic times like these that the Altira Group – as our current six-month report shows – profits from institutional investors' interest in investment strategies that are not dependent on the markets and are oriented towards the future.

## Focus on business development companies

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Investment products are structured in accordance with the demands made of the relevant asset class (e.g. with respect to liquidity) as well as the individual needs of investors with different forms of legal organisation. Altira possesses special expertise particularly in structuring and developing (listed) holding companies that are termed business development companies. Examples of this are Heliad ([www.heliad.de](http://www.heliad.de)), Themis ([www.themis-equity.de](http://www.themis-equity.de)), CFC Industriebeteiligungen ([www.cfc-eu.com](http://www.cfc-eu.com)) and MAGNAT Real Estate Opportunities ([www.magnat-reop.de](http://www.magnat-reop.de)). All of these were successfully founded by the Altira Group, were provided with seed money, were capitalised in different rounds of fund raising and were successfully brought onto the stock market. The same is true for ecolutions ([www.ecolutions.de](http://www.ecolutions.de)), Squadra ([www.squadra.de](http://www.squadra.de)) and ADC African Development Corporation ([www.african-development.com](http://www.african-development.com)), all three of which, however, are still awaiting their initial public offerings. Additional business development companies with the potential for stock exchange listing are in preparation.

These business development companies have the great advantage of making it possible for investors in illiquid asset classes to obtain liquidity. Unlike open-end investment vehicles, admittedly, it is not possible for shares to be redeemed but, after a stock-exchange listing, those investors wishing to sell their shares may do so through the stock exchange. The relevant investment strategy can thus be geared towards the long term and investment size is not affected by sales. For Altira, this means a basis for management fees that is constant and can be planned on, since size cannot be reduced by outflows.

# ALTIRA SHARE

— Altira  
— SDAX



## FACTS & FIGURES

\_\_\_ Level of transparency on Deutsche Wertpapierbörse  
Entry Standard

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\_\_\_ Market segment on Deutsche Wertpapierbörse  
Open Market

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\_\_\_ ISIN  
DE0001218063

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\_\_\_ WKN (German security identification number)  
121 806

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\_\_\_ Ticker symbol  
A7A

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\_\_\_ Market capitalisation as at 30 June 2008  
EUR 136 million

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\_\_\_ Primary shareholders  
Angermayer, Brumm & Lange Unternehmensgruppe GmbH, Silvia Quandt family

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\_\_\_ Free float as at 30 June 2008  
20.1 %

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\_\_\_ Designated sponsor  
Close Brothers Seydler AG

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\_\_\_ Earnings per share as at 30 June 2008  
EUR 0.83

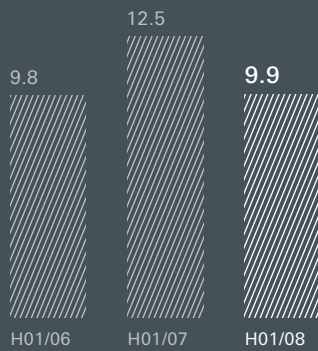
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## KEY FINANCIAL FIGURES ACCORDING TO IFRS

1<sup>st</sup> half year 2008

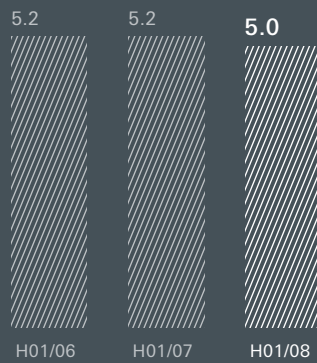
### Sales

in EURm



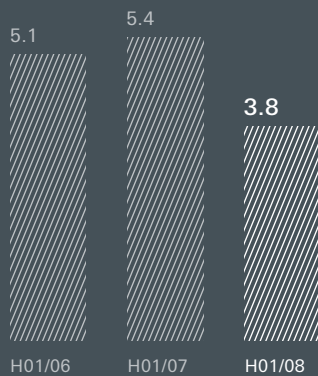
### EBITDA

in EURm



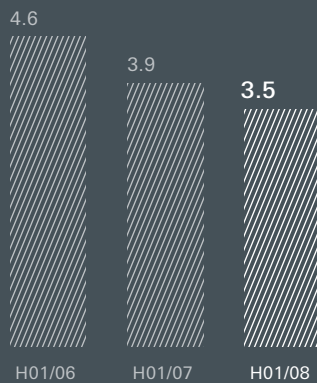
### EBT

in EURm



### Consolidated net income

in EURm







## HIGHLIGHTS 2008

### Private Markets

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\_\_\_ Acquisition of a 40 percent share of ClearSight Investments AG  
(private equity fund of funds boutique with focus on restructuring and turn-around funds)

\_\_\_ The business development company Heliad, which is administered by Altira, was able to sell approximately 50 percent of its portfolio to the financial investor Greenpark. Greenpark is continuing to entrust the portfolio it acquired to the Altira Group for management.  
(strategy: entrepreneurial capital for German mid-sized business)

\_\_\_ CFC Industriebeteiligungen likewise sold approximately 50% of its portfolio to Greenpark. Here too, the Altira Group is continuing to manage the acquired portfolio.  
(strategy: restructuring projects and turn-arounds)

\_\_\_ Successful completion of the capital increase for ADC African Development Corporation.  
(strategy: development investments in Africa)

### Public Markets

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\_\_\_ The stock fund VCH New Energy (German Securities Number (WKN: A0M JV9) has reached its one-year track record and at its first go is the best fund in its class<sup>1</sup>

### Real Estate

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\_\_\_ Stable development of assets despite real estate crisis

1) Source: Onvista, No. 1 ranking for a 1-year period (status: 21/06/2008), out of 50 funds with the following investment focus:  
"Industry: Ecology/environmental technology"

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## REPORT OF THE MANAGING BOARD

### Dear shareholders, dear friends of Altira,

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In spite of the generally difficult capital markets and economic situation in the first half of 2008, it gives us great pride to be able to report good figures for the first half of 2008. Consolidated revenues fell EUR 12.5 million relative to the comparable period, to EUR 9.9 million. The drop in revenues is essentially due to the fact that, due to weak capital markets in the first half of 2008, no performance fees were earned in the Public Markets sector (prior year: EUR 4.4 million). The ongoing revenues (consisting of fixed management fees and excluding performance-fees) rose by 22 percent to EUR 9.9 million (H1 2007: EUR 8.1 million). Despite the drop in revenues, EBITDA, at EUR 5.0 million, was only slightly below that for the same period of the year before (EUR 5.2 million). Owing to the valuation of publicly traded financial investments at fair value, there were write-downs during the reporting period of ca. EUR 1.5 million, so that EBIT, at EUR 3.4 million, was approx. EUR 1.5 million below the prior year's value (EUR 5.1 million). Net income for the period is EUR 3.5 million, and hence slightly below the EUR 3.9 million achieved a year ago.

These numbers are all the more gratifying since they are accompanied by a considerable expansion in our business activity. We are firmly convinced that a cornerstone is being laid for above-average growth and long-term economic success precisely in difficult times such as these. In what follows, we provide a summary of the most significant successes of the first half of the year.

### Expansion of the turn-arounds and restructuring sector

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It is precisely in an economic situation like the present that we regard the private equity "turn-arounds and restructurings" asset class as holding particular promise, and for that reason we are expanding our presence significantly in this segment. Thus, with globalisation pressures and a changing legal environment forming the backdrop in a number of European countries, there has for some time now been a significant rise in the number of restructuring transactions, which owing to their special situation are only weakly correlated to the traditional capital markets. Since historically above-average yields are being earned in this segment and a cautious eye is being turned on traditional buyout funds, large ones especially, in the current credit crisis, increasing investor interest is being noted in this specialised niche, an interest in which we desire to participate.

The business development company CFC Industriebeteiligungen GmbH & Co. KGaA, started by an Altira subsidiary and focusing on majority takeovers of companies in turn-around and restructuring situations, was able to make use of the heightened investor interest in this segment, selling 49 percent of its entire portfolio to a fund advised by English financial investor Greenpark. By this transaction, CFC Industriebeteiligungen GmbH & Co. KGaA is getting back more than its total capital invested to this point – and this after just one year's average holding time of the investments by the Group. The IRR achieved is thus over 100 percent and demonstrates the quality and performance strength of CFC's management team. As a result of the partial sale, moreover, significant profits were realized within CFC, from which Altira subsidiary CFC Industrie Beteiligungen Verwaltungs GmbH will receive performance fees in 2009. In addition, the portfolio of companies sold continues to be administered by an Altira Group company, so that assets under management under these strategy will increase by just under EUR 25 million.

Beyond this, the Altira Group managed to expand its involvement in the "turn-arounds and restructurings" sector further still, with a 40 percent participation in ClearSight Investments AG, Zurich, announced on 1 July 2008. ClearSight concentrates on the management of fund of funds which invest in Private Equity restructuring funds. ClearSight's fund of funds products are primarily geared towards institutional investors and family offices in Europe and the United States, which consequently profit by access to excellent management teams. The first fund is in the process of being set up and will commence fundraising in the fourth quarter of this year, with a target volume of EUR 80 million.

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## Key successes in the “entrepreneurial capital for German mid-sized businesses“ segment

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Our traditional business in Germany, in which we make capital available to German mid-sized businesses for further growth, is also turning in a satisfying performance. Thus, publicly traded business development firm Heliad, managed by us, was able to sell approximately 50 percent of its portfolio of companies to English financial investor Greenpark. In the future, the portfolio sold will continue to be managed by an Altira Group company, so that assets under management in the „entrepreneurial capital for German mid-sized businesses“ sector are increasing by just under EUR 50 million.

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## Growth in the future markets segment

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In our so-called Future Markets segment as well, we were also able to achieve important successes in the first half of 2008:

### — **ADC African Development Corporation**

In July of this year, business development company ADC African Development Corporation, founded by the Altira Group, was able to successfully conclude its capital increase despite the adverse environment on the capital markets. In all, USD 22.5 million was able to be placed with international investors, as well as, in particular, with German family offices. The freshly injected capital is intended for investment over the short term in companies from the banking, IT & telecommunications and real estate sectors in sub-Saharan Africa, companies which for the most part have already been identified. This is a key step in expanding ADC over the next few years into one of the leading industrial holding companies in East Africa.

### — **ecolutions**

Likewise highly pleasing is the performance of ecolutions. The latter was able to significantly expand its project volume in India and China in 2008, and currently has power-production capacity of 150 MW. For these projects, besides the proceeds of energy sales, ecolutions is also receiving so-called emission rights, which can be sold at a profit using various trading systems. Thus within an extremely short time ecolutions has developed into a mid-sized, decentralised power provider in India and China.

Both business development companies – ADC and ecolutions – are bringing in to the Altira Group not only revenues in the form of management fees and, in the future, performance fees as well, but they are also making the Altira Group well known, particularly in international circles. For with these two business development companies, we for the first time have succeeded not only in initiating attractive, high-yielding investment products but, through the quality of the management team in combination with the „first mover“ effect, have also succeeded in positioning ourselves among leading investors internationally and in achieving an international importance in the respective investment classes.

#### — International reputation

This heightened esteem and significance are seen, inter alia, in the fact that, for example, Rwanda's head of state Paul Kagame, as part of his state visit in Germany in April of this year, also attended the Altira Group's Africa Symposium taking place at the same time. Along with more than 200 other guests, the Altira Group was able to welcome Paul Wolfowitz, former president of the World Bank, and Dagmar Wöhrl, Parliamentary Secretary of State of the Federal Economics Ministry, as its guest speakers. Christian Angermayer, moreover, was appointed a member of His Excellency Paul Kagame's Economic Advisory Council, on which among others, well known economic leaders such as Michael Porter (Harvard University) and Tony Blair are also represented. This Advisory Council advises the Rwandan government, in particular with respect to the country's economic development.

Over the medium term, this strongly increased awareness of the Altira Group internationally will, in particular, also contribute significantly to the Group's business success.

## Stability in the Public Markets and Real Estate segments

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Our two business areas, Public Markets and Real Estate, despite circumstances not in their favour, were able to hold steady, while the assets of many peer group companies in this segment sharply collapsed.

In the Public Markets segments, particular mention should be made of stock fund VCH New Energy, which has positioned itself since its founding as the best fund of its class<sup>1</sup> and thus has demonstrated the potential to become a future top seller.

In addition, the VCH Expert Natural Resources fund, in an extremely difficult first half of the year, managed to record an inflow of funds of approximately 10 percent of the fund's current size.

1) Source: Onvista, No. 1 for the 1-year period (status: 21/06/2008), out of 50 funds with the investment focus: "Ecology/Environmental Technology"

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## Strong expansion of institutional infrastructure

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Alongside the successes of our investment teams and their expanded personnel, in the first half of the year the focus was particularly on further development of the institutional infrastructure. This relates to service units jointly used by all the teams, such as Risk Management & Internal Audit, Legal, IT, Sales & Sales Support, Product Management, Public Relations and Human Resources.

The most important step here was the appointment of Michael Rieder (34) as Chairman (CEO) of the Altira Group's Managing Board. Mr. Rieder, who took office on 15 February 2008, represents the Altira Group externally and is responsible for the functional areas of Sales & Sales Management, Marketing, Public Relations, Product Management and Human Resources.

Continued development of institutional infrastructure and consolidation of these departments into a single area of responsibility further advances the integration of these core areas and strengthens customer service, thereby making it possible for customer desires to be met with custom-made solutions.

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## Outlook

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For the second half-year, we are looking forward – insofar as the capital market environment does not further deteriorate – to similarly high earnings (EBIT) as in the first half of 2008.

What is much more important, however, is to direct our attention to the coming years. It is our firm conviction that the cornerstone for above-average successes is laid not in boom years but specifically in periods of difficult capital markets. In positive capital market times, such as we were able to experience in the years 2003 through 2007, the Altira Group was able to reap precisely those successes the basis for which had been laid in the difficult years coming before. Therefore we also see the current phase as a great opportunity, now once again, to prudently sow the seeds of the above-average successes of the future, through the expansion of existing strategies and through selective acquisitions.

Our business model makes it possible for current costs to be solidly covered by stable current receipts - namely the fixed management fees. Thus – in simplified terms – profits consist of performance fees and the appreciation of our own investments (so-called seeding investments) in the fund and business development companies which we began. Since performance fees do not come due until a successful exit from investments or projects, as the case may be, and thus are delayed approximately three to five years after fundraising, we are expecting the first large, significant performance fee payments – depending on the capital market and hence the exit, situation – in 2009 or 2010. From that time on, the performance fees should then, as a result of the Altira Group's broad diversification, accrue on a regular basis. To put it simply, if we assume a 20 percent average yield, after expenses, on all of our investment vehicles, every billion in assets under management should give the Altira Group – depending

on the performance fee percentage and the relevant management's shares thereof – an annual performance fee potential, over the medium term, of approx. EUR 20 to 30 million.

Moreover, in 2008 we are investing heavily in the personnel area of our institutional infrastructure in particular, in order to be in a position to significantly increase our assets under management over the coming years. While these investments will have the effect of reducing the Altira Group's earnings in 2008 and to some extent also in 2009, since the desired volume effects will arise only after a time lag, they will be the foundation for the profits of the future.

We believe that both effects, taken together, will enable the Altira Group, starting in 2010, to realise a good amount in the millions of euros every year, in the double digits, and will position us among the leading asset managers in Germany.

We would be very pleased to have you with us as a shareholder!

Best regards.



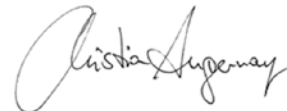
Michael Rieder



Peter Brumm



Andreas Lange



Christian Angermayer

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## CONSOLIDATED INCOME STATEMENT

in EURk	First half 2008	First half 2007
Sales revenue	9,872	12,500
Proceeds from sale of securities and financial assets	7,131	3,711
Book value of securities and financial assets posted at time of disposal	-3,539	-3,598
Other operating income	884	2,236
Cost of purchased services	-2,895	-4,802
Personnel expenses	-4,496	-2,397
Other operating expenses	-3,383	-2,397
Income from equity holdings	1,424	493
Depreciation on financial assets and securities	-1,462	-37
Amortisations and write-downs of tangible and intangible assets	-139	-138
<b>Operating income</b>	<b>3,397</b>	<b>5,072</b>
Interest and similar income	451	356
Interest and similar expenses	-6	-5
<b>Earnings before tax</b>	<b>3,842</b>	<b>5,423</b>
Taxes on income	-311	-1,518
<b>Earnings after tax</b>	<b>3,531</b>	<b>3,905</b>
Net profit allocable to minority interests	-30	-32
<b>Profit allocable to parent company's shareholders</b>	<b>3,501</b>	<b>3,873</b>
<b>Earnings per share in EUR</b>	<b>0.83</b>	<b>1.03</b>

## CONSOLIDATED BALANCE SHEET

### Assets

in EURk	30/06/2008	31/12/2007
<b>Long-term assets</b>		
Intangible assets incl. goodwill	1,253	1,199
Tangible assets	700	506
Financial assets	26,117	35,826
Deferred tax assets	489	699
<b>Total long-term assets</b>	<b>28,559</b>	<b>38,230</b>
<b>Current assets</b>		
Securities	5,005	5,572
Trade receivables	4,961	5,158
Receivables from companies in which an equity interest is held	160	272
Other assets	8,473	5,521
Bank deposits	27,727	24,737
<b>Total current assets</b>	<b>46,326</b>	<b>41,260</b>
<b>Balance sheet total</b>	<b>74,885</b>	<b>79,490</b>

**Liabilities and shareholders' equity**

in EURk	30/06/2008	31/12/2007
<b>Shareholders' equity</b>		
Subscribed capital	4,239	4,239
Capital reserves	30,362	30,362
Retained earnings	24,188	20,690
Revaluation of financial instruments	-4,301	2,754
<b>Components of shareholders' equity allocable to shareholders</b>	<b>54,488</b>	<b>58,045</b>
Minority interests	41	-7
<b>Total shareholders' equity</b>	<b>54,529</b>	<b>58,038</b>
<b>Long-term liabilities</b>		
Deferred tax liabilities	0	365
<b>Total long-term liabilities</b>	<b>0</b>	<b>365</b>
<b>Current liabilities</b>		
Tax reserves	2,645	4,218
Other reserves	10,074	8,485
Liabilities to banks	171	206
Trade payables	940	5,188
Other liabilities	6,526	2,990
<b>Total current liabilities</b>	<b>20,356</b>	<b>21,087</b>
<b>Balance sheet total</b>	<b>74,885</b>	<b>79,490</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 June 2008

in EURk	First half 2008	First half 2007
1. Net income before minority interests	3,531	3,905
2. - Less proceeds from the sale of securities and financial assets	-7,131	-3,711
3. + Write-downs of financial assets and securities	1,462	0
4. + Depreciation, amortisation and write-downs of property, plant and equipment and intangible assets	139	138
5. - Write-ups of securities and financial assets	-823	-2,481
6. +/- Profit/loss from investments in associates	-1,424	-493
7. + Carrying amount of securities and financial assets at time of disposal	3,539	3,598
8. + Change of the revaluation reserve due to provisions and deferred taxes	1,089	0
9. +/- Other non-cash expenses/income	13	-135
10. +/- Increase/decrease in provisions	16	2,788
11. +/- Increase/decrease in receivables and other assets	-2,433	-8,325
12. +/- Increase/decrease in payables and other liabilities	-1,112	3,710
<b>13. = Cash flow from operating activities</b>	<b>-3,134</b>	<b>-1,006</b>
14. - Payments for investments in property, plant and equipment and intangible assets	-228	-160
15. - Payments for the acquisition of subsidiaries	0	-250
16. - Payments for investments in financial assets	-118	-12,987
17. - Payments for investments in securities held as current assets	-1,026	-1,459
18. + Proceeds from the sale of securities and financial assets	7,131	3,711
<b>19. = Cash flow from investing activities</b>	<b>5,759</b>	<b>-11,145</b>

For the period from 1 January to 30 June 2008

in EURk	First half 2008	First half 2007
20. + Proceeds from borrowing	0	0
21. + Proceeds from capital increases	0	30,324
22. – Payments for capital increases (capital increase expenses)	0	–916
23. + Distributions to minority shareholders	365	120
<b>24. = Cash flow from financing activities</b>	<b>365</b>	<b>29,528</b>
25. Changes in cash and cash equivalents (sum of lines 13, 19 and 24)	2,990	17,377
26. – Effects of changes in the scope of consolidation	0	0
27. Cash and cash equivalents at beginning of period	24,737	8,139
<b>28. Cash and cash equivalents at end of period</b>	<b>24,727</b>	<b>25,516</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EURk	Subscribed capital	Capital reserve
<b>As at 01/01/2008</b>	<b>4,239</b>	<b>30,362</b>
Capital stock increase by capital contribution		
Expenses related to capital procurement		
Change in revaluation reserve		
Change in currency differential		
Net income for the year		
Minority interests: decreases		
<b>As at 31/06/2008</b>	<b>4,239</b>	<b>30,362</b>

	Revaluation reserve	Retained earnings	Currency differential	Profits allocated to shareholders of the company	Equity shares allocated to shareholders of the company	Minority interests	Total equity
	2,754	20,689	1	0	58,045	-7	58,038
					0		0
					0		0
	-7,055				-7,055		-7,055
			-3		-3		-3
				3,501	3,501	30	3,531
						18	18
	-4,301	20,689	-2	3,501	54,488	41	54,529

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# NOTES TO THE SEMIANNUAL FINANCIAL REPORT OF ALTIRA AKTIENGESELLSCHAFT

As of June 30, 2008

## 1. Information on the Company

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The registered office of Altira Aktiengesellschaft (hereinafter referred to as "Altira AG" or the Company) is at Grüneburgweg 18, Frankfurt am Main.

Altira AG is registered in the commercial register of the Municipal Court of Frankfurt am Main under number HR-B 58865.

The purpose of Altira AG as specified in the Company's articles of incorporation is the acquisition, management and sale of shares or participations of all kinds that do not require special legal approval. The companies of the Altira Group manage institutional investor assets in its Private Markets, Public Markets and Real Estate divisions.

Altira AG is listed on the Open Market of the Frankfurt Stock Exchange in the Entry Standard segment.

## 2. Basis of the Interim Financial Statements

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Altira AG's consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in equity, and consolidated cash flow statement for the period ended June 30, 2008 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of those standards by the International Financial Reporting Interpretations Committee (IFRIC), as applicable within the European Union.

The consolidated financial statements have been prepared in euros (EUR), the functional currency of the Group. Unless indicated otherwise, all figures have been rounded to thousands of euros (EURk).

The interim financial statements have not been reviewed by an auditor.

The interim financial statements contain all information necessary to fairly present the Company's financial position.

### 3. Consolidated group of companies

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As required under IAS 27, subsidiaries that the parent company is able to control are included in the consolidated group of companies. As defined in IAS 27.4, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Such control can be assumed if the parent company directly or indirectly holds the majority of the voting rights.

As required under IFRS 3, acquisitions are accounted for using the purchase method. That is, assets, liabilities and contingent liabilities are recognised at their fair values as at the acquisition date. Differences may exist between the cost of an acquisition and the acquirer's interest in the fair value of the assets, liabilities and contingent liabilities acquired. As required under IFRS 3, a positive difference is recognised as goodwill. Any negative difference is immediately recognised in profit or loss.

All of the companies included in the Altira consolidated financial statements apply the same accounting policies when preparing their interim financial statements.

Altira AG established a new company, ADC African Development Management GmbH, Frankfurt am Main, during the reporting period. Since Altira AG holds all of the equity capital of ADC African Development Management GmbH, the company was included for the first time in the consolidated group of companies. In addition, as Altira Group company VCH Investment Group AG sold its interests in VCH Financial Services GmbH, VCH Fondsmanagement GmbH and VCH Treuhand- und Verwaltungs GmbH as of 1 January 2008, these companies are no longer included in the consolidated group of companies.

The Appendix to these Notes provides a list of shareholdings showing all consolidated companies.

SophistiCapital AG has not been included in the consolidation due to immateriality.

## 4. Associated companies

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As required under IAS 28, investments in associated companies are generally accounted for using the equity method. An associated company is a company over which the Group has significant influence and which is neither a subsidiary nor joint venture of the investor. Equity method accounting is based on the financial statements prepared by the associated company using standard Group-wide accounting policies.

The interest acquired in ClearSight Investments AG, Zurich, Switzerland, during the reporting period was valued as an associated company using the equity method.

Due to immateriality, the investment in Seyes GmbH, Bayreuth, was not recognised using the equity method.

There were no other investments requiring the equity method of accounting.

## 5. Significant accounting policies

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### \_\_\_ Intangible assets

As required under IAS 38, an acquired intangible asset is recognised as an asset if it is probable that use of the asset is associated with a future economic benefit and the costs of the asset can be determined reliably. Acquired intangible assets are valued at cost and amortised by the straight-line-method over their useful lives, adjusted for any impairment identified.

According to the provisions of IFRS 3, goodwill from business combinations is equal to the excess of the cost of the investment over the share of the equity acquired in the acquired company. Goodwill is tested for impairment at least annually at the level of the cash-generating unit and written down to its realisable amount if any impairment is identified.

### \_\_\_ Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Gains or losses on the disposal of property, plant and equipment are recognised as other operating income or expenses. Depreciation is performed over the normal useful operating lives of the assets.

### \_\_\_ Investments

Investments include investment securities, investments in associated companies as well as participations.

Investment securities are assigned to the categories "available-for-sale financial assets" and "financial assets at fair value through profit or loss".

Under the Altira Group investment strategy, holdings of securities in the “financial assets at fair value through profit or loss” category are managed based on the change in fair value of the individual securities.

As required under IAS 28, investments in associated companies are measured using the equity method.

Participations are assigned to the “available-for-sale financial assets” category.

Fair value measurement of security holdings is based on stock exchange prices as at the reporting date or transactions performed close to the reporting date.

Changes in value of financial assets classified as “financial assets at fair value through profit or loss” are recognised in profit or loss as other operating income or write-downs of investments and securities in the income statement.

Capital gains and losses from fair value measurement of financial instruments in the “available-for-sale financial assets” category are recognised directly in the revaluation reserve with no effect on profit or loss.

When the fair value of an unlisted equity investment cannot be determined reliably, the investment is alternatively measured at cost (IAS 39.46c). The cost of an investment is equal to its price as at the settlement date. Gains on disposal and impairment losses are included in the net income or loss for the year.

#### \_\_\_ **Deferred taxes**

Deferred taxes are reported using the balance sheet liability method. Under this method, deferred taxes are formed for all recognition and measurement differences arising between the carrying amount in the IFRS balance sheet and the tax base. Deferred taxes are calculated based on the current tax rates applicable to the time periods in which the timing differences are expected to be reversed.

Changes to deferred taxes are recognised in profit or loss to the extent that the underlying items are also recognised in profit or loss and not offset without effect on profit and loss against equity.

#### \_\_\_ **Securities**

Securities classified as current assets are assigned to the “held for trading” category. Changes in value are recognised in profit or loss.

#### \_\_\_ **Receivables and other assets**

Receivables and other assets are measured at nominal value less any necessary impairment (measurement at amortised cost).

#### \_\_\_ **Liquid assets**

The cash and cash equivalents consist of balances with banks.

#### \_\_\_ **Provisions**

As required under IAS 37, tax debts and provisions are carried as liabilities if a past event creates a current de jure or de facto obligation associated with a probable future outflow of assets that can be reliably estimated. Non-current provisions are discounted when the time value of money from the discounting is material.

#### \_\_\_ **Liabilities**

Liabilities are carried at their settlement amounts.

#### \_\_\_ **Income and expenses**

Revenues are recognised if an agreement has come into effect, a price has been agreed and is determinable, and payment of the price can be assumed. Revenues are reported net of sales discounts such as cash discounts and rebates. Income from services in progress is recognised when the service is completed, time-based compensation is collected according to the time expended.

Proceeds from the sale of securities and investments relates to proceeds realised from the sale of financial assets. The disposal carrying amount of securities and investments relates to the carrying amount of the financial assets at the time of disposal.

Income from participations reports both current income from dividends received and the profit or loss from the measurement of participations in associated companies in accordance with IAS 28.

Taxes on income include current and deferred taxes.

#### \_\_\_ **Currency translation**

Foreign currency transactions are translated into euros using the exchange rate applicable on the date of the transaction.

The assets and liabilities of Heliad Management AG, Oberwill bei Zug, Switzerland, existing as at the balance sheet date have been translated into euros using the exchange rate as at the reporting date. Income and expenses recognised in Swiss francs have been translated into the currency of the presentation (the euro) using the average exchange rate. Exchange differences are recognised without recognition of profit or loss in equity.

#### \_\_\_ **Significant assumptions and estimates**

The assumptions and estimates used in preparing the consolidated financial statements primarily relate to the calculation of realisable amounts for impairment tests and the recognition and measurement of deferred taxes and provisions.

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## 6. Notes to the Consolidated Income Statement

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Revenues relate to commission income, fees for assuming management duties and variable investment advisory fees.

Other operating income includes EURk 823 in gains from the fair value measurement of securities and investments, and EURk 61 in miscellaneous operating income.

The expenses for purchased services relate primarily to expenses for investment advisory fees and sales commissions.

Personnel expenses include compensation for the management board members and managing directors of Group companies, as well as employee remuneration.

Other operating expenses are primarily comprised of expenses for outside services, marketing and travel expenses, rental costs, and legal and consulting fees.

Income from participations includes a loss of EURk 266 from the measurement of associated companies using the equity method (IAS 28), EURk 1,325 in rights to dividends from associated companies, and EURk 365 in repayments from the subsequent adjustment of the purchase price for an acquisition of an associated company in financial year 2007.

Depreciation, amortisation and write-offs of property, plant and equipment and intangible assets relate exclusively to regular depreciation and amortisation.

The taxes on income include EURk 814 in current tax expenses, which are offset by a decrease in deferred taxes of EURk 503.

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## 7. Notes to the Consolidated Balance Sheet

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The intangible assets include EURk 1,090 in goodwill and EURk 163 of mainly purchased software licences.

The goodwill reported results from first-time consolidation performed at the time of each business combination. The goodwill is tested for impairment annually in accordance with IFRS 3. No write-offs were needed, as no impairment was identified.

The investments include EURk 21,819 in investment securities, EURk 4,080 in investments in associated companies, and EURk 218 in participations.

The deferred tax assets were primarily formed for impairment of securities accounted for in the interim financial statements but not in the separate balance sheets prepared for tax purposes, and to form a provision for future management board bonus entitlements that will accrue once the write-ups of securities already accounted for as at June 30, 2008 under IFRS are also realised under HGB. A tax rate of 31,925 per cent was used.

Securities classified as current assets are assigned to the "held for trading" category.

The receivables and other assets reported come due within one year and are carried at their nominal values.

Balances at banks are solely in the form of cash and cash equivalents.

The share capital is divided into 4,238,670 registered ordinary shares. The shares are non-par value shares with a nominal par value of EUR 1.00 per share. The authorised capital account for the period to September 30, 2011 (Authorised Capital 2006/I) had a balance of EURk 1,359 as at June 30, 2008. The Company did not make use of any of the contingent capital of EURk 2,119 (Contingent Capital 2007/I) available to raise its share capital during the reporting period.

The revaluation reserve includes changes in the value of financial assets assigned to the "available for sale" category not recognised in profit or loss and all adjustments to deferred taxes and provisions in connection with the measurement of these assets.

The provisions for taxes relate to expected payments for corporate income tax, the solidarity surcharge, and trade tax.

The provisions primarily relate to bonus entitlements, other personnel provisions and provisions for auditing, legal and consulting fees.

The liabilities reported come due within one year and are carried at their nominal amounts or amount of the expected claim.

## 8. Other disclosures

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### — 8.1 Contingent liabilities and other financial obligations

Altira AG has issued a letter of comfort for up to EURk 250 for the benefit of Patriarch Multi-Manager GmbH, Frankfurt am Main.

The company has rental obligations of EURk 1,834 under a rental agreement concluded for a fixed period of five years. A bank guarantee for EURk 132 was furnished as rental security.

### — 8.2 Management and Supervisory Board

#### — Management Board

Mr. Michael Rieder, CEO (starting February 15, 2008), Frankfurt am Main, Diplom-Kaufmann

Mr. Peter Brumm, CFO (CEO until February 15, 2008), Frankfurt am Main, Diplom-Kaufmann

Mr. Andreas Lange, CIO, Frankfurt am Main, Diplom-Kaufmann

Mr. Christian Angermayer, CSO, Wiesau (starting January 31, 2007), Entrepreneur

Mr. Michael Hallacker, Director of Sales (from July 19, 2007 to February 29, 2008), Georgenhausen, Diplom-Kaufmann

#### — Supervisory Board

Mr. Robert Depner (Chairman of the Supervisory Board), Bergisch Gladbach, Chairman of the Management Board of VCH Vermögensverwaltung AG

Dr. Peter Schmidt (Deputy Chairman of the Supervisory Board), Alfter, Management Consultant

Mr. Gerhard Lange (Member of the Supervisory Board), Neckargemünd, Management Consultant

## LIST OF SHAREHOLDINGS

As at 30 June 2008

Name and headquarters of held company	Share of capital in %	Consolidation method used
ADC African Development Management GmbH, Frankfurt am Main	100.00	full- consolidation
Altira ImmoFinanz GmbH, Frankfurt am Main	100.00	full- consolidation
CAESAR Industrial Technologies S.à r.l. & Co. KGaA, Frankfurt am Main	49.90	"at equity" method
CAESAR Special Opportunities Management S.à r.l., Sandweiler (Luxembourg)	51.00	full consolidation
CFC Industrie Beteiligungen Verwaltungs GmbH, Dortmund	75.00	full- consolidation
Clearsight Investment AG, Zurich (Switzerland)	40.00	"at equity" method
ecolutions Management GmbH, Frankfurt am Main	100.00	full- consolidation
Greenland Management GmbH, Frankfurt am Main	50.20	full- consolidation
Heliad AG, Zurich (Switzerland)	100.00	full- consolidation
Patriarch Multi-Manager GmbH, Frankfurt am Main	100.00	full- consolidation
R-QUADRAT Immobilien GmbH, Vienna (Austria)	20.01	"at equity" method
Sigma Capital Management GmbH, Frankfurt am Main	100.00	full- consolidation
VCH Investment Group AG, Frankfurt am Main	100.00	full- consolidation
VCH Vermögensverwaltung AG, Cologne	74.50	full- consolidation
SophistiCapital AG, Bayreuth	50.20	—
Seyes GmbH, Bayreuth	20.00	—

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## FINANCIAL CALENDAR

- 25 August 2008  
SCC SmallCap Conference
- 26 August 2008  
2008 Annual General Meeting
- September 2008  
Semiannual Financial Report as at 30 June 2008
- 9 September 2008  
SRC Forum Financial Services
- May 2009  
Annual Report as at 31 December 2008

## Altira Group

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info@altira-group.de  
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### Management Board

Michael Rieder (CEO), Peter Brumm, Andreas Lange,  
Christian Angermayer

### Supervisory Board

Robert Depner (Chairman), Dr. Peter Schmidt,  
Gerhard Lange

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The German version is legally binding.

