



PRIVATE MARKETS  
PUBLIC MARKETS  
REAL ESTATE

ALTIRA  
GROUP

## ANNUAL REPORT 2007

Entrepreneurial Asset Management

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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>

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## HIGHLIGHTS 2007

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### — Altira Group

The Altira Group continues to grow. The Group had 63 employees at the end of 2007, representing an increase of approximately 50 percent.

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The Altira Group has subsidiary boutiques operating at 13 locations worldwide. Over the past year, for example, the Group opened new offices in Mumbai, Beijing, and Kigali. The head office of the Altira Group is in Frankfurt am Main.

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**Good figures:** sales increased by eleven percent to EUR 27.7 million in 2007, and assets under management increased by 34 percent to EUR 1.1 billion.

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36 investment products were initiated for institutional and private investors. From the commodities megatrend and agriculture investments, all the way to the CO<sub>2</sub> certificate market. The Altira Group has proven to have imaginative investment strategies.

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— ADC African Development Corporation

“Between 750,000 and one million Chinese are currently working in Africa.”

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Source: Handelsblatt, 25 September 2007

— eolutions

“Climate package produces employment miracle: Environment Minister Sigmar Gabriel expects 500,000 new jobs by 2020, thanks to the federal government’s climate and energy package.”

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Source: BILD, 9 June 2008

— Greenland

“Agriculture and forest land in Germany decreased by approximately 100 hectares per day in 2003 due to housing and roadway development. This corresponds to an average yield loss of 600 to 800 tonnes per day over the past three years.”

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Source: German Federal Office for Building and Regional Planning, German Federal Statistics Agency

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— VCH New Energy

“Solar power will be cheaper than electricity from the grid.”

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Source: Berliner Zeitung, 9 February 2008, from an interview with Solon CEO Thomas Krupke

— MAGNAT/R-QUADRAT

“In 2007, foreign investors invested a record EUR 13.7 billion in the Eastern European real estate markets. That means another 32 percent increase on the back of the previous record set in 2006.”

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Source: Immobilienzeitung, 3 June 2008

— VCH Expert Natural Resources

“In 2004, the People’s Republic of China already accounted for 31 percent of the global consumption of coal, 30 percent of iron ore, 27 percent of steel, and one-quarter of the aluminum produced worldwide. The construction boom consumed approximately 47 percent of the cement produced worldwide in 2005.”

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Source: Hamburger Abendblatt, 23 April 2008

— Heliad

“4,000 employees work in Heliad’s portfolio companies.”

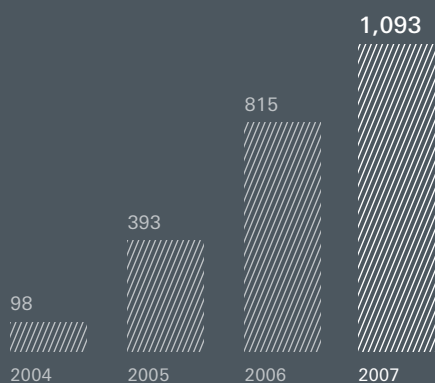
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Source: Heliad 2007 Annual Report

## KEY FINANCIAL FIGURES ACCORDING TO IFRS

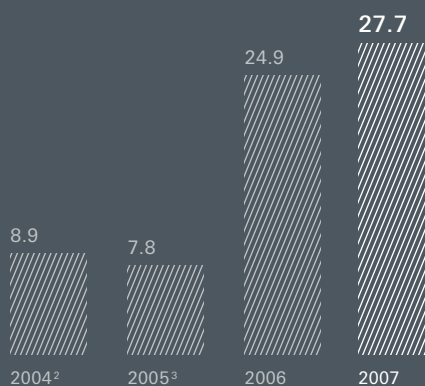
### Assets under management<sup>1</sup>

in EURm



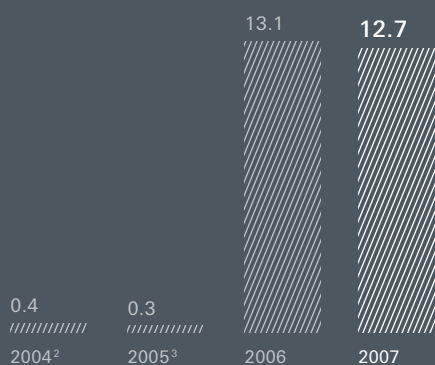
### Sales

in EURm



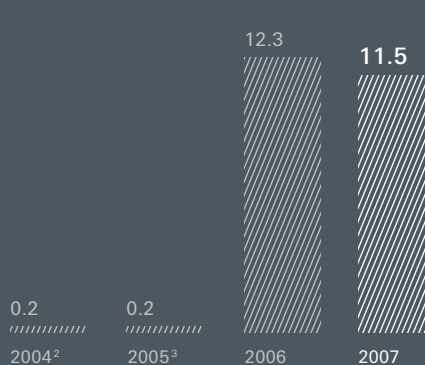
### EBITDA

in EURm



### EBIT

in EURm



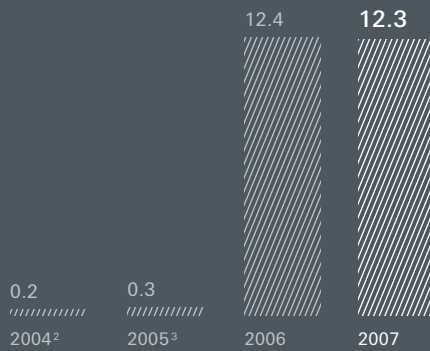
1) Assets under management resulting from majority interests are fully consolidated in the total asset calculation. Assets under management resulting from minority interests are calculated on a pro rata basis according to the percentage of ownership.

2) VCH subgroup figures

3) Pro forma IFRS consolidated figures

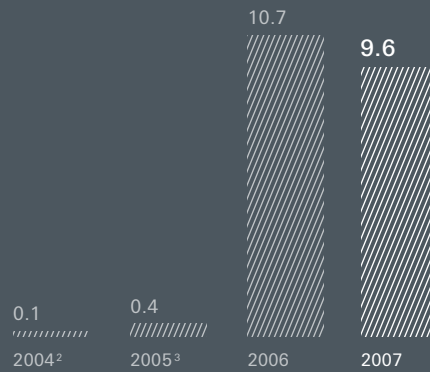
## EBT

in EURm



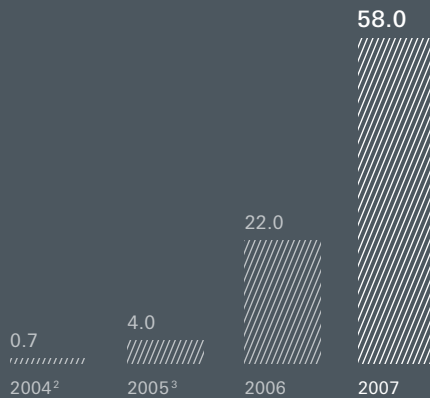
## Consolidated net income

in EURm



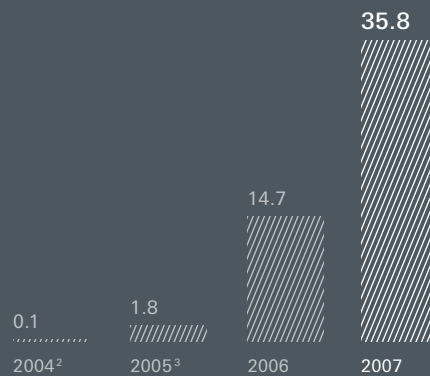
## Equity

in EURm



## Financial assets

in EURm

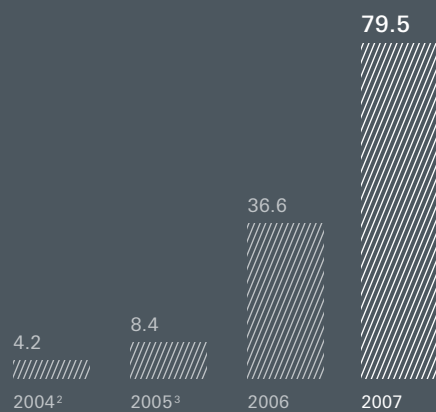


2) VCH subgroup figures

3) Pro forma IFRS consolidated figures

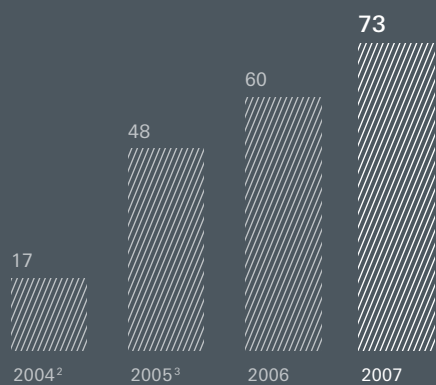
— Total assets

in EURm



— ROE

in percent



## GLOBAL PRESENCE – LOCAL NETWORK

Specialised knowledge and many years of experience are the only way to understand inefficient markets. That is why the Altira Group's asset management boutiques are present in those regions in which the Altira Group invests for its customers.



## 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 31 December 2007  
EUR 163 million

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

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\_\_\_ Free float as at 31 December 2007  
18.2 %

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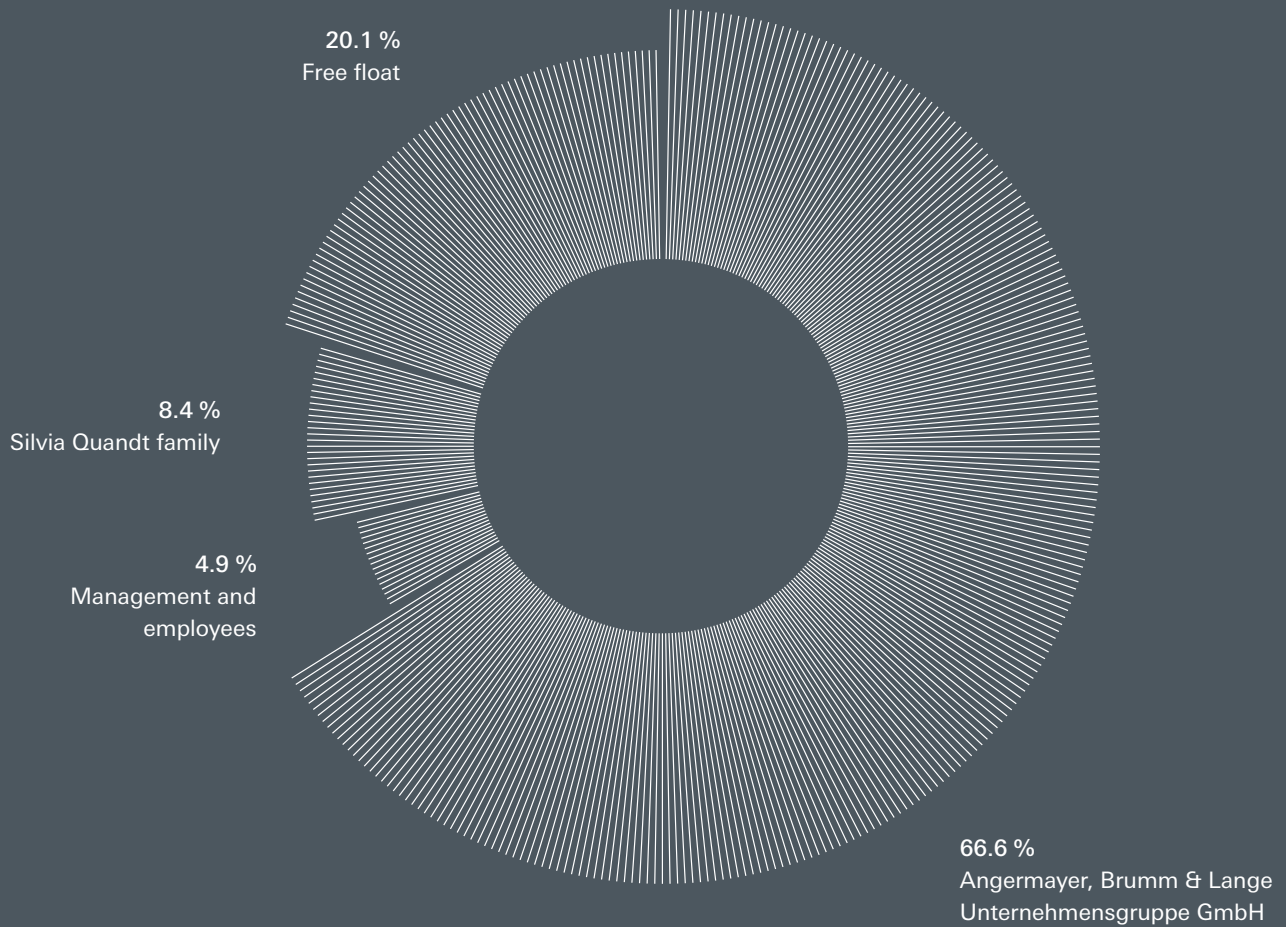
\_\_\_ Designated sponsor  
Close Brothers Seydler AG

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\_\_\_ Earnings per share 2007  
EUR 2.39

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## SHAREHOLDER STRUCTURE



Angermayer, Brumm & Lange Unternehmensgruppe GmbH ([www.abl-group.de](http://www.abl-group.de)) is the majority shareholder with approximately 67 percent of the shares. These in turn are privately held by the five partners Christian Angermayer, Peter Brumm, Andreas Lange, Ralph Konrad and Dr. Sebastian Grabmaier.

In addition, the management of Altira Group and the Silvia Quandt family, a family branch of the Herbert Quandt heirs, have equity stakes in Altira.

20.1 percent of the exchange-listed Altira Group is in free float.





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## LETTER FROM THE MANAGEMENT BOARD

### Dear shareholders, dear friends of Altira,

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We look back at an exciting and eventful 2007 – both with respect to the overall economic situation and the development of the Altira Group.

Even if “subprime” was the dominant theme, particularly for the financial markets, fortunately neither the Altira Group nor our investment strategies were directly affected. Instead, we can describe 2007 with the words “profitable growth and focused on the future.” In a difficult market environment, we were in a position to set our own course.

#### — Stronger financial position

In the first half of 2007 we succeeded in increasing Altira Group’s equity by a total of about EUR 30 million through our IPO at the beginning of February and a capital increase in June. From an initial price set at EUR 28.50 our share reached a peak of EUR 60 in July 2007.

Even though with a current share price of EUR 34.65, thus 22 percent above the issue price (as at 16 June 2008), the Altira Group stands among the best-performing exchange-listed asset management companies in Europe, we are not satisfied with the performance of our share price. The Altira share suffers from a general weakness in the financial services sector, although our operating performance clearly differs from the performance of other financial stocks. But you can make sure for yourself by reading this management report.

#### — Key figures

At the end of 2007 our assets under management reached EUR 1.1 billion, an increase of 34 percent from the previous year. In the last fiscal year, the Altira Group achieved earnings before taxes (EBT) of EUR 12.3 million and thus was able to exceed analysts’ expectations.

#### — Looking toward the future

In 2007 Altira also continued the dramatic expansion of its Private Markets, Public Markets and Real Estate divisions as the conceptual and system platform for its boutique subsidiaries.

An underlying theme is “looking toward the future”: Our investment approach focuses on newly emerging future markets and regions with above-average growth as well as established markets undergoing major structural changes. With their specialised knowledge and experience over a number of years, our teams are in a position particularly in these markets to generate a sustainable above-average risk/return profile by using an active investment approach.

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With ecolutions Management GmbH, which specialises in investments in climate protection projects, VCH Expert Natural Resources, one of the best commodity funds in Europe, and ADC African Development Management GmbH, which focuses on development investments in East Africa, we are already providing our investors with access to some of tomorrow's most important markets. On pages 36 to 45 we present you our vision of the future and our most promising investment products in more detail.

#### — Positive trend

Therefore, we also view our own future as very promising. In the early months of 2008 we succeeded in recording new inflows in our funds. We are well on our way to our goal of turning the Altira Group into one of the largest independent German asset managers within the next three to five years through organic growth and acquisitions, as we build upon high customer satisfaction.

#### — Achieving our goals together

We thank our shareholders for the trust they have placed in us and we would be very pleased if you would join us in shaping the future in the coming years. We wish to express particular thanks to the employees of the Altira Group and its boutique subsidiaries. They have all contributed to this success story.

Yours sincerely,

Michael Rieder

Peter Brumm

Andreas Lange

Christian Angermayer

## OUR INVESTMENT AND CORPORATE PHILOSOPHY

The Altira Group's motto is "entrepreneurial asset management". Our goal is to add sustainable value for our customers, shareholders and employees. To us this means:

### "Teaming up with the best"

— We firmly believe that independently operating, specialised investment boutiques can generate a sustainable above-average risk/return profile.

It is therefore our aim to win over and obtain the commitment of outstanding investment specialists in their respective areas. We offer these teams broad decision-making and creative freedoms with performance-based incentive compensation on the one hand and, on the other, an organisation providing strong support, so they can reach their full potential.

At the same time, the Altira Group – exchange-listed and equipped with equity capital of more than EUR 50 million – meets the needs of institutional investors for a solid, mature infrastructure with comprehensive service, a high degree of transparency and stability. This complements the subsidiary boutiques with centralised management of the risk, performance reporting, distribution, controlling, marketing, IT and legal areas.

### Focus on inefficient markets

— We strongly believe that, particularly in inefficient markets, with the use of active management, a sustainable above-average risk/return profile can be generated through specialised knowledge and many years of experience.

For us, the inefficient markets are the promising newly forming markets and regions with above-average growth opportunities as well as established markets undergoing major structural changes. Our entrepreneurial insight and our existing broad global network allows us to orient ourselves quickly in these markets and, by offering appropriate products, provide investors with access to these markets. With our institutional infrastructure and experience over a number of years in various markets we find the best managers, form complementary teams and thereby secure a market advantage.

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## Entrepreneurial commitment

### — We see ourselves as entrepreneurs.

As such, an important fundamental conviction is in thinking and acting for the long term in accordance with strategic specifications and visions. This is also reflected in our incentivising structures. The founders of the Altira Group are the majority shareholders, who are also operationally represented on the Management Board. For the shares, long-term lock-up agreements ensure continuity. Altira Group's managerial staff also participates and is motivated for the long term via stock option plans.

At the investment team level, we create a synchronisation of interests with the investors through performance-based incentive compensation and the commitment of the individual team members to their products.

For many products the Altira Group also plays an important role as a seed investor: as the first liquidity is often provided by the Altira Group, it enables the management team to establish the requisite track record that will later also provide substantiation to external, institutional investors.

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## Social responsibility

### — We are aware of our social responsibility.

Opportunities abound in an increasingly complex and globalised world, as do risks and imbalances. The financial industry in particular has an important allocation and equalisation role to play here. We feel that it is our responsibility not only to create value for our investors and shareholders, but also for the general public.



## “THE BEST OF TWO WORLDS”

Peak performance is always achieved within a team. This is also reflected in the complementary abilities of the members of the Altira Group Management Board consisting of Michael Rieder, Peter Brumm, Andreas Lange and Christian Angermayer. All four are united by entrepreneurial drive and the joy of success.

The following interview took place in May 2008 and provides insight into the strategy followed by the Altira Group. It also describes the Group’s philosophy of entrepreneurial asset management and its focus on inefficient markets.

\_\_\_ Mr. Brumm, what inspires you most in your position on the management board?

\_\_\_ Peter Brumm I am inspired every day by the opportunity to continue to develop a modern asset management group as an entrepreneur. We have come a long way, but are still at the starting stage of our development.

\_\_\_ Christian Angermayer I am especially pleased with what we have been able to achieve and can still achieve with our complementary task sharing. Whereas I am particularly responsible for detecting new investment trends and designing new products, Andreas, in his function as CIO, is responsible for setting up and expanding the investment team as well as developing investment strategies. Peter is the ideal risk manager and sparring partner for the teams. And Michael is the perfect CEO, representing the organisation to the outside world and internally providing cohesion and the drive to achieve peak performance.

\_\_\_ Mr. Rieder, you assumed the position as new CEO of the Altira Group only in February, but you know the financial industry from many years of experience with highly regarded investment companies. How were the first few months and what do you personally believe sets Altira apart from the competition?

\_\_\_ Michael Rieder I am very satisfied. The Altira Group has even more potential than I had hoped. Above all, our four flagship themes of Africa, agricultural investments, climate protection investments, and natural resources shares are encountering very strong demand globally.

In general, I firmly believe that independently operating, specialised investment boutiques can generate a sustainable above-average risk/return profile. We try to win the top investment specialists in their respective sectors, give them comprehensive decision-making authority and motivate them via incentive compensation that is highly performance-based.

---

— Michael Rieder

“I firmly believe that independently operating, specialised investment boutiques can generate a sustainable above-average risk/return profile. We try to win the top investment specialists in their respective sectors, give them comprehensive decision-making authority and motivate them via incentive compensation that is highly performance-based.”

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At the same time, however, we offer our investors not only the performance strength of our subsidiary boutiques, but also Altira Group’s solid, mature infrastructure that handles the central functions of product management, distribution and distribution support, risk management, controlling, marketing, IT and legal, ensuring maximum service, transparency and stability. It’s almost in a field of its own in Germany and Europe.

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— But aren’t concentration and focus precisely the strengths of boutiques? Why did you choose such broad diversification?

— Michael Rieder The Altira Group has a very clear focus, namely on inefficient markets. Our institutional infrastructure enables the investment teams in their respective investment classes to concentrate totally on their primary task – which is the sustainable achievement of an above-average risk/return profile. The Altira infrastructure takes care of the framework. Last but not least, the diversification of our holdings across a variety of investment classes makes it possible to have a broad transfer of know-how between the individual teams. This know-how transfer often makes it possible for us to achieve precisely the outperformance that sets us apart from our competition.

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— Peter Brumm I would like to rephrase Michael Rieder’s statement: quite often there are two hearts beating in the chests of investors. On the one hand, they know that a consistent outperformance can be obtained from a smaller boutique rather than from a large institution, yet on the other hand they prefer a solid, well-known company and do not want any surprises. With our platform approach, we can uniquely satisfy both requirements. Each one of our teams is involved in the investment decisions as a small, independent boutique. However, with equity capital of more than EUR 50 million, more than 60 employees in 13 locations and an institutionalised organisational structure also attributable to the stock exchange listing, the Altira Group is now one of the major participants in the market.

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— Christian Angermayer

“I have a long-term friendship with and deep confidence in my founding partners Peter Brumm and Andreas Lange. Everything that the Altira Group is today, we built up together. Michael Rieder is an ideal addition to our team, just as all of our colleagues are integral parts of the whole.”

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— What does the interdisciplinary cooperation you mentioned look like?

— **Andreas Lange** Let me give you a concrete example: we manage one of the most successful private equity fund of funds in Europe that selects and evaluates the best private equity teams, and then invests in them. This has allowed us to cultivate personal access to legendary investment experts, which has greatly helped us to develop our own investment style and requirement profile. We have all learned a great deal and are continuously learning more. That is truly “Teaming up with the best”.

---

— Mr. Angermayer, can you give us another example of interdisciplinary cooperation within the Altira Group?

— **Christian Angermayer** Our new Africa fund is also a good example of that. We recognised immediately that real estate development is one of the most promising asset classes in the booming economies of East Africa. So it was obvious that we should combine the market access of our local Africa team with our real estate management company R-QUADRAT which has many years of experience in the emerging markets of Eastern Europe.

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— In your investment philosophy, you speak of inefficient markets. Where does this focus come from?

— **Michael Rieder** The more efficient a market is, the more difficult it is to achieve outperformance methodically. And this is precisely what investors expect when they entrust their capital to a boutique. Many of the segments that our investment teams invest in are inefficient per se, such as private equity or real estate, since there are no liquid, standardised, regulated markets in these segments. In the public equity area, we therefore concentrate on niche and promising markets in order to create added value over the medium to long term.

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— Peter Brumm

“We refer to it as ‘entrepreneurial asset management’. To a certain extent, every one of our employees is expected to think and act like an entrepreneur: to be proactive, motivated, creative, and have strong decision-making abilities, while at the same time always remaining aware of their responsibilities and carefully weighing all options. I think that makes us rather unique in Germany.”

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— To date, you have managed quite well to be one of the first to keep on recognising new trends, such as climate change and Africa, and to issue relevant investment products quickly. What are you doing to ensure you continue to have an edge?

— **Christian Angermayer** Our investment ideas result from a broad personal network that spans the globe. We have ongoing discussions with interesting people regarding their opinion on particular topics, or the future in general. Over the years, we have cultivated an intuition about the development of real, long-term megatrends and when it pays for us to invest more time on research. Lastly, I would say that one of the most important entrepreneurial abilities is to recognise change and to comprehend it as an opportunity.

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— A number of your Private Markets and Real Estate funds are structured as listed business development companies. Why?

— **Michael Rieder** Liquidity is an important feature for most investors. However, private equity and real estate strategies are of a particularly long-term nature, as they in turn invest in non-liquid assets. Listed business development companies are one possible solution. In addition to managing traditional limited partnership structures, several of our investment teams therefore also manage listed business development companies, which make it possible for investors to buy and sell quickly.

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— **Andreas Lange**

“Through the management of private equity funds of funds, we have cultivated personal access to legendary investment experts, which has greatly aided us in developing our own investment style.”

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— **The Altira Group** itself is also listed on the stock exchange. Do you focus more on your shareholders or your investors?

— **Peter Brumm** Both equally, as both essentially have the same expectations from us, namely the above-average performance of our funds. Investors, as they are prepared to pay management fees only for outperformance. Shareholders, as our fee structure has a strong emphasis on performance-related fees. The Altira Group therefore only earns a good return when investors do.

— **Michael Rieder** For our investors, the listing has two decisive advantages: transparency and continuity. Although we are owner-managed, together with the Supervisory Board, we have already developed structures enabling the company to continue its success, for example, if something happens to a key person.

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— **You mention that there is a special corporate culture at the Altira Group. How would you describe your relationship with your colleagues?**

— **Christian Angermayer** I have a long-term friendship with and deep confidence in my founding partners Peter Brumm and Andreas Lange. Everything that the Altira Group is today, we built up together. Michael Rieder is an ideal addition to our team, just as all of our colleagues are integral parts of the whole.

I believe that I can speak for all of us when I say that we want to work with people we like and admire. That is one of the most important privileges of an independent entrepreneur.

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— Christian Angermayer

“We feel that entrepreneurship as an overarching institution crossing state boundaries and built on the principles of freedom and democracy is of crucial importance in a time of global challenges, in particular poverty and climate change. Entrepreneurship is solution-oriented, and therefore fast and efficient in managing global problems.”

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— Let’s turn to your relationship with your customers. For which investors are your products suitable?

— Michael Rieder In principle, our future-oriented funds are suitable for all investors who want to benefit from the changes that are coming in the world. From our conversations we have come to the conclusion that primarily investors who think as entrepreneurs find their reflection in our concept of entrepreneurial asset management. These entrepreneurial-minded investors have strong opinions and, above all, the courage to make decisions. Such investors are found in all segments: Family Office, equity funds, pension funds and sovereign wealth funds.

— You mention sovereign wealth funds. Many companies and, even more so, politicians are afraid of their growing influence ...

— Christian Angermayer Let me expand on this a bit more. The fact that the stock exchanges have remained relatively stable, in spite of the extent of the subprime crisis and we do not fear the worst for the overall economy and the capital markets in 2008 and 2009, reflects our view that the relative

“balance of power” of the United States to the rest of the world – in particular the rapidly growing emerging markets – has shifted to the detriment of the U.S. Above all the Asian markets are assuming a leadership role.

What are termed sovereign wealth funds are a clear symbol of this claim to leadership. According to conservative estimates, their size, which is mostly driven by petrodollars, has now reached EUR 2,000 billion. All hedge funds together have an estimated equity somewhat in excess of EUR 1,000 billion. So the significance of hedge funds cannot be underestimated today and should increase rapidly.

In contrast to many other market participants, we view this development extremely favourably. It is possible for sovereign wealth funds, which fundamentally have a much longer investment horizon, to be better capital partners than the often short-term-oriented Western capital aggregators such as hedge funds. This should provide lasting stability to the capital markets, the asset management industry and individual companies.

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\_\_\_ One of Altira Group's guiding principles is "Teaming up with the best". What would motivate a high-potential individual to work for your young company, when he could just as easily start with one of the major companies in the sector?

\_\_\_ **Peter Brumm** All of us have worked for renowned international asset managers and investment banks and therefore know them from the inside. Without a doubt: you can certainly gather useful experience, make important contacts, and learn a great deal at these companies.

Nevertheless, I am convinced that the Altira Group can particularly attract people who like to work independently and who want to be one of the best in a specialised area. The Altira Group offers more than any large company, namely broad decision-making and creative freedoms as well as highly performance-oriented remuneration models.

We refer to it as "entrepreneurial asset management". To a certain extent, it is expected of every one of our employees that they think and act like an entrepreneur: to be proactive, motivated, creative, and have strong decision-making abilities, while at the same time always remaining aware of their responsibilities and carefully weighing up all options. I think that makes us rather unique in Germany.

\_\_\_ **Andreas Lange** Like the investors, our investment managers also have the best of two worlds: in making investment decisions, they have the same independence they would have with their own boutique and the remuneration structures are also entrepreneurial and performance-oriented. As the Altira Group provides support for non-core areas such as marketing, distribution, IT and risk management, the managers can fully concentrate on their funds.

\_\_\_ As the old saying goes, "Trust is good; control is better." How does risk controlling take place?

\_\_\_ **Peter Brumm** I am part of a team of ten people who are responsible for finances, legal affairs and risk management. Andreas Lange, in his capacity as CIO, also acts as mentor to the teams performing these important functions. We want to have a constructive dialogue between the respective experts on the one side – who naturally have greater expertise with the details – and my complementary team on the other side, which questions and argues more from a "big picture" point of view. These discussions are seen by both sides as being very beneficial.

In the context of risk management, questions are also being asked on an ongoing basis with respect to the composition of a fund's overall portfolio or its balance sheet policy. We also take part in all structural decisions, such as the legal structure of the company.

\_\_\_ **Michael Rieder** What I also think particularly worth mentioning is the willingness at all levels to learn from mistakes and to continue to develop further. Even with careful planning and prudent risk management, unforeseen difficulties can arise, particularly in new markets that require new solutions. Often the best guarantee for a value-added solution is open communication where criticism is accepted, entrepreneurial thinking, and experience over a number of years – particularly experience gained from mistakes and failures.

Entrepreneurial experience gained over a period of nearly ten years by management in building up one of the largest independent financial services groups in Germany is therefore one of the significant value drivers of our funds.

— Mr. Lange, the private equity sector has been subject to strong public criticism in the last few years. What is your reaction to the well-known “plague of locusts” accusations?

— **Andreas Lange** Most of the criticism of these “locust” opponents is oversimplified and directed towards a small number of extremely aggressive buyout firms or hedge funds. I can understand the criticism as far as it relates to financial engineering methods, which in practice are used excessively at times.

However, studies, and in particular also my own experience, show on average that private equity managed companies have better decision-making structures and are therefore frequently more successful. Everyone benefits from this, the employees, shareholders and the general public. There are currently more than 4,000 employees working at the companies financed by Heliad, our private equity fund in Germany. In this way, we are able to make our own personal contribution to the economic security of Germany.

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— In your business philosophy, you acknowledge that you have social responsibility. Could you give us some concrete examples?

— **Christian Angermayer** We feel that entrepreneurship as an overarching institution crossing state boundaries and built on the principles of freedom and democracy is of crucial importance at a time both of global opportunities and global challenges, in particular poverty and climate change. Entrepreneurship is solution-oriented, and therefore fast and efficient in managing global problems.

In addition to generating profits for our investors, we are therefore especially proud that many of our funds also provide a valuable contribution to society. A good example is ecolutions, our climate-protection private equity company. The company’s investments in CO<sub>2</sub> reduction projects worldwide make an important contribution in the fight against climate change. Another example is the ADC African Development Corporation, our investment trust focused on East Africa. With this company, we finance aspiring companies in Africa and make a contribution to development that could never be provided by development-aid organisations. This is because the need of Africa’s young economies to be respected and integrated into the global economy as an equal partner is greater than the need for donations.

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\_\_\_ Michael Rieder

“In 2000, Altira Group managed EUR 15 million; from the beginning of 2006 to the end of 2007 – meaning in only two years – our assets grew from EUR 0.4 billion to EUR 1.1 billion. In 2000, Bayreuth was our only location. Today we have 13 locations around the world.”

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\_\_\_ Lastly, a question pertaining to your objectives: where will the Altira Group be in five years?

\_\_\_ Michael Rieder I would first like to reply by taking a look at the past and our track record: in 2000, Altira Group managed EUR 15 million; from the beginning of 2006 to the end of 2007 – meaning in only two years – our assets grew from EUR 0.4 billion to EUR 1.1 billion. In 2000, Bayreuth was our only location. Today we have 13 locations around the world. An outstanding success story which we intend to continue over the coming years. It is our objective to continue to acquire and keep satisfied customers through products with above-average success and open communication. In three to five years, we will then be one of the largest independent German asset managers.

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\_\_\_ And what about the share?

\_\_\_ Michael Rieder What we would like to bring about in the immediate term is for the capital market to appropriately acknowledge this potential. We are going to intensify our investor relations work and get more research coverage so that there is greater awareness of the share. Together with the operational successes, this will also have a positive effect on the price.

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\_\_\_ Thank you for this interview.



## VISION: AFRICA

“Africa is more than a vision. The ‘Dark Continent’ is the last untapped market with enormous growth potential. Especially in the areas of banking, infrastructure and technology, the countries in sub-Saharan Africa can look forward to a sunny future.”

## ADC African Development Corporation

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“The business development company, ADC African Development Corporation ([www.african-development.com](http://www.african-development.com)), started by the Altira Group invests in countries in sub-Saharan Africa primarily in the banking, financial services, IT and telecom sectors as well as in real estate projects. We manage the investments actively and with an entrepreneurial focus. From our local office in Kigali, the capital of Rwanda, six investment managers are currently involved in constructing the portfolio.

With the ADC, the Altira Group is enabling international investors to access what is possibly the last ‘frontier market’. The economic upturn is being driven primarily by the continent’s enormous wealth in natural resources and growing consumer demand from a newly emerging middle class. Particularly attractive is also the fact that investments in Africa do not correlate for the most part to traditional asset classes – both in developed markets and other emerging markets – and thus facilitate portfolio diversification.”

Dirk Harbecke,  
CEO ADC African Development Corporation





## MEGATREND: AGRICULTURE

“The world’s population is growing. According to current forecasts, in 2050 approximately 10 billion people will be living on Earth. Based on the current level of staple food productivity, 25 percent of them will suffer from starvation. An enormous price increase is looming not only for grain. ‘Green investments’ ensure humanity’s basis of existence, create real value and hold out great opportunities for generating income.”

## Greenland Real Investments

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“The sharp rise in world population combined with an unprecedented increase in broad-based prosperity, the scarcity of global farmland as a result of the effects of climate change and the increasing use of agricultural products for renewable energy sources are making agricultural goods more sought-after than ever before.

Greenland is the first European asset manager to focus on the purchase of agricultural land in Europe, with an emphasis on Eastern Europe. Greenland is expanding Altira Group’s product range with promising investment opportunities in this area.”

Dirk Meier Westhoff,  
CEO Greenland Real Investments





## IN FOCUS: CLIMATE CHANGE

“The world climate is changing. The Kyoto Protocol shows that ecology and economy can go hand in hand and even complement each other. Environmental use and pollution through CO<sub>2</sub>, for example, are given a price. The CO<sub>2</sub> certificate market will continue to grow on an international scale.”

## ecolutions

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“With the signing of the Kyoto Protocol, CO<sub>2</sub> reduction certificates have become an internationally tradable commodity. With this agreement the industrial countries commit to reducing their CO<sub>2</sub> emissions sharply. It is more cost-effective to save a tonne of CO<sub>2</sub> in the developing countries than in the already energy-efficient industrial countries. Thus a reduction in CO<sub>2</sub> emissions in developing countries can offset the emission reduction obligations of industrial countries.

Dietram Oppelt,  
CIO ecolutions



Thus a new booming segment has emerged: international investors are financing projects in developing countries that save CO<sub>2</sub>. For these projects international investors receive what are termed CO<sub>2</sub> reduction certificates, which are sold to those companies that produce too much CO<sub>2</sub> in Western countries. This mechanism creates jobs in developing countries, helps the environment and is highly profitable for investors at the same time. A win-win-win-situation!

ecolutions, the business development company founded by the Altira Group, develops and finances such climate protection projects in developing countries. As the first mover in Germany, ecolutions offers investors the unique opportunity to benefit from this global megatrend from the outset.”



## FUTURE THEME: NEW ENERGIES

“The age of oil is coming to an end. Alternative energy sources must be developed and per capita energy use significantly reduced. Not only will continued growth be seen in ecological energy sources like solar, wind, and hydropower that have already been introduced, but also new storage and transmission technologies will become increasingly important.”

## VCH Investment Group

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“The global rise in temperature and its dramatic consequences clearly show that we have lived far beyond our means for decades in terms of environmental impact. Through investments in the future not only can we make our environment more liveable, but also simultaneously we can benefit economically and financially. After all, the positive price performance of sustainable companies in the stock market – particularly in the renewable energy sector – shows: ecology and economy are no longer a contradiction.

Based on the broad assortment of ‘traditional’ alternative energy sources like solar and wind power, technologies to increase energy efficiency, and leading water supply companies, combined with the deep technical expertise of Altira Group in this segment, VCH New Energy (WKN: A0M JV9) stands among the best in its class.”

**Gunter Greiner,**  
Responsible Fund Manager  
VCH Vermögensverwaltung AG





## UNINTERRUPTED BOOM: COMMODITIES

“The global economy is growing, and with it the need for commodities. However, resources are naturally limited. In view of demographic growth, commodity markets will remain boom markets.”

## VCH Investment Group

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“The reason for the sharp price increase across all classes of commodities combined with a bull market in the corresponding listed commodity producers can be summarised by a simple formula: rising demand comes up against limited and, in part, finite capacities. Thus a continuation in the commodities boom is very likely in the coming years.

The proper commodity stock mix, the systematic analysis and selection of promising individual stocks as well as effective risk controls, require – along with well-founded sector knowledge and many years of experience – above all much time and a disciplined investment strategy with strict risk management.

The VCH Expert Natural Resources (WKN: A0B L7N) investment fund, which was started up by the Altira subsidiary VCH Investment Group, is more broadly positioned than most funds in its investment category: its global investment universe includes all companies from the primary commodities sector, producers of gold and other precious and non-precious metals, oil and natural gas companies and companies from the areas of foodstuffs, land, forestry and water supply. Individual stock selection is conducted by means of a quantitative technical analysis model developed by our partner Wolfgang Mayr Vermögensverwaltung, Munich. As a result of its outstanding performance, VCH Expert Natural Resources stands among the best commodities funds in Europe.”

Olaf B. Koester,  
Head of Stock Fund Management  
VCH Vermögensverwaltung AG



## PRIVATE MARKETS

Private equity is pure entrepreneurship. Whether it's direct investments in fast-growing small and medium-sized German companies, restructuring projects or global fund investments – it's always about supporting people in their visions and orienting companies on a long-term basis toward the future.

This benefits investors as well as the companies being financed. And last but not least, the general public, because private equity is one of the best engines for creating jobs.

### Entrepreneurial capital

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#### — Investments in small and medium-sized German companies

Using the funds it manages, the team of **Sigma Capital Management GmbH** invests in fast-growing companies in the German-speaking region. In the process Sigma relies on established, owner-managed business models that have sales between EUR 10 and 100 million. The focus is on successful and experienced entrepreneurs.

With this specialisation Sigma is positioned in the attractive niche between venture capital and the major buyout firms. The roughly 4,000 employees of the 13 companies currently in the portfolio together generate sales of more than EUR 650 million.

The flagship is the listed Heliad Fund ([www.heliad.de](http://www.heliad.de)).

### Restructuring

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#### — Investments in companies undergoing restructuring and reorganisation

The funds managed by **CFC Industrie Beteiligungen Verwaltungs GmbH** invest in so-called "incomplete corporate situations". CFC considers a business situation to be "incomplete" when the business has a sound core but is not optimally structured in terms of finances or shareholders. Unlike "undesirable corporate situations", these opportunities offer the chance to increase corporate value both in the short and long term.

Building on the sound knowledge of the management team, together with many years of experience in leadership positions in national and international companies, the goal is to create value by making “incomplete companies” into “complete companies” within a short period of time. The model is represented by the letters CFC: “Companion for Companies”. The CFC team supports the company with capital and management on its path to the future.

The flagship is the listed CFC Industriebeteiligungen ([www.cfc-eu.com](http://www.cfc-eu.com)).

Diverse to CFC, the fund management of **Clearsight Investments AG**, with its registered office in Zurich, does not invest directly in restructuring situations but instead provides institutional investors and family offices access to lucrative niches of restructuring funds through state-of-the-art funds of funds. Clearsight uses an active, complex search process to systematically identify the best teams throughout the whole of Europe, and focuses on funds with the most sustainable returns not the largest or best known.

## Climate protection investments

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### — Investments in projects to reduce CO<sub>2</sub> emissions

The funds managed by **ecolutions Management GmbH** invest worldwide in projects that aim to reduce CO<sub>2</sub> by output or absorb CO<sub>2</sub> emissions. According to the Kyoto Protocol, operators of such projects receive “climate protection credits” (emission rights certificates) that then can be sold at a profit to institutional customers through European and other trading systems (mostly over

the counter, however). Exemplary projects include sealing waste-disposal sites, building solar energy facilities and biomass power plants, or extracting biomass fuels, preferably in newly industrialising and developing countries.

The flagship is **ecolutions** ([www.ecolutions.de](http://www.ecolutions.de)).

## Africa

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### — Development investments in East Africa

The Altira Africa team working at the **ADC African Development Management GmbH** focuses on investments in East Africa – both in companies and the real estate sector. Possessing excellent economic and political contacts as well as a deep understanding of regional distinctions, the ADC African Development Management GmbH is one of this region’s leading investors.

The flagship is the ADC African Development Corporation ([www.african-development.com](http://www.african-development.com)).

## PUBLIC MARKETS

Experience over the last few years has shown that independent asset management boutiques often deliver superior performance. Of course, the prerequisite for this is that a well thought-out management approach must be implemented on a consistent basis. Altira Group investment boutiques can be measured by their success.

### Investment funds

#### — Investments in fast-growing regions and industries

Investment funds are covered by our subsidiary **VCH Investment Group AG** ([www.vch-fonds.de](http://www.vch-fonds.de)). True to our guiding principle "Investments with a future". VCH gears its product range to fast-growing regions and industries. Its above-average performance is achieved by means of a stringent investment strategy and strict investment discipline.

The crucial factor in the success of the VCH Investment Group AG and its funds lies in its careful selection of fund managers. While the management of "VCH-style products" relies on internally developed approaches, for its "expert-style products" VCH works with the most successful specialists in each segment. For example, as part of its "expert approach", investors have access to some of Europe's most noted asset management boutiques and investment specialists.

### Funds of funds

#### — Creating wealth based on broad diversification

Funds of funds and individualised management of fund assets are almost ideally suited for creating wealth over the long term. That is why the product range of our subsidiary **Patriarch Multi-Manager GmbH** ([www.patriarch-fonds.de](http://www.patriarch-fonds.de)) focuses on broadly diversified funds of funds. Above all, independent financial advisors provide valuable building blocks for asset allocation. For major partners, Patriarch also offers funds of funds under its own label.

As the product developer within the Altira Group, Patriarch is also responsible for all savings plan products.

At the same time, the success of Patriarch products is based on its collaboration with Europe's most noted fund analysts, fund of funds managers, asset managers and family offices. Like VCH, Patriarch also selects the best managers in each area for its investors, entrusting them with the management of its products.

## REAL ESTATE

It has only been a few years since investors recognised the potential of actively managed real estate portfolios as an independent asset class. The investment demand and thus the demand for advice are comparatively high. Thanks to the special corporate structure of the Altira Group, we cover a broad spectrum of various real estate segments: from developing office properties in Eastern Europe to investing in agricultural land. And our investors always receive high performance.

### Development & special situations

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#### — Managing real estate

Since it was founded in 2004, the Altira holding **R-QUADRAT Immobilien GmbH** Vienna ([www.r-quadrat.com](http://www.r-quadrat.com)) has successfully positioned itself in the niches of development of residential and commercial properties with a focus on Eastern Europe and investments in “special situations”.

R-QUADRAT currently manages more than EUR 500 million in real estate assets of private and institutional investors, thereby covering the entire range of services from project search through development and leasing up to sales in the Real Estate sector.

In this area, R-QUADRAT has above all built on the experience over a number of decades of its executives and shareholders in the real estate industry and as a result has excellent access to numerous high-earning projects. Moreover, in accordance with its motto “think global, act local”, R-QUADRAT collaborates with experienced local partners in various countries. At the same time, the company’s geographic investment focus is, in addition to Austria and Germany, central, eastern and southern Europe, in particular, as well as selected countries of the former Soviet Union – in particular Russia and Ukraine.

### Agricultural investments

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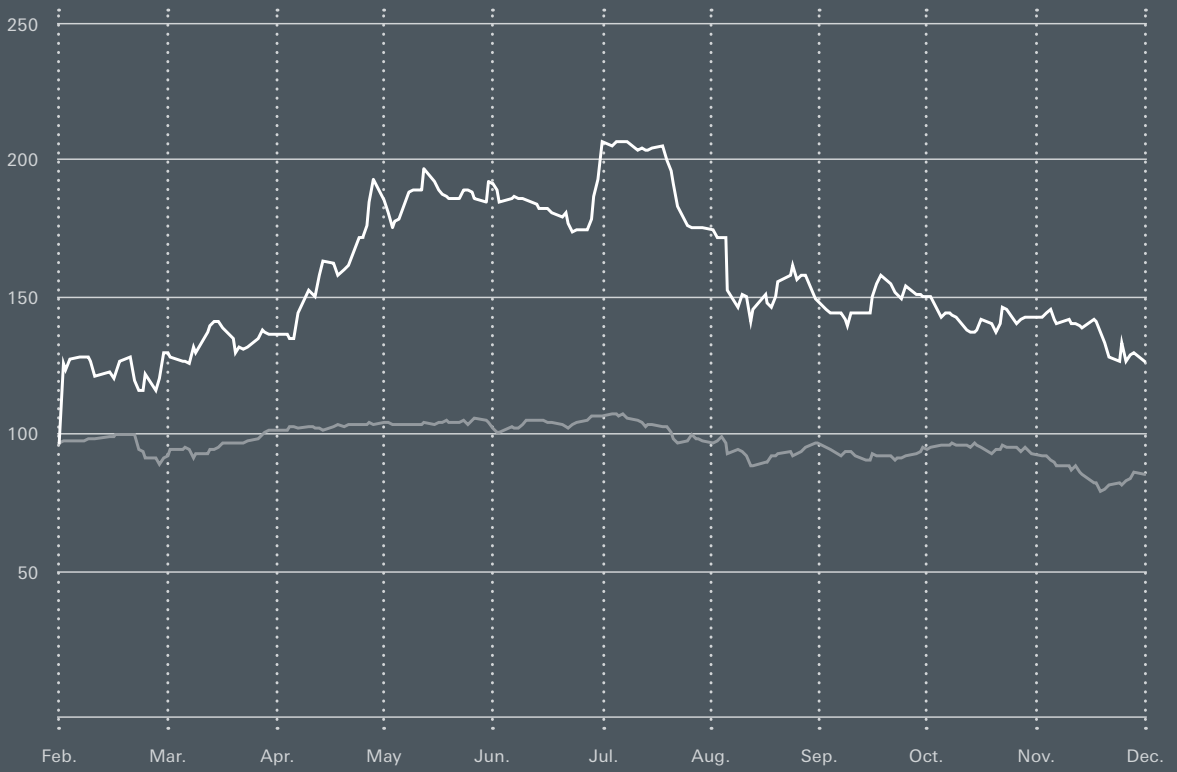
#### — Investments in land used for agriculture

With **Greenland Management GmbH**, Altira has an important pillar in the area of agricultural investments. Its experienced team invests in and manages agricultural land in Eastern Europe in particular. The agricultural investments asset class is an attractive niche that many investors long ignored. Because of its minor correlation to other assets, it represents a valuable building block of asset management.

# ALTIRA SHARE

2007

— Altira  
— SDAX



The Altira Group's IPO on 6 February 2007 in the Entry Standard segment of the Frankfurt Stock Exchange was more than successful, being oversubscribed by a factor of ten. On its first day of trading, the share, at a price of EUR 36.85 recorded a 29 percent gain over its issue price of EUR 28.50.

In June 2007, a capital increase, with subscription rights excluded, was successfully placed with domestic and foreign institutional investors. Under this increase 380,000 new shares were issued at a price of EUR 51.30. With a total volume of EUR 19.5 million, the capital increase sought to bolster equity capital, provide liquidity for potential acquisitions and expand the size of the free float – of particular importance to institutional investors. As of the end of the reporting period, the size of the float was 18.2 percent.

As a result of the subprime crisis and the ensuing distortions caused on global stock markets, and very much out of line with the Company's gratifying operating developments, Altira shares failed to maintain their high for the year, EUR 60. By year's end, the share had stabilised and on 31 December 2007, at a price of EUR 38.50, the share was still showing a 35 percent gain over its issue price. Hence, Altira's listing was one of 2007's most successful IPOs. As of the balance sheet date, it had outperformed its benchmark index, the SDAX, by around 49 percent.

The Management Board of the Altira Group views the weak price performance since the middle of last year as unjustified. Altira's shares were unable to escape the negative sentiment, specifically in the area of financial issues, getting "lumped together" with its peers. The operational business of several companies in the comparison group actually decreased. This was not the case for Altira, where customer funds under management continued to grow.

Altira offers a business model with stable earnings and exciting prospects for the future. It is Management's stated goal to communicate this with even greater transparency to existing shareholders and capital market participants. After extensive investments in personnel and infrastructure, an increase in assets under management will in the future make greater than average contributions to the Altira Group's bottom line. For that reason, Investor Relations efforts will be intensified over the next few months, thus increasing the awareness of the shares. Together with the operational successes, this will also have a positive effect on the price.

## SUPERVISORY BOARD REPORT

Altira Aktiengesellschaft is able to look back on an exceptionally good fiscal year. With its successful listing in February 2007, a key milestone in the Company's history was reached. The decision to go public proved to be absolutely correct, serving to raise awareness of the Company to a new level and lay the foundation-stone for the Company's future growth.

The past fiscal year, however, was also a great challenge to companies in the financial sector. The global financial system was subjected to a major test by the turbulence on the U.S. mortgage market. Despite this difficult environment, the results being achieved by Altira Aktiengesellschaft are over and above expectations. This is confirmation of the corporate strategy, investment philosophy and business model of our Company.

Throughout the reporting year, we have provided support to the Management Board in its successful endeavours; in so doing, we have conscientiously performed the duties and responsibilities incumbent on us under the law and Articles of Association. We have been directly involved in decisions of fundamental importance right from the outset. The Management Board has regularly, promptly and comprehensively informed the Supervisory Board regarding the course of business and financial developments of Altira Aktiengesellschaft and its subsidiaries, as well as regarding developments in individual business areas and products. At Supervisory Board meetings, we have explicitly discussed decisions and operations of importance to the business. We have conferred with the Management Board regarding the business situation, strategic direction, opportunities for development and business risks, as well as regarding developments at subsidiaries. This collaboration was consistently marked by a free and frank discussion within these bodies, with complete confidentiality ensured vis-à-vis outsiders.

The Supervisory Board monitored developments in Altira Aktiengesellschaft's individual business areas, acted in an advisory capacity to the Management Board and – as required by law and the Articles of Association – adopted resolutions. Beginning with the stock exchange listing at the start of 2007 and the subsequent capital increase in June of that year, Altira Aktiengesellschaft made its début on the capital market. With eolutions GmbH & Co. KGaA and its general partner eolutions Management GmbH, a new mainstay for the Company has been created in the Private Markets business area. Acquisition of a strategic holding in R-QUADRAT Immobilien GmbH served to expand the Company's presence in the Real Estate area. In the area of Public Markets, the VCH Expert Natural Resources fund achieved a fund size of EUR 300 million, taking first place among all commodities funds authorised in Germany.

In fiscal year 2007, the Supervisory Board held four regular meetings. Those measures which under the law or Articles of Association require the consent of the Supervisory Board received the latter's consent. In addition, between its meetings, the Supervisory Board was continuously kept apprised of material developments, transactions and decisions.

Over the reporting period, the key decisions were:

- Resolution for the Company's Initial Public Offering and subsequent capital increase
- Resolution regarding use of authorised capital and placement of shares with subscription rights excluded
- Decision to purchase a strategic interest in R-QUADRAT Immobilien GmbH
- Resolution to expand ecolutions' area of business
- Resolution to initiate the Africa Private Equity (ADC) and Greenland business areas

The 2007 General Meeting of Shareholders appointed accountants Verhülsdonk & Partner GmbH, an accounting and tax consultancy firm in Berlin, as auditor for the 2007 fiscal year. This latter has audited Altira Aktiengesellschaft's annual financial statements for the 2007 fiscal year, as well as the consolidated financial statements and group management report, and has issued an unqualified auditor's report.

The Supervisory Board received the audited and certified annual financial statements for the period ending 31 December 2007, the consolidated financial statements and group management report in a timely fashion, reviewed them itself and discussed the documents with management in the auditor's presence. After a thorough review of its own, the Supervisory Board had no objections to raise. In its meeting of 25 June 2008, the annual financial statements and the consolidated financial statements of Altira Aktiengesellschaft were approved. The annual financial statements are thereby adopted.

As of 31 December 2007, the members of the Supervisory Board were Mr. Robert Depner (Chairman), Dr. Peter Schmidt and Mr. Gerhard Lange.

The Supervisory Board wishes to thank the Management Board and all employees for their efforts and commitment, as well as for the constructive and successful work which they contributed in fiscal year 2007.

Frankfurt am Main, June 2008  
For the Supervisory Board

**Robert Depner**  
(Chairman, Supervisory Board)

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# 1. BUSINESS AND MARKET CONDITIONS

## Business operations

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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.

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. 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.

Implementing these strategies into concrete investment products is handled by independently operating boutique subsidiaries of the Altira Group, working with a specific focus and acting in their own name. These subsidiaries receive management fees for their work, fees that, for the most part, are broken down into a fixed fee dependent on investment volume and a performance-related success premium.

## Different investment strategies – one platform

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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.

## 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.

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## 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 profits from institutional investors' interest in investment strategies that are not dependent on the markets and are oriented towards the future. In 2007, as well as in the first few months of 2008, this led to gratifying inflows of cash into funds started by Altira's subsidiary boutiques.

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## 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.com](http://www.magnat-reop.com)). All of these were founded by the Altira Group or its boutique subsidiaries, as the case may be, 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.

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## Market environment

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For the Altira Group and its subsidiaries, it is the general market environment and the evolution of individual asset classes that is of particular importance. Thus, in the fiscal year just past, the Company saw itself confronted with a more difficult environment in comparison to the year before.

In the private equity sector in 2007, wide variations were recorded. In the first half of the year, high cash inflows into private equity funds led to sharply rising activity on the market for corporate transactions. M&A activities received additional support from the initially highly positive developments on world stock exchanges and the great propensity of banks to finance takeovers.

According to Thomson Financial, there had never been as many takeovers and follow-up acquisitions in the first half of a year as in 2007. The real estate and financial sectors proved to be particularly active in this regard. Even the number and size of initial public offerings rose significantly. Thus, May 2007 was the strongest month for IPOs in Europe overall, both with regard to number of companies and to issue size.

In 2007, around the world M&A transactions totalling over USD 4,300 billion were entered into, according to Thomson Financial's calculations, corresponding to a 20 percent increase over the prior year.

As part of the incipient subprime crisis over the course of the summer, the market environment for corporate transactions abruptly darkened. The cause was recklessly granted loans on which debt servicing was no longer being paid. Since these loans had frequently been resold and retraded, the defaults were affecting more and more financial institutions. A counter-reaction by the banks, which at that point became more and more restricted in their granting of loans, led to sharp rises in interest rates and, in part, to a credit tightening. As a consequence of this, the market for large, previously heavily debt-financed M&A transactions sharply collapsed. Thus, according to Thomson Financial, at USD 12.3 billion, the volume of company purchases in Europe in October amounted to only a fourth of May 2007's record value. Along the same lines, the volume of syndicated loans in October 2007 dropped to USD 5.1 billion, whereas the amount had been USD 48.1 billion as late as July of that same year.

On international capital markets, the uncertainty was revealed in fragile, widely fluctuating equities markets and in short-term interest rates which rose almost one percent compared to a year ago. Also having an adverse impact here were additional risk factors such as rising commodities prices and a falling U.S. dollar, along with a general concern over the global economic situation and fears of a recession. Accordingly, the number of initial public offerings, which fell to 801 in Europe in 2007 showed a decrease of two percent compared to the previous year.

The German equities market, with a 22 percent gain compared to the rest of Europe, did indeed show itself to be highly resistant to the distortions caused by the U.S. mortgage crisis. Nonetheless, there was a significant deterioration of sentiment in many investment areas of importance to the Altira Group, particularly in the latter half of the year. Hence, by contrast to the benchmark index, the DAX, many companies from the financial and real estate sectors, as well as from the small cap area, were not able to record a positive year on the stock exchange, in part undergoing sharp price drops during the year. These developments, primarily caused by the global crisis on the financial markets, led to record outflows from stock and bond funds on the German fund market too. From both segments, private investors withdrew EUR 14.2 billion net and EUR 17.6 billion gross, respectively. The fund balance sheet was saved only by money market funds, viewed as providing safety of capital, which took in new capital in the amount of EUR 24.6 billion, net.

However, a number of markets were able to stand in sharply positive contrast to these negative developments taking place specifically in the second half of the year. Thus, for example, investors in the commodities segment were able to profit from strongly rising prices for various sorts of commodities, thereby achieving significant capital gains.

## Development of the Group during the fiscal year

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Despite the difficult market environment, in 2007 the Altira Group succeeded in continuing along its path of growth. Across all three asset classes (Private Markets, Public Markets and Real Estate), during the reporting year assets under management rose from EUR 815 million to EUR 1,093 million, an increase equal to approximately 34 percent.<sup>1</sup>

Over the past year, the Private Markets business area succeeded in increasing assets under management by around 28 percent over the year before, to EUR 191 million. To existing boutique subsidiaries in the Private Markets area (Sigma Capital Management GmbH and CFC Industrie Beteiligungen Verwaltungs GmbH) was added the Investments and Project Financings area, with newly formed company evolutions Management GmbH, in the climate and renewable energy resources sector. Also during the reporting year, a 51 percent share was acquired of CAESAR Special Opportunities Management S.à r.l., focusing on restructurings and entrepreneur succession. With the ADC African Development Management GmbH, the Altira Group has also begun to develop the future market of Africa.

In 2007, Altira's Public Markets segment was likewise able to post successes. Thus, during the reporting year, assets under management in the Public Markets area rose from EUR 666 million at the start of the year to EUR 801 million at year's end – a 20 percent increase. A particularly convincing performance was turned in by VCH Expert Natural Resources, up 244.9 percent over three years, taking first place at the end of the year in the European performance rankings, both over a one-year as well as over a three-year period. At the same time as it was achieving its top position and as 2007 was moving into 2008, VCH Expert Natural Resources, at EUR 300 million, also broke the record for fund size. The fund of funds area (Patriarch) also had very positive developments. Fund sizes here managed to rise from EUR 98 million in 2006 to EUR 167 million, approximately 69 percent growth.

Equally satisfactory were developments in the real estate area. Thus, in 2007, a strategic 20.01 percent interest was taken in R-QUADRAT Immobilien GmbH. Since its founding in 2004, R-QUADRAT Immobilien GmbH, Vienna, has successfully positioned itself in the niches of residential and industrial property development, with a focus on Eastern Europe, and investments in special situations – particularly in Germany. Currently, R-QUADRAT is managing over EUR 500 million in real estate assets for private and institutional investors, covering the entire range of services in the real estate area, from the search for projects to development and leasing all the way through to property sales. Here, above all, R-QUADRAT builds on the

1) Assets under management of companies in which a majority interest was held are fully consolidated in the Total Asset Calculation. Assets under management for companies in which a minority interest was held are proportionally consolidated according to the percentage held.

decades of experience of its management and shareholders and on their networks in the real estate sector. In keeping with the slogan “think global, act local”, R-QUADRAT also works in conjunction with experienced local partners, focussing on Central, Eastern and South-eastern Europe.

Hence, as of year’s end, the Altira Group’s assets under management in the real estate area amounted to EUR 100 million, a rise of 567 percent as compared to the year before.

#### \_\_\_ Strengthening of sales and distribution

One of the most important developments in 2007 was to take sales and distribution, separately organised until then in the various boutique subsidiaries, and bring them together centrally in the Altira Group, thereby significantly strengthening the sales force. The products managed by the independently operating investment boutiques can now be offered on a “one-stop” basis in a coordinated and efficient manner.

The sales team is lead by Michael Rieder, who since February 2008 has been providing added strength to Altira’s Management Board as CEO. Along with his assignments in the area of sales and sales management, he is responsible for the areas of marketing, personnel and investor relations. Peter Brumm (previously CEO) will in the future also be responsible for the finance and risk management areas. Andreas Lange, as Chief Investment Officer, continues to have responsibility for investment strategies and Christian Angermayer for the area of business development.

#### \_\_\_ Company’s Initial Public Offering

The Initial Public Offering in early February 2007 was highly successful, being oversubscribed by a factor of ten. Already on its first day of trading, the share, at a price of EUR 36.85, recorded a 29 percent gain over its issue price of EUR 28.50. In June 2007, a capital increase with subscription rights excluded was successfully placed with domestic and foreign institutional investors. Under this increase 380,000 new shares were issued, at a price of EUR 51.30, taking in EUR 19.5 million in proceeds. On 31 December 2007, Altira shares were priced at EUR 38.50.

#### \_\_\_ Investment in Heliad

During the first few months of 2007, Altira gradually increased its investment in Heliad Equity Partners GmbH & Co KGaA, managed by its Sigma subsidiary, to the present level of approximately 10.7 percent. The shares were acquired at an average price of EUR 1.18. Heliad’s currently quoted market price is significantly below its Net Asset Value (NAV) – i.e. the company’s intrinsic value. The Management Board expects both the NAV and the exchange price to perform positively over the medium to long term.

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**Equity interests**

The Altira Group held the following equity interests as of the balance sheet reporting date:

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**Interests in boutique subsidiaries**

Company	Share Capital in EURk	Equity interest in %
Altira ImmoFinanz GmbH, Frankfurt am Main <sup>1</sup>	25	100.00
CAESAR Special Opportunities Management S.à r.l., Sandweiler	102	51.00
CFC Industrie Beteiligungen Verwaltungs GmbH, Dortmund	25	75.00
C-QUADRAT Investment AG, Vienna	4,363	4.34
ecolutions Management GmbH, Frankfurt am Main	100	100.00
Patriarch Multi-Manager GmbH, Frankfurt am Main	250	100.00
Sigma Capital Management GmbH, Frankfurt am Main	25	100.00
VCH Investment Group AG, Frankfurt am Main	650	100.00
Greenland Management GmbH, Frankfurt am Main	25	50.20

1) Intermediate holding for the 20.01 percent equity interest in R-QUADRAT Immobilien GmbH

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**Interests in business development companies  
started by Altira boutiques**

Company	Share Capital in EURk	Equity interest in %
ADC African Development Corporation AG	10,000	16.10
CAESAR Industrial Technologies S.à r.l. & Co. KGaA	2,000	49.90
CFC Industriebeteiligungen GmbH & Co. KGaA	6,435	3.73
ecolutions GmbH & Co. KGaA	28,400	8.98
Heliad Equity Partners GmbH & Co. KGaA	70,000	10.70
Themis Equity Partners GmbH & Co. KGaA	53,320	1.90
Squadra Immobilien GmbH & Co. KGaA	25,100	17.93

After the balance sheet reporting date, ADC African Development Management GmbH, with share capital of EUR 25,000, was formed as a wholly-owned subsidiary. In addition, ADC African Development Corporation AG was transformed into a partnership limited by shares (GmbH & Co. KGaA), with ADC African Development Management GmbH holding the position of general partner. A discussion of this point is found at the end of Section 5. Since the Altira Group regularly prefers to take a significant stake in its subsidiary boutiques, the strategic holding in C-QUADRAT Investment AG, due to its small size has now been completely phased out.

## 2. EARNINGS SITUATION

Operating income, as the sum of sales revenues (EUR 27.7 million, prior year: EUR 24.9 million) and other operating income (EUR 5.9 million, prior year: EUR 2.3 million), improved from EUR 27.1 million to EUR 33.6 million. This corresponds to around a 24 percent increase. Contributing to this successful result were revenues from the areas of Private Markets, with EUR 7.2 million (prior year: EUR 4.5 million), and Public Markets, with EUR 20.6 million (prior year: EUR 20.3 million). Owing to the "at equity" accounting method, a presentation of sales revenues from the Real Estate area has not been made. In addition to operating income, around EUR 1.4 million was obtained from the sale of securities and EUR 1.9 million was received in earnings from ownership interests.

Offsetting the revenues, as of the balance sheet reporting date, were expenses for services procured (EUR 12.0 million), personnel (EUR 7.2 million), amortisation and write-downs (EUR 1.1 million) and other operating expenses (EUR 5.2 million). Expenses for services procured primarily related to commissions paid to third parties.

The EBITDA of EUR 12.7 million is slightly lower than the prior year's EUR 13.1 million. As of the balance sheet reporting date, pre-tax earnings (EBT) were EUR 12.3 million (prior year: EUR 12.4 million). At EUR 9.6 million, after-tax earnings came in below the prior year amount (EUR 10.7 million) as a result of a change in the revenue mix and the higher associated tax rate.

### 3. FINANCIAL SITUATION

The cash flow statement shows the changes in cash and cash equivalents resulting from cash inflows and outflows during the reporting period.

Cash and cash equivalents were EUR 24.7 million (prior year: EUR 8.1 million) at the end of the year. The large increase in cash and cash equivalents resulted from a cash inflow from operating activities of EUR 5.3 million and a cash inflow from financing activities of EUR 29.4 million. These cash inflows were partially offset by a cash outflow from investing activities of EUR 18.1 million.

The sizeable cash inflow from financing activities resulted from the capital increase of EUR 10.8 million at the time of the IPO (February 2007) and the capital increase of EUR 19.5 million in the summer of 2007. Capital increase expenses of EUR 0.9 million were incurred during the IPO and the subsequent capital increase.

### 4. ASSETS SITUATION

The Altira Group's long-term assets as of 31 December 2007 in the amount of EUR 38.2 million (prior year: EUR 16.6 million) consist essentially of financial assets (EUR 35.8 million), plant and equipment (EUR 0.5 million), deferred tax assets (EUR 0.7 million) and goodwill resulting from consolidation (EUR 1.1 million).

The Group's current assets, equal to EUR 41.3 million (prior year: EUR 20 million), mainly relate to bank deposits (EUR 24.7 million), receivables and other assets (EUR 11.0 million), and securities included in current assets (EUR 5.6 million).

As of 31 December 2007, the balance sheet total rose to EUR 79.5 million, up from EUR 36.6 million as of 31 December 2006. These increases in the balance sheet total were financed mainly by the Initial Public Offering which took place in the reporting year and the subsequent capital increase.

The equity ratio amounts to 73 percent (prior year: 60 percent). At EUR 0.2 million, liabilities to banks are insignificant.

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## 5. SUPPLEMENTAL REPORT

Three significant events took place after the balance sheet date:

First, on 15 February 2008, Michael Rieder was named the new Chairman of the Management Board of the Altira Group. Thus, Michael Rieder has assumed responsibility for the areas of sales and sales management, marketing, investor relations and personnel. At his own request, Michael Hallacker on 29 February 2008 stepped down from the Altira Group's Management Board as well as from that of its subsidiary VCH Investment Group AG.

In addition, Altira has set up the ADC African Development Management GmbH as its wholly-owned subsidiary. The latter, as general partner, is taking over management of the newly created business development company ADC African Development Corporation GmbH & Co. KGaA (converted in 2008 from the legal form of an AG), with a current share capital of EUR 10 million. The company invests primarily in East Africa in businesses in the areas of banking, IT & telecommunications and real estate. After the balance sheet date, the general meeting of shareholders of ADC African Development Corporation GmbH & Co. KGaA, as part of the company's continued development, passed a resolution for a capital increase through the issuance of up to 25 million new shares. The issue price was set at EUR 2.40.

Altira's strategic equity interest in C-QUADRAT Investment AG has now been sold off.

## 6. RISK REPORT

### Performance of companies in the Group

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The financial success of the Altira Group is primarily determined by the performance of companies in the Group. Due to the Company's broad-based positioning over a variety of asset classes, the Group has been able to significantly reduce its dependence on individual areas over the last several years. Nonetheless, the overall success of the Group will naturally continue to be marked by the sustainability of the performance of the individual companies in the future. Altira's future success will also be significantly affected by new investments. As a rule, every new investment comes with special opportunities as well as special risks, since a lack of past experience often makes future performance difficult to forecast. Since an increase in human and financial resources is often necessary, the time when an investment is made is precisely the time of greatest risk. These investments are intended to ensure continued strong growth for the Company, but they can also represent an above-average burden on earnings, particularly since the amount invested in new areas has increased significantly over time as Altira has grown.

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## Capital market risk

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In fulfilling shareholder and management expectations relating to achievement of the Company's growth targets, the most significant risk facing the Group/the Group's companies – indirectly via their equity investments – probably comes from changes in the overall economic environment, in the capital markets in general and in the subareas where Altira is represented through boutique subsidiaries and by the investment products begun by the latter.

A significant portion of the Company's investment assets is invested in listed business development companies created by its subsidiaries, so that negative changes in the share prices of these securities could have a direct, negative effect on the Company's income statement.

Furthermore, some of the Group's revenues are directly tied to the performance of the investment vehicles managed or advised, since profit-linked compensation is generally paid only when absolute performance is positive (and historical highs, which are termed "high-water mark" are simultaneously reached), such that it consequently is also possible for such compensation to be completely lacking for a long period of time.

Since Altira receives management fees through its subsidiaries, coming inter alia from listed business development companies, in a negative capital market environment it might be impossible for one of these companies to grow for a long period of time, which would mean that Altira's revenues would also be unable to grow.

To sum up: there are a variety of ways in which changes in capital markets could exercise a significant and cumulative adverse impact on consolidated net income.

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## Product risk

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In addition to general capital market risk, to which all Altira companies are basically subject, each individual business area is also dependent on the performance of its products relative to the competition and on access to potential customers. If a product shows negative relative performance, there is a high risk that the assets under management for this product could decrease significantly, possibly requiring the product to be removed from the market. Since, as an asset manager, the Altira Group receives revenues based on the assets entrusted to it, such a situation could lead to a significant reduction in income. In addition, it is also possible for liability risks to arise in some cases where products are unable to fulfil investor expectations. This risk affects mainly, but not exclusively, the area of closed-end funds, which were sold off by the Altira Group effective 31 December 2007, but the liability risks from which may continue to have after-effects.

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## Special market risk

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The management of the Altira Group strives to create products in markets with special opportunities where the potential for growth is based upon inefficiencies in these markets. Some examples of this are the investments in climate protection projects in China and India (ecolutions) or private equity investments in Africa (ADC African Development Corporation). These and other key business activities of the Altira Group are thus taking place in countries and markets subject to unquantifiable risks like the risk of political instability. Furthermore, in these markets Altira management is proceeding on the assumption that there are long-term growth opportunities that may possibly not be realised. Hence, the investments made may be exposed to total loss and, in addition to its own investment in the relevant product, the Altira Group would also lose the revenues from management of the product and would suffer risks to its reputation.

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## Dependence on key individuals

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Successful management of the companies in the Group depends to a great extent on a number of key individuals. Above-average expertise and a well-developed network create a foundation for success, particularly in asset management. The Company's core team, which has developed its business operations over many years, possesses the required expertise and the network of contacts necessary for success. Altira's future success is therefore highly dependent on these individuals.

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## Operational risks

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The operational risk from the business activity of the Group's parent company is mainly focussed on the ability to obtain timely, meaningful information concerning the Group companies and the products managed, so as to make it possible for unexpected potential risks to be recognised early. The Management Board has taken steps to guard against this risk by implementation of an appropriate controlling system. Many operational risks also exist in individual Group companies, which operate independently in a variety of business areas. Significant risks also exist in terms of uncertainty regarding the general tax framework, inasmuch as changes to administrative practice are being discussed for many tax laws of relevance. For instance, various court proceedings have been brought over the last few years in the area of value-added tax, the results of which, in a worst-case scenario, could have a significantly adverse effect on Altira's operating results. Several court decisions are also expected over the next few years in the area of corporate and business income tax which could possibly have a negative impact on the Company. The particular problem here is the possible retroactive effect of these potential changes, since what is involved here is not always changes in the law but, in part, also in the interpretation of existing laws.

As the Group in the meantime has grown in size and capital strength, it has the financial and personnel resources available to directly address the above opportunities and risks, and to profit appropriately from opportunities and to avoid risks as best as possible. Even taking into account the risks to which the Altira Group is exposed, the Management Board is confident that the Altira Group will continue its positive development over the long term.

## Risk management

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The Altira Group's risk management system identifies and avoids, or limits, the significant risks arising from the Group's business. The risk management system also assists in the recognition and exploitation of opportunities, thereby contributing to further development and greater success of the Group.

The risks were assigned systematically to three risk groups:

### 1. Strategic risks

- Changes in the capital market environment, which represents the underlying commercial foundation for a corporate group that is operating in the asset management area
- Market environment and positioning of the competition
- Human resources

### 2. Financial risks

- Price change risks (possible negative performance of securities and equity interests held in the portfolio and performance of products created by Altira boutiques)
- Liquidity risk
- Legal risks
- Risks due to changes in tax law

### 3. Operational risks

- Financial accounting and controlling
- Cash flows
- IT security

For each area of potential risk, risk management consists of early risk identification, information and communication, as well as risk response in the form of determination and implementation of the appropriate counter-measures.

Price risks primarily result from possible negative changes in the capital market as a whole as well as in the performance of individual shares and in the fair values of equity investments and securities held for the Company's own account and in its managed portfolios. In individual cases, Altira manages these price risks by entering into hedge transactions. In fiscal 2007, for instance, in order to hedge against market and currency risks in equity markets that were subject to increased volatility, particularly in emerging markets, index futures were sold and currency forward sales were entered into. Leverage certificates were at times also used as a hedge in the mutual fund area.

## 7. OPPORTUNITIES AND RISKS OF FUTURE DEVELOPMENT

The Management Board is planning on a further significant expansion of the Company's business activities in the coming years as well. The growth being sought here is across all areas of the business. Experience has shown, however, that the financial sector performs cyclically, such that growth must ultimately focus on those individual areas ready for market acceptance at the relevant time.

In the Public Markets area, uncertainty currently prevails, such that equity funds in general may be looking ahead to a difficult market year. In addition to this general capital market risk, however, special situations also offer special opportunities. Thus, for example, the private pensions market is one of the greatest growth markets in Germany, since people can no longer just rely on national old-age pensions. The percentage represented by private and company pension schemes should continue to significantly increase over the coming years, thus supplying the asset management market with additional liquidity. Particularly profiting within the Altira Group will be Patriarch, which, with its fund of funds products, is targeting the markets for private asset accumulation and old-age pensions. In addition, the introduction of a flat-rate withholding tax on investment income [Abgeltungsteuer] starting 1 January 2009 should also lead to special growth effects for the Public Markets area in the period leading up to that date. It can be anticipated that investments in this area will sharply increase in 2008 in order to take the last opportunity to profit from the tax-exemption of investment income. Here, with multiple products, the Altira Group is well-positioned and, in particular, for the Patriarch fund of funds family, is expecting positive sales results prior to the effective date of the tax.

Regardless of the capital market risk discussed above, new asset classes regularly emerge and a number of asset classes grow significantly faster than the market average. The Altira Group can profit from such above-average opportunities precisely in the area of "future markets". It was as a result of these considerations, for example, that the Altira Group in 2007 entered the market for climate protection certificates (ecolutions) and private equity investments in Africa (ADC). After successful expansion of their respective international teams, both boutiques are currently in the investment phase. Hence there are plans in both companies to solicit new investment funds quickly, thereby also increasing the Altira Group's assets under management.

In general, great interest may be seen on the market, particularly for our investment approaches in the future markets. But each individual effort at fundraising also depends on the market's mood at the time the funds are raised, as well as on the competitive situation and other factors. Hence there is a risk that, despite positive indications, growth targets may not be reached. Over the medium term, with these strategies the risk also exists – as it generally does for all asset classes – that the general investing framework, such as, e.g. price levels or the availability of investment opportunities, may change for the worse, thereby also limiting growth.

Long-term successful investments in projects generating climate protection certificates are also conditional on a follow-up agreement to the Kyoto Protocol being concluded. In addition, particularly in Africa but in Asia too, success is also dependent on the political situation at a given time.

Altira's Management Board is aware of these risks – but even so, due to the outstanding opportunities, in the Company's view there is a highly attractive risk/reward profile in these markets. All things considered, it is precisely in the future markets over the next few years that the Management Board is anticipating a major increase in assets under management and the associated revenues coming from management fees.

Along with the continued development of existing investment strategies and subsidiaries, the Management Board is also focussing on additional purchases of asset management boutiques and/or on creating the latter in collaboration with experienced teams or individuals. Various options are currently being reviewed and, in 2008, may possibly contribute to additional growth through acquisitions. Here, there is a general preference for taking majority interests; when this is impossible, minority interests are also considered.

To sum up: weighing all of the opportunities and risks of future development, the Management Board sees the Altira Group, over the next three to five years, as moving along the right road to grow, both through organic growth as well as through acquisitions, into one of the largest independent asset managers in Germany.

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## 8. DEPENDENCY REPORT

Angermayer, Brumm & Lange Unternehmensgruppe GmbH, with registered office in Wiesau, holds more than 50 percent of the share capital of our Company.

In accordance with § 312 of the German Companies Act (AktG), the Management Board has therefore prepared a report on relationships with affiliated companies for fiscal year 2007. This report concludes with the following statement by the Management Board:

“The Company has not been adversely affected by contracts with the controlling company or its affiliates.”

Frankfurt am Main, May 2008

Michael Rieder    Peter Brumm    Andreas Lange    Christian Angermayer

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## CONSOLIDATED INCOME STATEMENT

in EURk	Notes	2007	2006
Sales revenue	7.1	27,726	24,854
Proceeds from sale of securities and financial assets	7.2	6,612	17,606
Book value of securities and financial assets posted at time of disposal	7.4	-5,169	-8,948
Other operating income	7.3	5,941	2,270
Cost of purchased services	7.5	-11,970	-12,198
Personnel expenses	7.6	-7,185	-6,677
Other operating expenses	7.7	-5,197	-3,826
Income from equity holdings	7.8	1,902	0
Depreciation on financial assets and securities	7.9	-876	-606
Amortisations and write-downs of tangible and intangible assets	7.10	-261	-164
<b>Operating income</b>		<b>11,523</b>	<b>12,311</b>
Interest and similar income	7.11	875	127
Interest and similar expenses		-65	-52
<b>Earnings before tax</b>		<b>12,333</b>	<b>12,386</b>
Taxes on income	7.12	-2,702	-1,660
<b>Earnings after tax</b>		<b>9,631</b>	<b>10,726</b>
Net profit allocable to minority interests		-43	45
<b>Profit allocable to parent company's shareholders</b>		<b>9,588</b>	<b>10,771</b>
<b>Earnings per share (diluted and undiluted) in EUR</b>	<b>9.3</b>	<b>2.39</b>	<b>3.23</b>

## SEGMENT REPORTING

in EURk	Holding	
	2007	2006
Sales revenues	0	30
Net intersegment revenues	2,653	3,017
Proceeds from sale of securities and financial assets	5,591	17,494
Appreciation on securities and financial assets	4,833	1,538
Other operating income	355	289
Book value of securities and financial assets posted at time of disposal	-4,082	-8,836
Cost of purchased services	0	0
Personnel expenses	-3,396	-3,965
Other operating expenses	-1,665	-809
Income/loss from investments in associated companies ("at equity" method)	-162	0
Recurring income from equity holdings	180	0
<b>EBITDA</b>	<b>4,307</b>	<b>8,758</b>
Depreciation on securities and other financial assets	-765	-351
Amortisations and write-downs	-57	-22
<b>EBIT</b>	<b>3,485</b>	<b>8,385</b>
Interest and similar income	480	33
Interest and similar expenses	-14	-34
<b>EBT</b>	<b>3,951</b>	<b>8,384</b>
Income tax	100	102
<b>Profit/loss</b>	<b>4,051</b>	<b>8,486</b>
Minority interests	5	0
<b>Profit/loss after minority interests</b>	<b>4,056</b>	<b>8,486</b>
Shares of associated companies	836	0
Total segment assets	52,306	23,668

	Private Markets		Public Markets		Real Estate		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	7,165	4,525	20,561	20,299	0	0	27,726	24,854
	-765	-474	-1,796	-2,543	-92	0	0	0
	968	0	53	112	0	0	6,612	17,606
	0	2	595	17	0	0	5,428	1,557
	53	12	105	412	0	0	513	713
	-1,003	0	-84	-112	0	0	-5,169	-8,948
	-972	-587	-10,998	-11,611	0	0	-11,970	-12,198
	-1,941	-421	-1,848	-2,291	0	0	-7,185	-6,677
	-1,255	-511	-2,187	-2,502	-90	-4	-5,197	-3,826
	0	0	0	0	1,761	0	1,599	0
	0	0	2	0	121	0	303	0
	<b>2,250</b>	<b>2,546</b>	<b>4,403</b>	<b>1,781</b>	<b>1,700</b>	<b>-4</b>	<b>12,660</b>	<b>13,081</b>
	-11	-1	-100	-254	0	0	-876	-606
	-25	-7	-179	-135	0	0	-261	-164
	<b>2,214</b>	<b>2,538</b>	<b>4,124</b>	<b>1,392</b>	<b>1,700</b>	<b>-4</b>	<b>11,523</b>	<b>12,311</b>
	244	14	151	80	0	0	875	127
	-9	-2	-27	-16	-15	0	-65	-52
	<b>2,449</b>	<b>2,550</b>	<b>4,248</b>	<b>1,456</b>	<b>1,685</b>	<b>-4</b>	<b>12,333</b>	<b>12,386</b>
	-1,004	-1,004	-1,798	-758	0	0	-2,702	-1,660
	<b>1,445</b>	<b>1,546</b>	<b>2,450</b>	<b>698</b>	<b>1,685</b>	<b>-4</b>	<b>9,631</b>	<b>10,726</b>
	-49	22	-2	23	3	0	-43	45
	<b>1,396</b>	<b>1,568</b>	<b>2,448</b>	<b>721</b>	<b>1,688</b>	<b>-4</b>	<b>9,588</b>	<b>10,771</b>
	0	0	0	0	2,827	40	3,663	40
	<b>7,666</b>	<b>1,993</b>	<b>16,661</b>	<b>10,838</b>	<b>2,857</b>	<b>64</b>	<b>79,490</b>	<b>36,563</b>

## CONSOLIDATED BALANCE SHEET

### Assets

in EURk	Notes	31/12/2007	31/12/2006
<b>Long-term assets</b>			
Intangible assets incl. goodwill	8.2	1,199	714
Tangible assets	8.1	506	450
Financial assets	8.3	35,826	14,728
Deferred tax assets	8.4	699	688
<b>Total long-term assets</b>		<b>38,230</b>	<b>16,580</b>
<b>Current assets</b>			
Securities	8.5	5,572	5,038
Trade receivables	8.6	5,158	5,489
Receivables from companies in which an equity interest is held	8.6	272	468
Other assets	8.6	5,521	849
Bank deposits	8.7	24,737	8,139
<b>Total current assets</b>		<b>41,260</b>	<b>19,983</b>
<b>Balance sheet total</b>		<b>79,490</b>	<b>36,563</b>

Liabilities and shareholders' equity

in EURk	Notes	31/12/2007	31/12/2006
<b>Shareholders' equity</b>			
Subscribed capital	8.8	4,239	3,479
Capital reserves	8.8	30,362	1,714
Retained earnings	8.8	20,690	11,101
Revaluation of financial instruments		2,754	5,584
<b>Components of shareholders' equity allocable to shareholders</b>		<b>58,045</b>	<b>21,878</b>
Minority interests	8.8	-7	125
<b>Total shareholders' equity</b>		<b>58,038</b>	<b>22,003</b>
<b>Long-term liabilities</b>			
Deferred tax liabilities	8.4	365	201
<b>Total long-term liabilities</b>		<b>365</b>	<b>201</b>
<b>Current liabilities</b>			
Tax reserves	8.9	4,218	1,991
Other reserves	8.9	8,485	6,370
Liabilities to banks	8.10	206	251
Trade payables	8.10	5,188	4,802
Other liabilities	8.10	2,990	945
<b>Total current liabilities</b>		<b>21,087</b>	<b>14,359</b>
<b>Balance sheet total</b>		<b>79,490</b>	<b>36,563</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 31 December 2007

in EURk		Notes	2007	2006
1.	Net income before minority interests		9,631	10,726
2.	- Less proceeds from the sale of securities and financial assets	7.2	-6,612	-17,606
3.	+ Write-downs of financial assets and securities	7.9	876	606
4.	+ Depreciation, amortization and write-downs of property, plant and equipment and intangible assets	7.10	261	164
5.	- Write-ups of securities and financial assets	7.3	-5,428	-1,557
6.	-/+ Profit/loss from investments in associates	7.8	-1,599	0
7.	+ Carrying amount of securities and financial assets at time of disposal	7.4	5,169	8,948
8.	+/- Change of the revaluation reserve due to provisions and deferred taxes	8.8	505	-955
9.	+/- Other non-cash expenses/income		-201	-79
10.	+/- Increase/decrease in provisions	8.9	4,342	7,812
11.	+/- Increase/decrease in receivables and other assets		-4,156	-4,291
12.	+/- Increase/decrease in payables and other liabilities	8.10	2,550	2,388
<b>13.</b>	<b>= Cash flow from operating activities</b>		<b>5,338</b>	<b>6,156</b>
14.	- Payments for investments in property, plant and equipment and intangible assets	8.1	-326	-552
15.	- Payments for the acquisition of subsidiaries	4.	-250	0
16.	- Payments for investments in financial assets	8.3	-19,501	-11,314
17.	- Payments for investments in securities held as current assets	8.5	-4,704	-4,612
18.	+ Proceeds from the sale of securities and financial assets	7.2	6,612	17,606
<b>19.</b>	<b>= Cash flow from investing activities</b>		<b>-18,169</b>	<b>1,128</b>

For the period from 1 January to 31 December 2007

in EURk	Notes	2007	2006
20. + Proceeds from borrowing		0	0
21. + Proceeds from capital increases	8.8	30,324	0
22. – Payments for capital increases (capital increase expenses)	8.8	–916	–693
23. – Distributions to minority shareholders		0	–26
<b>24. = Cash flow from financing activities</b>		<b>29,408</b>	<b>–719</b>
25. Changes in cash and cash equivalents (sum of lines 13, 19 and 24)		16,577	6,565
26. + Effects of changes in the scope of consolidation		21	0
27. + Cash and cash equivalents at beginning of period	8.7	8,139	1,574
<b>28. Cash and cash equivalents at end of period</b>		<b>24,737</b>	<b>8,139</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

See section 8.8 in the notes to the financial statements

in EURk	Subscribed capital	Capital reserve
<b>As at 01/01/2007</b>	<b>3,479</b>	<b>1,714</b>
Capital stock increase by capital contribution	760	29,564
Expenses related to capital procurement		-916
Change in revaluation reserve		
Change in currency differential		
Net income for the year		
Minority interests: decreases		
<b>As at 31/12/2007</b>	<b>4,239</b>	<b>30,362</b>
<b>As at 01/01/2006</b>	<b>118</b>	<b>3,412</b>
Capital stock increase by capital contribution	6	
Capital stock increase from company funds	3,345	-3,345
Addition during the course of the merger with ACQ Beteiligungs GmbH	10	2,340
Expenses related to capital procurement		-693
Change in revaluation reserve		
Net income for the year		
Minority interests: increases		
<b>As at 31/12/2006</b>	<b>3,479</b>	<b>1,714</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
	5,584	11,101	0	0	21,878	125	22,003
					30,324		30,324
					-916		-916
	-2,830				-2,830		-2,830
			1		1		1
				9,588	9,588	43	9,631
						-175	-175
	2,754	11,101	1	9,588	58,045	-7	58,038
	0	330	0		3,860	138	3,998
					6		6
					0		0
					2,350		2,350
					-693		-693
	5,584				5,584		5,584
				10,771	10,771	-45	10,726
						32	32
	5,584	330	0	10,771	21,878	125	22,003

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF ALTIRA AKTIENGESELLSCHAFT

In accordance with International Financial Reporting Standards (IFRS) as at 31 December 2007

## 1. The company

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The registered headquarters of Altira Aktiengesellschaft (hereinafter "Altira AG", or "Company") are located in Frankfurt am Main, Grüneburgweg 18.

Altira AG has been entered in the Commercial Register of the District Court of Frankfurt am Main under registration number HR-B 58865.

According to the Articles of Association, the purpose of the Company is the acquisition, management and disposition of shares or equity holdings of all types, to the extent special legal authorisation is not required. The companies of the Altira corporation manage funds for institutional investors in the Private Markets, Public Markets and Real Estate business sectors.

Altira AG is listed on the Open Market of the Deutsche Wertpapierbörse where it is included in the Entry Standard segment.

## 2. Accounting principles

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The present consolidated financial statements of Altira AG as at 31 December 2007 was prepared in accordance with the International Financial Reporting Standards (IFRS) enacted by the International Accounting Standards Board (IASB), as well as the interpretations of the IFRS by the International Financial Reporting Interpretations Committee (IFRIC) as they are applied in the European Union. Due regard was given to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC), which were applicable to the time period of preparation.

Since consolidated financial statements dated 31 December 2006, the IASB has enacted several amendments to existing IFRS, as well as new IFRS that are effective as at 1 January 2007. Individually, this affects the following standards:

- Changes to IAS 1 (Presentation of Financial Statements: Equity Information)
- IFRS 4 (Insurance Contracts)
- IFRS 7 (Financial Instruments): Information in Appendix
- IFRIC 7 (Applying the Restatement Approach under IAS 29 financial reporting in hyperinflationary economies)
- IFRIC 8 (Scope of IFRS 2 on share-based payments)
- IFRIC 9 (Reassessment of embedded derivatives)
- IFRIC 10 (Interim financial reporting and impairment)

Neither the amendments to the existing IFRS, nor the newly enacted IFRS, effective as at 1 January 2007, substantially affect the financial statements as at 31 December 2007, with the exception of the newly required appendix information relating to financial instruments pursuant to IFRS 7.

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) enacted further standards and interpretations, which are not yet mandatory for the 2007 fiscal year. Individually, this affects the following standards:

- IFRS 8 (Operating Segments)
- IAS 1 (R) (Presentation of Financial Statements)
- IAS 23 (R) (Borrowing Costs)
- IFRIC 11, IFRS 2 (Transactions with Shares Issued by the Corporation and Other Companies)
- IFRIC 12 (Service Concession Agreements)
- IFRIC 13 (Customer Loyalty Programmes)
- IFRIC 14, IAS 19 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)

The application of these IFRS is dependent upon recognition by the EU, which is still partially outstanding. The provisions of IFRS 8 have been applied in the present financial statements. In the present financial statements, no use is made of the possibility of early adoption of additional standards or interpretations endorsed on 31 December 2007.

With the exception of the presentation of the current information, the future application of the new standards and interpretations is not expected to significantly affect the financial statement.

Within the meaning of § 315a, paragraphs 1 or 2 HGB, Altira AG is not a parent company which is under a duty to prepare consolidated financial statements in accordance with the IFRS. Altira AG prepares the IFRS consolidated financial statements voluntarily pursuant to § 315a, paragraph 3 HGB. Due regard is given to the supplemental commercial law provisions to be taken into account pursuant to § 315a, paragraph 1 HGB.

No claims or obligations exist with respect to third parties except for the assets, liabilities, and contingent liabilities disclosed in the consolidated financial statements.

During the preparation of the consolidated financial statements in accordance with generally accepted recognition and valuation principles under IFRS, estimates and assumptions have been made that affect the amount and disclosure of reported assets and liabilities, contingent assets and liabilities on the balance sheet reporting date, as well as reported earnings and expenses during the reporting period. The actual final figures may deviate from these estimates and assumptions.

The consolidated financial statements contain all assets and liabilities, as well as all operating costs and earnings information of Altira AG, including all subsidiary companies of Altira AG, after the elimination of all substantial internal company transactions.

The consolidated financial statements have been prepared in euros (EUR), the functional currency of the company. Unless otherwise indicated, all amounts are rounded to the nearest thousand euros (EURk).

The income statement has been prepared in accordance with the total cost method.

The consolidated financial statements were prepared by the Company and sent to the Supervisory Board on 20 June 2008. Following the Supervisory Board meeting of 25 June 2008, the Supervisory Board approved the consolidated financial statements and issued the Report of the Supervisory Board. The annual financial statements were released for publication with the approval of the Supervisory Board.

### 3. First-time application of International Reporting Standards

These are the first published consolidated financial statements of Altira AG prepared in accordance with the provisions of the International Reporting Standards (IFRS). The consolidated financial statements of Altira AG dated 31 December 2006 were issued in accordance with the German commercial law provisions of the HGB. The opening balance sheet date according to IFRS is 1 January 2005. In the opening balance sheet, asset and liability valuations were adjusted to the provisions of the IFRS as they are applied in the European Union. The differences that resulted were recognised in equity without impacting on earnings.

Reconciliation of equity from HGB to IFRS is presented as follows:

in EURk	01/01/2005	31/12/2005	31/12/2006
<b>Equity according to HGB</b>	<b>163</b>	<b>3,788</b>	<b>14,859</b>
Valuation adjustment goodwill		115	124
Revaluation of financial instruments		155	8,186
Deferred taxes on the assets side			688
Deferred taxes on the liabilities side		-60	-201
Provision for management profit sharing			-1,719
Deferred income			66
<b>Equity according to IFRS</b>	<b>163</b>	<b>3,998</b>	<b>22,003</b>

Reconciliation of net income calculated for the reporting year of 1 January to 31 December 2006 from HGB to IFRS yields the following information:

in EURk	31/12/2006
<b>Income according to HGB</b>	<b>8,752</b>
Revaluation of financial instruments	1,492
Capital procurement costs	693
Provisions for management's share of profit from changes in value	-346
Deferred taxes	128
Valuation adjustment goodwill	124
Other entries	-117
<b>Income according to IFRS</b>	<b>10,726</b>

Investments and securities classified as "financial assets valued at fair value with income statement effect", and "held for trading" are valued at fair value according to IAS 39. Changes in valuation are recognised in the determination of income.

Securities classified as "available-for-sale financial assets" are also valued at fair value, whereby changes in valuation are captured in the revaluation reserve on the equity side with no impact on net income.

Pursuant to IAS 32.37, capital procurement costs are deducted from retained earnings with no impact on income.

The entry and write-back of deferred taxes were recorded as affecting income to the extent the circumstances underlying them were treated as affecting income. Deferred taxes for valuation adjustments captured in the revaluation reserve and not recognised in the income statement were also adjusted through the revaluation reserve with no impact on income.

## 4. Scope of consolidation

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The subsidiary companies in which the parent company can exercise a dominant interest are included within the scope of consolidation in accordance with IAS 27. A dominant interest, according to IAS 27.4, is the opportunity to determine the financial and business policies of the corporation in order to benefit from its activities. This is presumed if the parent company either directly or indirectly holds the majority of shareholder votes.

Company acquisitions are accounted for by the purchase method according to IFRS 3, i.e. assets, liabilities and contingent liabilities are carried at their fair values as of acquisition. Any difference is a result of the difference between the purchase price of the company acquisition and the purchaser's share of the fair values of the acquired assets, debts or contingent liabilities. A positive difference is recognised as goodwill in accordance with IFRS 3. A negative difference is immediately expensed, if necessary.

The yearly financial statements of the companies included in the consolidated financial statements of Altira AG are based on uniform accounting and measurement principles.

Please see the appendix to the notes for a list of shareholdings and the names of all fully consolidated companies.

On 5 March 2007, Altira AG founded ecolutions Management GmbH, Frankfurt am Main, and on 25 October 2007, founded Greenland Management GmbH, Frankfurt am Main.

As of the balance sheet date, Altira AG held 100 percent of the equity of ecolutions Management GmbH and 50.2 percent of the shares of Greenland Management GmbH, bringing them for the first time within the scope of consolidation.

As part of the founding of these companies, Altira AG paid in the amount of EUR 100k to the capital account of ecolutions Management GmbH and the amount of EUR 13k to the capital account of Greenland Management GmbH.

ecolutions Management GmbH generated sales of EUR 881k and a profit of EUR 33k for the reporting year, Greenland Management GmbH recorded a loss of EUR –6k on sales of EUR 0k.

On 13 July 2007, for the price of EUR 52k, Altira AG also acquired a 51 percent interest in CAESAR Special Opportunities Management S.à r.l., Luxembourg, which has been brought within the scope of consolidation.

Since its inclusion in the group of consolidated companies, CAESAR Special Opportunities Management S.à r.l., Luxembourg, has generated a loss of EUR –10k on sales of EUR 330k.

CAESAR Special Opportunities Management S.à r.l. is headquartered in Luxembourg, and Heliad Management AG is headquartered in Oberwil, Switzerland. All other subsidiary companies have their headquarters in Germany.

SophistiCapital AG is not included in the full consolidation in view of its subordinate importance.

31 December is the closing date for Altira AG and all companies included in the consolidated financial statements.

## 5. Associated companies

Generally, interests in associated companies are accounted for in accordance with the "at equity" method pursuant to IAS 28. An associated company is a company in which the group has a controlling interest and is neither a subsidiary nor a joint venture of the stockholder. The financial statement of the associated company, issued in accordance with group-wide uniform accounting and valuation standards, serves as the basis for the "at equity" accounting method.

The shares of R-QUADRAT Immobilien GmbH, Vienna, and CAESAR Industrial Technologies S.à r.l. & Co. KGaA, Frankfurt am Main, which were acquired during the reporting year were valued as associated companies in accordance with the "at equity" method.

The investment in Seyes GmbH, Bayreuth, was not accounted for in accordance with the "at equity" method due to its subordinate importance.

No further investments existed which had to be accounted for in accordance with the "at equity" method.

in EURk	Assets	Liabilities	Sales	Net
	31/12/2007	31/12/2007	revenue 2007	income 2007
R-QUADRAT Immobilien GmbH, Vienna <sup>1</sup>	19,080	2,793	2,794	3,568
CAESAR Industrial Technologies S.à r.l. & Co. KGaA, Frankfurt am Main	3,481	1,672	85	-196
	<b>22,561</b>	<b>4,465</b>	<b>2,879</b>	<b>3,372</b>

1) Preliminary annual financial statements for 2007

## 6. Material accounting and valuation principles

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### \_\_\_ Intangible assets

Acquired intangible assets are capitalised under IAS 38 if it is probable that the use of the asset is associated with a future economic benefit and the cost of the asset can be reliably measured. Acquired intangible assets are valued at cost and are amortised over their useful life on a straight-line basis. If necessary, impairments of value are recognised.

In accordance with IRFS 3, in cases of company mergers goodwill is valued as the excess of the investment costs over the equity acquired in the acquired company. The intrinsic value of goodwill is tested at least yearly for impairment at the cash generating unit level, and if impairment exists, the goodwill is written down to the obtainable amount off schedule.

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

Property, plant and equipment are carried at the cost of acquisition or construction less cumulative scheduled depreciation. Gains or losses resulting from the disposal of fixed assets are accounted for in other business revenues or expenditures. The scheduled depreciations are based on the average useful lives.

### \_\_\_ Financial assets

Securities allocated to long-term assets, shares of associated companies as well as investments are included in financial assets.

In accordance with IAS 39, securities allocated to long-term assets are included in the valuation categories "available-for-sale financial assets", and "financial assets valued at fair value with income statement effect".

The securities holdings allocated to the valuation category "financial assets valued at fair value with income statement effect", are managed on the basis of changes in the fair value of individual securities within the parameters of the Altira corporation's investment strategy.

Shares of associated companies are valued using the "at equity" method, in accordance with IAS 28.

Investments are allotted to the valuation category "available-for-sale financial assets".

The fair values used to value security holdings correspond to the stock prices quoted on the reporting date or transactions effected close to the reporting date.

Value changes to financial assets classified as “financial assets valued at fair value with income statement effect” are recognised in the income statement in the “other operating income” item or the “write-downs of financial assets and securities” item. For the reporting year, appreciations totalled EUR 4,782k (prior year: EUR 1,412k) and impairments totalled EUR 211k (prior year: EUR 3k).

Asset gains and losses from the valuation at fair value of financial instruments in the category “available-for-sale financial assets”, are recognised in the revaluation reserve with no impact on income. For the reporting year, appreciations totalled EUR 0k (prior year: EUR 6,539k), and impairments totalled EUR 1,316k (prior year: EUR 0k).

When the fair value of an individual non-listed investment cannot be reliably determined, it is recognised at cost to the extent a lower basis of measurement does not exist (IAS 39.46c). Cost is determined by the price on the date of performance. For sales or determinations of sustained impairment, the corresponding income from the sale or expense from the value adjustment is included in the yearly net income.

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

Deferred taxes are accounted for according to the accounting concept which holds that deferred taxes are established on the basis of all carrying and valuation differences between the value in the IFRS statement and the tax value. Deferred taxes are measured in accordance with the current tax rates for the period in which time differences will likely balance out.

In principle, changes in deferred taxes are reflected in earnings as long as the underlying issues are also reflected in earnings and are not offset against equity in an earnings-neutral manner.

#### \_\_\_ Securities

Securities allocated to short-term assets are included in the “held for trade” category. Changes in valuation are recognised with an impact on income.

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

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

#### \_\_\_ Cash and cash-equivalent items

Cash and cash equivalents consist of credit balances at banks.

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#### \_\_\_ Provisions

Tax liabilities and provisions are carried in accordance with IAS 37 when present legal or actual obligations arise from a past event and it is likely that they will result in an outflow of resources, and the amount of the outflow can be reliably estimated. A non-accrued interest deduction is taken on long-term provisions if the interest effect resulting from the discount is substantial.

#### \_\_\_ Liabilities

Liabilities are recognised at their redemption amounts.

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

Sales are recognised when a contract becomes effective, a price has been agreed upon and is determinable and the payment thereof can be expected. Sales revenues are reported less deductions such as discounts, rebates and bonuses. Income from ongoing services is realised with the performance of the service; time-dependent payments are collected on a pro-rata basis.

The proceeds of the sale of securities and financial investments affect the income realised from the sale of financial assets. The depreciation of the book value of securities and financial investments affects the book value existing upon the disposal of the financial assets.

Both current income from dividends as well as net income from the valuation of investments in associated companies is carried as income obtained from investments in accordance with IAS 28. Please see the sector reports for breakdowns by investment.

Taxes on earnings and income include current and deferred taxes.

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

Transactions in foreign currencies are translated to euros applying the exchange rate that was valid on the date of the transaction.

Assets and liabilities of Heliad Management AG, Oberwil bei Zug, Switzerland, that exist on the balance sheet reporting date are translated into euros at the exchange rate valid on that date. Revenues and expenses carried in Swiss francs are translated into euros at the average exchange rate. The resulting translation differences are recognised in equity with no impact on income.

#### \_\_\_ Material assumptions and estimates

The assumptions and estimates considered in the consolidated financial statements are substantially related to the determination of the obtainable amount in connection with intrinsic value tests, as well as the recognition and measurement of deferred taxes and provisions.

## 7. Explanations of Group income statement

### \_\_\_ 7.1 Sales revenue

Commission earnings, compensation payments for the assumption of management activities, as well as variable investment consulting fees are included in sales revenue.

### \_\_\_ 7.2 Revenue from the sale of securities and financial assets

Revenues from the sale of securities and financial assets relate to the following items:

in EURk	2007	2006
<b>Revenue from the sale of financial instruments held as long-term assets</b>		
Securities, categorised as "available-for-sale financial assets"	2,638	17,494
Securities categorised as "valued at fair value with income statement effect"	0	112
	<b>2,638</b>	<b>17,606</b>
<b>Revenue from the sale of financial instruments held as short-term assets</b>		
Securities held for trade	3,974	0
	<b>6,612</b>	<b>17,606</b>

### \_\_\_ 7.3 Other operating income

Income from the valuation of securities and financial assets at fair value totalling EUR 5,428k (prior year: EUR 1,557k), and remaining other operating income totalling EUR 513k (prior year: EUR 713k) are included in other operating income.

Revenue from the valuation of securities and financial assets includes the following items:

in EURk	2007	2006
<b>Revenue from the revaluation of financial instruments held as long-term assets</b>		
Financial assets valued at fair value with income statement effect	4,782	1,412
<b>Revenue from the revaluation of financial instruments held as short-term assets</b>		
Securities held for trade	646	145
	<b>5,428</b>	<b>1,557</b>

#### 7.4 Book value of securities and financial assets written off

The carrying amount of financial assets and securities at the time of disposal relates to the following items:

in EURk	2007	2006
Securities held as long-term assets in the "available-for-sale financial assets" class	3,185	14,936
Securities held as long-term assets in the "valued at fair value with income statement effect" class	0	111
Securities held for trade as short-term assets	4,001	0
Release of the revaluation reserve from the disposal of securities	-2,017	-6,099
	<b>5,169</b>	<b>8,948</b>

The release of the revaluation reserve from the disposal of securities, with an impact on income, results from the disposal of securities in the "available-for-sale financial assets" class.

### \_\_\_ 7.5 Expenses for services purchased

Expenses for services purchased includes mainly expenses for investment consulting fees and sales commissions.

### \_\_\_ 7.6 Personnel expense

The personnel expense is comprised of the remuneration of the members of the Management Board and the directors of the corporation and the employees.

The employees of the corporation are insured within the limits of the legal retirement scheme; the current contribution payments are expensed at the time of payment. There are no other commitments as far as retirement support is concerned.

in EURk	2007	2006
Wages and salaries	6,148	6,070
Social levies	372	261
Other personnel expense	665	346
	<b>7,185</b>	<b>6,677</b>

The other personnel expense account includes the creation of a provision for the future bonus claim of the Management Board, which arises when the appreciations of financial assets which are already recognised as of 31 December 2007 according to IFRS are also realised according to HGB.

### \_\_\_ 7.7 Other operating expenses

The other operating expenses account includes the following item:

in EURk	2007	2006
Outside services	1,896	1,592
Marketing and travel expenses	1,890	1,387
Cost of space	566	314
Other	845	533
	<b>5,197</b>	<b>3,826</b>

### \_\_\_ 7.8 Income from equity investments

The income from the equity investments account is comprised of the result from the valuation of associated companies according to the "at equity" method (IAS 28) amounting to EUR 1,599k (prior year: EUR 0k) and current income from dividends received amounting to EUR 303k (prior year: EUR 0k).

### \_\_\_ 7.9 Depreciations of financial assets and securities

The depreciation of financial assets and securities is comprised of the following items:

in EURk	2007	2006
<b>Depreciation of financial instruments held as long-term assets</b>		
Financial assets valued at fair value with income statement effect	211	3
<b>Depreciation of financial instruments held as short-term assets</b>		
Securities held for trade	665	603
	<b>876</b>	<b>606</b>

### \_\_\_ 7.10 Depreciation of plant, property and equipment and intangible assets

The depreciation of plant, property, and equipment and intangible assets is comprised of scheduled depreciation exclusively.

### \_\_\_ 7.11 Interest and similar income

The interest and similar income account is comprised mainly of the interest on bank account balances. A sum amounting to EUR 170k is related to interest amounts paid by Heliad Equity Partners GmbH & Co. KGaA for deferring administrative fees and furnishing a loan, and the amount of EUR 50k is related to interest income paid by Themis Equity Partners GmbH & Co. KGaA for deferring administrative fees.

## 7.12 Taxes on income

The taxes on income are comprised of current and deferred taxes. The current profit taxes correspond to the anticipated tax liability resulting from the taxable income from the current period.

in EURk	2007	2006
Effective tax	2,676	1,788
Creation of deferred tax liabilities	257	28
Reversal of deferred tax liabilities	-231	-18
Creation of deferred tax assets	0	-138
	<b>2,702</b>	<b>1,660</b>

The reconciliation of a corporation's tax burden from the theoretically anticipated burden with the amount actually recognised in the consolidated financial statements occurs as follows:

in EURk	2007	2006
Consolidated pre-tax profit	12,333	12,386
Theoretical tax rate as a percentage	40.14	40.86
<b>Theoretical tax expense</b>	<b>4,950</b>	<b>5,061</b>
Adjustment of the theoretical tax expense based on:		
Tax reduced by tax-free income	-2,459	-3,607
Tax increased by non-deductible expenses	211	206
<b>Taxes on income</b>	<b>2,702</b>	<b>1,660</b>
<b>Tax rate as a percentage</b>	<b>21.90</b>	<b>13.40</b>

The theoretical tax rate for corporations is composed of corporate income tax, the solidarity surcharge, and trade tax. As part of the business tax reform, the corporate income tax rate is being cut to 15 percent plus the solidarity surcharge as of accrual period 2008, while the deductibility of the trade tax will be lost, and the trade tax rate will be cut to 3.5 percent. With the 460 percent tax factor applied in Frankfurt am Main, the tax burden comes to 31.925 percent. That percentage is used in the determination of deferred taxes.

## 8. Notes to the consolidated balance sheet

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### \_\_\_ 8.1 Intangible assets and plant, property and equipment

The composition of the development of intangible assets and plant, property and equipment is presented in the statement of changes in fixed assets which is appended to the Notes.

The intangible assets are comprised mainly of acquired software licences.

The useful life of the intangible assets and the plant, property and equipment is between 3 and 20 years.

### \_\_\_ 8.2 Goodwill

The reported goodwill results from the initial consolidation at the time of the relevant company merger. Under IFRS 3 goodwill is subjected to an intrinsic value test every year. No deductions were necessary based on the existing intrinsic value.

EUR 215k of the additions to goodwill relates to the increase in the equity interest in Patriarch Multi-Manager GmbH, EUR 211k to the acquisition of an interest in CAESAR Special Opportunities Management S.á r.l., and EUR 4k to Greenland Management GmbH.

For the book value development of goodwill, see the statement of changes in fixed assets appended to the Notes.

### \_\_\_ 8.3 Financial investments

Financial investments are comprised of the following items:

in EURk	2007	2006
Associated companies	3,663	40
Equity investments	135	119
Securities held as long-term assets	32,028	14,569
	<b>35,826</b>	<b>14,728</b>

The shares in associated companies are valued using the "at equity" method according to IAS 28. During the report year these appreciated by EUR 1,761k (prior year: EUR 0k) as compared with depreciation amounting to EUR 162k (prior year: EUR 0k). The result from the valuation of associated companies amounted to EUR 1,599k.

For the interests that are valued "at equity", see the list of shareholdings appended to the Notes.

The shares subsumed under equity investments are carried as assets in the "available-for-sale financial assets" class. There were no revaluations of the equity investments in the reporting year or the prior year.

Securities held as long-term assets are comprised of the following holdings:

in EURk	2007	2006
Securities valued at fair value with income statement effect	16,525	2,572
Securities in the "available-for-sale financial assets" class	15,503	11,997
	<b>32,028</b>	<b>14,569</b>

The net proceeds from the valuation of securities in the "valued at FMV with income statement effect" class as of the balance sheet reporting date is EUR 4,571k (prior year: EUR 1,409k).

In the reporting year, appreciations amounting to EUR 0k (prior year: EUR 6,539k) and depreciations amounting to EUR 1,316k (prior year: EUR 0k) from the valuation of securities in the "available-for-sale financial assets" class were recognised in the revaluation reserve without impacting profit.

The result of the disposal of securities held as long-term assets is as follows:

in EURk	2007	2006
Securities held as long-term assets in the "available-for-sale financial assets" class	1,470	8,657
Securities held as long-term assets in the "valued at fair value with income statement effect" class	0	1
	<b>1,470</b>	<b>8,658</b>

#### \_\_\_ 8.4 Deferred tax assets and liabilities

Deferred tax assets, arising in a future period if the appreciation of financial assets already recognised under IFRS as of 31 December 2007 are also realised under HGB, were created for the provision of the Management Board's future bonus claim. A tax rate of 31.925 was applied.

The deferred tax liabilities were formed based on write-ups of securities.

#### \_\_\_ 8.5 Securities

Securities held as short-term assets are allocated to the "held for trade" class.

The net income from the valuation of securities held as short-term assets as of the balance sheet reporting date is EUR 499k (prior year: EUR – 458k).

The net loss from the disposal of securities held as short-term assets is EUR –27k (prior year: EUR 0k).

#### \_\_\_ 8.6 Receivables and other assets

Receivables and other assets have a term of up to one year and are carried at face value.

The other assets account contains the following items:

in EURk	2007	2006
Loans	2,423	0
Receivables from input tax	1,589	488
Receivables from income tax	254	14
Margin payments made	281	0
Other	974	347
	<b>5,521</b>	<b>849</b>

#### \_\_\_ 8.7 Bank account balances

The bank account balances exactly correspond to the funds for financing purposes.

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## — 8.8 Equity

### — Subscribed capital

The registered capital is divided into ordinary registered shares. The stock is in the form of no-par-value ordinary registered shares each with a notional value of EUR 1.00.

By resolution of the annual meeting of shareholders on 24 October 2006 the share capital of the Company was increased by EUR 380k from EUR 3,479k to EUR 3,859k against cash contributions.

The capital increase was entered in the Commercial Register on 22 February 2007.

By resolution of the Management Board adopted on 4 June 2007 and ratified by the Supervisory Board, the share capital was increased by EUR 380k from EUR 3,859k to EUR 4,239k through the partial utilisation of Authorised Capital 2006/I.

The capital increase was successfully placed and was entered in the Commercial Register on 21 June 2007.

These capital increases added 760,000 no par value shares, raising the total from 3,478,670 to 4,238,670 shares.

The authorised capital up until 30 September 2011 (Authorised Capital 2006/I) amounts to EUR 1,359k as of 31 December 2007.

During the reporting year the Company did not avail itself of the opportunity to increase the share capital conditionally up to EUR 2,119k (Contingent Capital 2007/I).

### — Capital reserve

EUR 29,564k was added to the capital reserve during the financial year. EUR 916k was charged against the capital reserve for the costs of capital procurement.

### — Revaluation reserve

The revaluation reserve is comprised of the changes in the value of the financial assets in the “available-for-sale” class, which are recognised without an impact on profit, and all the adjustments to deferred taxes and provisions made for reasons related to the valuation of those assets.

During the reporting year, EUR 632k of the provision for future Management Board bonus entitlements was reversed directly in equity, resulting in an equivalent increase in the revaluation reserve. The deferred tax assets formed due to this provision were reduced directly in equity by EUR 202k, resulting in an equivalent reduction in the revaluation reserve.

The disposal of securities classified as “available-for-sale financial assets” resulted in a reduction of EUR 2,017k in the revaluation reserve. Write-downs of the securities holdings in this category as at the reporting date resulted in a reduction of the revaluation reserve by EUR 1,316k, which was partially offset by a EUR 73k increase from an adjustment to deferred tax liabilities.

#### \_\_\_ Minority interests

Outside shareholders hold a stake in the following affiliates of the Group:

Equity interest	Minority share of capital in %
CAESAR Special Opportunities Management S.à r.l.	49.00
CFC Industrie Beteiligungen Verwaltungs GmbH	25.00
Greenland Management GmbH	49.80
VCH Vermögensverwaltung AG	25.50

#### \_\_\_ 8.9 Tax provisions and other provisions

Tax provisions are related to the anticipated payments for corporate income tax, solidarity surcharges, and trade tax.

The other provisions account consists of the following items:

in EURk	01/01/2007	Utilisation	Reversal	Addition	31/12/2007
Bonus	3,335	474	0	2,318	5,179
Provision for future bonus claim of Management Board	1,719	0	0	34	1,753
Other personnel provisions	133	110	0	74	97
Annual financial statement and audit	69	60	9	133	133
Legal and consulting costs	108	45	0	320	383
Other	1,006	356	0	290	940
	<b>6,370</b>	<b>1,045</b>	<b>9</b>	<b>3,169</b>	<b>8,485</b>

The provision for bonuses concerns mainly the Management Board's contractual right to a performance bonus based on the consolidated net profit according to HGB.

The reserve for the future bonus claim is related to such future claims by the Management Board as arise during a future period in which the appreciation of financial assets already recognised under IFRS as of 31 December 2007 is also realised under HGB.

### 8.10 Liabilities

The reported liabilities have a term of up to one year and are carried at face value or the amount at which they are likely to be claimed.

Liabilities to banks involve liabilities on current account.

Trade payables mainly involve liabilities deriving from sales commissions and consulting subcontracts in the Public Markets segment.

The other liabilities account consists of the following items:

in EURk	2007	2006
Purchase price liability	1,021	0
Rent subsidy	635	481
Ad valorem tax owed	766	2
Management fees collected	188	190
Wage tax and church tax	125	76
Liabilities related to social security	18	16
Other	237	180
	<b>2,990</b>	<b>945</b>

The purchase price liability is related to the acquisition of a share of R-QUADRAT Immobilien GmbH, Vienna.

The management fees collected item is related to the management fees already collected for the year 2008 in the Public Markets segment.

### 8.11 Other information on financial instruments

The following tables show the reconciliation of the book values of the financial instruments to the balance sheet according to class for the effective dates of 31 December 2007 and 31 December 2006:

31 December 2007

in EURk	Valued at fair value	Valued at amortised cost	Outside the scope of IFRS 7	Balance sheet figure
<b>Long-term assets</b>				
Equity interests in associated companies			3,663	3,663
Equity interests	135			135
Securities in the "available-for-sale financial assets" class	15,503			15,503
Securities valued at fair value with income statement effect	16,525			16,525
<b>Total financial assets</b>	<b>32,163</b>	<b>0</b>	<b>3,663</b>	<b>35,826</b>
<b>Short-term assets</b>				
Securities held for trade	5,572			5,572
Trade receivables		5,158		5,158
Receivables from companies in which an equity interest is held		272		272
Other assets		5,521		5,521
Bank account balances		24,737		24,737
<b>Total short-term assets</b>	<b>5,572</b>	<b>35,688</b>	<b>0</b>	<b>41,260</b>

31 December 2006

in EURk	Valued at fair value	Valued at amortised cost	Outside the scope of IFRS 7	Balance sheet figure
<b>Long-term assets</b>				
Equity interests in associated companies			40	40
Equity interests	119			119
Securities in the "available-for-sale financial assets" class	11,997			11,997
Securities valued at fair value with income statement effect	2,572			2,572
<b>Total financial assets</b>	<b>14,688</b>	<b>0</b>	<b>40</b>	<b>14,728</b>
<b>Short-term assets</b>				
Securities held for trade	5,038			5,038
Trade receivables		5,489		5,489
Receivables from companies in which an equity interest is held		468		468
Other assets		849		849
Bank account balances		8,139		8,139
<b>Total short-term assets</b>	<b>5,038</b>	<b>14,945</b>	<b>0</b>	<b>19,983</b>

The securities holdings of the Altira Group consists of the following:

in EURk	2007	2006
Listed securities	19,582	14,577
Unlisted securities	12,419	0
Shares of investment funds	5,268	4,838
Fixed-interest securities	185	192
Certificates	145	0
	<b>37,599</b>	<b>19,607</b>

In order to show market risks, IFRS 7 requires a sensitivity analysis which shows the effect of hypothetical changes of market prices on profit and equity. A 10 percent change in the value of the Altira Group's holdings of listed shares would result in a change in value of EUR 1,958k (previous year: EUR 1,458k), of which EUR 408k (previous year: EUR 350k) would be recognised in profit or loss, and EUR 1,550k (previous year: EUR 1,108k) would be accounted for using the revaluation reserve. A 10 percent change in the fair value of the Altira Group's holdings of unlisted shares would result in a change in value of EUR 1,242k (previous year: EUR 0k) recognised in profit or loss. A change in the value of units in investment funds would result in a change in value of EUR 527k (previous year: EUR 484k) recognised in profit or loss.

Because the business operations of the Altira Group are focused primarily on the euro zone, the currency risk is confined to individual investments. As at the reporting date, the Group held 85k units in the VCH Expert Emerging Markets investment fund with a fair value of EUR 1,132k. This fund invests primarily in growth markets outside of the euro zone.

Because the Altira Group is almost completely equity financed, the direct interest risk is confined to the fixed-interest security it holds. The fair market value of those securities is EUR 185k as of the balance sheet reporting date.

Liquidity planning is used to ensure that sufficient liquidity is maintained to cover financial obligations at any time.

The short-term liabilities reported have a term of up to one year. Since the reported liquid resources cover the short-term liabilities to the extent of EUR 3,650k, the Altira Group is exposed only to a small liquidity risk.

The net profit from financial instruments in the IAS 39 valuation class is composed of the profit from valuation and the gain on disposals:

in EURk	2007	2006
<b>Securities valued at fair value with income statement effect</b>		
Profit from valuation	4,571	1,409
Profit from disposals	0	1
	<b>4,571</b>	<b>1,410</b>
<b>Securities held for trade</b>		
Profit (loss) from valuation	-19	-458
Profit (loss) from disposals	-27	0
	<b>-46</b>	<b>-458</b>
<b>Securities in the "available-for-sale financial assets" class</b>		
Profit (loss) from valuation	0	0
Profit (loss) from disposals	1,470	8,657
	<b>1,470</b>	<b>8,657</b>
	<b>5,995</b>	<b>9,609</b>

## 9. Other notes

### 9.1 Notes to the cash flow statement

In accordance with IAS 7 the cash flow statement represents payment flows in order to present information about the movement of the cash and cash equivalents held by the Company. The payment flows are broken down into operating, investing and financing activities. The indirect method of presentation is used.

There were cash inflows of EUR 875k (previous year: EUR 127k) from interest income, and cash outflows of EUR 51k (previous year: EUR 52k) for interest expenses during the reporting year. The company paid income taxes of EUR 556k (previous year: EUR 100k).

The fund for financing purposes (cash and cash equivalents) at the beginning and end of the period consists of bank account balances.

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## — 9.2 Notes to the segment reports

The Altira Group is segmented by business areas according to the Group's organisational structure. The segments subject to mandatory reporting are strategic business areas which differ in terms of their products and services. The Altira Group generates its sales revenues mainly in Germany, Luxembourg and Austria, which are combined into one geographic segment.

The Altira Group breaks down into the holding company, Private Markets, Public Markets and Real Estate segments.

### — Holding company

The holding company is responsible for managing the corporation and developing its business and for providing centralised management and administrative services, for which it receives allocations from the other segments. Altira AG participates in the capital management companies which operate in the Private Markets, Public Markets and Real Estate areas. Besides this, it also invests equity in funds that are managed by those management companies.

### — Private Markets

The Private Markets segment is comprised of the activities of the Altira Group in the field of unlisted capital investments. These include the private equity market, restructuring funds, climate protection investments and development investments in Africa. The Altira Group participates in capital management companies as a founding shareholder and acquires equity interests in existing capital management companies focused on particular segments of the Private Markets. As at 31 December 2007 the Group's main private equity management companies are Sigma Capital Management GmbH and CFC Industrie Beteiligungen Verwaltungs GmbH. The company evolutions Management GmbH is the general partner which manages the business of evolutions GmbH & Co. KGaA, which invests in climate protection projects and companies worldwide.

The profit from equity investments in affiliates in the Private Markets segment comes from the interest in CAESAR Industrial Technologies S.à r.l. & Co. KGaA, Frankfurt am Main, which was acquired during the reporting year.

### — Public Markets

This area involves the management of financial products and portfolios which invest in liquid assets or listed assets. These include, in particular, the investment funds of the VCH Investment Group AG and the fund of funds of Patriarch Multi-Manager GmbH.

The sales revenue in the public market segment mainly comes from management fees and performance fees for managing VCH investment funds.

#### — Real Estate

The activities of the Altira Group related to the management of real estate assets are grouped in this segment. The Altira-held company R-QUADRAT Immobilien GmbH specialises in Eastern Europe and covers the entire range of services in the real estate area from project research to development and leasing straight through to sales.

Greenland Management GmbH invests its investors' money specifically in Eastern Europe in land used for agriculture and is responsible for managing it. The profit from investments in associated companies in the Real Estate segment comes from the investment in R-QUADRAT Immobilien GmbH, Vienna, Austria, that was acquired during the reporting year.

#### — 9.3 Earnings per share

Earnings per share are calculated by dividing the profit for the year to which Altira AG's shareholders are entitled by the prorated weighted average number of shares:

	2007	2006
Periodic earnings in EURk	9,588	10,771
Prorated weighted average number of shares in circulation	4,006,506	3,338,431
<b>Diluted and undiluted earnings per share in EUR</b>	<b>2.39</b>	<b>3.23</b>

For fiscal year 2007 a dividend payment of EUR 0.50 per share is planned.

#### — 9.4 Contingencies and other financial liabilities

As of the balance sheet reporting date, Altira AG has issued the following comfort letters:

1. a letter amounting to EUR 250k in favour of CFC Industrie Beteiligungen Verwaltungs GmbH, Dortmund
2. a letter amounting to EUR 250k in favour of Patriarch Multi-Manager GmbH, Frankfurt am Main

There are rent liabilities amounting to EUR 1,974k under a lease agreement with a fixed term of five years. A bank guarantee amounting to EUR 102k was furnished as rental security.

Rental payment obligations in the amount of EUR 80k result from an additional lease agreement.

There were no other contingent liabilities or other financial liabilities not apparent from the balance sheet or the income statement as of the balance sheet reporting date.

#### \_\_\_ 9.5 Related companies and persons

Under IAS 24 related party transactions must be reported.

As of the balance sheet reporting date of 31 December 2007, Angermayer, Brumm & Lange Unternehmensgruppe GmbH, Wiesau, held around 65.2 percent of the share capital of Altira AG. Therefore AB & L GmbH and its subsidiaries are considered related companies. Since AB & L GmbH holds around 50.2 percent of the shares of Aragon AG, Wiesbaden, Aragon AG and its subsidiaries are related companies.

The companies managed by the Altira Group and organised in the legal form of a GmbH & Co. KGaA are classified as other related companies.

During the reporting year the Altira Group received fees amounting to EUR 6,025k (prior year: EUR 3,846k) from related companies organised as a GmbH & Co. KGaA for undertaking their management and administration.

In addition, the Altira Group also received fees and allocations amounting to EUR 95k from subsidiaries of Aragon AG for other services and made payments amounting to EUR 3k to Aragon AG.

During the reporting year Altira AG made the following contributions to the capital of companies managed by affiliates and organised in the legal form of a GmbH & Co. KGaA as a founding partner:

Related company	Capital contribution in EURk
ADC African Development Corporation GmbH & Co. KGaA, Frankfurt am Main (formerly ADC African Development Corporation AG)	1,555
CAESAR Industrial Technologies S.à r.l. & Co. KGaA, Frankfurt am Main	998
ecolutions GmbH & Co. KGaA, Frankfurt am Main	2,500
Squadra Immobilien GmbH & Co. KGaA, Frankfurt am Main	4,500
	<b>9,553</b>

During the reporting year Altira AG granted a loan amounting to EUR 8,000k to Heliad Equity Partners GmbH & Co. KGaA at eight percent interest. Altira AG collected EUR 43k in interest on that loan. The loan was already repaid before the balance sheet reporting date.

In addition, the Altira company Sigma Capital Management GmbH charged Heliad Equity Partners GmbH & Co. KGaA EUR 127k in interest for the deferral of the payment due for the management takeover and charged Themis Equity Partners GmbH & Co. KGaA EUR 50k in interest. The underlying interest rate was six percent. The due payments and the deferral interest had been collected as of the balance sheet reporting date.

As of the balance sheet reporting date the payables/receivables vis-à-vis related companies amounted to EUR 173k, of which EUR 40k involve payables/receivables vis-à-vis the Aragon corporation and liabilities of EUR 28k.

There are sales distribution agreements with the Aragon corporation on the operational side between the VCH Investment Group AG and Patriarch Multi-Manager GmbH.

The total pay of the members of the Management Board is as follows:

in EURk	2007	2006
Components not based on profit	737	405
Additions to provisions for performance-based pay	1,593	2,850

Provisions were created for performance-based pay insofar as these amounts were not paid out. A total of EUR 322k in performance-based pay that had been deferred during the previous year was paid out during the reporting year (prior year: EUR 0k). The total pay paid to the members of the Management Board during the reporting year was EUR 1,059k (prior year: EUR 405k).

In addition, the consolidated financial statements also include a provision for the Management Board's future claims for performance-based pay amounting to EUR 1,752k (prior year: EUR 1,719k), which will arise if the additions to financial assets that are recognised under IFRS are also realised under HGB. That amount will not be due, however, until the corresponding profits that are recognised under IFRS are also realised under HGB.

Altira AG is not required to state the pay of each individual member of the Management Board under § 314 para. 1 para. 6 letter a clause 5 et seq. HGB because it is not a listed company within the meaning of § 3 para. 2 AktG.

Remuneration in the amount of EUR 6k was paid to the members of the Supervisory Board during the reporting year. There is also a liability of EUR 4k associated with the remuneration of the Supervisory Board.

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## \_\_\_ 9.6 Shareholdings

The list of shareholdings is appended to the Notes.

The Altira Group holds a stake in excess of five percent of the voting rights in the following large corporation:

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main

## \_\_\_ 9.7 Events after the balance sheet reporting date

### \_\_\_ Management personnel

Michael Rieder was appointed as the new member of the Management Board of Altira AG and named the CEO of the Company. He is responsible for sales and sales management, marketing, publicity work and human resources.

Michael Hallacker left the Management Board of the Altira Group and the Management Board of the subsidiary VCH Investment Group AG of his own volition.

### \_\_\_ Founding of a private equity boutique focused on Africa

On 25 January 2008 Altira AG founded the ADC African Development Management GmbH (ADC GmbH) as a wholly-owned subsidiary. ADC GmbH as the general partner has responsibility for managing the newly initiated business development company ADC African Development Corporation GmbH & Co. KGaA (ADC GmbH & Co. KGaA, reorganised from an AG in 2008), whose share capital currently amounts to EUR 10 million. ADC GmbH & Co. KGaA invests predominantly in East Africa in companies in the banking, IT and telecommunication sectors as well as real estate.

## \_\_\_ 9.8 Notes on capital management

The Management of the Altira Group aims to achieve an appropriate return on capital employed.

Altira AG invests its equity in capital management companies in order to continuously expand its revenue base by means of the management fees they earn. The amount of the management fees is largely determined by the volume of the assets under management in each case and the return earned. Besides this, Altira AG also invests equity in funds that are managed by those management companies in order to profit directly from the investment profits of the funds.

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## \_\_\_ 9.9 Notes on risk management

For risk management goals and methods, see the comments in the Consolidated Annual Report.

## \_\_\_ 9.10 Employees

The annual average number of employees employed in the affiliated companies was 46 (prior year: 28) – not including the members of the Management Board and the directors of the affiliated companies – of which 24 were female (prior year: 16) and 22 were male (prior year: 12).

## \_\_\_ 9.11 Management Board and Supervisory Board

### \_\_\_ Management Board

Michael Rieder, CEO (as at 15 February 2008), Frankfurt am Main,  
Degree in Business Administration (Diplom-Kaufmann)

Peter Brumm, CFO (until 15 February 2008 CEO), Frankfurt am Main,  
Degree in Business Administration (Diplom-Kaufmann)

Andreas Lange, CIO, Frankfurt am Main,  
Degree in Business Administration (Diplom-Kaufmann)

Christian Angermayer, CSO, Wiesau (as at 31 January 2007),  
Entrepreneur

Michael Hallacker, Director of Sales and Support (from 19 July 2007  
until 29 February 2008), Georgenhausen, MBA

### \_\_\_ Supervisory Board

Robert Depner (Chairman of the Supervisory Board), Bergisch Gladbach,  
Management Board of VCH Vermoögensverwaltung AG

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

Gerhard Lange (Member of the Board), Neckargemünd,  
Business Consultant

The pay of the members of the Management Board and the Supervisory Board is stated in the section entitled "Related Persons and Companies".

## STATEMENT OF CHANGES IN FIXED ASSETS 2007

Acquisition/production costs					
in EURk	as at 01/01/2007	First con- solidation	Additions	Disposals	as at 31/12/2007
<b>I. Intangible assets</b>					
EDP software	133	0	133	11	255
Goodwill	660	215	215		1,090
	<b>793</b>	<b>215</b>	<b>348</b>	<b>11</b>	<b>1,345</b>
<b>II. Tangible assets</b>					
Other equipment, plant and office equipment	695	50	193	24	914
<b>III. Financial assets</b>					
1. Shares in associated companies	40	0	2,064	40	2,064
2. Equity interests	119	5	49	38	135
3. Securities	6,657	0	17,388	1,168	22,877
	<b>6,816</b>	<b>5</b>	<b>19,501</b>	<b>1,246</b>	<b>25,076</b>
	<b>8,304</b>	<b>270</b>	<b>20,042</b>	<b>1,281</b>	<b>27,355</b>

	Valuation adjustments downward (-), upward (+)				Residual book value		
	as at 01/01/2007	Write- downs	Disposals	Write-ups	as at 31/12/2007	as at 31/12/2007	as at 31/12/2006
	-79	-78	11	0	-146	109	54
	0				0	1,090	660
	<b>-79</b>	<b>-78</b>	<b>11</b>	<b>0</b>	<b>-146</b>	<b>1,199</b>	<b>714</b>
	-245	-183	20	0	-408	506	450
	0	-162	0	1,761	1,599	3,663	40
	0	0	0	0	0	135	119
	7,912	-1,527	-2,016	4,782	9,151	30,028	14,569
	<b>7,912</b>	<b>-1,689</b>	<b>-2,016</b>	<b>6,543</b>	<b>10,750</b>	<b>35,826</b>	<b>14,728</b>
	<b>7,588</b>	<b>-1,950</b>	<b>-1,985</b>	<b>6,543</b>	<b>10,196</b>	<b>37,531</b>	<b>15,892</b>

## STATEMENT OF CHANGES IN FIXED ASSETS 2006

(As a comparison)

Acquisition/production costs					
in EURk	as at 01/01/2006	First con- solidation	Additions	Disposals	as at 31/12/2006
<b>I. Intangible assets</b>					
EDP software	76		96	39	133
Goodwill	656	4			660
	<b>732</b>	<b>4</b>	<b>96</b>	<b>39</b>	<b>793</b>
<b>II. Tangible assets</b>					
Other equipment, plant and office equipment	445		456	206	695
<b>III. Financial assets</b>					
1. Shares in associated companies	1,745	40		1,745	40
2. Equity interests	100	20	25	26	119
3. Securities	212	0	15,356	8,911	6,657
	<b>2,057</b>	<b>60</b>	<b>15,381</b>	<b>10,682</b>	<b>6,816</b>
	<b>3,234</b>	<b>64</b>	<b>15,933</b>	<b>10,927</b>	<b>8,304</b>

	Valuation adjustments downward (-), upward (+)				Residual book value		
	as at 01/01/2006	Write- downs	Disposals	Write-ups	as at 31/12/2006	as at 31/12/2006	as at 31/12/2005
	-44	-40	5		-79	54	31
	0				0	660	656
	<b>-44</b>	<b>-40</b>	<b>5</b>	<b>0</b>	<b>-79</b>	<b>714</b>	<b>687</b>
	-267	-125	147		-245	450	178
	-2		2		0	40	1,743
	-2		2		0	119	98
	4	-1,542	-6,100	15,550	7,912	14,569	216
	<b>0</b>	<b>-1,542</b>	<b>-6,096</b>	<b>15,550</b>	<b>7,912</b>	<b>14,728</b>	<b>2,057</b>
	<b>-311</b>	<b>-1,707</b>	<b>-5,944</b>	<b>15,550</b>	<b>7,588</b>	<b>15,892</b>	<b>2,922</b>

## LIST OF SHAREHOLDINGS

As at 31 December 2007

Name and headquarters of held company	Share of capital  in %	Equity 31/12/2007 in EURk	Annual profit (loss) 2007 in EURk	Consolidation method used
Altira ImmoFinanz GmbH, Frankfurt am Main	100.00	96	35	full- consolidation
CAESAR Industrial Technologies S.à r.l. & Co. KGaA, Frankfurt am Main	49.90	1,809	-196	"at equity" method
CAESAR Special Opportunities Management S.à r.l., Sandweiler (Luxembourg)	51.00	-321	-180	full consolidation
CFC Industrie Beteiligungen Verwaltungs GmbH, Dortmund	75.00	133	197	full- consolidation
ecolutions Management GmbH, Frankfurt am Main	100.00	133	33	full consolidation
Greenland Management GmbH, Frankfurt am Main	50.20	19	-6	full consolidation
Heliad Management AG, Oberwil bei Zug (Switzerland)	100.00	-253	-153	full consolidation
Patriarch Multi-Manager GmbH, Frankfurt am Main	100.00	-118	-256	full consolidation
R-QUADRAT Immobilien GmbH, Vienna (Austria)	20,01	16,286 <sup>1</sup>	3,568 <sup>1</sup>	"at equity" method
Sigma Capital Management GmbH, Frankfurt am Main	100.00	2,943	1,467	full consolidation
VCH Financial Services GmbH, Frankfurt am Main	100.00	50	-138	full consolidation
VCH Fondsmanagement GmbH, Frankfurt am Main	100.00	25	65	full consolidation
VCH Investment Group AG, Frankfurt am Main	100.00	4,720	2,362	full consolidation
VCH Treuhand- und Verwaltungs GmbH, Frankfurt am Main	100.00	25	1	full consolidation
VCH Vermögensverwaltung AG, Cologne	74.50	429	13	full consolidation
SophistiCapital AG, Bayreuth	50.20	62	36	
Seyes GmbH, Bayreuth	20.00	2	2	

1) Provisional 2007 financial statement

2) Financial statements not available

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## AUDITOR'S REPORT

We have audited the consolidated financial statements, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and Notes prepared by Altira Aktiengesellschaft, Frankfurt am Main, for the fiscal year from 1 January to 31 December 2007, together with the Group management report. The preparation of the consolidated financial statements and Group management report in accordance with the requirements of IFRS as applied in the EU and in accordance with the supplemental commercial-law provisions in § 315a para. 1 HGB is the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code and the German generally accepted principles of financial statement auditing issued by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations conveyed by the consolidated financial statements in accordance with the applicable accounting principles and by the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and an assessment of potential misstatements are taken into account when determining audit procedures. The effectiveness of the internal accounting control system and evidence supporting the disclosures in the consolidated financial statements and Group management report are examined primarily on a test basis within the framework of the audit. The audit consists of an assessment of the annual financial statements of the companies included in the consolidated financial statements, determination of the companies included in the scope of consolidation, evaluating the accounting policies used and significant estimates made by legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any qualifications.

In our opinion, based on knowledge gained during the audit, the consolidated financial statements satisfy IFRS requirements as applied in the EU as well as the commercial-law provisions in § 315a para. 1 HGB and convey a true and fair view of the Group's net assets, financial position and results of operations in accordance with those requirements. The Group management report is consistent with the consolidated financial statements and conveys a suitable overall view of the position of the Group and a suitable presentation of the opportunities and risks of future development.

Berlin, 23 June 2008  
Verhülsdonk & Partner GmbH  
Auditors and Tax Consultants

**Konrad Pochhammer, auditor**  
**Dr. Thomas Beckmann, auditor**

## Altira Group

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Altira Aktiengesellschaft

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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.

## FINANCIAL CALENDAR

— 25–27 August 2008  
SCC SmallCap Conference

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— 26 August 2008  
2008 Annual General Meeting

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— September 2008  
Semi-annual Financial Report as at 30 June 2008

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— 9 September 2008  
SRC Forum Financial Services

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— May 2009  
Annual Report as at 31 December 2008

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