ALNO AG

Alno | Wellmann | Impuls | Pino

SEMI-ANNUAL FINANCIAL STATEMENTS

January 1, – June 30, 2009

The ALNO Group at a Glance

	January - June 2009 EUR (thous.)	January - June 2008 EUR (thous.)
Revenue	240.012	264.767
International revenue, % of total	30,2%	33,8%
Gross income	102.442	111.845
Gross margin in %	42,7%	42,2%
EBITDA	5.728	12.250
EBIT	-2.764	1.132
EBIT before restructuring	-1.692	1.470
Consolidated earnings for the period	-11.842	-4.287
Earnings per share in EUR (diluted and basic)	-0,75	-0,27
Book value per share in EUR	4,91	4,94
Investments	5.663	5.813
Restructuring	1.072	338
Net cash used for ongoing operations	-182	-21.068
Average number of employees	1.830	2.115
Net financial debt	119.516	107.887

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General Economic Conditions

The negative development first observed in the market in 2008 is still having an impact on the 2009 performance. Group revenue in the six months to June 2009 decreased by EUR 24.8 million, or 9.3%, compared to the same period last year. Foreign operations are being affected by a substantial decline in revenue (EUR -17.0 million / -19.0%) due to the weakness in demand for consumer goods at the beginning of the current year. At approximately 4.4%, the decrease in domestic revenues amounted to approximately EUR 7.7 million, which was far more moderate in comparison to export rates.

Results of Operations, Financial Position, and Cash Flows

Results of Operations

The year-over-year comparison, adjusted for restructuring costs, is as follows:

ALNO Group	January - June 2009	January - June 2008	Year Over Year Change	in %
Revenues	240.012	264.767	-24.755	-9,3%
Changes in inventory and internal labor recognized under assets	-556	628	-1.184	-188,5%
Cost of materials	-137.014	-153.550	16.536	10,8%
Gross income	**102.442**	**111.845**	**-9.403**	**-8,4%**
in %	**42,68%**	**42,24%**		
Other operating income	4.968	10.234	-5.266	-51,5%
Personnel costs	-49.850	-54.955	5.105	9,3%
Other operating expenses	-50.760	-54.536	3.776	6,9%
EBITDA before restructuring	**6.800**	**12.588**	**-5.788**	**-46,0%**
Depreciation and amortization	-8.492	-11.118	2.626	23,6%
EBIT before restructuring	**-1.692**	**1.470**	**-3.162**	**215,1%**
Restructuring	-1.072	-338	-734	-217,2%
EBIT after restructuring	**-2.764**	**1.132**	**-3.896**	**344,2%**
Net Financial result	**-9.110**	**-6.276**	**-2.834**	**-45,2%**
EBT	**-11.874**	**-5.144**	**-6.730**	**-130,8%**

In comparison to the same period in the previous year, EBIT before restructuring decreased by EUR 3.2 million, which was fundamentally brought about by two effects:

Firstly, gross income generated reduced by EUR 9.4 million due to declining revenues in the first six months of 2009 as compared to the same period in the previous year. Nevertheless, gross margin did once again increase by 0.5 percent. The overall decline in gross income of EUR 9.4 million was countered by reductions in personnel costs, other operating expenses and depreciations, all of which amounted to EUR 11.5 million. These items could therefore more than compensate the decrease in gross income due to the decline in revenues.

The second effect manifesting in the year on year comparison can be seen in other operating income, which fell by EUR 5.3 million. The main factor causing this was the income realized in the six months of the prior year from the deconsolidation of ALNO Middle East, Dubai, UAE (ALNO Middle East) amounting to EUR 5.2 million.

The EUR 1.1 million in restructuring costs incurred in the first six months of 2009 largely consisted of severance package expenses for employees at the foreign subsidiaries as well as consulting costs related to restructuring.

Net financial result was negative on the whole in comparison with the previous year, declining by EUR 2.8 million. One reason for this was that both financial liabilities and stockholder loans increased in comparison to June 30, 2008 by roughly EUR 8.8 million. Moreover, existing stockholder financing in the form of contractually allowed payment deferrals on the books since 2008 increased in May 2009 by EUR 10.5 million to EUR 25.5 million. Due to higher utilization of the financing mentioned, interest expenses increased despite the decrease in the market interest rate. Another reason was that EUR 0.9 million in expenses were due to the negative market revaluation of the derivative financial instruments for hedging interest rate risk. In addition, roughly EUR 1.5 million of costs were incurred for the capital increase exercise canceled in May. Contrary to previous statements, these costs were not able to be offset against stockholders' equity.

The decline in revenue and the signficant impact of the financial and economic crisis have had various effects on the production businesses within the ALNO Group. As described above ALNO AG is reporting negative results against the same period in the previous year due to the decreases in other operating income, however pino Küchen GmbH, which primarily serves the lower end of the market, reported considerable improvement. For the most part, Impuls Küchen GmbH has remained stable at the same level as the previous year. Development at Gustav Wellmann GmbH & Co. KG was encouraging; despite significant reductions in revenue, it reported almost break even results of operations (EBIT) before restructuring. The increase of EUR 1.9 million was a considerable improvement over the same period in the previous year.

The following is a brief explanation of the individual results prior to consolidation measures:

In the reporting period, ALNO AG recorded a decrease in total gross income of EUR 3.3 million, declining from EUR 37.3 million in the first six months of 2008 to EUR 34.0 million in the first six months of 2009 (-8.8%). EBIT before restructuring expenses worsened due to a considerable decline in other operating income, which decreased by EUR 5.5 million to EUR -6.2 million (in the previous year: EUR -0.7 million).

Impuls Küchen GmbH, Brilon, (IMPULS) saw an increase in its overall gross income by EUR 0.1 million year on year to EUR 18.7 million. EBIT decreased slightly in comparison to the previous year by EUR 0.3 million to EUR 2.9 million.

pino Küchen GmbH, Klieken, (PINO) saw a considerable improvement in its total gross income year on year with an increase of EUR 1.7 million, bringing this figure to EUR 14.7 million. EBIT, which amounted to EUR 3.3 million, also increased in comparison to the previous year (EUR 2.7 million).

Overall gross income in the reporting period for Gustav Wellmann GmbH & Co. KG, Enger (WELLMANN) was EUR 26.9 million; the previous year's figure was EUR 29.1 million. Wellmann was once again able to significantly reduce its loss as compared to the previous year. EBIT before restructuring costs came to EUR -0.1 million in the reporting period (in the previous year: -2.0 million).

Net Asset Position

The ALNO Group's total assets as of June 30, 2009 increased by roughly EUR 8.5 million in comparison to the figures reported as of December 31, 2008, from EUR 198.2 million to EUR 206.7 million.

Non-current assets decreased by EUR 2.4 million, or 2.2%, in comparison to December 31, 2008, which was mainly due to the decrease in intangible assets and property, plant, and equipment. The decrease of EUR 3.3 million in fixed assets was due primarily to reduced investment volume. The rise of EUR 0.7 million in financial receivables was largely due to the loan extended to ALNO Middle East.

Current assets rose by EUR 10.9 million, of which EUR 10.4 million is attributable to increased trade receivables as compared to December 31, 2008. The increase in receivables is essentially due to seasonally lower invoicing volume at the end of the year. In total, trade receivables decreased in comparison to June 30, 2008 by EUR 8.9 million, or by 13.4% in a relative comparison.

The rise in long-tem and short-term debt mainly resulted from the financing measures by stockholders concluded in the spring of 2009 and described in the 2008 Annual Report, as well as to higher draws on lines of credit. The increase in long-term stockholder loans of EUR 4.3 million is due to one new stockholder loan extended in the amount of EUR 4.5 million in May 2009. The increase of EUR 12.7 million in trade liabilities and other liabilities is primarily attributable to the utilization of contractually allowed payment deferrals, which were roughly EUR 13.0 million as of the date of the report.

Financial Position

In comparison to the same period in the previous year, cash flows in the first six months of 2009 showed considerably lower utilization of net cash from operations, which decreased by EUR 20.9 million. In the previous year, payments related to restructuring and associated with human resources measures weighed down operating cash flow in particular (roughly EUR 10.0 million, which affected the change in reserves as of June 30, 2008). Furthermore, the utilization of the payment deferrals allowed as mentioned, which came to roughly EUR 13.0 million as of June 30, 2009 and which were recorded as trade liabilities, had a positive effect during the reporting period on working capital. Payments for investments in the first six months of 2009 basically remained at the same level as in the previous year. Due to the discontinuation of the payments that had been necessary in connection with the restructuring in 2008, new borrowing decreased considerably in comparison to the previous year. The ALNO AG stockholders provided a loan in the amount of EUR 4.5 million (in the previous year: EUR 5.1 million). The change in the existing lines of credit in comparison to December 31, 2008 came to EUR 5.6 million as of the date of the report (in the previous year: EUR 23.0 million). The Group's net financial debt increased in comparison to December 31, 2008 by EUR 8.0 million to EUR 119.5 million.

Employees

As of June 30, 2009, the ALNO Group had 1,828 employees on staff, not including ALNO Middle East (June 30, 2008: 1,991). The key personnel adjustments associated with the restructuring have been completed.

Opportunities and Risks

The development of the figures in the first six months shows that the restructuring that was implemented also stabilized the corporate group's profits and cost situation. Most of the cost items were able to be reduced overall in a year-over-year comparison. A majority of the revenue losses in the current year up to EBIT before restructuring were able to be offset - as stated in more detail under Results of Operations above - via reductions in costs.

The risks of continued weakening consumer spending are not manifesting directly in the order situation at present. The order situation on the domestic front has largely remained at the previous year's level, whereas incoming orders from export business, currently still in the single-digit percent range, are lower year over year. Contrary to statements in Management's Discussion & Analysis from the 2008

Annual Report, revenue for 2009 as a whole will be lower in a year-over-year comparison, hovering in the single-digit percent range. Unless there is a further decline in revenue in the last quarter of 2009, which does not currently appear to be emerging, there are no risks that could jeopardize inventories.

Taking into consideration the risks as outlined, the Board of Directors assumes that given the current status of ALNO AG and the ALNO Group, their continued existence can be viewed as assured.

Forecast and Outlook

Business performance for 2009 as a whole, in particular against the backdrop of unforeseeable economic risks, is viewed as difficult. The emerging stabilization in the order situation as well as the noticeable contributions to the bottom line provided by the cost reduction programs in all areas demonstrate the successes from the restructuring as well as the fact that we have regained the trust of our customers. Consequently for 2009 as a whole, we are also anticipating increased results of operations (EBIT) before restructuring expenses in comparison to revenue.

Events After the Balance Sheet Date

An unresolved legal dispute was able to be settled in July 2009. Sufficient reserves had already been established for this in previous years. In connection with the settlement, an agreement was reached stipulating that 69 of the plaintiff's employees, who had formerly been assigned as external staff, will be brought on board in future.

Consolidated Income Statement

for the period from January 1 to June 30, 2009

	Group Notes	January - June 2009 EUR (thous.)	January - June 2008 EUR (thous.)
Revenues	F. 1	240.012	264.767
Changes in inventory and internal labor recognized under assets		-556	628
Other operating income	F. 2	4.968	10.234
Total operating revenue		**244.424**	**275.629**
Cost of materials	F. 3	137.014	153.550
Personnel costs	F. 4	49.850	54.955
Other operating expenses	F. 5	50.760	54.536
Restructuring expenses	F. 6	1.072	338
EBITDA		**5.728**	**12.250**
Depreciation of intangible assets and property, plants and equipment	F. 7	8.492	11.118
Results of operations		**-2.764**	**1.132**
Financial income		61	85
Financial expenses		9.171	6.361
Net Financial result	F. 8	**-9.110**	**-6.276**
Earnings before income tax		**-11.874**	**-5.144**
Income taxes	F. 9	-32	-857
Consolidated earnings for the period		**-11.842**	**-4.287**
Earnings in EUR/share (diluted and basic)	M.	-0,75	-0,27

Unaudited

Consolidated Income Statement
for the period from January 1 to June 30, 2009

	January - June 2009 EUR (thous.)	January - June 2008 EUR (thous.)
Consolidated earnings for the period	**-11.842**	**-4.287**
Change in the difference from the translation of foreign currency	-119	-132
Actuarial gains and losses from pension provisions	220	1.154
Deferred taxes on actuarial gains and losses from pension provisions	-62	-324
Changes in the value of securities not recognized in earnings	0	2
Deferred taxes on changes in the value of securities not recognized in earnings	0	0
Other consolidated earnings for the period	**39**	**700**
Consolidated total income	**-11.803**	**-3.587**

Unaudited

Consolidated Balance Sheet
as of June 30, 2009

		Group Notes	As of 6/30/2009 EUR (thous.)	As of 12/31/2008 EUR (thous.)
ASSETS				
I.	Intangible assets	G. 1	9.130	9.876
II.	Property, plant, and equipment	G. 2	87.795	90.331
III.	Financial assets		3.397	3.286
IV.	Investments accounted for using the equity method	G. 3	1.801	1.801
V.	Financial receivables	G. 4	2.146	1.435
VI.	Deferred tax assets		1.552	1.465
VII.	Trade receivables		1.012	1.079
VIII.	Other assets		635	648
A.	**Non-current assets**		**107.468**	**109.921**
I.	Inventories	G. 5	31.689	31.160
II.	Trade receivables	G. 6	57.674	47.239
III.	Other assets		5.940	6.296
IV.	Current tax assets		54	453
V.	Cash and cash equivalents		3.911	3.174
B.	**Current assets**		**99.268**	**88.322**
	Total ASSETS		**206.736**	**198.243**
LIABILITIES				
I.	Subscribed capital		41.124	41.124
II.	Capital reserves		36.544	36.544
III.	Cumulative Group Net Income		-126.435	-114.632
A.	**Stockholders' equity**	G. 7	**-48.767**	**-36.964**
I.	Pension provisions	G. 8	15.969	16.306
II.	Deferred tax liabilities		1.169	1.107
III.	Other provisions		4.702	4.597
IV.	Stockholder loans	G. 9	10.079	5.803
V.	Other financial liabilities	G. 10	15.155	16.367
VI.	Deferred government grants		825	843
VII.	Trade payables and other liabilities		175	681
B.	**Non-current liabilities**		**48.074**	**45.704**
I.	Other accruals	G. 11	7.670	8.147
II.	Stockholder loans	G. 9	690	690
III.	Other financial liabilities	G. 10	97.503	91.817
IV.	Trade payables and other liabilities	G. 12	101.533	88.833
V.	Income tax liabilities		33	16
C.	**Current liabilities**		**207.429**	**189.503**
	Total LIABILITIES		**206.736**	**198.243**

Unaudited

Consolidated Cash Flow Statement

for the period from January 1 to June 30, 2009

	Group Notes	January - June 2009 EUR (thous.)	January - June 2008 EUR (thous.)
Cash flow from ongoing operations			
Consolidated income for the period		-11.842	-4.287
Income taxes		-32	-857
Net Financial result		9.110	6.276
Depreciation of intangible assets and property, plants and equipment		8.492	11.118
Income taxes received		427	79
Income taxes paid		-17	-147
Gain/loss from the disposal of property, plants, and equipment			
and intangible assets		398	440
Interest received		42	71
Interest paid		-6.506	-5.265
Result of deconsolidation		0	-5.160
Elimination of non-cash items			
Change in other provisions, change in provisions for			
pensions and deferred government grants		104	-337
Other non-cash income/expenses		419	-2.331
Cash effective change in other provisions		-1.057	-9.981
Cash flow from ongoing operations before working capital changes		**-462**	**-10.381**
Change in working capital			
Change in inventories		-529	-602
Change in trade receivables and other assets		-11.442	-2.327
Change in other liabilities		12.251	-7.758
Net cash used for ongoing operations		**-182**	**-21.068**
Cash flow from investment activities			
Payments for investments in			
Intangible assets		-267	-166
Property, plant, and equipment		-5.396	-5.647
Financial assets		-111	-119
Payments received from the sale of subsidiaries less cash and cash equivalents		0	2.371
Payments received from disposals of property, plant, and equipment		118	39
Net cash used for investment activities		**-5.656**	**-3.522**
Cash flow from financing activities			
New financial liabilities			
Related parties		4.458	5.113
Third parties		5.633	23.030
Payments for financing costs		-1.536	0
Repayment of financial liabilities		-2.111	-2.463
Net cash received for financing activities		**6.444**	**25.680**
Change in cash and cash equivalents		**606**	**1.090**
Cash and cash equivalents at the beginning of the business year		1.319	2.001
Change in cash and cash equivalents caused by currency effects		-4	1
Cash and cash equivalents at the end of the business year	H.	**1.921**	**3.092**

Unaudited

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2009

Figures in EUR (thous.)	Subscribed Capital	Capital Reserves	Cumulative Group Net Income				Consolidated Equity
			Retained Group Earnings	Reserves from Foreign Currency Translation	Other Neutral Transactions: Change in Provisions for Pensions	Other Neutral Transactions: Change in Securities	
Group Notes			G. 7				
1/1/2008	**41.124** [1]	**36.544**	**-91.250**	**-717**	**-90**	**14**	**-14.375**
Consolidated total income			-4.287	-132	830	2	-3.587
6/30/2008	**41.124**	**36.544**	**-95.537**	**-849**	**740**	**16**	**-17.962**
1/1/2009	**41.124**	**36.544**	**-113.888**	**-902**	**143**	**15**	**-36.964**
Consolidated total income			-11.842	-119	158	0	-11.803
6/30/2009	**41.124**	**36.544**	**-125.730**	**-1.021**	**301**	**15**	**-48.767**

[1)] Subscribed capital EUR 41,124,000, of which EUR 1,881,000 is from the capital increase completed on December 13, 2007 and entered in the Commercial Register on January 23, 2008.

Unaudited

A. Business Purpose of the Company

ALNO Aktiengesellschaft, Pfullendorf (hereinafter referred to simply as "ALNO AG"), a publicly traded corporation established in accordance with German law, and its subsidiaries (hereinafter referred to simply as the "ALNO Group"), produce and sell kitchen cabinetry for the world market primarily under the brand names ALNO, WELLMANN, IMPULS, and PINO. The registered office for ALNO AG is at Heiligenberger Strasse 47, 88630 Pfullendorf, Germany. The highest level parent company of ALNO AG is Milano Investments S.á r.l., Luxembourg, Luxembourg.

B. Principles Applied in the Preparation of the Semi-Annual Financial Statements

1. General Information

The Condensed Interim Consolidated Financial Statements ("interim financial statements" or "semi-annual financial statements") for ALNO AG as of June 30, 2009 were prepared in conformity with the International Financial Reporting Standards (IFRS) for Interim Financial Reporting (IAS 34) and the relevant interpretations by the International Accounting Standards Board (IASB) as they are to be applied in the European Union. The interim financial statements do not contain all of the information and disclosures required for consolidated financial statements and are therefore to be read in conjunction with the consolidated financial statements as of December 31, 2008.

Unless otherwise indicated, all sums are stated in thousands of euros (EUR thous.).

The semi-annual financial statements are prepared under the assumption that the company will continue to exist as a going concern, using continued historical acquisition and production costs as a basis, with the exception of the securities held for sale and the derivative financial instruments, which are recognized at fair value.

For 2009 as a whole, the Board of Directors is anticipating that increased results of operations (EBIT) before restructuring expenses will be achieved in comparison to revenue. The restructuring measures introduced in 2008 and continued in the first six months of 2009 resulted in lower expenses and improved profits in a comparison with the same period in the previous year. The measures that were implemented will bring about considerable reductions in costs in the second half of 2009. In order to counter the decline in revenue that has occurred and difficult market conditions, measures have been introduced that should lead to a stabilization of sales as well as to further cost savings.

The extension of lines of credit by the banks "until further notice" on December 23, 2008 was reaffirmed by the banks on May 27, 2009 in connection with the stockholders' financing contributions. Should there unexpectedly be a cancellation of the existing debt arrangements, the continued existence of ALNO AG and of the Group could be at risk. In view of the efficiency projects and the ability to maintain improved profits despite a downward trend in the kitchen furnishings market, the risks involved are viewed as manageable.

ALNO AG has access to unchanged lending commitments from its banks as well as a significantly increased financing contribution from its stockholders of EUR 15.0 million. The financing contributions have further increased the percentage of short-term debt financing, which was already significant as of December 31, 2008.

All things considered, given the risks described and the financing solution that has been achieved, the Board of Directors considers the continued existence of ALNO AG and the ALNO Group to be assured.

The ALNO Group has complied with the new, compulsory IASB standards and IFRIC interpretations to be applied starting January 1, 2009 insofar as these have been endorsed by the European Union. The following changes have been made in particular:

- Amendments to IFRS 1 - First-Time Adoption of IFRS and IAS 27 - Consolidated and Separate Financial Statements in Accordance with IFRS:

  The amendments to IFRS 1 allow a company to measure the initial cost of investments in subsidiaries, jointly controlled entities, and associates in its first balance sheet prepared according to IFRS by either continuing to report the carrying amount used in the previous accounting practice, or to use the fair value as a substitute ("deemed cost") for the initial cost of the investment. The amendments to IAS 27 concern solely a parent company's separate financial statements and in particular require that all dividends of subsidiaries, jointly controlled entities, and associates be recognized in profit or loss in the separate financial statements. Because the amendments concern first-time adoption of IFRS and separate financial statements, they do not have any impact on the consolidated financial statements.

- Amendment to IFRS 2 - Share-Based Payment:

  The amendment clarifies that the term "vesting conditions" refers only to service conditions and performance conditions. Another stipulation expands the provisions concerning accounting in the event of premature cancellation of share-based payment plans even in the event of cancellation by the employees. The transitional provisions provide for retrospective application of the new rule. Because share-based payments are only issued to a very slight extent, the application of the amendment does not have any substantial impact on the consolidated financial statements.

- Amendment to IFRS 7 - Financial Instruments: Disclosures (effective date: January 1, 2009):

  The amendment to IFRS 7, which has not yet been endorsed by the European Union, calls for enhanced disclosures of measurements at fair value and about liquidity. The amendment has no impact on how financial instruments are accounted for and will not have any substantial effect on the ALNO AG consolidated financial statements.

- IFRS 8 - Operating Segments:

  IFRS 8 replaces the previous IAS14 standard for segment reporting. The new standard requires the disclosure of information concerning the group's operating segments and supersedes the obligation to determine primary (business segments) and secondary (geographical segments) segment reporting formats for the group. Accordingly, the operating segments presented and disclosures of financial figures provided are presented for the first time in accordance with internal reporting and organizational structure. However, the standard has no impact on the accounting.

- IAS 1 - Presentation of Financial Statements:

  The revised version of the standard affects the way in which a group's financial information is published. The key changes include the first-time presentation of a statement of comprehensive income that includes both the bottom line achieved in a period as well as gains and losses that are as of yet unrealized, which up to this point had been recognized in the equity calculation, and replaces the income statement in its previous form. Furthermore, in addition to the balance sheet as of the reporting date and the balance sheet from the previous reporting date, a balance sheet as of the beginning of the comparative period must also be prepared if the company applies an accounting policy or method retrospectively, makes a retrospective restatement of items, or reclassifies items in its financial statements. However, the amendments to IAS 1 do not have any affect on the recording and measurement of ALNO AG's assets and liabilities.

- Amendment to IAS 23 - Borrowing Costs:

  The amended standard requires capitalization of borrowing costs that can be allocated to a qualifying asset. A qualifying asset is defined as an asset that takes a substantial period of time to prepare for its intended use or sale. The amendment of the standard is to be applied prospectively, meaning that there are no changes for borrowing costs incurred up to this point. Because there are no qualifying assets within the ALNO Group at present, the amendment has no effect on the Group's financial position, cash flows, and results of operations.

- IFRIC 13 - Customer Loyalty Programs:

  Because there are no customer loyalty programs in the corporate group, compliance with the interpretation has no impact on the consolidated financial statements.

- IFRIC 14 Concerning IAS 19 - The Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction:

  This interpretation provides guidance on how to determine the limit of the surplus from a defined benefit plan that can be recognized as an asset according to IAS 19 (Employee Benefits). Because plan assets only exceed the defined benefit obligations in insignificant, isolated cases, the first-time adoption of the interpretation has no substantial impact on the consolidated financial statements.

- IFRIC 15 - Agreements for the Construction of Real Estate (effective date: January 1, 2009):

  This interpretation provides guidance on the timing and scope of the recognition of revenue from real estate construction projects. Because the ALNO Group is not involved in the real estate sector, there are no consequences for the consolidated financial statements.

- IFRIC 16 - Hedges of a Net Investment in a Foreign Operation:

  IFRIC 16 provides guidance for identifying risks arising from foreign currency exposure that can be hedged within the scope of a net investment, for determining which entities within a group can hold hedging instruments for hedging net investments, and for determining the amounts to be reclassified from equity to profit or loss from the foreign currency translation on the income statement when the entity disposes of the foreign operation that is hedged. This interpretation is to be applied prospectively. Because the ALNO Group does not have any net investment in a foreign operation at present, there is no impact on the consolidated financial statements.

- 2008 Improvements to IFRS

  The amendments from the 2008 improvements project are to be applied for the first time as of January 1, 2009, with the exception of IFRS 5 (in this case as of July 1, 2009). A number of amendments were issued in connection with the 2008 improvements project, including many material amendments that have an impact on accounting and measuring, as well as many amendments that were purely editorial in nature. In their current form, the amendments do not have any impact on the consolidated financial statements. Nevertheless, the following amendments may be fundamentally relevant for the ALNO AG consolidated financial statements:

  IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations: The improvement clarified that all of the assets and liabilities of a subsidiary, the planned sale of which results in the loss of control of this subsidiary, are to be classified as held for sale even if the company will retain a non-controlling interest in this former subsidiary after the sale.

  IAS 1 - Presentation of Financial Statements: This improvement clarified that financial instruments that are classified as held for trading do not necessarily have to be recognized on the balance sheet as current assets or liabilities. The classification as "current" is to be based solely on the defining criteria in IAS 1.

IAS 10 - Events After the Reporting Period: This improvement clarified that dividends declared after the reporting date but before approval of publication of the financial statements do not constitute liabilities as of the reporting date and therefore are not to be recognized as liabilities in the financial statements.

IAS 19 - Employee Benefits: In addition to revising several definitions, this improvement clarified that changes in plan arrangements that result in a reduction of the benefits for work to be performed in future periods are to be recognized as plan curtailments. By contrast, changes to plan arrangements for which the benefit reduction applies to employee service in prior periods are to be recognized as (negative) past service cost.

IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance: In future there will be an obligation to measure the benefit due to loans at nil or low interest rates. The difference between the cash received and the amount at which the loan is recognized with imputed interest is to be accounted for as a government grant.

IAS 23 - Borrowing Costs: The definition of borrowing costs was revised so as to reference the guidance in IAS 39 on the effective interest rate method.

IAS 34 - Interim Financial Reporting: This improvement clarified that the basic and diluted earnings per share are only to be disclosed when the entity falls within the scope of the provisions of IAS 33 Earnings per Share.

IAS 36 - Impairment of Assets: The disclosure duties concerning determination of the value in use and determination of the fair value less costs to sell, which is determined on the basis of the discounted cash flow model, were standardized.

IAS 38 - Intangible Assets: In future, expenditures for goods and services that are used for advertising campaigns and promotional activities (including mail-order catalogs) are to be recognized as an expense on the date the entity receives the right to access to these goods or the date it receives these services. Furthermore, the application of the unit of production method of amortization for intangible assets is permitted without limitation. This clarification in IAS 38 was already implemented in the consolidated financial statements for 2007.

IAS 39 Financial Instruments: Recognition and Measurement: In future, derivatives can be designated to be measured at fair value through profit or loss or removed from this category after their initial recognition due to changed circumstances, because this is not considered to be a reclassification as per IAS 39. Furthermore, the reference to "segment" in connection with the determination of whether an instrument fulfills the criteria of a hedging instrument was removed. This improvement also clarified that when measuring a debt instrument after it has ceased being accounted for as a fair value hedge, the revised effective interest rate method is to be used.

Furthermore, the following standards were passed by the IASB and endorsed by the European Union, although these standards are not yet compulsory and have also not been applied in advance of becoming compulsory.

- Amendments to IFRS 3 - Business Combinations (effective date: July 1, 2009) :

  The standard underwent comprehensive revision in connection with the IASB and FASB convergence project. In particular, key amendments concern the introduction of an election option when measuring minority shares, to either recognize the proportionate share of the identifiable net assets (so-called "purchased goodwill method") or the so-called "full goodwill method", according to which the entire amount of goodwill of the acquired entity including the portion allocated to minority stockholders ("non-controlling interest") is recognized. Further noteworthy changes include the remeasurement recognized in profit or loss of previously held equity interests when first obtaining control (step acquisition), and the requirement to account for the consideration transferred, which is contingent on the occurrence of future events, on the acquisition date. The transitional provisions provide for prospective application of the new rule. There are no changes in the consolidated financial statements for the accounting of assets and liabilities resulting from business combinations prior to the first-time adoption of the standard.

- Amendments to IAS 27 - Consolidated and Separate Financial Statements Pursuant to IFRS (effective date: July 1, 2009):

  The amendments are the result of the joint IASB and FASB project to revise the accounting regulations applicable to business combinations. The amendments primarily concern the accounting of shares of a non-controlling nature (minority shares), which in future are to have a share in the full amount of losses of the group, and of transactions that lead to loss of control of a subsidiary and the impact of this, which in future are to be recognized in profit or loss. By contrast, sales of shares that do not result in loss of control are to be accounted for within equity outside of profit or loss. The transitional provisions provide for several exceptions from the essentially retrospective application of the new rule. The Group will be availing itself of these exceptions. Because the Group does not expect that minority shares will be created or that any of the other transactions named will take place in the year of the initial application, it is not anticipated that the amendments to IAS 27 will result in any changes in the consolidated financial statements.

- Amendment to IAS 32 - Financial Instruments Presentation and IAS 1 - Presentation of Financial Statements (effective date: July 1, 2009):

  The amendment concerns the classification of puttable shareholder contributions as equity or debt instruments. According to the previous rule, entities were in some cases required to recognize equity instruments as financial liabilities due to the statutory put rights of shareholders. In future, these shareholder contributions are to be classified as equity as a rule insofar as a settlement is arranged at fair value and the contributions paid in represent the lowest priority claim to the entity's net assets. Compliance with the amendment will not have any impact on the consolidated financial statements because there are no puttable shareholder contributions.

The following amendments to existing standards passed by either IASB or IFRIC have not yet been endorsed by the European Union. Their application is not yet compulsory and such application will not be voluntarily undertaken in advance of becoming compulsory.

- Amendment to IFRS 1 - First-Time Adoption of International Financial Reporting Standards (effective date: January 1, 2010)

  Because ALNO AG already prepares its consolidated financial statements in accordance with IFRS, these amendments do not have any impact on the consolidated financial statements.

- Amendments to IFRS 2 - Share-Based Payment Systems (effective date: January 1, 2010)

  The amendments clarify the accounting within the group of share-based payments settled in cash. The amendments stipulate how an individual subsidiary should account for certain share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay for these employees or suppliers. Based on the clarification, the entity that receives the goods or services must account for these no matter which entity in the group settles the associated obligation and no matter whether the obligation is settled in shares or cash. The amendment does not have any impact on the ALNO AG consolidated financial statements.

- Amendment to IFRS 39 - Financial Instruments: Recognition and Measurement (effective date: July 1, 2009):

  The amendment specifies how the principles contained in IAS 39 underlying hedge accounting should be applied to designating a one-sided risk in a hedged item and designating inflation risks in a hedged item. It explains that it is only permissible to hedge a portion of the changes in fair value or cash flows of a financial instrument as the hedged item. Because there are no hedges in the corporate group that satisfy the criteria of IAS 39, the amendment has no impact on the consolidated financial statements.

- IFRIC 9 - Embedded Derivatives and IAS 39 - Financial Instruments: Recognition and Measurement (effective date: June 30, 2009):

  The amendments to IFRIC 9 and IAS 39 clarify that when reclassifying financial instruments out of the "fair value through profit or loss" category, all embedded derivatives must be reassessed and, when necessary, recognized separately in the financial statements. Because no embedded derivatives exist, the amendment does not have any impact on the consolidated financial statements.

- IFRIC 17 - Distributions of Non-Cash Assets to Owners (effective date: July 1, 2009):

  This interpretation provides guidance on accounting and measurement of obligations that provide for the distribution of non-cash assets to owners. In particular, the interpretation addresses the date, measurement, and recognition of these obligations. According to the interpretation, such a liability should be recognized and measured at the fair value when the satisfaction of the obligation is no longer at the discretion of the entity. The liability and any changes to the fair value of the relevant asset are to be recognized in equity. The amount of the difference between the fair value and the carrying amount of the asset is not recognized in profit or loss until the date that this asset is distributed to the owners. This interpretation is to be applied prospectively. Because no non-cash distributions are made in the ALNO Group, there is no impact on the consolidated financial statements.

- IFRIC 18 - Transfer of Assets from Customers (effective date: July 1, 2009):

  This interpretation provides guidance on accounting for agreements in which an entity receives items of property, plant, or equipment or cash that the entity must then use, for example, either to connect the customer to a network and/or to provide the customer with ongoing access to a supply of goods or services. This interpretation specifically addresses the recognition criteria for customer contributions and the date as well as scope of recognition of income from such business transactions. This interpretation is to be applied prospectively. Because no such agreements exist, the interpretation does not have any influence on accounting within the ALNO Group.

- 2009 Improvements to IFRS

  The Annual Improvements published every year were published on April 16, 2009. Amendments from the 2009 improvements project are to be applied for the first time as of January 1, 2010, with the exception of IFRS 2 and IAS 38 (in this case as of July 1, 2009). A number of amendments were undertaken in connection with the 2009 improvements project, including many material amendments that have an impact on accounting and measuring, as well as many amendments that were purely editorial in nature. In their current form, the amendments do not have any direct impact on the consolidated financial statements. Nevertheless, the following amendments might be fundamentally relevant for the ALNO AG consolidated financial statements:

  IFRS 8 - Operating Segments: Disclosure of assets is now optional and is only required when such is used in the usual, regular reporting.

  IAS 1 - Presentation of Financial Statements: This improvement clarified that the classification of non-current financial instruments does not change solely due to the one-sided contractual option of conversion to an equity instrument.

  IAS 7 - Statement of Cash Flows: This improvement clarified that only expenditures that result in a recognized asset can be classified as expenditures from investing activities.

  IAS 17 - Leases: In future, when classifying a lease for land with a building on it, the land element and the buildings element are to be measured separately. When doing so, the indefinite period of use of the land should be incorporated into the measurement.

The amendments to the standards and the new interpretations are only to be applied to business years that begin on or after their effective dates.

In the opinion of the Board of Directors, these interim financial statements for the ALNO Group contain all of the adjustments required to present fairly the financial position of the Group, its cash flows, and results of operations. In connection with the preparation of interim financial statements, the Board of Directors must make assessments, estimates, and assumptions that influence the recognition of assets and liabilities as well as income and expenses.

The interim financial statements and management's discussion and analysis were not audited, nor did they undergo any review similar to an audit.

On September 17, 2009, the Board of Directors recommended that the semi-annual financial statements be forwarded to the Supervisory Board.

2. Consolidation Principles

In keeping with the policy of full consolidation implemented as of December 31, 2008, the 11 domestic companies and 8 foreign subsidiaries in which ALNO AG holds a 100% share in capital, either directly or indirectly, are incorporated in the ALNO AG interim financial statements in addition to ALNO AG itself.

In June 2008, 50% of the shares of ALNO Middle East, Dubai, UAE (ALNO Middle East), were sold. The deconsolidation took place as of June 30, 2008. The remaining shares are accounted for using the equity method.

The consolidation methods and the methods used in foreign currency translation remain the same as those used in the consolidated financial statements as of December 31, 2008.

The consolidated financial statements are prepared using the euro, the functional and presentation currency of ALNO AG. Pursuant to IAS 21, the annual financial statements for the foreign subsidiaries have been translated into euros in accordance with the concept of the functional currency.

The following key exchange rates for the euro were used:

	6/30/2009 per EUR	12/31/2008 per EUR	6/30/2008 per EUR	Avg. Exch. Rate 1/1/2009-6/30/2009 per EUR	Avg. Exch. Rate 1/1/2008-6/30/2008 per EUR
GBP	0.8505	0.9738	0.7916	0.8955	0.7751
CHF	1.5249	1.4885	1.6086	1.5061	1.6060

C. Use of Assumptions and Estimates

As with the statements from December 31, 2008, assumptions and estimates were made in the preparation of the interim financial statements that impact the amount and recognition of assets and liabilities as well as that of income and expenses.

Assumptions and estimates were primarily made with regard to recognizing deferred tax assets for tax loss carryforwards, and measuring the value of goodwill, property, plant, and equipment, as well as trade receivables. Assumptions and estimates also influence the measurement of reserves.

These assumptions and estimates are based on presumptions reflecting the information currently known and available at the time that the interim financial states were prepared. Although these assumption and estimates are based on management's best knowledge, the actual results may differ.

Additionally, we refer the reader to the statements made in the 2008 Annual Report.

D. Seasonal Impacts on Business Operations

Weak production and sales months due to the company shut-down for vacations at the start of the second half of the year produce seasonal effects in the ALNO Group, which may result in slightly higher revenues and earnings in the first six months. Despite reluctance on the part of consumers to make purchases at the beginning of the year, we are anticipating that the fall months of 2009 will see stronger sales, resulting in similar results overall for both the first and last six months of the year.

E. Substantial Accounting and Valuation Principles

1. General Information on Accounting and Valuation

The accounting and valuation methods used in the interim financial statements correspond to those used in the consolidated financial statements from December 31, 2008. A detailed description of the accounting principles was published in the notes to the consolidated financial statements in the 2008 Annual Report. The financial statements were prepared based on the assumption that the company will continue to exist as a going concern. For 2009 as a whole, the Board of Directors is anticipating that increased results of operations (EBIT) before restructuring expenses will be achieved in comparison to revenue.

Income during the business year that is subject to seasonal or economic influences or is only generated on occasion is not highlighted or identified separately. Expenses that were incurred irregularly throughout the business year were recognized as accrued in situations in which accrual would be applied at the end of the year.

Litigation reserves for ongoing and imminent legal disputes and other uncertain obligations to be accounted for were adequately established in the interim financial statements in accordance with the information known at the time the statements were prepared.

F. Comments to the Consolidated Income Statement

The consolidated income statement was prepared in accordance with the so-called total cost format.

1. Revenues

Group revenue in the six months to June 2009 decreased by kEUR 24.755, or 9.3%, compared to the same period last year. It is largely the Group's foreign operations that are being affected by the decline in revenue (kEUR -17.007 / -19.0%) due to extremely weak demand at the beginning of the current business year. The decline in revenue on the domestic front of kEUR 7.748 or 4.4% is therefore rather moderate.

2. Other Operating Income

Other operating income decreased by kEUR 5.266 to kEUR 4.968. The main reason for this was the income from deconsolidation of kEUR 5.160 by ALNO Middle East reported in the previous year.

3. Cost of Materials

The gross margin has been steadily improving since the beginning of 2008 and this trend also continued in the first six months of 2009. The cost of materials, which has decreased disproportionately to revenue, is fundamentally attributable to the fact that savings have been achieved through better purchasing management with regard to purchase prices.

4. Personnel Costs

There was a decrease in personnel costs of 9.3% for the first six months of 2009 in comparison with the same period in the previous year. It was the first time that the workforce reduction measures introduced in 2008 had a full impact on the current reporting period. In the same period of the pervious year, the workforce reduction measures did not have any effect on the bottom line until the month of April.

5. Other Operating Expenses

In a year-over-year comparison, other operating expenses decreased by kEUR 3.776 or 6.9%. The savings were essentially the result of lower costs for transportation and commissions, factors that are contingent on sales.

6. Restructuring Expenses

A restructuring plan was developed by the Board of Directors starting in March 2007, prompted by the unsatisfactory results of ALNO AG's operations. Among other things, the package of measures included immediate measures to reduce staff, a corporate-wide plan to improve internal process flows (ALNO *FIT*), and product line streamlining.

The restructuring costs in the first six months of 2009 consisted of expenses for employee severance packages at the foreign subsidiaries as well as consulting costs.

Consulting expenses were largely associated with the restructuring in the first six months of 2008. Furthermore, in the previous year income had been recognized in this category from the release of the reserves for personnel costs established in 2007 as well as reversals of write-downs of inventories taken in the previous year.

Figures in thous. EUR	January - June 2009	January - June 2008
Cost of materials	0	-638
Personnel costs	455	-420
Other operating expenses	617	1.396
Total	**1.072**	**338**

7. Depreciation of Intangible Assets and Property, Plant and Equipment

Figures in thous. EUR	January - June 2009	January - June 2008
Intangible assets	1,000	956
Property, plant, and equipment	7,369	9,148
Scheduled depreciation	8,369	10,104
Impairment of assets	123	1,014
Total	**8,492**	**11,118**

Due to the poor results of operations and negative deviations from budget at individual foreign subsidiaries, an impairment test was conducted in connection with the semi-annual financial statements for the companies in question. As in the previous year, this resulted in impairments of assets, since the recoverable amount was below the carrying value at three companies. Essentially, the impairments of assets concerned fixed assets (property, plant, and equipment).

8. Net Financial Result

The deepening of the negative net financial result by kEUR 2.834 is partly attributable to expenses associated with interest rate hedging. This was first implemented in the second half of 2008. Another factor affecting net financing result was the costs incurred in connection with the procedures for increasing capital, which were not able to be recognized directly in equity due to the cancellation of the capital increase exercise. Additionally, the increased financial liabilities resulted in higher interest expenses.

9. Income Taxes

Figures in thous. EUR	January - June 2009	January - June 2008
Deferred taxes from		
Temporary differences	260	1.668
Write-down of tax loss carryforwards	0	49
Recognition of tax loss carryforwards as assets	-375	-2,641
	-115	-924
Actual income tax expense	83	67
Total	**-32**	**-857**

The recognition of further deferred taxes assets for tax losses was the result of an excess of deferred tax liabilities over the deferred tax assets from temporary differences. Despite an existing history of losses in the ALNO AG tax consolidation group, deferred tax assets can be recognized from loss carryforwards to the extent of the excess.

G. Comments to the Consolidated Balance Sheet

1. Intangible Assets

As of June 30, 2009, subject to the results of an impairment test at the end of the year, there were no indications of a reduction in goodwill of kEUR 4.018, therefore no impairment test was necessary as per IAS 36.

2. Property, Plant and Equipment

The decrease in property, plant, and equipment, essentially attributable to scheduled depreciations of fixed assets, was not able to be compensated for due to the postponement of investments.

3. Investments Accounted for Using the Equity Method

The shares of ALNO Middle East, of which ALNO AG continues to hold 50% as of December 31, 2008, continued to be reported in this category under costs of investments in group entities. The carrying amount of the investments remained the same at kEUR 1.801, since profit allocated to ALNO AG from the first six months of 2009 in the amount of kEUR 96 was offset in a sub-ledger at the time of the deconsolidation against the negative net assets recognized through profit and loss in 2008.

4. Financial Receivables

The loans to ALNO Middle East that increased by kEUR 566 to kEUR 1.500 and a surety for an IT provider of kEUR 646 (previous year: kEUR 501) were reported in the category of "financial receivables".

5. Inventories

Inventories increased slightly altogether by kEUR 529 or 1.7% to kEUR 31.689. This was essentially a seasonal rise.

6. Non-current Trade Receivables

The increase in non-current trade receivables of kEUR 10.435 was primarily caused by seasonal effects.

7. Stockholders' Equity

The change in consolidated stockholders' equity of kEUR –11.803 resulted almost exclusively from the Group's retained earnings in the period of kEUR –11.842. Changes totaling kEUR 39 were the result of the change in the actuarial gains and losses recognized outside of profit or loss due to the calculation of pension provisions as of June 30, 2009 (kEUR 158) and currency effects (kEUR -119).

8. Pension Provisions

The decrease in pension provisions of kEUR 337 essentially resulted from the rise in the domestic discount rate from 5.7% to 6.0%.

9. Stockholder Loans

The increase in loans of kEUR 4.267 to kEUR 10.769 essentially resulted from the issue of further loans from stockholders for a total of kEUR 4.458 as well as accrued interest along with the simultaneous, scheduled repayment of another loan to a stockholder.

10. Other Financial Liabilities

The other short- and long-term financial liabilities totaling kEUR 112.658 (December 31, 2008: kEUR 108.184) increased in particular due to further utilization of overdraft facilities. These overdraft facilities were utilized to cover short-term financing requirements.

11. Other short-term Provisions

At kEUR 7.670, other short-term provisions decreased year on year by kEUR 477. The drop was essentially caused by the reduction in the provision for the employment and training companies for ALNO AG and Gustav Wellmann GmbH & Co. KG.

12. Short-term Trade Payables and Other Liabilities

Short-term trade payables and other liabilities increased by kEUR 12.700. This rise was fundamentally attributable to the increase in trade liabilities that occurred due to contractually allowed payment deferrals. Additionally, sales tax liabilities rose, contingent on the reporting date.

H. Comments to Consolidated Cash Flow Statement

The cash position is composed of the following:

Figures in thous. EUR	6/30/2009	12/31/2008	6/30/2008	12/31/2007
Cash and cash equivalents	3,911	3,174	5,034	4,215
Of which, unrestricted funds	-1,990	-1,855	-1,942	-2,214
Total cash and cash equivalents	**1,921**	**1,319**	**3,092**	**2,001**

I. Comments to the Segment Reporting

Due to the first-time adoption of IFRS 8 as of January 1, 2009, the segments subject to reporting were presented in accordance with the internal reporting structure. This replaced the previous obligation to determine primary and secondary segment reporting formats for the corporate group. The figures from the previous year were adjusted accordingly.

In accordance with the new structure, the individual operating segments constitute individually identifiable operational areas that generate income and incur expenses. The operating profits or losses from the individual segments are regularly reviewed by management for purposes of making decisions concerning the allocation of resources and assessment of performance. The new structure reflects management's internal perspective on taxation and monitoring of the individual segments. The reporting method observed the criteria for the aggregation of operating segments pursuant to IFRS 8.12 and the quantitative threshold set down in IFRS 8.13 for the identification and separate reporting of individual segments. Each of the operating segments presented here also has a "segment manager" pursuant to IFRS 8.9, who is responsible for reporting to the Board of Directors regarding the segment. Business segments that generate no or negligible revenues are not considered to be operating segments but are instead grouped together pursuant to IFRS 8.6 or 8.16 under "other segments".

The following six segments in the ALNO Group are the result of taking this approach: The operational section of ALNO AG (ALNO), WELLMANN, IMPULS, PINO, and foreign subsidiaries as operating segments, as well as the non-operating section of ALNO AG and the special purpose vehicles grouped together as "other segments". Last year, the category "other segments" also included the current results of operations of ALNO Middle East.

The EBT (earnings before taxes) figure is reported as an indicator of the segments' success.

January - June 2009

	ALNO EUR (thous.)	Wellmann EUR (thous.)	Impuls EUR (thous.)	pino EUR (thous.)	Foreign Subsidiaries EUR (thous.)	Other EUR (thous.)	Consoli-dation EUR (thous.)	Total EUR (thous.)
Revenues								
Revenue from external customers	49.701	57.170	45.164	43.017	44.897	63	0	240.012
Intra-group revenue	18.531	7.497	5.449	2.312	21	863	-34.673	0
Total revenues	68.232	64.667	50.613	45.329	44.918	926	-34.673	240.012
Net income								
Segment earnings before taxes (EBT)	-5.276	-2.188	2.572	3.276	-2.547	-7.183	-528	-11.874

January - June 2008

	ALNO EUR (thous.)	Wellmann EUR (thous.)	Impuls EUR (thous.)	pino EUR (thous.)	Foreign Subsidiaries EUR (thous.)	Other EUR (thous.)	Consoli-dation EUR (thous.)	Total EUR (thous.)
Revenues								
Revenue from external customers	54.332	65.373	45.591	39.509	57.813	2.148	0	264.767
Intra-group revenue	21.708	10.833	7.298	2.010	13	1.112	-42.975	0
Total revenues	76.040	76.207	52.890	41.519	57.826	3.260	-42.975	264.767
Net income								
Segment earnings before taxes (EBT)	-2.898	-3.752	2.981	2.735	-2.614	-2.650	1.054	-5.144

J. Contingent Liabilities and Other Financial Liabilities

In connection with the sale of 50% of the shares of ALNO Middle East to Khayyat Investment LLC, Dubai, UAE, ALNO AG committed itself to providing another kEUR 2.000 in loans to ALNO Middle East by December 31, 2009. A sum of kEUR 1.500, which carries an annual interest rate of 3%, had already been paid out by June 30, 2009.

Liabilities from sureties and guarantees and from joint and severable liability came to kEUR 656 as of the reporting date (December 31, 2008: kEUR 1.124). As of June 30, 2009 there were liabilities from warranties in the amount of kEUR 412 (December 31, 2008: kEUR 322), of which kEUR 84 was for joint ventures (December 31, 2008: kEUR 84).

The other financial liabilities from leases and long-term supply contracts remained unchanged from the last reporting date.

As of June 30, 2009 there were liabilities from the purchase of fixed assets in the amount of kEUR 323 (December 31, 2008: kEUR 721) as well as the acquisition of intangible assets in the form of software licenses in the amount of kEUR 343 (December 31, 2008: kEUR 343). The latter includes options that will decrease by kEUR 148 to kEUR 195 if notice of termination is provided on time by December 15, 2009.

K. Relationships with Associated Persons or Organisations

An agreement brokered by GermanCapital GmbH was executed on May 13, 2009, extending a mezzanine loan in the amount of EUR 4.5 million to ALNO AG at standard market rate. The seven tranches from the respective lenders were provided in the full amount to ALNO AG on May 27, 2009.

The loan matures on December 31, 2010, including the interest deferred up to that date. The interest rate is 9%.

There has been a services contract in place between ALNO AG and Küchen Holding GmbH since the fall of 2007, according to which Küchen Holding GmbH provides various consulting services.

In its letter dated February 16, 2009, Bauknecht GmbH stated that it would be extending its commitment in the amount of EUR 15.0 million, scheduled to end on March 31, 2009, "until further notice". Furthermore, with its statement dated May 27, 2009, Bauknecht GmbH increased its commitment by EUR 10.5 million, bringing the total EUR 25.5 million. The statement concerning the total sum of EUR 25.5 million applies "until further notice" and interest is charged at standard market rates. The interest on the increase of EUR 10.5 million is deferred until December 31, 2010 analogous to the mezzanine loan. The total sum of EUR 25.5 million was available to ALNO AG on May 27, 2009 in the full amount.

L. Events After the Balance Sheet Date

An unresolved legal dispute was able to be settled in July 2009. Sufficient reserves had already been established for this in previous years. In connection with the settlement, an agreement was reached stipulating that 69 of the plaintiff's employees, who had formerly been assigned as external staff, will be brought on board in future.

M. Earnings per Share

Figures in thous. EUR	January - June 2009	January - June 2008
Consolidated earnings for the period	-11,842	-4,287
Minority interests	0	0
Number of shares in thous. (weighted average)	15,817	15,725
Consolidated earnings in EUR/share for the period (diluted and basic)	**-0.75**	**-0.27**

Earnings per share are calculated by dividing the consolidated earnings for the period allocable to the stockholders by a weighted number of shares outstanding. In the first six months of 2009, there was no change in the number of shares, consequently the total number of shares is the number to be used. In the reporting periods presented, there was no possible dilution effect to be derived from potential shares.

Pfullendorf, September 17, 2009

ALNO AG

The Board of Directors

DIRECTORS' STATEMENT OF RESPONSIBILITY

"We hereby affirm to the best of our knowledge that the Interim Consolidated Financial Statements present fairly, in all material respects, the financial position of the Group, its results of operations and its cash flows in conformity with the applicable accounting principles, and that Management's Discussion and Analysis for the Group presents fairly the Group's business development including its performance and overall situation, and provides a description of the principal opportunities and risks associated with expected development throughout the remainder of the business year."

Pfullendorf, September 17, 2009

ALNO AG

The Board of Directors

Contact

Should you have any questions or if you would like to receive information or other materials, please contact our Corporate Communications/Investor Relations Department.

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Legal Notice

This report contains forward-looking statements that reflect management's current opinions concerning future developments. Actual future developments and future results may differ considerably from these assumptions and opinions due to a number of factors. Such statements are subject to risks and uncertainties that are beyond ALNO's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, and the expectation that specific events will come to pass.

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