ALNO AG

Alno | Wellmann | Impuls | Pino

HALF-YEAR FINANCIAL REPORT 2010

THE ALNO GROUP ON A MULTI-YEAR COMPARISON

Key Group figures (IFRS)		H1 2010	H1 2009	H1 2008	H1 2007
Consolidated income statement					
Revenues	EUR mn	233.726	240.012	264.767	305.156
Total output	EUR mn	237.864	244.424	275.629	310.116
EBITDA	EUR mn	7.500	5.728	12.250	-4.645
Scheduled amortization/depreciation	EUR mn	4.713	8.369	10.104	10.721
Operating result before impairment losses	EUR mn	2.787	-2.641	2.146	-15.366
Impairment losses	EUR mn	1.248	0.123	1.014	0.000
Operating result (EBIT)	EUR mn	1.539	-2.764	1.132	-15.366
Result before income taxes (EBT)	EUR mn	-1.563	-11.874	-5.144	-20.800
Consolidated net result for the period	EUR mn	-2.398	-11.842	-4.287	-22.721
Earnings per share (diluted and basic)	EUR	-0.15	-0.75	-0.27	-2.04
Consolidated balance sheet					
Non-current assets	EUR mn	85.847	107.468	127.804	136.691
Investments in property, plant and equipment	EUR mn	6.192	5.396	5.647	9.351
Cash and cash equivalents	EUR mn	3.060	3.911	5.034	3.962
Equity	EUR mn	-59.655	-48.767	-17.962	0.568
Subscribed capital	EUR mn	45.231	41.124	41.124	29.957
Total assets	EUR mn	162.001	206.736	233.142	260.752
Consolidated cash flow statement					
Cash flow from operating activities	EUR mn	1.436	-0.182	-21.068	-3.914
Cash flow from investment activities	EUR mn	-6.344	-5.656	-3.522	-7.497
Cash flow from financing activities	EUR mn	5.002	6.444	25.680	8.963
Net change in cash and cash equivalents	EUR mn	0.940	0.606	1.090	-2.448
Staff					
Staff as of the reporting date		1,874	1,828	1,901	2,494
Staff on a year-average basis		1,880	1,830	2,115	2,462
Personnel expenses	EUR mn	50.990	49.850	54.955	61.718
Personnel expense per staff member on a year-average basis	TEUR	27.12	27.24	25.98	25.07
Revenue per staff member on a year-average basis	TEUR	124.32	131.15	125.19	123.95

5

TO OUR SHAREHOLDERS

6 Letter from the CEO
8 Information about the share

11

INTERIM GROUP MANAGEMENT REPORT

12 Economic report
24 Report on events subsequent to the reporting date
25 Risk and forecast report

27

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

28 Consolidated balance sheet
29 Consolidated income statement
30 Consolidated statement of comprehensive income
31 Consolidated cash flow statement
32 Statement of changes in consolidated equity
33 Abbreviated notes to the consolidated financial statements

50 **RESPONSIBILITY STATEMENT**
51 **AUDITOR'S REVIEW** (disclosure pursuant to § 37 w Paragraph 5 Clause 6 of the German Securities Trading Act [WpHG])
52 Imprint

TO OUR SHAREHOLDERS

6 Letter from the CEO
8 Information about the share

LETTER FROM THE CEO

DEAR SHAREHOLDERS, COLLEAGUES, PARTNERS AND FRIENDS OF ALNO AG,

The first half of the 2010 financial year was strongly determined by the implementation of our "ALNO 2013" future concept. After important preconditions had already been created for this project in 2009, the Supervisory Board's assent in January 2010 finally marked the official green light for this project, which is intended to at last return ALNO to a path that is profitable and competitive over the long term. Over the past few months, numerous groundbreaking decisions have subsequently been taken to ensure that our company's reorganization proceeds along the right track. PricewaterhouseCoopers AG's reorganization survey represented an important confirmation of the success prospects of the measures planned as part of "ALNO 2013". This is based on a solid business plan, and certifies to the ALNO Group that, based on the reorganization measures that are planned and partially already in implementation, the Group can be restructured, and achieve a return that is in line with the sector. A reorganization agreement was also concluded with our banks and main shareholders. In addition, we successfully placed two capital increases in the first half-year, and launched restructuring projects in the production and administration areas. Following the conclusion of the first half-year, I can report to you that we have to date fully achieved all of the milestones for which we were aiming. As a consequence, ALNO is running to schedule with the implementation of its planned restructuring measures.

Although "ALNO 2013" is a medium-term concept, it is already taking tangible effect today, only a few months after its start, which is evident in the quality of our results, among other things. This gives us confidence that our strategy can continue to be implemented to schedule, although there are certain to be one or more setbacks from time to time en route to its realization. The positive business trends at WELLMANN, IMPULS and PINO continued during the first half of 2010. Following the sales declines in recent months that we consciously took on board in favor of higher earnings quality, we have also created a good foundation for further growth for the ALNO brand. In overall terms, we have already measurably raised the Group's sales quality.

JÖRG DEISEL

Consolidated revenues amounted to EUR 233.7 million in the first half of 2010, representing a 2.6% decline compared with EUR 240.0 million in the previous year. Revenues from Germany declined by only around 1%, although a conscious decision was taken to refrain from generating low-margin revenues in order to boost profitability. While the ALNO brand reported declining sales in this connection, the remaining three Group brands, WELLMANN, IMPULS and PINO registered growth. In terms of earnings, we achieved a marked improvement in EBIT from EUR -2.8 million to EUR 1.5 million. The consolidated net result also improved significantly year-on-year, from EUR -11.8 million to EUR -2.4 million.

Consequently, we are confident with regards to business trends over the coming months. The slight economic recovery that has been underway for some months underpins our expectation. Based on the process improvements that have already been implemented, and the ongoing internal optimization projects, the management is consequently confirming its expectation that it will further improve this year's operating result compared with 2009, before taking into account restructuring costs that have yet to be incurred. From the company's perspective, the pre-requisite for this is that the kitchen furniture market will not be subject to a double-digit year-on-year sales downturn over coming months.

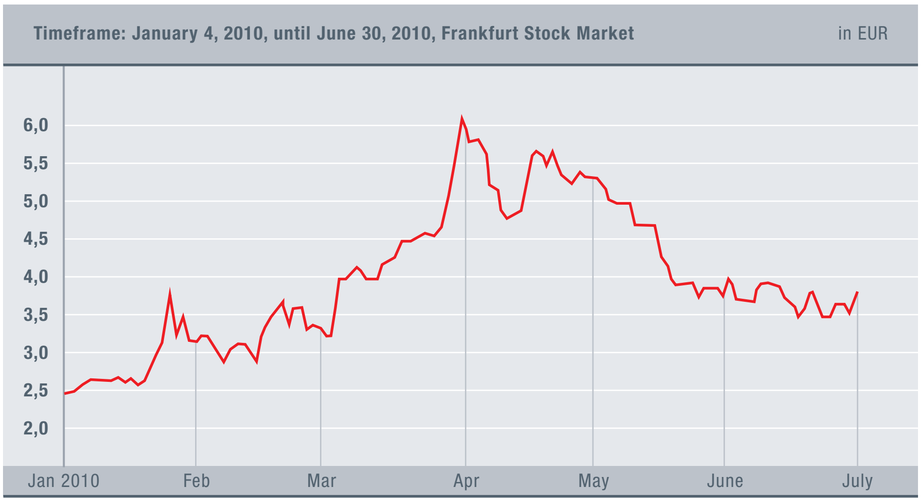
Including on behalf of my Managing Board colleagues, I would like to thank you for your loyalty as shareholders, colleagues or business partners, and trust that you will also continue to accompany us on the path ahead. We are convinced that this will prove rewarding.

Jörg Deisel

Chief Executive Officer

INFORMATION ABOUT THE SHARE

SHARE PRICE



Along with the general economic recovery, the German equity market proved volatile during the first six months of 2010, with a slightly positive trend overall. In this environment, and given the launch of the "ALNO 2013" future concept, the ALNO AG share reported significant price gains until April, including achieving its year-high at EUR 6.15 on March 31, 2010. The share then relinquished some of its gains over the further course of the reporting period. The ALNO share closed the last trading day (June 30, 2010) at EUR 3.84, which corresponds to a market capitalization of EUR 66.8 million.

ALNO AG mandated ICF Kursmakler AG as Designated Sponsor in July 2010 in order to improve the share's tradability, and thereby make it more attractive for investors in the future. The aim is to improve the share's liquidity in ongoing Xetra trading through the placing of additional manual bids and offers.

IMPORTANT KEY DATA (STATUS: JUNE 30, 2010):

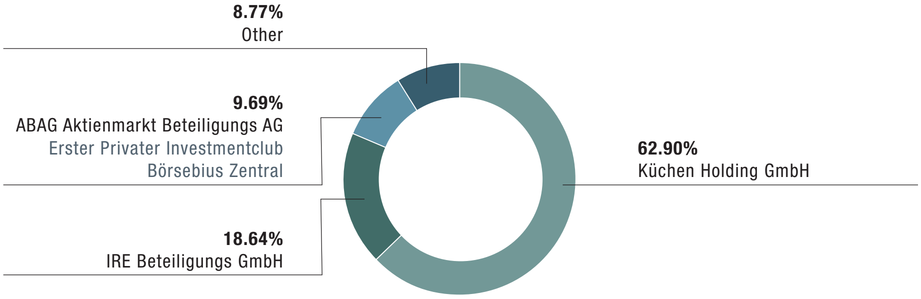
Securities identification number (WKN)	778 840
ISIN	DE 0007788408
Stock market abbreviation	ANO
Transparency level (Market segment)	General Standard (Regulated Market)
Stock markets	Regulated Market: Frankfurt (General Standard), Stuttgart OTC market: Berlin, Munich, Düsseldorf
Type of shares	Ordinary bearer shares without nominal amount (individual share certificates)
Issued share capital	45,231,297.80
Number of shares	17,396,653
First quotation	July 27, 1995
Closing price December 31, 2009	EUR 2.46
Closing price June 30, 2010	EUR 3.84
Percentage change	+56.1%
Highest price during reporting period	EUR 6.15
Lowest price during reporting period	EUR 2.45

CAPITAL MEASURES

On April 9, 2010 and May 17, 2010, the Managing Board of ALNO AG, with Supervisory Board assent, decided to perform a capital increase on each date from approved capital in exchange for cash. ALNO AG received a cash inflow of around EUR 10.0 million as the result of these successful placings. In overall terms, the issued share capital consequently increased from EUR 41,123,869.80 as of December 31, 2009 to EUR 45,231,297.80 as of June 30, 2010. Both capital increases were entered in the commercial register. The Ordinary Annual Shareholders' Meeting on June 23, 2010 also authorized the Managing Board, with Supervisory Board assent, to increase the company's issued share capital until June 22, 2015, once or on several occasions, by a further amount up to EUR 22,615,647.60 through issuing up to 8,698,326 ordinary shares in return for cash or non-cash capital contributions.

Following the two capital increases that have been performed, ALNO AG's shareholder structure is as follows as of June 30, 2010:

Aktionäre der ALNO AG



2010 FINANCIAL CALENDAR

August 31	Half-year financial report
November 19	Interim report for the third quarter

INTERIM GROUP MANAGEMENT REPORT

12 Economic report
24 Report on events subsequent to the reporting date
25 Risk and forecast report

a. ECONOMIC REPORT

1. GROUP STRUCTURE AND BUSINESS ACTIVITIES

The ALNO Group develops, produces and sells kitchen furniture and accessories for the German market and export. The ALNO Group is the second-largest kitchen producer in Germany, and is also one of the five largest in Europe. With ALNO, WELLMANN, IMPULS and PINO, the Group operates four brands. Products ranging from entry-price all the way through to premium class are produced at four locations in Germany (Pfullendorf, Enger, Brilon and Klieken). Among other outlets, they are sold through channels such as do-it-yourself markets and specialist kitchen traders for the German, European and global markets. ALNO AG is the Group parent company. Three Managing Board members represent the Group. In June 2010, the Supervisory Board extended the employment contract of Managing Board Chairman (CEO) Jörg Deisel until 2015.

After the Group head office was transferred from Pfullendorf to interim offices in Düsseldorf at the start of 2010, the Group has meanwhile moved into new office premises at Peter-Müller-Strasse 14/14a, 40468 Düsseldorf. In this connection, the Shareholders' Meeting on June 23, 2010 approved the relocation of ALNO AG's registered office from Pfullendorf to Düsseldorf. The new location enjoys better transportation connections, which is particularly important for the targeted strengthening of the foreign business. This step has also allowed ALNO to move its head office closer to important financial centers, in other words, closer to banks, investors and analysts. At the same time, both customers and the Group's own production locations can also be reached rapidly.

2. STAFF

As of the June 30, 2010 reporting date, the ALNO Group employed 1,874 staff members (excluding the three Managing Board members), as well as 82 trainees. The previous year's staff numbers comprised 1,828 individuals, plus 72 trainees. The rise in the number of staff members primarily results from the acquisition of 63 employees of the former Group company GEBA Möbelwerke GmbH by Gustav Wellmann GmbH & Co. KG in Enger as of November 1, 2009.

In terms of distribution among the individual locations, at the end of the reporting period, 248 individuals were employed in Brilon (257), 575 in Enger (497), 765 in Pfullendorf (794), 202 in Klieken (200), and 84 at subsidiaries abroad (113).

As of June 30, 765 staff were employed at the Pfullendorf location. As part of the planned personnel adjustments, ALNO AG will cut up to 150 jobs there in an initial step by the end of 2010, since the short-time working that was introduced there in early March 2010 cannot sustainably compensate for the underutilization that has prevailed for a long period. The positions will be cut as part of a settlement of interests and social plan agreed with the social partners, which contains a bundle of measures ranging from voluntary severance agreements through to an Employment and Qualification Company (BQG) that is to be founded from September 1, 2010. The BQG aims to place as many staff members on the labor market as possible.

3. MARKET AND COMPETITIVE ENVIRONMENT

Economic environment

In all markets relevant fur ALNO, particularly Germany and Western Europe, the first half of 2010 was characterized by economic recovery following the deep recession. Although the economic uptrend in early 2010 weakened somewhat compared with the second half of 2009, it was accompanied by rising orders and gross investments. For the full year, the International Monetary Fund (IMF) is forecasting that Germany's economic output will grow by 1.4% in 2010, and by 1.6% in 2011. Following the 4% collapse in 2009, the IMF now anticipates growth of 1.0% for 2010 for the Eurozone. At the same time, its experts are now expecting global GDP growth of 4.6% for this year, and 4.3% from next year, following the 1.1% decline in 2009. There are nevertheless also risks in connection with the growing fear that the US economy could dip back into recession.

Kitchen market

The kitchen market is significantly dependent on the economic situation. The German Kitchen Furniture Industry Association (VdDK) reported slight growth of production volume of 0.4% year-on-year for the domestic German kitchen market in the first half of 2010. As a consequence, manufacturers turned over a total of EUR 1.9 billion in the January to June 2010 period.

As far as the foreign market is concerned, the VdDK believes that the market trough has been passed, the production volume rised by 2.0% in first half of 2010. From ALNO's perspective, the Spanish and UK markets nevertheless both remain characterized by major consumer spending weakness, and the effects of the recession and real estate crisis. In Spain, Europe's fifth-largest kitchen market, experts from the Centre for Industrial Studies anticipate a 1% decline for the full 2010 year[1].

Homes that have been newly moved into, or built, particularly owner-occupier houses and apartments, are regarded as the relevant indicator for the kitchen market, since these generally also entail the purchase of new kitchens. Construction activity in Germany and abroad was at a low level over recent months compared with previous years.

[1] CSIL, Centre for Industrial Studies, The European Market for Kitchen Furniture, June 2010 – R 2511, page 4

In overall terms, experts anticipate that the consequences of the economic crisis will continue to impact kitchen sales over the next few months. The goal is consequently to clearly position ALNO in this market environment with its individual brands, and to gain market shares with attractive and competitive prices.

4. PRODUCTS AND PRODUCTION

The ALNO Group produces high-quality products in the kitchen-related home environment in four price segments. As part of “ALNO 2013”, a start has already been made to unify product and production standards, and to improve production capacity utilization. The aim is to reduce product and production complexity, and to improve cost structures through economies of scale in purchasing and logistics. A technically and administratively more streamlined manufacturing structure should allow ALNO to engage on a level playing field with its competitors. The number of colors and fronts within the Group was already successfully streamlined in the first half of 2010: ALNO reduce the number of fronts to 253 across the four brands (2009: 268).

ALNO achieved important milestones as part of its “ALNO 2013” future concept in the first half of 2010: for instance, in Brilon, the six-month test operation with selected customers for the so-called “rapid delivery kitchen” from IMPULS was successfully completed. This service will now be available for the broad market from September 26, 2010. The time from accepting customer orders until these kitchens are delivered should now amount to only around ten days, thereby significantly optimizing customer service without a price premium. Comparable delivery times in the sector have ranged between three and five weeks to date. ALNO will initially offer the 10-day kitchen for the modern Group brand IMPULS, which is positioned in the lower mid-segment in price terms, and whose design reflects minimalism and clarity.

Throughput times for normal cabinet production have also been reduced tangibly over recent months at Brilon. The focus at the Pfullendorf site during the reporting period was on adjusting the factory’s structure and capacities to the utilization situation. The aggregation of similar product families allowed processes to be optimized, and costsavings were realized, including on energy, through a switch from two shifts to one shift. At the same time, the goods acceptance function was centralized within the assembly plant. Enger received a new production line for front processing to prepare for the new WELLMANN kitchen generation that will be manufactured there in the future.

5. MARKETING AND SALES

As part of “ALNO 2013”, a scheduled start was made in early 2010 to re-orientate the Group product and brand strategy to more sharply delineate the brands with respect to range and market presence. First models from the new WELLMANN kitchen generation were successfully presented at the world’s leading kitchen furniture trade fair, the Eurocucina in Milan. The presentation of the “Marecucina” design study also encountered major interest among the specialist visitors. In May, the company also put its glass kitchen – hitherto referred to as the “2011 trend study” – into series production under the name “ALNOstar Satina”. ALNO AG received the “red dot award” from the Design-Zentrum Nordrhein-Westfalen from Essen for the innovative strength, functionality and processing quality of this product, as well as the “iF product design award 2010” from the Designforum Hannover.

The Group signed several major foreign orders during the period under review. For instance, an order for 700 ALNO-brand kitchens was shipped to South Korea. The order volume for these 12,000 cabinets in total, which will be installed in a residential estate near Seoul, amounts to more than EUR 2 million. At the end of May, ALNO shipped a second major order, for 224 kitchens, to Hangzhou, one of the project centers for high-quality kitchens in China (along with Beijing and Shanghai). A further 112 kitchens were shipped for this project by the end of July.

ALNO already restructured its sales organization in Germany in 2009 in order to optimize its sales structures. In 2010, this reorientation was also launched for the foreign markets where the Group operates sales companies. The aim of the new structure is to push ahead with the expansion of individual sales channels and the project business. The conversion of these subsidiaries into sales units had already achieved significant progress by the end of the reporting period. In future, a greater emphasis will be placed on allowing local staff members to concentrate to a greater extent on their sales responsibilities, and the management and training of trade partners. All administrative tasks will be coordinated from Germany, also in order to benefit from sustained costsavings. For this reason, the eight foreign companies that we have been operating will be gradually wound up in terms of their legal corporate status.

6. RESEARCH AND DEVELOPMENT

ALNO AG currently operates its product development from its Pfullendorf site. The focus points of development, which are systematically derived from market requirements and end-customer needs, lie in product and application innovations. All value-creation processes are also subject to continuous efficiency optimization. An active patents policy forms an important part of the development strategy. ALNO possesses three patents, 23 design patents and seven registered designs as of June 30, 2010.

7. TARGETS AND STRATEGY

ALNO AG's targets and strategies are presented in detail in the 2009 annual report. No notable changes have occurred to these over the course of the first half of 2010.

8. PRESENTATION OF THE INCOME, NET ASSETS AND LIQUIDITY POSITIONS

General business trends

The income statement of the ALNO Group (on IFRS basis) is presented according to the nature of expense method. All the figures for the first half of 2010 refer to the continuing operations.

In the first half of the year, the business trend of the ALNO Group was characterized by a slight decline in consolidated revenues. Three of the four Group brands – WELLMANN, IMPULS and PINO – reported positive trends in Germany. Only the ALNO brand registered falling revenues. This decline was particularly due to the conscious decision to refrain from entering into a low-margin revenues as part of "ALNO 2013". At the same time, however, this allowed sales quality per cabinet to be raised, and a few strategically important major customers to be re-acquired.

Important events during the reporting period (January 1 to June 30, 2010):

The ALNO AG Supervisory Board granted its assent to the "ALNO 2013" future concept on January 15, 2010. A key aim of this program is to sustainably improve Group profitability and competitiveness. The introduction of efficient administrative processes and manufacturing structures across the entire Group forms the focus of the related comprehensive structural modifications. Group brands should also be strengthened internationally with a re-orientation of the brand and sales strategy. With its reorganization survey of March 23, 2010, which is based on a solid business plan, as well as the addendum of March 30, 2010, respectively the final version of June 24, 2010, PricewaterhouseCoopers AG arrives at a positive result, and certifies that the ALNO Group, based on the restructuring measures that are planned and partially already in implementation, can be restructured, and achieve a return that is typical of the sector.

In March 2010, factoring financing totaling EUR 15.0 million was granted to Impuls Küchen GmbH and pino Küchen GmbH. This has significantly improved the ALNO Group's financing scope for maneuver. A medium-term reorganization agreement for the "ALNO 2013" concept was also concluded in April 2010 between ALNO, its consortium banks, and main shareholders. This is regarded as an integral component of the Group reorganization, and consequently as an elementary basis for the further realization of the planned restructuring measures. The reorganization agreement will result in a strengthening of Group equity totaling around EUR 60 million, provided that all of the measures that have been decided upon are implemented to schedule.

Details of the reorganization agreement that was concluded on April 23, 2010, as part of which the individual partners have agreed on important reorganization contributions for ALNO AG, are as follows:

The shareholders have obligated themselves to waive mezzanine loans including accumulated interest of EUR 4.9 million until May 21, 2010 at the latest, and to defer remaining accumulated interest until December 31, 2011 on an interest-free basis. ALNO AG should receive a cash inflow of EUR 5.0 million by May 21, 2010 at the latest as part of a capital increase from approved capital performed by shareholders. Both these measures have been implemented as of June 30, 2010.

The consortium banks are waiving a total of EUR 20.0 million of loan receivables, which become effective in two steps of EUR 10.0 million each. The reorganization agreement also contains regulations concerning interest deferments and interest re-ductions. In addition, the agreement prolongs the loan agreements, which were valid until then only on an "until further notice" basis, until the end of December 2011, under the suspensive condition that the capital increase is performed successfully in the second half of 2010. All parties have also signed a statement concerning a potential extension. For its part, ALNO AG has obligated itself through a so-called debtor warrant to allow the consortium banks to participate in the commercial profit from the "ALNO 2013" concept. Given attainment of the "ALNO 2013" business plan, the debtor warrant amounts to a maximum of EUR 10.0 million for ALNO AG, and is not due until July 1, 2014. The first waiver of EUR 10.0 million was already declared on June 30, 2010, and agreed on an earnings-effective basis.

In addition, the reorganization agreement also regulates that – with regard to the supplier credit from Bauknecht Hausgeräte GmbH – the existing delinquency mechanism will continue to be granted.

ALNO AG will undertake all steps to perform a capital increase with a volume of at least EUR 20.0 million on the basis of a securities prospectus to be prepared by ALNO AG in the second half of 2010. ALNO AG has also prepared a process to draw down a loan of EUR 15.0 million which is guaranteed by a German federal state. The consortium banks are supporting this process. The second banking waiver of EUR 10.0 million is subject to the suspensive condition that the planned capital increase is performed successfully.

This agreement, including the above-mentioned capital measures that have already been realized, results in a total strengthening of Group equity of around EUR 60.0 million. This agreement is regarded as an integral component of the Group reorganization, and consequently as an elementary basis for the further realization of the planned restructuring measures. From the perspective of the ALNO AG Managing Board, the successful implementation of the reorganization agreement will sustainably safeguard Group liquidity.

The continuation of the corporate activities of ALNO AG, respectively of the ALNO Group, depend on performing as planned the financing measures that have been listed above. The ALNO AG Managing Board expects that the regulations of the reorganization agreement can be implemented successfully.

Annual Shareholders' Meeting

The Annual Shareholders Meeting on June 23, 2010 proceeded very successfully. The shareholders present voted in favor of all agenda items with a large majority. Among other items, it authorized the Managing Board, with Supervisory Board assent, to increase the company's issued share capital until June 22, 2015, once or on several occasions, by a further amount up to EUR 22,615,647.60 through issuing up to 8,698,326 ordinary shares in return for cash or non-cash capital contributions. The shareholders also voted in favor of resolutions relating to bylaw amendments, some of which were necessitated by the change in the statutory position (Shareholder Rights Guidelines Implementation Act – ARUG). The Shareholders' Meeting also elected its representatives for a new Supervisory Board, since the terms of office of the previous Supervisory Board members ended on this date due to the performing of the status procedure.

The Supervisory Board will now be composed according to the One-Third Participation Act due to the fact that the long-term number of employees has fallen to below 2,000. The number of Supervisory Board members was reduced from twelve to nine as part of this process. The following Supervisory Board members continue to belong to the body: Werner Devinck, Dr. Jürgen Diegruber, Christoph Maaß, Anton Walther and Armin Weiland. Henning Giesecke was newly elected to the Supervisory Board, thereby acting as successor for Hans-Peter Haase, who no longer stood for election for age reasons. In line with the regulations of the One-Third Participation Act concerning employee participation in supervisory boards, Jörg Kespohl, Rudolf Wisser and Gerhard Meyer have joined the Supervisory Board as employee representatives. At the constituent meeting of the Supervisory Board, Henning Giesecke was elected Chairman, and Rudolf Wisser his Deputy.

Revenue and earnings positions

The following table shows the key figures for the respective first six months of the year is 2008 to 2010.

in EUR thousand	H1 2010	H1 2009	H1 2008
Revenues	233,726	240,012	264,767
Changes in inventories and own work capitalized	-619	-556	628
Costs of materials	-135,070	-137,014	-153,550
Gross profit	**98,037**	**102,442**	**111,845**
Gross profit margin	**41.9%**	**42.7%**	**42.2%**
Other operating income	4,757	4,968	10,234
Personnel expenses	-50,990	-49,850	-54,955
Other operating expenses	-44,335	-50,760	-54,536
Restructuring result	31	-1,072	-338
EBITDA	**7,500**	**5,728**	**12,250**
Amortization of intangible assets and depreciation of property, plant and equipment	-4,713	-8,369	-10,104
Operating result before impairment losses	**2,787**	**-2,641**	**2,146**
Impairment losses	-1,248	-123	-1,014
Operating result (EBIT)	**1,539**	**-2,764**	**1,132**

Consolidated revenues amounted to EUR 233.7 million in the first half of 2010, representing a 2.6% decline compared with the EUR 240.0 million in the previous year. In this context, revenues from Germany declined by only around 1% to EUR 166.9 million, although a well considered decision was taken to refrain from entering into low-margin sales by way of repositioning and product range streamlining, in order to boost profitability. This allowed a new platform for growth to be created on the basis of significantly enhanced sales quality. Some customers' reactions to this modified pricing policy have meanwhile proved stronger than anticipated, however. While the ALNO brand reported declining sales in this connection, the remaining three Group brands, WELLMANN, IMPULS and PINO registered growth. IMPULS benefited from the successful test operation of its rapid delivery kitchen, among other things.

At the same time, weak export business due to the continued real estate crisis in southern Europe and the UK put the brakes on sales growth. As a consequence, revenues generated outside Germany were down by 7.9% to EUR 66.8 million. Changes in inventories and own work capitalized amounted to EUR 0.6 million, as in the previous year. The cost of materials also underwent little change at EUR 135.1 million (previous year: EUR 137.0 million). At 57.8%, the cost of materials ratio was consequently slightly above the previous year's level of 57.1%. Gross profit fell from EUR 102.4 million to EUR 98.0 million on a consolidated basis, which resulted in a lower gross profit margin of 41.9%, following 42.7%. There was a slight increase in personnel expenses from EUR 50.0 million in the prior-year period to currently EUR 51.0 million, which results in a personnel expense ratio of 21.8% for the first half of 2010, compared with 20.8% in the previous year. The higher personnel expenses primarily result from the acquisition of 63 employees of the former Group company GEBA Möbelwerke GmbH by Gustav Wellmann GmbH & Co. KG in Enger as of November 1, 2009.

The drop in other operating expenses from EUR 50.7 million to EUR 44.3 million reflects the volume decline, related lower logistics costs, and lower sales expenses in the first half of 2010. At EUR 0.03 million, restructuring expenses were significantly below the previous year's level of EUR 1.1 million, which at that time included EUR 0.6 million of settlement payments for 2008 and 2009 for Managing Board member Dr. Georg Kellinghusen.

In sum, EBITDA was up from EUR 5.7 million in the previous year to EUR 7.5 million. Scheduled amortization/depreciation fell from EUR 8.4 million to EUR 4.7 million thanks to the special write-down performed in the 2009 annual financial statements, which will also continue to result in lower scheduled amortization/depreciation in the coming years. EBIT before impairment losses improved by EUR 5.4 million from EUR -2.6 million to EUR 2.8 million. Due to the impairment test, extraordinary write-downs rose to EUR 1.2 million in the first half of 2010, compared with EUR 0.1 million in the previous year. At EUR 1.1 million, the extraordinary write-downs relate to additions to tangible fixed assets.

In terms of earnings, this allowed a significant increase in EBIT from EUR -2.8 million in the previous year to currently EUR 1.5 million. The financial result improved by EUR 6.0 million compared to the previous year, from EUR -9.1 million to EUR -3.1 million. Along with the positive earnings effective arising from the consortium banks' declared receivables waiver of EUR 2.4 million, this positive outcome was particularly due to the lower interest rates agreed with the four consortium banks, and the significantly lower expenses arising from interest-rate hedging transactions that had been entered into. The previous year's figure was also affected by expenses of EUR 1.5 million arising from the planned capital increase that was finally cancelled, however.

As a consequence, earnings before tax (EBT) put in a significant year-on-year improvement to EUR -1.6 million, compared with EUR -11.9 million in the prior-year period. The consolidated net result improved significantly compared with the previous year, from EUR -11.8 million to EUR -2.4 million. As a consequence, earnings per share amounted to EUR -0.15, following EUR -0.75 in the previous year.

Segment results

The following section presents the earnings positions of the individual segments of the ALNO Group. When making a comparison with the previous year, it should be noted that, as a result of the conversion to direct invoicing for the foreign subsidiaries that was implemented at the end of 2009, these revenues were transferred to the plants.

ALNO segment

	H1 2010 in EUR mn	H1 2009 in EUR mn	Percentage year-on-year	
			in EUR mn	change
Revenues	52.2	68.2	-16.0	-23.5%
Gross profit	27.1	34.0	-6.9	-20.3%
Gross profit as %	51.9%	49.9%		
EBT	-5.1	-5.3	0.2	3.8%

The ALNO segment comprises ALNO AG in Pfullendorf, which produces branded kitchens in the upper and middle price segments. Compared with the prior-year period, ALNO AG's revenue volumes were down by EUR 16.0 million (-23.5%) to EUR 52.2 million. Along with continued weakness in the export business, this was primarily due to the well-considered decision to refrain from entering into low-margin revenues with the aim of achieving a sustainable enhancement of profitability. The new pricing policy is meanwhile exerting a stronger effect than the company anticipated. By the end of the period under review, however, numerous important customers were re-acquired, and price increases were implemented at the same time.

The gross profit margin, which traditionally exceeds those of the other segments, was boosted to a level of 51.9% in the first half of 2010, thereby representing a further significant increase – compared with both the full 2009 year (49.7%) and the first half of 2009 (49.9%). In terms of EBT, the ALNO segment reported a slight, 3.8% improvement from EUR -5.3 million in the previous-year period to EUR -5.1 million, reflecting the improved profitability.

WELLMANN segment

	H1 2010 in EUR mn	H1 2009 in EUR mn	Percentage year-on-year	
			in EUR mn	change
Revenues	70.0	64.7	5.3	8.2%
Gross profit	29.6	27.0	2.7	10.0%
Gross profit as %	42.3%	41.7%		
EBT	-0.7	-2.2	1.5	68.2%

The WELLMANN segment, which primarily comprises Gustav Wellmann GmbH & Co. KG, produces kitchens in the medium price segment at the Enger site. Revenues were boosted by 8.2% to EUR 70 million in the first half of 2010, and the gross profit margin rose 0.6 percentage points to 42.3%. As a consequence, EBT was up by 68.2% to EUR -0.7 million, compared with EUR -2.2 million in the previous year.

IMPULS segment

	H1 2010 in EUR mn	H1 2009 in EUR mn	Percentage year-on-year	
			in EUR mn	change
Revenues	60.7	50.6	10.1	20.0%
Gross profit	21.4	18.7	2.7	14.4%
Gross profit as %	35.3%	36.9%		
EBT	5.1	2.6	2.5	96.2%

The Impuls Küchen GmbH subsidiary, which is based at Brilon, reported gratifying and significant 20% revenue growth of EUR 10.1 million to EUR 60.7 million. Along with positive general business trends, this success is also due to the launch of the IMPULS rapid delivery kitchens that selected test customers received outstandingly well. Since the launch of the market test in March, every fifth IMPULS kitchen is already being delivered as a 10-day kitchen. Following the test operation with selected customers, this service is now available as a groundbreaking standard solution for the broad market from September on. As part of ALNO's modified pricing policy, some customers have meanwhile switched to IMPULS products, which has resulted in greater demand for this brand.

At the same time, gross profit was raised from EUR 18.7 million to EUR 21.4 million in the first half of 2010. The disproportionately lower growth in gross profit compared with revenue fed through to a slightly lower gross profit margin of 35.3%, following 36.9%. In terms of earnings before tax (EBT), the company reported 96.2% growth from EUR 2.6 million to EUR 5.1 million.

PINO segment

	H1 2010 in EUR mn	H1 2009 in EUR mn	Percentage year-on-year	
			in EUR mn	change
Revenues	46.2	45.3	0.9	2.0%
Gross profit	14.9	14.7	0.2	1.4%
Gross profit as %	32.3%	32.5%		
EBT	3.0	3.3	-0.3	-9.1%

The PINO segment comprises pino Küchen GmbH, Klieken, which produces kitchens in the lower price segment. After the company reported the best results in its history in the past 2009 financial year, PINO again grew its revenue in the first half of 2010 compared with the comparable period of the previous year (+2.0%). There was also a slight increase in gross profit from EUR 14.7 million to EUR 14.9 million. The gross profit margin suffered a slight decline from 32.5% to 32.3% due to higher material input costs. This had a proportionate impact on EBT, which was down from EUR 3.3 million in the prior-year period to EUR 3.0 million.

Net assets

The total assets of the ALNO Group fell slightly, by EUR 3.0 million, from EUR 165.0 million as of the December 31, 2009 balance sheet date to EUR 162.0 million as of June 30, 2010. On the equity and liabilities side of the balance sheet, this change is due to a reduction in financial liabilities as part of the reorganization agreement. Due to the two capital increases during the period under review, subscribed capital was up from EUR 41.1 million to EUR 45.2 million, and the capital reserve was topped up from EUR 36.5 million to EUR 42.4 million. As a consequence, consolidated equity improved from EUR -71.1 million to EUR -59.7 million. One of the most important objectives of the "ALNO 2013" future concept is a further, sustainable increase in equity within the next few years.

Non-current liabilities amounted to EUR 46.3 million as of the balance sheet date, compared with EUR 36.8 million. Among the non-current liabilities, the largest item, other financial liabilities, underwent a significant increase from EUR 14.1 million as of December 31, 2009 to currently EUR 21.9 million due to the recognition of the debtor warrant for the reorganization agreement. Pension provisions rose to EUR 18.0 million, compared with EUR 16.2 million, due to interest-rate adjustments.

By contrast, current liabilities were reduced by EUR 24.0 million, from EUR 199.4 million to EUR 175.4 million, among other things thanks to the four consortium banks' loan waiver. Trade payables were down from EUR 102.0 million to EUR 99.0 million. In this connection, other financial liabilities, which are aggregated here, fell from EUR 87.4 million to EUR 72.3 million.

On the assets side of the balance sheet, non-current assets of EUR 85.8 million were almost at the level of December 31, 2009 (EUR 85.3 million). Current assets fell by EUR 3.6 million to EUR 76.2 million, which is mainly due to the factoring at two subsidiaries that was introduced at the start of the financial year, and improved receivables management at the Group. In parallel, inventories rose slightly from EUR 24.7 million to EUR 25.3 million. On the one hand, this is it due to seasonal factors, and, on the other hand, it is connected with stock accumulation for the new WELLMAN product, as well as for the rapid delivery kitchen, which is planned to be offered as a standard service following successful test operation in September 2010. Trade receivables dropped from EUR 46.5 million to EUR 41.2 million along with the lower revenue level.

Liquidity and financing positions

Cash flow from operating activities amounted to EUR 1.4 million in the first half of 2010, compared with EUR 0.2 million in the prior-year comparable period. Net funds of EUR -6.3 million were deployed for investments. Of this amount, EUR -6.2 million was attributable to investments in property, plant and equipment. Cash flow from financing activities amounted to EUR 5.0 million. This item is composed of new drawings of financial liabilities from third parties (EUR 0.9 million), payments received from capital increases (EUR 10.0 million), and the repayment of financial liabilities (EUR -5.9 million).

As a result of the two capital increases that were successfully performed, the net debt of the ALNO Group was successfully reduced further as of June 30, 2010 compared with December 31, 2009, and amounted to EUR 92.2 million as of the balance sheet date, compared with EUR 104.4 million at the end of the 2009 financial year.

b. REPORT ON EVENTS SUBSEQUENT TO THE REPORTING DATE

At the Annual Shareholders' General Meeting of ALNO AG on June 23, 2010, a resolution was passed to relocate the company's headquarters from Heiligenberger Strasse 47, 88630 Pfullendorf, Germany, to Peter-Müller-Strasse 14/14a, 40468 Düsseldorf, Germany. This resolution has not yet been entered in the commercial register.

A resolution concerning the closure of five foreign subsidiaries was passed in the first half of 2010. The intention is that the foreign markets affected will be supplied directly by the German production companies in the future. The subsidiary ALNO AUSTRIA Möbelvertriebsgesellschaft m.b.H., Wiener Neudorf/Austria, was liquidated on July 28, 2010. Liquidation procedures were commenced at the subsidiaries ALNO BELGE N.V., Deinze/Belgium, ALNO IBERICA S.A., Madrid/Spain, ALNO ITALIA s.r.l., Florence/Italy, and ALNO NEDERLAND B.V., Dongen/Netherlands. The anticipated costs, particularly concerning the layoff of personnel, were recognized as of June 30, 2010.

ALNO AG announced on July 14, 2010 that it will cut up to 150 jobs at its Pfullendorf site by the end of 2010, since the short-time working that was embarked on in early March 2010 is unable to sufficiently compensate for the underutilization that has already existed for a longer period. To this end, a social plan and settlement of interest between ALNO AG and the Works Council was agreed in the same month. The costs of the personnel reduction are estimated at EUR 7.2 million. The future focus at Pfullendorf is intended to be on selected specialty product lines, whereas series production will be relocated to Enger.

In July 2010, the factoring financing granted to Impuls Küchen GmbH and pino Küchen GmbH in March 2010 was raised from EUR 15.0 million to EUR 20.0 million.

c. RISK AND FORECAST REPORT

OPPORTUNITIES AND RISKS

ALNO AG's opportunities and risks are presented in detail in the Group management report for the 2009 financial year. No notable changes have occurred to these over the course of the first six months of the current 2010 financial year.

FORECAST REPORT

The ALNO AG Managing Board takes a positive view of the further course of the year in the light of the "ALNO 2013" future concept that has already been launched, and the slight economic recovery that has been underway for the last few months. Successful business trends in the first half of 2010 also support this view. In view of the process improvements that have already been implemented, and the ongoing optimization projects, the management is consequently confirming its expectation that it will further improve this year's operating result compared with 2009, before taking into account restructuring costs that have yet to be incurred. From the company's perspective, the pre-requisite for this is that the kitchen furniture market will not be subject to a double-digit sales downturn over coming months.

Pfullendorf, August 31, 2010

ALNO AG

The Managing Board

INTERIM CONSOLIDATED FINANCIAL STATEMENT

28 Consolidated balance sheet
29 Consolidated income statement
30 Consolidated statement of comprehensive income
31 Consolidated cash flow statement
32 Statement of changes in consolidated equity
33 Abbreviated notes to the consolidated financial statements

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2010

in EUR thousand	Note	H1 2010	H1 2009
Revenues	F. 1	233,726	240,012
Changes in inventories and own work capitalized		-619	-556
Other operating income		4,757	4,968
Total output		**237,864**	**244,424**
Cost of materials	F. 2	135,070	137,014
Personnel expenses	F. 3	50,990	49,850
Other operating expenses	F. 4	44,335	50,760
Restructuring result	F. 5	-31	1,072
EBITDA		**7,500**	**5,728**
Amortization of intangible assets and depreciation of property, plant and equipment	F. 6	5,961	8,492
Operating result		**1,539**	**-2,764**
Profit/loss from investments accounted for using the equity method	G. 3	295	0
Financial income		2,378	61
Financial expenses		5,775	9,171
Financial result	F. 7	**-3,102**	**-9,110**
Earnings before income taxes (EBT)		**-1,563**	**-11,874**
Taxes on income	F. 8	835	-32
Consolidated net result for the period		**-2,398**	**-11,842**
Earnings in EUR per share (diluted and basic)	M.	-0.15	-0.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2010

in EUR thousand	H1 2010	H1 2009
Group net loss for the period	**-2,398**	**-11,842**
Actuarial gains and losses from provisions for pensions	295	-119
Change in difference from currency translation	-1,818	220
Deferred taxes on actuarial gains and losses from provisions for pensions	489	-62
Other comprehensive income	**-1,034**	**39**
Total comprehensive income	**-3,432**	**-11,803**

CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2010

in EUR thousand	Notes	Status on June 30, 2010	Status on June 30, 2009
ASSETS			
Intangible assets	G. 1	5,102	5,477
Property, plant and equipment	G. 2	70,495	69,984
Financial assets		3,385	3,279
Investments accounted for using the equity method	G. 3	2,589	1,930
Financial receivables	G. 4	2,656	2,656
Deferred tax assets		0	296
Trade receivables		1,133	1,086
Other assets		487	587
A. Non-current assets		**85,847**	**85,295**
Inventories	G. 5	25,334	24,724
Trade receivables	G. 6	41,197	46,548
Other assets		6,500	5,500
Income tax refund entitlements		63	102
Cash and cash equivalents		3,060	2,857
B. Current assets		**76,154**	**79,731**
Total ASSETS		**162,001**	**165,026**

EQUITY AND LIABILITIES			
Subscribed capital		45,231	41,124
Capital reserve		42,437	36,544
Accumulated other comprehensive income		-147,323	-148,800
A. Equity	G. 7	**-59,655**	**-71,132**
Pension provisions	G. 8	17,966	16,201
Deferred tax liabilities		70	52
Other provisions		5,094	5,457
Shareholder loan(s)	G. 9	365	0
Other financial liabilities	G. 10	21,910	14,129
Deferred government grants		789	807
Trade receivables and other liabilities		101	152
B. Non-current liabilities		**46,295**	**36,798**
Other provisions	G. 11	3,219	4,021
Shareholder loan(s)	G. 9	690	5,735
Other financial liabilities	G. 10	72,266	87,387
Trade receivables and other liabilities	G. 12	99,020	102,044
Liabilities for income taxes		166	173
C. Current liabilities		**175,361**	**199,360**
Total EQUITY AND LIABILITIES		**162,001**	**165,026**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2010

in EUR thousand	Note	H1 2010	H1 2009
Cash flow from operating activities			
Group net loss for the period		-2,398	-11,842
Income taxes		835	-32
Financial result		3,102	9,110
Amortization of intangible assets and depreciation of property, plant and equipment		5,961	8,492
Income taxes received		39	427
Income taxes paid		-39	-17
Gains/losses from the disposal of property, plant and equipment and intangible assets		188	398
Interest received		34	42
Interest paid		-2,649	-6,506
Elimination of non-cash items			
Change in other provisions, provisions for pensions and deferred government grants		683	104
Other non-cash income/expenses		-393	419
Net change in other provisions		-2,386	-1,057
Cash flow from operating activities before changes in working capital		**2,977**	**-462**
Change in working capital			
Change in inventories		-610	-529
Change in trade receivables and other assets		4,641	-11,442
Change in other liabilities		-5,572	12,251
Net cash used in operating activities		**1,436**	**-182**
Cash flow from investment activities			
Payments for investments in			
Intangible assets		-107	-267
Property, plant and equipment		-6,192	-5,396
Financial assets		-106	-111
Proceeds from the disposal of property, plant and equipment		61	118
Net cash used in investing activities		**-6,344**	**-5,656**
Cash flow from financing activities			
Proceeds from financial liabilities			
Shareholder loans		0	4,458
Third parties		900	5,633
Proceeds from capital increases		10,000	0
Payments for financing costs		0	-1,536
Repayment of financial liabilities		-5,898	-2,111
Net cash received from financing activities		**5,002**	**6,444**
Net change in cash and cash equivalents		**94**	606
Cash and cash equivalents - start of period		1,258	1,319
Exchange-rate-related changes in cash and cash equivalents		-6	-4
Cash and cash equivalents - end period	H.	**1,346**	**1,921**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2010

in EUR thousand	Subscribed capital	Capital reserve	Accumulated other comprehensive income				Consolidated equity
			Consolidated retained earnings	Reserve translation reserve	Other transactions taken directly to equity		
					Change in provision for pensions	Change in valuation of securities	
Note	G. 7	G. 7	G. 7				
January 1, 2009	**41,124**	**36,544**	**-113,888**	**-902**	**143**	**15**	**-36,964**
Consolidated net loss for the period			-11,842				-11,842
Other comprehensive income				-119	158		39
Total comprehensive income			-11,842	-119	158		-11,803
June 30, 2009	**41,124**	**36,544**	**-125,730**	**-1,021**	**301**	**15**	**-48,767**
January 1, 2010	**41,124**	**36,544**	**-147,979**	**-904**	**72**	**11**	**-71,132**
Consolidated net loss for the period			-2,398				-2,398
Other comprehensive income				295	-1,329		-1,034
Total comprehensive income			-2,398	295	-1,329		-3,432
Capital increase	4,107	5,893					10,000
Waiver of receivables by shareholders		4,909					4,909
Withdrawal from capital reserve to compensate the losses		-4,909	4,909				0
June 30, 2010	**45,231**	**42,437**	**-145,468**	**-609**	**-1,257**	**11**	**-59,655**

ABBREVIATED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE HALF-YEAR FINANCIAL REPORT

A. COMPANY PURPOSE

ALNO Aktiengesellschaft, Pfullendorf (hereinafter referred to in brief as "ALNO AG"), a listed company under German law, and its subsidiaries (hereinafter referred to in brief as the "ALNO Group") develop, produce and sell fitted kitchens for the global market, mostly under the ALNO, WELLMANN, IMPULS and PINO brands. ALNO AG's ultimate parent company is Milano Investments S.á r.l., Luxembourg, Luxembourg.

B. PRINCIPLES FOR THE PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

1. GENERAL INFORMATION

The abbreviated interim consolidated financial statements ("interim financial statements" or "half-year financial report") of ALNO AG as of June 30, 2010 were prepared in line with International Financial Reporting Standards (IFRS) for interim financial reporting (IAS 34) and the related interpretations of the International Accounting Standards Board (IASB) that are to be used in the EU. The interim financial statements did not contain all of the information and disclosures required for consolidated financial statements, and should therefore be read in combination with the consolidated financial statements as of December 31, 2009.

All amounts are stated in thousands of euros (TEUR) unless there is a note to the contrary.

On the assumption of a going concern, the half-year financial report was prepared on the basis of amortized cost, with the exception of available-for-sale securities and derivative financial instruments, which were measured at fair value.

The Managing board prepared the "ALNO 2013" concept in 2009. The Supervisory Board approved this concept in January 2010.

At the start of 2010, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft was engaged to prepare a reorganization survey according to the standard IDW S6 of the Institut der Wirtschaftsprüfer. In its reorganization survey dated March 22, 2010, and the addendum dated March 30, 2010, respectively, the final survey dated June 24, 2010, PricewaterhouseCoopers AG issued the ALNO Group with a positive forecast for a going concern, to the extent that financing is secured, and that the pending activities in the company's forecast are implemented.

After in-depth discussions, and based on the reorganization survey by PricewaterhouseCoopers AG, which confirmed the positive forecast for a going concern and the ability to reorganize the ALNO Group subject to financing being secured, ALNO AG, the four banks in the consortium, the two main shareholders (Küchen Holding GmbH, Munich, and IRE Beteiligungs GmbH, Stuttgart), and Bauknecht Hausgeräte GmbH, Stuttgart, concluded a reorganization agreement on April 23, 2010.

Further details about the "ALNO 2013" concept, the reorganization survey produced by PricewaterhouseCoopers AG, and the reorganization agreement are commented on under h. "Presentation of the income, net assets and liquidity positions" in the interim Group management report.

In overall terms, the continuation of the business activities of ALNO AG and of the ALNO Group depends on whether the financing activities agreed in the reorganization agreement are implemented as planned. The Managing board of ALNO AG expects that it will be possible to successfully implement the reorganization agreement, and that the continuation of the business activities of ALNO AG and the ALNO Group is thereby secured.

The Managing board continues to assume that it will further improve the operating result, before taking into account restructuring expenses that have yet to be incurred, compared with 2009. From the company's perspective, the pre-requisite for this is that the kitchen furniture market will not be subject to a double-digit sales downturn over coming months.

In overall terms, the Managing board regards ALNO AG and the ALNO Group as companies that will continue to exist, taking into account the risks described above.

The ALNO Group observes the amended or new standards in interpretations from the IASB, for which application is mandatory in 2010 to the extent that these were adopted by the EU. In detail, these were:

- Amendments to IFRS 2 – Share-based Payments
- Amendments to IFRS 3 – Business Combinations
- Amendments to IFRS 5 as part of improvements of IFRS 2008
- Amendments to IAS 27 – Consolidated and Separate Financial Statements
- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement
- IFRIC 12 – Service Concession Agreements
- IFRIC 15 – Agreements for the Construction of Real Estate
- IFRIC 16 – Hedging of a Net Investment in a Foreign Operation
- IFRIC 17 – Distribution of Non-cash Assets to Owners
- IFRIC 18 – Transfers of Assets from Customers
- Improvements to IFRS 2009

The following section details the provisions which are relevant to ALNO AG, and their impacts on the consolidated financial statements.

- Amendments to IFRS 3 – Business Combinations:

  This standard was subject to extensive revision as part of the convergence project (IASB and FASB). The key changes relates particularly to the introduction of an option when measuring minority (non-controlling) interests between reporting proportional identifiable net assets (the so-called purchased goodwill method), and the so-called full goodwill method, whereby the entire goodwill of the acquired company is reported, including the portion attributable to minority (non-controlling) interests. It continues to be the case that emphasis should be given at the time of acquisition to the remeasurement and recognition in income of existing participating interests when control is obtained for the first time (step acquisitions), and the mandatory recognition of any consideration attached to the occurrence of future events. Transitional provisions provide for prospective application of the new standard. The accounting treatment of assets and liabilities resulting from business combinations before the first-time application of the new standard does not result in any changes to the consolidated financial statements.

- Amendments to IAS 27 – Consolidated and Separate Financial Statements:

  The changes results from the joint project by IASB and FASB to revise the accounting standards that apply to business combinations. The changes primarily relate to accounting for non-controlling interests (minority interests) that will participate in their full amount in future in the Group's losses, and transactions which lead to a loss of control at a subsidiary, and for which the impact is to be recognized in income in future. The effects of the sale of participating interests which do not lead to a loss of control are, in contrast, to be taken directly to equity. The transitional provisions include several exceptions to the generally retrospective use of the new regulations. The Group will make use of these exceptions. No minority interests are expected to arise in the fiscal year in which this amendment is to be applied for the first time, and neither are the other transactions detailed. As a result, the amendment to IAS 27 is not expected to have an impact on the consolidated financial statements.

- Improvements to IFRS 2009

  According to the current status, the amendments do not have any direct impact on the consolidated financial statements. However, the following changes could, as a rule, be relevant to ALNO AG's consolidated financial statements.

  IFRS 8 – Operating Segments: The disclosure of assets is now only required as an option if used in standard reporting.

  IAS 7 – Statement of Cash Flows: This clarifies that expenses may only be classified as investment expenditure if they result in the recognition of an asset in the balance sheet.

  IAS 36 – Impairment of Assets: This clarifies that a cash generating unit to which goodwill is allocated as part of the business combination may not be larger than an operating segment in the meaning of IFRS 8. Any aggregation of individual operating segments permitted under IFRS 8 to form a segment with the reporting requirement is consequently not a permissible level at which goodwill can be tested for impairment.

The IASB also issued or amended the following standards and interpretations, which were adopted by the European Union but whose application is not yet mandatory, and will not be applied voluntarily ahead of time. They are to be used for reporting periods that start on or after the date they come into effect.

- Amendments to IAS 24 – Related Party Disclosures (comes into effect on: January 1, 2011)
- Amendments to IAS 32 – Financial Instruments: Presentation (comes into effect on: February 1, 2010)
- Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement (comes into effect on: January 1, 2011)
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (comes into effect on: July 1, 2010)

The following section details the provisions which are relevant to ALNO AG, and their impacts on the consolidated financial statements.

- Amendments to IAS 24 – Related Party Disclosures

  Changes to IAS 24 have led to a change in the definition of related parties. In addition, government-related entities have been exempted from the requirement to provide information on transactions with the government and other entities over which the same government has control. Both amendments have no effect on the consolidated financial statements of ALNO AG.

The following standard that was newly issued by the IASB, as well as the following amendments to existing standards, have not yet been confirmed by the European Union. They do not yet require mandatory application, and have also not been voluntarily applied early.

- IFRS 9 – Financial Instruments: Classification and Measurement (comes into effect on: January 1, 2013)
- IFRS improvements 2010 (comes into effect on: January 1, 2011; exception: amendments to IFRS your three come into effect already on July 1, 2010)

The following section details the provisions which are relevant to ALNO AG, and their impacts on the consolidated financial statements.

- IFRS 9 – Financial Instruments: Classification and Measurement:

  The IASB prepared this standard as the first part of the project to extensively rework accounting for financial instruments. It includes new regulations for the classification and measurement of financial assets. This stipulates that financial assets are either to be carried at amortized cost or recognized through profit or loss at fair value. Equity instruments must always be carried at fair value. When they are acquired, however, there is the option to recognize fluctuations in the value of equity instruments under other comprehensive income. In this case, only the dividend income is recognized through profit or loss. At present, ALNO AG takes changes in the value of securities carried at fair value (debt instruments) directly to equity. As a result of changes from IFRS 9, these changes in value will have to be recognized through profit or loss after IFRS 9 has come into effect. Due to the minor extent of the changes in value previously taken directly to equity, application of the new standard will not have a material impact on ALNO AG's consolidated financial statements.

The amendments to the standards must be applied for financial years commencing on or after the date when they come into effect.

In the Managing board's opinion, this set of interim financial statements of the ALNO Group complies with all requisite accounting regulations that are required for a true and fair view of the net assets, financing and earnings positions. As part of the preparation of a set of interim financial statements, the Managing board must make assessments, estimates and assumptions that have an impact on the way that assets, liabilities, and income and expenses, are reported.

The interim financial statements and interim management report were neither audited nor subjected to an auditor's review.

On August 27, 2010, the Managing board approved the half-year financial report for forwarding to the Supervisory Board.

2. CONSOLIDATION PRINCIPLES

The interim financial statements of ALNO AG, include ALNO AG and eleven German and eight foreign companies according to the principles of full consolidation. This is unchanged year-on-year. ALNO AG either directly or indirectly holds a 100% interest in these companies.

ALNO Middle East FZCO, Dubai, VAE (ALNO Middle East), (equity interest: 50%) is included in the consolidated financial statements using the equity method.

The consolidation methods and currency translation methods have not changed compared with the December 31, 2009 consolidated financial statements.

The consolidated financial statements are prepared in euros, the ALNO Group's functional and reporting currency. The annual financial statements of the foreign subsidiaries are translated into euros using the functional currency concept (IAS 21).

The following exchange rates to the euro were used:

per EUR	30/6/2010	31/12/2009	30/6/2009	Average exchange rate 1/1/2010 to 30/6/2010	Average exchange rate 1/1/2009 to 30/6/2009
GBP	0.8101	0.8999	0.8505	0.8716	0.8955
CHF	1.3246	1.4876	1.5249	1.4380	1.5061

C. USE OF ESTIMATES AND ASSUMPTIONS

As was the case at December 31, 2009, the preparation of the interim financial statement required making estimates and assumptions that impact the disclosure and amount of the assets and liabilities, and income and expenses carried in these statements.

Estimates and assumptions were particularly made when conducting impairment tests for goodwill (please refer to G.1 “Intangible assets”), property, plant and equipment, and trade receivables (please refer to G. 6 “Current trade receivables”). Estimates and assumptions also have an impact on the measurement of provisions (please refer to G. 11 “Other current provisions”).

These estimates and assumptions are based on premises that reflect the knowledge available on the date when the interim financial statements are prepared. Although these assumptions and estimates have been made to the best of the management and knowledge, the actual results may differ.

Please also refer to the comments made in the 2009 annual report.

D. SEASONAL EFFECTS ON BUSINESS ACTIVITIES

Seasonal effects occur at the ALNO Group due to weak production and sales months reflecting the operating vacation at the start of the second half-year, which is expected to be almost offset, however, by strong sales months in the autumn.

E. KEY ACCOUNTING AND VALUATION PRINCIPLES

With the exception of the accounting treatment of the liability arising from the debtor warrant, the accounting and valuation methods applied in the interim financial statements correspond to those of the consolidated financial statements as of December 31, 2009. The liability arising from the debtor warrant with a nominal value of TEUR 10,000 is reported at its present value among other non-current financial liabilities. The discounting rate is 6.9%. A detailed description of the other accounting principles can be found in the notes to the consolidated financial statements in the 2009 annual report.

The financial statements were based on the assumption that the company will continue as a going concern. The Managing board assumes that it will further improve the operating result, before taking into account restructuring expenses that have yet to be incurred, compared with 2009.

Income during the financial year that is affected either seasonally or cyclically, or which is generated only from time to time, is not accrued or deferred in the interim financial statements. Expenses that are incurred irregularly during the financial year were deferred in those instances where deferment would be performed also at the end of the financial year.

Provisions for current and pending litigation and other contingent liabilities are formed appropriately in the interim financial statements according to the status of knowledge at the time when they are prepared.

F. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement has been prepared using the nature of expense method.

1. REVENUES

Consolidated revenues of TEUR 233,726 as of June 2010 were TEUR 6,286, or 2.6%, below the prior-year period. In this context, revenues from Germany declined by only around 1%, although a conscious decision was taken to refrain from entering into low-margin sales in order to boost profitability. At the same time, weak export business due to the continued real estate crisis in southern Europe and the UK put the brakes on sales growth. As a consequence, revenues generated outside Germany fell 7.9% to TEUR 66,796 million.

2. COST OF MATERIALS

The trend towards a constantly improving gross profit margin that was underway from early 2008 failed to continue in the first half of 2010. The costs of materials ratio worsened slightly, by 1.0 percentage points year-on-year. This was due to a shift in sales from high-margin ALNO AG towards IMPULS and WELLMANN, which have lower gross profit margins.

3. PERSONNEL EXPENSES

Personnel expenses in the first half of 2010 rose by 2.3% year-on-year. A total of 1,880 staff were employed within the Group on average in the first half of 2010, compared with 1,830 in the first half of the previous year. The rise in the number of staff members primarily results from the acquisition of 63 employees of the former Group company GEBA Möbelwerke GmbH by Gustav Wellmann GmbH & Co. KG in Enger as of November 1, 2009.

4. OTHER OPERATING EXPENSES

Other operating expenses fell by TEUR 6,425 year-on-year, or 12.7%. The savings result mainly from lower sales expenses, lower transportation costs due to lower volumes, and a decline in outsourcing expenses in the IT area.

5. RESTRUCTURING RESULT

in EUR thousand	H1 2010	H1 2009
Other operating income	-270	0
Personnel expenses	217	455
Other operating expenses	22	617
Total	**-31**	**1,072**

The restructuring result relates to income from the release of provisions that are no longer required for the Employment and Qualification Company at the Enger site amounting to TEUR 270. Expenses primarily relate to settlements at foreign companies for the restructuring of the foreign business that was started in 2008.

Settlement expenses for staff at the foreign companies, and consultancy costs, were primarily reported in the first half of 2009.

6. AMORTIZATION OF INTANGIBLE ASSETS AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

in EUR thousand	H1 2010	H1 2009
Intangible assets	476	1,000
Property, plant and equipment	4,237	7,369
Depreciation and amortization	**4,713**	**8,369**
Impairment losses	**1,248**	**123**
Total	**5,961**	**8,492**

The fall in depreciation and amortization is due to assets to which impairment losses were applied as of December 31, 2009 as part of an impairment test, which results in lower depreciation/amortization in subsequent years.

With regards to the measurement of the assets of the ALNO AG cash generating unit (including leasing companies), fair value minus costs to sell was applied due to the continued negative earnings prospects. In 2010, this resulted in a further impairment loss of TEUR 1,129 for additions to property, plant and equipment in the current financial year. The valuation assumptions that were made in this context correspond to those in the consolidated financial statements as of December 31, 2009.

Due to the planned liquidation of five foreign subsidiaries by the end of 2010, it can no longer be assumed that the non-current assets have a positive value in use. Impairment losses of TEUR 190 primarily relate to property, plant and equipment. The write-downs were performed to fair value less costs to sell. The assets of these three companies had already been written down in previous years as part of an impairment test.

7. FINANCIAL RESULT

The financial result improved by TEUR 6,008 compared with the comparable period of the previous year. Along with the positive earnings effective arising from the consortium banks' declared receivables waiver including debtor warrant (please refer to G. 10 "Other financial liabilities") of TEUR 2,342, this positive outcome was particularly due to the significantly lower interest rates agreed with the four consortium banks, and the significantly lower expenses arising from interest-rate hedging transactions that had been entered into. The financial result in the first half of 2009 also included expenses arising from the planned capital increase, which was ultimately cancelled, amounting to TEUR 1,536.

8. INCOME TAXES

In EUR thousand	H1 2010	H1 2009
Deferred taxes arising from		
Temporary differences	624	260
Write-down of tax loss carryforwards	175	0
Capitalization of tax loss carryforwards	0	-375
	799	**-115**
Actual income tax expense	36	83
Total	**835**	**-32**

The deferred tax expense arising from temporary differences primarily relates to minor deferred tax assets.

The write-down applied to deferred tax assets relating to tax loss carryforwards is due to their lack of value retention at one foreign subsidiary.

G. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

As of June 30, 2010 there were no indications of impairment to the goodwill of the CASAWELL Group amounting to TEUR 1,483.

2. PROPERTY, PLANT AND EQUIPMENT

Depreciation applied to property, plant and equipment in the first half of 2010 was slightly overcompensated by new investments that were performed, which gave rise to a total increase of TEUR 511.

3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item continues to report at amortized Group cost the shares in ALNO Middle East, in which ALNO AG holds an unchanged 50% as of December 31, 2009. The earnings from the first half of 2010 of TEUR 295 attributable to ALNO AG increased the carrying value of the equity participation through profit or loss. The carrying amount of the equity participation also rose by TEUR 364 due to currency translation differences, which were reported in equity.

4. FINANCIAL RECEIVABLES

As of December 31, 2009, the “financial receivables” item continued to report a loan granted to ALNO Middle East (TEUR 2,000) and collateral of TEUR 656 for an IT service provider.

5. INVENTORIES

Inventories increased slightly by a total of TEUR 610, or 2.5%, to TEUR 25,334. This mainly relates to a seasonal increase.

6. CURRENT TRADE RECEIVABLES

Current trade receivables fell by TEUR 5,351. Here, the factoring that was introduced at two subsidiaries countered the normal seasonal rise.

7. EQUITY

Key increases in consolidated equity result from the two capital increases performed in the first half of 2010 totaling TEUR 10,000, and the shareholders’ receivables waiver reported under this item (TEUR 4,909). This was offset by the negatively generated consolidated net result for the period of TEUR -2,398. Changes totaling TEUR -1,034 arose from the change in actuarial gains and losses booked in equity arising from the pension provision calculation as of June 30, 2010 (TEUR -1,329) and currency effects (TEUR 295).

Approved capital

By way of a resolution of the Ordinary Shareholders' General Meeting of ALNO AG on June 23, 2010, the previous approved capital was cancelled, and replaced by a new approved capital. The Managing board was authorized, with Supervisory Board assent, to increase the company's issued share capital until June 22, 2015, once or on several occasions, by a further amount up to EUR 22,615,647.60 through issuing up to 8,698,326 ordinary shares in return for cash or non-cash capital contributions. This resolution has not yet been entered in the commercial register.

Conditional capital

At the Ordinary Shareholders' General Meeting of ALNO AG on June 23, 2010, the authorization that was approved by the Shareholders' General Meeting of July 26, 2007 to issue option and/or convertible debentures, as well as the Conditional Capital 2010/I, was cancelled. According to the wording of the resolution, the Managing board was authorized until June 22, 2015 to issue option and/or convertible debentures with a total nominal amount of up to EUR 100,000,000.00 with a term of up to 20 years, once or on several occasions, by the company or companies in the direct or indirect majority ownership of the company ("subordinate Group companies"), and to guarantee such option and/or convertible debentures issued by the company's subordinate Group companies. The bearers or creditors of option and/or convertible debentures are to be granted option and/or conversion rights to a total of up to 8,698,326 ordinary bearer shares in the company with a proportional amount of the issued share capital of up to EUR 22,615,647.60 according to the more detailed specifics of the relevant terms of the option and/or convertible debentures ("terms").

The conditional capital increase is to be performed only to the extent that the options or conversion rights from the option and/or convertible debentures are used, or the conversion obligations from the bonds are fulfilled, and to the extent that a cash compensation cannot be granted, or treasury shares used to fulfill the obligation. The Managing board was authorized to determine the further specifics relating to the performance of the conditional capital increase (Conditional Capital 2010).

The issued share capital is conditionally increased by up to EUR 22,615,647.60 through the issuing up to 8,698,326 ordinary shares with profits entitlement from the start of the financial year in which they are issued. This resolution has not yet been entered in the commercial register.

Acquisition of treasury shares

By way of a resolution of ALNO AG's Shareholders' General Meeting on June 23, 2010, the existing authorization to acquire and utilize treasury shares was cancelled. According to the wording of the resolution of June 20, 2010, the Managing board was authorized to acquire treasury shares up to 10% of the issued share capital existing at the date of the resolution pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG). The authorization may be exercised either wholly or in partial amounts, once or on several occasions, in the pursuit of one or several purposes by the company, or by third parties on the company's behalf. The acquired shares, together with other treasury shares, may at no time exceed 10% of the issued share capital. The authorization came into effect on June 24, 2010, and is valid until June 22, 2015.

8. PROVISIONS FOR PENSIONS

The TEUR 1,765 increase in pension provisions primarily results from the decline in the discounting rate in Germany from 6.0% to 4.9%.

9. SHAREHOLDER LOANS

The TEUR 4,684 decline in loans to TEUR 1,055 is particularly due to the receivables waiver issued by shareholders as part of the reorganization agreement.

10. OTHER FINANCIAL LIABILITIES

Current to non-current other financial liabilities totaling TEUR 94,176 (December 31, 2009: TEUR 101,516) fell particularly due to the receivables waiver issued by the consortium banks of TEUR 10,000. This was offset by the booking under this item of the directly related debtor warrant of TEUR 7,658. The cash inflow from the two capital increases was also used to redeem bank borrowings.

As part of granting a loan to a subsidiary, it was agreed that this company could not incur a modified equity ratio of less than 15%. This lending clause was adhered to as of June 30, 2010.

11. OTHER CURRENT PROVISIONS

At TEUR 3,219, other current provisions fell by TEUR 802 compared with the previous year. The decline primarily relates to lower settlements provisions and the reduction in the provision for the Employment and Qualification Company for Gustav Wellmann GmbH & Co. KG.

12. CURRENT TRADE PAYABLES AND OTHER LIABILITIES

Current trade payables and other liabilities fell by TEUR 3,024. This decline is mainly attributable to lower trade payables.

H. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents are composed as follows:

in EUR thousand	30/6/2010	31/12/2009	30/6/2009	31/12/2008
Cash and cash equivalents	3,060	2,857	3,911	3,174
of which not freely available	-1,714	-1,599	-1,990	-1,855
Cash and cash equivalents	**1,346**	**1,258**	**1,921**	**1,319**

I. NOTES ON SEGMENT REPORTING

Within the framework of segment reporting, the ALNO Group's activities are classified by operating segments in accordance with the rules of IFRS 8. Segments reported to the Managing board are not summarized. This classification is orientated towards internal steering and reporting, and comprises the ALNO, WELLMANN, IMPULS, PINO, Foreign Subsidiaries, and Other Companies segments.

The ALNO segment includes ALNO AG in Pfullendorf that produces brand-name kitchens in the upper and middle price segments, whereas the WELLMAN segment contains kitchens in the middle price segment, which are manufactured at the Enger location. The IMPULS segment comprises Impuls Küchen GmbH in Brilon, and the PINO segment pino Küchen GmbH in Klieken; both produce kitchens in the lower price segment. The eight sales companies and other European countries are aggregated under Foreign Subsidiaries. Two property companies and an intermediate holding company are reported under Other Companies.

The segment information is based on the same reporting, accounting and valuation methods as the consolidated financial statements. Internal revenues indicate the level of revenues between Group companies; these were performed at market prices.

The plenary Managing board is the decision-maker with regards to the allocation of resources and the assessment of the profitability of the reporting segments.

Segment information by division is as follows:

H1 2010 by division in EUR thousand	ALNO	WELLMANN	IMPULS	PINO	ATG	Other	FS	Total
Revenues								
External revenues	48,616	66,118	59,116	46,090	13,786	0	0	233,726
Internal revenues	3,626	3,910	1,545	144	0	846	-10,071	0
Total revenues	**52,242**	**70,028**	**60,661**	**46,234**	**13,786**	**846**	**-10,071**	**233,726**
Result								
Segment result before income taxes (EBT)	**-5,095**	**-715**	**5,130**	**2,999**	**-869**	**-3,156**	**143**	**-1,563**

H1 2009 by division in EUR thousand	ALNO	WELLMANN	IMPULS	PINO	ATG	Other	FS	Total
Revenues								
External revenues	49,701	57,170	45,164	43,017	44,897	63	0	240,012
Internal revenues	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**
Result								
Segment result before income taxes (EBT)	**-5,276**	**-2,188**	**2,572**	**3,276**	**-2,547**	**-7,183**	**-528**	**-11,874**

The consolidation of revenues includes the elimination of internal revenues within the ALNO Group.

The consolidation bookings in the “Segment EBT” column of TEUR 143 mainly relate to at-equity measurement income of TEUR 295, and TEUR 81 of debt consolidation expenses. The consolidation bookings from the previous year particularly relate to debt consolidation expenses.

J. CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

Obligations under guarantees and other financial obligations arising from rental and lease contracts, as well as long-term supply agreements, were unchanged compared with the last balance sheet date.

As of June 30, 2010, there existed obligations to purchase property, plant and equipment of TEUR 1,500 (December 31, 2009: TEUR 3,265).

K. RELATED PARTIES

As part of the reorganization agreement that was entered into, Küchen Holding GmbH, Munich, and IRE Beteiligungs GmbH, Stuttgart, acquired loan receivables from other shareholders of ALNO AG amounting to TEUR 5,274. Küchen Holding GmbH subsequently waived receivables of TEUR 3,379, and IRE Beteiligungs GmbH waived receivables of TEUR 1,530. Deferment agreements for the receivables of TEUR 365 that were not waived were entered into until December 31, 2011.

A service agreement between ALNO AG and Küchen Holding GmbH has existed since autumn 2007, according to which Küchen Holding GmbH renders various consultancy services to ALNO AG.

L. EVENTS AFTER THE BALANCE SHEET DATE

At the Annual Shareholders' General Meeting of ALNO AG on June 23, 2010, a resolution was passed to relocate the company's headquarters from Heiligenberger Strasse 47, 88630 Pfullendorf, Germany, to Peter-Müller-Strasse 14/14a, 40468 Düsseldorf, Germany. This resolution has not yet been entered in the commercial register.

A resolution concerning the closure of five foreign subsidiaries was passed in the first half of 2010. The intention is to directly supply the foreign markets affected by the German production companies in the future. The subsidiary ALNO AUSTRIA Möbelvertriebsgesellschaft m.b.H., Wiener Neudorf/Austria, was liquidated on July 28, 2010. Liquidation procedures were commenced at the subsidiaries ALNO BELGE N.V., Deinze/Belgium, ALNO IBERICA S.A., Madrid/Spain, ALNO ITALIA s.r.l., Florence/Italy, and ALNO NEDERLAND B.V., Dongen/Netherlands. The anticipated costs, particularly concerning the release of personnel, were recognized as of June 30, 2010.

ALNO AG announced on July 14, 2010 that it will cut up to 150 jobs at its Pfullendorf site by the end of 2010, since the short-time working that was started in early March 2010 is unable to sufficiently compensate for the underutilization that has already existed for a long period. To this end, a social plan and settlement of interest between ALNO AG and the Works Council was agreed in the same month. The costs of the personnel reduction are estimated at TEUR 7,200. The future focus at Pfullendorf is intended to be on selected specialty product lines, whereas series production will be relocated to the Enger location.

The factoring volume existing to date at two subsidiaries was expanded from TEUR 15,000 to TEUR 20,000.

M. EARNINGS PER SHARE

in EUR thousand	H1 2010	H1 2009
Consolidated net result for the period	-2,398	-11,842
Minority interests	0	0
Number of shares issued in thousands (weighted average)	16,349	15,817
Consolidated net result for the period in EUR/share (diluted and basic)	**-0.15**	**-0.75**

Earnings per share are calculated by dividing the consolidated net result for the period accruing to the shareholders by the weighted number of shares issued. In the first half of 2010, two capital increases resulted in a higher number of shares in issue to 17,396,653 as of the reporting date. There was no dilution effect arising from potential shares in the reporting periods presented.

Pfullendorf, August 31, 2010

ALNO AG

The Managing board

RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the consolidated financial statements give a true and fair view of the assets, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Pfullendorf, August 31, 2010

ALNO AG

The Managing Board

AUDITOR’S REVIEW

(DISCLOSURE PURSUANT TO § 37 W PARAGRAPH 5 CLAUSE 6 OF THE GERMAN SECURITIES TRADING ACT [WPHG])

The interim consolidated financial statements and the interim Group management report have neither been subjected to an auditor’s review, nor audited according to § 317 of the German Commercial Code (HGB).

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LEGAL NOTICE

This half-year financial report includes forward-looking statements. Forward looking statements are statements that are not based on historical events and facts. These statements are based on assumptions, forecasts and estimates of future developments by the Managing Board. The assumptions, statements and estimates have been made in view of all information available at present. Should the assumptions underlying such statements and estimates fail to materialize, actual results may differ from current expectations. Neither the Managing Board nor the company are accountable for the actual occurrence of the forward-looking statements. The Managing Board and the company do not make any undertaking, over and above their statutory commitments, to update any statements or to adjust these to future events and developments.

This half-year financial report and the information contained therein neither constitute an offer to sell or a demand to buy or to subscribe for securities of ALNO AG in the Federal Republic of Germany or in any other country. Shares of ALNO AG may only be sold or offered for purchase in the United States of America after prior registration or without prior registration only as a result of an exception to the registration requirements according to the provisions of the U.S. Securities Act of 1933 in its current applicable version. ALNO AG does not intend to make any public offer of shares in the United States.

ALNO AG's half-year financial report is published in German and English. In the event of any discrepancies, the German version prevails.

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