



## Alphaform shaped by economic downturn in third quarter of 2009

The key figures for the third quarter of the 2009 financial year are as follows:

- At €4,412 thousand, revenues in the third quarter of 2009 were down 16.3% on the same quarter of the previous year (€5,272 thousand). For the period from 1 January to 30 September, revenues fell from €16,041 thousand to €14,668 thousand, a reduction of 8.6%.
- The Group's booked business as of 30 September 2009 amounted to €0.9 million excluding MediMet (30 September 2008: €1.4 million not including MediMet).
- EBITDA was down from €343 thousand in the same quarter of the previous year to minus €81 thousand in the third quarter of 2009. In the first nine months of the year, EBITDA dropped from €1,418 thousand to minus €367 thousand.
- Consolidated net income after interest and taxes declined by €844 thousand in the third quarter of 2009 to minus €741 thousand after a positive figure of €103 thousand in the third quarter of 2008. In the period from 1 January to 30 September, consolidated net income fell from €703 thousand to minus €2,345 thousand. Extraordinary expenses amounting to €732 thousand arose in the first nine months of 2009 as a result of increased write-downs in connection with the acquisition of MediMet GmbH.
- Earnings per share were down in the third quarter from €0.02 in 2008 to minus €0.14 in 2009. In the first nine months of the year, they dropped from €0.13 in 2008 to minus €0.44 in 2009.
- At minus €5,441 thousand, cash flow from operating activities in the first nine months of the 2009 financial year was down €6,356 thousand on the previous year's figure of €915 thousand (minus €4,287 thousand of this related to the acquisition of MediMet GmbH).
- The number of employees as of 30 September 2009 in full time equivalents was 213, of which 58 were at MediMet GmbH (30 September 2008 excluding MediMet: 157).

### Key figures of the Alphaform Group

T€, except employees and earnings per share	Quarter 3			1 January - 30 September		
	2009	2008	Change in %	2009	2008	Change in %
Revenue	4.412	5.272	-16,3	14.668	16.041	-8,6
EBITDA	-81	343	N/A	-367	1.418	N/A
Operating result	-620	-8	N/A	-2.163	336	N/A
<b>Result after tax</b>	<b>-741</b>	<b>103</b>	<b>N/A</b>	<b>-2.345</b>	<b>703</b>	<b>N/A</b>
Earning per share	-0,14	0,02	N/A	-0,44	0,13	N/A
Equity as of September, 30 (2008 as of Dec, 31)				16.873	19.223	-12,2
Total assets as of September, 30 (2008 as of Dec, 31)				28.491	27.521	3,5
Equity ratio (percent)				59,2	69,8	-15,2
Cash and cash equivalents and securities as of September, 30 (2008 as of Dec, 31)				2.157	5.226	-58,7
Group employees as of September, 30				213	157	35,7

## Interim Group Management Report

### Company development/sector overview

Financial year 2009 is dominated by the downturn of the economy as a whole. In the Alphaform Group, incoming orders were down around 30% on the previous year's level. Our activities with the Formula 1 teams and the automotive industry were hit particularly hard. In contrast, the Medical Technology division posted an encouraging performance in its business. In total, the orders received at MediMet were above the previous year's level. In line with the overall economic climate, we are assuming that the investment propensity of our customers will remain at a low level in the traditional Alphaform business in 2009. The recovery in the second half of the year that we expected back in summer has not yet appeared in our rapid prototyping business. In contrast, MediMet is working at the limits of its capacity, also due to various orders for series production from new customers. The first production start-ups began at the end of the third quarter of 2009 and will be noticeable in the production of medical implants, especially in 2010. We now assume that, in the short term, the traditional rapid prototyping business will not increase significantly above the stabilised, low level reached in the quarter under review, also not during 2010. Our Formula 1 customers are also making marked efforts to cut their costs. Some large teams have ceased operations completely at the current time, not least of all due to the strained economic situation at their respective OEM parent companies (examples: BMW-Sauber, Toyota Motor Sport GmbH). This change alone means that revenues in the middle single-digit million range have ceased to exist for Alphaform since 2007.

The changed assessment of the business situation has forced us to realise a far-reaching restructuring of the rapid prototyping business starting at the beginning of the quarter under review, which negatively affects the Feldkirchen location in particular. Around 30 employees will have left the Company by the end of the year from this location alone. Of this number, two-thirds will leave in the fourth quarter of 2009. All restructuring costs are incurred this year, again leading to extraordinary expenses in the fourth quarter in the amount of circa €400 thousand.

Group EBITDA dropped significantly year-on-year to minus €81 thousand in the third quarter of 2009 and is approximately at the same level as the second quarter of 2009. Depending on market conditions the Group's quarterly revenues were down again approximately 7% on the previous quarter. We are assuming an approximately 35% decline in revenues over the year in the Alphaform Group's old business (not including MediMet). In the rapid prototyping business, we still face challenges in generating profitable business with a significantly reduced revenue volume.

The gross margin in the third quarter is considerably higher than in the previous year, at 73.8%. The main reasons for this were the consolidation of MediMet and improved purchasing conditions for primary materials. In the third quarter, medical implants and instruments accounted for more than 30% of our revenue.

The intention of the restructuring is to stabilise our rapid prototyping business. At the same time, we are further expanding our positioning in medical technology since the acquisition of MediMet. In doing so, the initial focus is on expanding our technology and product portfolio and generating synergy effects. For example, the groundbreaking ceremony for our new technology centre in Eschenlohe (Southern Germany) took place in August this year, with which we intend to focus more on meeting the requirements of the medical

technology and aerospace markets in future. This location will be the new production home of our Alphaform-Claho CNC centre as of start of production in the first quarter of 2010. We are already registering noticeable synergy effects from the consolidation of MediMet in the field of mechanical CNC processing.

The change in strategy in 2008 is having a positive effect in the present economic crisis: without our new positioning in the medical technologies market, our dependence on economy-sensitive markets would be substantially greater. We will press ahead with the planned international buy and build strategies, depending on overall economic conditions and the opportunities available to us.

## **Net assets, financial position and results of operations**

### **Revenue development and order situation**

As against the same period of the previous year, consolidated revenues declined by 8.5% to €14,668 thousand, after €16,041 thousand in the first nine months of 2008. It should be noted here that MediMet GmbH did not yet belong to the Alphaform Group as of 30 September 2008.

Booked business amounted to €0.9 million at the end of the third quarter of 2009, not including MediMet GmbH. The order backlog was therefore down 35.7% as against the same period of the previous year (30 September 2008: €1.4 million not including MediMet GmbH).

### **Cost of materials and gross profit**

At 68.8%, the gross profit generated in the first nine months of 2009 was up 4.2 percentage points on the 2008 figure of 64.6%. In the third quarter of 2009, the gross profit increased to 73.8%, compared with 63.4% in the third quarter of 2008.

The cost of materials decreased by €1,218 thousand year-on-year in the first nine months of 2009 from €6,114 thousand to €4,896 thousand, corresponding to a decline in the cost of materials ratio from 38.1% to 33.4. The reason is that the share of the external services and trading operations was nearly halved in the quarter whereas own value added has been increased.

### **Earnings situation**

Earnings in the Alphaform Group slumped in the first nine months of 2009 as against the same period of the previous year. As of 30 September 2009, they deteriorated by €3,048 thousand to a loss of €2,345 thousand from a profit of €703 thousand as of 30 September 2008. Around €732 thousand of the loss of €2,345 thousand related to the write-downs as part of the MediMet purchase price allocation.

## Staff costs

Staff costs rose by €1,456 thousand year-on-year in the first nine months of 2009, an increase of 27.1%. 96.3% of this increase, or €1,402 thousand, related to the addition of MediMet GmbH. Due to the periods of notice the reduction in personnel costs of the restructuring program, implemented in third quarter, will show full effect by January 2010.

## Depreciation and amortisation expenses

Depreciation and amortisation expenses rose strongly in the first nine months of 2009 compared with the same period of the previous year. In 2009, depreciation and amortisation expenses amounted to €1,796 thousand, 66.0% higher than the 2008 figure of €1,082 thousand. The main reason for this was not only the additional write-downs for MediMet GmbH but rather amortisation of €732 thousand incurred as part of MediMet's purchase price allocation. This amortisation in connection with the purchase price allocation will be carried out until the end of 2010.

## Other operating expenses

At €3,639 thousand, other operating expenses in the first nine months of 2009 were at the previous year's level (€3,539 thousand).

## Financing and cash flow

The consolidated cash flow statement shows the origin and use of cash flows in the first nine months of the 2009 and 2008 financial years. Cash flows are broken down into those from operating activities, investing activities and financing activities.

Cash flow from operating activities in the period from January to September 2009 declined by €6,356 thousand year-on-year to minus €5,441 thousand after the previous year's cash inflow figure of €915 thousand. This was mainly due to transfers of €4,287 thousand to the restricted bank balances in connection with the guarantees provided to former MediMet shareholders for outstanding purchase price components and the €1,500 thousand provided as collateral for the loans extended by DZ Bank at the end of February 2009.

The net cash used in investing activities remained virtually unchanged from €1,852 thousand in the period from January to September 2008 to €1,844 thousand in the same period of 2009. At €1,423 thousand, most of this related to further purchase price payments for the acquisition of MediMet. The acquisition of property, plant and equipment fell by €1,475 thousand from €1,945 thousand in 2008 to €470 thousand.

In the first nine months of 2009, financing activities generated a cash inflow of €4,217 thousand. This includes the loans granted by DZ Bank on 27 February 2009 in the amount of €2,500 thousand and on 15 May 2009, also in the amount of €2,500 thousand.

Cash and cash equivalents and current financial instruments declined by €7,931 thousand year-on-year. As of the reporting date of 30 September 2009, cash and cash equivalents amounted to €2,157 thousand as against €10,088 thousand as of 30 September 2008.

This includes the share of the purchase price for MediMet GmbH that had been paid by 30 September 2009 of €6,598 thousand.

## Balance sheet

Total assets amounted to €28,491 thousand as of 30 September 2009, an increase of €970 thousand or 3.5% as against €27,521 thousand as of the 31 December 2008 balance sheet date. The equity ratio was down to 59.2% as of 30 September 2009 after 69.8% as of 31 December 2008.

The biggest changes as against the end of 2008 related to the items restricted bank balances and liabilities to banks. On 9 February 2009, Alphaform AG entered into a loan agreement of €2.5 million with DZ Bank Frankfurt. The term of the loan is 5 years. The loan has a term of five years and bears interest at 2.5% p.a. above one-month EURIBOR. A cap transaction that limits the EURIBOR to 3.5% for the whole term of the loan was concluded to limit the interest on the loan. On 12 May 2009, another loan agreement of €2.5 million was entered into with KfW via DZ Bank. The term of the loan is 7 years. The loan has an interest rate of 6.55% p.a.

## Employees

The Company employed 213 employees (FTEs) as of 30 September 2009. This represents an increase of 35.7% as against the previous year. The Alphaform Group currently employs a total of 14 trainees.

The employee structure as of 30 September 2009 and as of 31 September 2008 was as follows:

	30 September		
	2009	2008	Change in %
Alphaform AG	98	99	-1.0
Alphaform-Claho GmbH	35	37	5.4
Alphaform RPI Oy, Finland	15	15	0.0
Alphaform Ltd., Great Britain	7	6	16.7
Alphaform-Projekt GmbH	0	0	0.0
MediMet GmbH	58	0	N/A
<b>Total employees group</b>	<b>213</b>	<b>157</b>	<b>35.7</b>

## **Risk report and outlook**

The Alphaform Group still generates a significant proportion of its revenues through project orders from the automotive industry. This industry in particular is characterised by difficult market prospects for suppliers, increasingly aggressive price competition, stricter development budgets and shorter project deadlines from automotive manufacturers. In addition, the development landscape of the automotive industry as a whole is changing. As it is not always possible for us to predict these developments, they therefore pose a significant risk for the utilisation of our capacity and hence for our earnings.

Due to poor earnings in the first nine months, two of the six covenants agreed in the loan agreements with DZ Bank are likely to be broken. Depending on the assessment of DZ Bank, this can result in a 1.0% increase in the interest rate during the period of non-compliance with the covenants. Further risks are described in detail in the Group management report. Please see also the risk report in the 2008 Annual Report.

## **Outlook**

Compared with the previous year, we are now anticipating slight lower revenues at the Group level in 2009. The medical technology acquisition is not expected to compensate the decline in old business. The challenge facing the Company in the coming months remains handling the economic crisis. This and the changes in the Formula 1 business in particular have hit our rapid prototyping business harder than expected. The restructuring programme will be complete by the end of 2009 and is intended to stabilise the negatively affected business areas, which will lead to an additional negative impact on the operating result in the fourth quarter. We expect continued weak demand in old business in the fourth quarter. In medical technology, we still expect to see slight growth compared with 2008 and are anticipating a similar operating result. After the Annual General Meeting approved the profit transfer agreement between the public limited company and MediMet, we expect to see positive tax effects. In the coming months, the Company will continue to focus on the integration of MediMet, which has progressed smoothly thus far. Parallel to this, we intend to increase penetration of the orthopaedic market gradually and acquire initial pilot customers for plastics applications from the existing Alphaform portfolio.

Feldkirchen, 4 November 2009

Alphaform AG

The Management Board

## Consolidated statement of comprehensive income

In T€, with the exception of earnings per share and number of shares	Quarter 3		1 January - 30 September	
	2009	2008	2009	2008
Revenues	4.412	5.272	14.668	16.041
Changes in inventories	145	-22	46	195
Own work capitalised	0	0	0	6
Other operating income	67	34	278	227
Cost of materials	-1.369	-1.941	-4.896	-6.114
<b>Gross profit</b>	<b>3.255</b>	<b>3.343</b>	<b>10.096</b>	<b>10.355</b>
Personnel expenses	-2.146	-1.848	-6.824	-5.368
Depreciation and amortisation costs and other write-offs	-539	-351	-1.796	-1.082
Other operating expenses	-1.190	-1.152	-3.639	-3.569
<b>Operating result</b>	<b>-620</b>	<b>-8</b>	<b>-2.163</b>	<b>336</b>
Other interest and similar income	17	114	47	375
Interest and similar expenses	-117	0	-288	0
Other operating income/expenses	0	-1	0	-4
<b>Result before tax</b>	<b>-720</b>	<b>105</b>	<b>-2.404</b>	<b>707</b>
Taxes on income	-83	-1	-174	-2
Deferred taxes	62	0	233	0
Other taxes	0	-1	0	-2
<b>Result after tax</b>	<b>-741</b>	<b>103</b>	<b>-2.345</b>	<b>703</b>
<b>Allocations of profit or loss</b>				
profit or loss attributable to minority interest	18	-2	5	0
<b>Gross profit / loss</b>	<b>-723</b>	<b>101</b>	<b>-2.350</b>	<b>703</b>
<b>Profit/loss per share</b>				
Profit/loss per share (basic)	-0,14	0,02	-0,44	0,13
Profit/loss per share (diluted)	-0,14	0,02	-0,44	0,13
Weighted average number of shares outstanding (basic)	5.318.209	5.318.209	5.318.209	5.318.209
Weighted average number of shares outstanding (diluted)	5.318.209	5.318.209	5.318.209	5.318.209

**Consolidated statement of financial positions**

T€	30 September 2009	31 December 2008
<b>Assets</b>		
Cash and cash Equivalents	3.226	5.226
free cash	2.157	5.226
restricted cash	1.069	0
Short-term investments	0	0
Trade accounts receivable	4.251	4.323
Inventories	3.160	3.670
Other current assets	549	403
<b>Total current assets</b>	<b>11.186</b>	<b>13.622</b>
Property and equipment, net	5.472	5.975
Intangible assets, net	953	1.684
Goodwill, net	7.588	6.166
Cash and cash Equivalents	3.218	0
restricted cash	3.218	0
Deferred Tax asset	42	42
Other non-current assets	32	32
<b>Total noncurrent assets</b>	<b>17.305</b>	<b>13.899</b>
<b>Total Assets</b>	<b>28.491</b>	<b>27.521</b>
<b>T€</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
<b>Liabilities and shareholders' equity</b>		
Common stock, € 1 par value	5.318	5.318
Additional paid-in capital	11.325	11.325
Accumulated other comprehensive loss	52	57
Accumulated profit/loss	178	2.523
<b>Total shareholders' equity</b>	<b>16.873</b>	<b>19.223</b>
Noncurrent liabilities		
Liabilities due to banks	4.792	99
Liabilities due to MediMet acquisition (long term)	3.336	1.880
Deferred Tax liabilities	322	555
Current liabilities		
Current finance lease obligations	133	0
Liabilities due to banks	244	715
Trade accounts payable	1.470	2.191
Other provisions/liabilities	1.321	2.858
<b>Total liabilities</b>	<b>11.618</b>	<b>8.298</b>
<b>Total liabilities and shareholders' equity</b>	<b>28.491</b>	<b>27.521</b>
2008 and 2009: 5,318,209 shares per € 1 par value		
2008 and 2009 authorised capital stock € 2,659,104, 2008 and 2009 conditional capital €531,820		

## Consolidated statements of cash flow

	1 January - 30 September	
	2009	2008
<b>T€</b>		
Result after taxes	-2.345	703
Adjustments reconcile net profit/loss to net cash from/used in operating activities		
Depreciation of property, plant and equipment	1.066	1.080
Depreciation of intangible assets	732	0
Sale of property, plant and equipment at residual value	0	217
Currency translation differences	-9	15
Bad debt allowances	180	-61
Deferred taxes	-233	0
Changes in operating assets and liabilities:		
Trade receivables	-108	-110
Inventories	510	-482
Other current assets	-146	149
Restricted cash	-4.287	0
Liabilities	-721	-99
Other provisions and liabilities	-80	-497
<b>Net cash from operating activities</b>	<b>-5.441</b>	<b>915</b>
Acquisition of property, plant and equipment, excl. finance leases	-470	-1.945
Proceeds from the sale of property, plant and equipment, excl. finance leases	49	64
Expenses for other loans	0	29
Acquisition of subsidiaries	-1.423	0
<b>Net cash used in investing activities</b>	<b>-1.844</b>	<b>-1.852</b>
New Bank Loans	5.000	0
Principal payments on bank loans short term	-471	0
Principal payments on bank loans longterm	-307	0
Principals payments under finance leases	-5	-56
Dividends paid	0	-797
<b>Net cash used in financing activities</b>	<b>4.217</b>	<b>-853</b>
Net reduction in cash and cash equivalents	-3.068	-1.790
Cash, cash equivalents and short term investments at beginning of period	5.226	11.878
<b>Cash and cash equivalents including short-term investments at the end of the period</b>	<b>2.157</b>	<b>10.088</b>
<b>Additional cash flow statement disclosures</b>		
Cash paid for interest	233	3
<b>Non-cash transactions:</b>		
Property, plant and equipment acquired under finance leases	0	0
Unrealised gains/losses on the revaluation of securities	0	225

## Consolidated statement of shareholders' equity

	Common Stock			Accumulated other comprehensive income	Accumulated profit / deficit	Total shareholders' equity
	Number of shares	Amount	Additional paid-in-capital			
All figures in € thousand except number of shares						
<b>IAS/IFRS shareholders' equity as of December 31, 2007</b>	<b>5.318.209</b>	<b>5.318</b>	<b>11.325</b>	<b>27</b>	<b>3.982</b>	<b>20.652</b>
Result					703	703
Foreign currency translation				13	0	13
Dividends paid				0	(797)	(797)
<b>IAS/IFRS shareholders' equity as of September 30, 2008</b>	<b>5.318.209</b>	<b>5.318</b>	<b>11.325</b>	<b>40</b>	<b>3.888</b>	<b>20.571</b>
<b>IAS/IFRS shareholders' equity as of December 31, 2008</b>	<b>5.318.209</b>	<b>5.318</b>	<b>11.325</b>	<b>57</b>	<b>2.523</b>	<b>19.223</b>
Result					(2.345)	(2.345)
Foreign currency translation				(5)	0	(5)
<b>IAS/IFRS shareholders' equity as of September 30, 2009</b>	<b>5.318.209</b>	<b>5.318</b>	<b>11.325</b>	<b>52</b>	<b>178</b>	<b>16.873</b>

## Notes to the consolidated financial statements (abridged)

These consolidated interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), London, in conjunction with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). They were not audited as in line with section 317 of the German Commercial Code (HGB), nor were they reviewed by an auditor.

### Scope of consolidation

The consolidated financial statements include Alphaform AG and all of its associated subsidiaries. There was no change in the group of consolidated companies in the first nine months of 2009 as against 31 December 2008.

As of 30 September, the Company held all shares in the following subsidiaries:

- Alphaform-Projekt GmbH, Feldkirchen, Germany 100%
- Alphaform Ltd., Newbury, UK 100%
- Alphaform-Claho GmbH, Garmisch-Partenkirchen, Germany 100%
- Alphaform RPI Oy, Rusko, Finland 100%
- MediMet Precision Casting and Implants Technology GmbH, Germany 100%

### Basic accounting policies

The interim financial statements were prepared in accordance with the same accounting policies as the consolidated financial statements for the year ended 31 December 2008.

The recommendations of Deutsche Börse on quarterly reporting by companies listed in the Prime Standard also apply.

The same principles of consolidation were applied in preparing this interim financial report and calculating comparative figures as for the 2008 consolidated financial statements.

### Segment reporting

A business segment is a distinguishable component of a group that is engaged in providing products or services and that is subject to risks and returns that are different from those of other business segments.

Segment information is provided on the Group's business and geographical segments. The basis for the primary segment reporting format is the Group's management structure and its internal financial reporting system. Segment earnings contain components that are directly attributable to the individual segment or that can be reasonably allocated to the segments.

The Group primarily consists of the following two geographical segments:

## Central Europe

The Central Europe region comprises the companies Alphaform AG, Feldkirchen; Alphaform-Claho GmbH, Garmisch-Partenkirchen, Alphaform-Projekt GmbH, Feldkirchen, and MediMet Precision Casting and Implants Technology GmbH, Stade.

## Northern Europe

The Northern Europe business segment comprises Alphaform RPI Oy, Finland, and Alphaform Ltd, United Kingdom.

## Business segments

The revenues in our business segments relate to the generative 3D layering (rapid prototyping) and CNC milling shaping (rapid tooling) technologies with subsequent injection moulding as well as precision casting. Segment revenue information is presented on the basis of the domicile of the respective customer.

### Period 1 January – 30 September 2009:

		Central Europe	North Europe	Not allocated	Group
T€		2009	2009	2009	2009
External revenues		12.073	2.595	0	14.668
Revenues with other segments		397	102	-499	0
<b>Revenues</b>		<b>12.470</b>	<b>2.697</b>	<b>-499</b>	<b>14.668</b>
<b>Segment earnings</b>		<b>-1.574</b>	<b>76</b>	<b>-665</b>	<b>-2.163</b>
Interest income		70	0	-23	47
Interest expense		-135	-25	-128	-288
Other expenses, net		0	0	0	0
<b>Profit/loss before taxes</b>		<b>-1.639</b>	<b>51</b>	<b>-816</b>	<b>-2.404</b>
Income taxes		-174	0	233	59
<b>Net result for the period</b>		<b>-1.813</b>	<b>51</b>	<b>-583</b>	<b>-2.345</b>

Period 1 January – 30 September 2008:

	Central Europe	North Europe	Not allocated	Group
T€	2008	2008	2008	2008
External revenues	13.518	2.523	0	16.041
Revenues with other segments	400	185	-585	0
<b>Revenues</b>	<b>13.918</b>	<b>2.708</b>	<b>-585</b>	<b>16.041</b>
<b>Segment earnings</b>	<b>314</b>	<b>25</b>	<b>-3</b>	<b>336</b>
Interest income	394	2	-21	375
Interest expense	-2	-23	21	-4
Other expenses, net	0	0	0	0
<b>Profit/loss before taxes</b>	<b>706</b>	<b>4</b>	<b>-3</b>	<b>707</b>
Income taxes	-5	1	0	-4
<b>Net result for the period</b>	<b>701</b>	<b>5</b>	<b>-3</b>	<b>703</b>

The following table shows the geographical distribution of revenues:

Consolidated revenues 1 January – 30 September:

T€	Rapid Prototyping		Rapid Tooling		Precision Casting		not allocated		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Germany</b>	5.390	9.436	812	1.591	1.699	0	0	0	7.901	11.027
<b>Finland</b>	1.011	972	76	126	0	0	0	0	1.087	1.098
<b>UK</b>	1.389	1.502	3	0	0	0	0	0	1.392	1.502
<b>Rest of Europe</b>	1.279	1.996	120	163	421	0	0	0	1.820	2.159
<b>Rest of World</b>	73	236	15	19	2.380	0	0	0	2.468	255
<b>Total</b>	<b>9.142</b>	<b>14.142</b>	<b>1.026</b>	<b>1.899</b>	<b>4.500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14.668</b>	<b>16.041</b>

## **Stock option plans**

### **Stock option plan 2000**

By way of resolution dated 8 June 2000, the Annual General Meeting of Alphaform AG authorised the Management Board and the Supervisory Board to issue stock options under the 2000 stock option plan, the main features of which were resolved by the Annual General Meeting. The Annual General Meeting also authorised the Management Board to determine the remaining details relating to the granting of options and the terms of exercise, subject to the approval of the Supervisory Board. Furthermore, the Annual General Meeting authorised the Management Board, with the approval of the Supervisory Board, to adjust the terms and conditions of the stock options if changes in circumstances or legislation mean that the current terms and conditions are no longer practicable. The new terms and conditions must be as close to the current version as possible.

The Management Board of Alphaform AG may grant stock options to the Company's employees and the executives and employees of its subsidiaries in line with section 15 of the German Stock Corporation Act, and the Supervisory Board of Alphaform AG may grant stock options to the members of the Management Board, within defined periods of no less than three years in each case. A total of up to 10% of issued capital may be issued in the form of stock options. For this purpose, contingent capital in the amount of €359 thousand was created by the Annual General Meeting of 8 June 2000.

The options granted are divided into two tranches. The exercise price for the first tranche amounts to 120% of the market price of the shares on the grant date, while the exercise price for the second tranche amounts to 140% of the market price on the grant date. Options from the first and second tranches may not be exercised for at least two and four years respectively. The options may only be exercised if the market price of the shares has risen by at least 20% or 40% as against the market price of the shares on the grant date of the first or second tranche respectively. All options expire six years after the respective grant date.

By resolution of the Annual General Meeting on 25 May 2001, the terms of the 2000 stock option plan were amended in two aspects relating to the future grant of options under the 2000 stock option plan:

The price of options issued following the entry of the amendment resolution in the commercial register is calculated on the basis of the average closing price of Alphaform's shares in Xetra trading on the Neuer Markt of Deutsche Börse AG during the last 30 trading days prior to the grant date of the subscription rights. For the first half of the options, the price to be paid on exercise is 120% of the average closing price of Alphaform's shares during the reference period. For the second half of the options, the price to be paid on exercise is 140% of the average closing price of Alphaform's shares during the reference period.

In addition, the Annual General Meeting on 25 May 2001 resolved to extend the stock option plan dated 8 June 2000 so that, if options ultimately cannot be exercised or expire, or if the beneficiaries have irrevocably waived their option rights in writing to the Company, the same number of new options may be issued in place of the old options to the group for which they originally were intended.

## Stock option plan 2001

The Annual General Meeting of Alphaform AG held on 25 May 2001 authorised the Management Board and the Supervisory Board to issue options under the 2001 stock option plan, the main features of which were resolved by the Annual General Meeting. The Annual General Meeting also authorised the Management Board to determine the remaining details relating to the granting of options and the terms of exercise, subject to the approval of the Supervisory Board. Furthermore, the Annual General Meeting authorised the Management Board, with the approval of the Supervisory Board, to adjust the terms and conditions of the stock options if changes in circumstances or legislation mean that the current terms and conditions are no longer practicable. The new terms and conditions must be as close to the current version as possible.

The Management Board of Alphaform AG may grant a total of up to 34,500 stock options to the Company's employees and the executives and employees of its subsidiaries as defined by section 15 of the German Stock Corporation Act, and the Supervisory Board of Alphaform AG may grant the Management Board up to 138,000 stock options.

The conditions in accordance with which the options under the 2001 stock option plan may be exercised are the same as those for the 2000 stock option plan following the amendments resolved by the Annual General Meeting on 25 May 2001.

A total of up to 10% of the Company's issued capital may be issued in the form of stock options under the 2000 and 2001 stock option plans. Total contingent capital of €531,820 thousand was created for this purpose. The right to grant options under the 2001 stock option plan has not been exercised so far. All options issued in financial year 2001 were granted under the 2000 stock option plan. In 2003, an additional 138,000 options were granted under the 2001 stock option plan.

The Annual General Meeting held on 30 May 2003 resolved a modification to the existing 2000 and 2001 stock option plans. As a result, the Company is able to create a new method of fulfilling present and future subscription rights – subject to the consent of the respective beneficiaries.

Instead of issuing shares against the payment of the exercise prices stipulated under the terms of the respective stock option plans, this modification entitles the Company to issue a smaller number of shares in exchange for the payment of the lowest issue price of €1.00. This gives the Company a greater degree of flexibility in the fulfilment of subscription rights.

No options for shares have currently been granted.

## Related parties

There were no changes within the Management Board or the Supervisory Board in the third quarter of 2009.

The table below provides a breakdown of the shareholdings of the Management Board and the Supervisory as of 30 September 2009:

	<b>Position</b>	<b>Stock options as of 30 September 2009</b>	<b>Shares as of 30 September 2009</b>	<b>Percentage of share capital<sup>1)</sup></b>
Dr. Thomas Vetter	Member of the Management Board		125,321 <sup>2)</sup>	2.36
Matti Paasila	Chairman of the Supervisory Board		60,000	1.13
Dr. Hans J. Langer	Member of the Supervisory Board		976,659 <sup>3)</sup>	18.36
Falk F. Strascheg	Member of the Supervisory Board		852,317 <sup>4)</sup>	16.03
<b>Total</b>		<b>0.00</b>	<b>2,014,297</b>	<b>37.88</b>

1) 5,318,209 shares

2) 52,750 of which shares held by Juana Parra

3) held by LHUM Vermögensverwaltungs GmbH

4) of which 433,583 shares held in Renate Strascheg Holding GmbH;  
of which 418,734 shares in Falk Strascheg Holding GmbH

As of 30 September 2009, no stock options had been issued to Management Board members and members of the Supervisory Board. Alphaform AG has not granted any loans to members of the Management Board or Supervisory Board, but it has taken on a bank guarantee at Deutsche Bank AG for a loan to Dr. Vetter of €400 thousand.

Effective 1 February 2009, Alphaform AG has a consultancy agreement with Mr. Matti Paasila for services beyond the scope of his capacity as Chairman of the Supervisory Board of Alphaform AG. Mr. Paasila will support the Company on approximately 10 – 15 compensated advisory days per year for a daily fee of €1.5 thousand with his particular expertise and his access to an international network to implement the strategic reorientation. In particular, Mr. Paasila will play an active role in generating leads, analysing and valuing businesses (due diligence) and purchase price negotiations. Mr. Paasila will also advise the Company regarding the incorporation of acquired companies into the Alphaform Group in terms of operations.

Other than this, there are currently no further consulting contracts with current or former members of the Supervisory Board.

Dr. Hans J. Langer, as a member of the Supervisory Board of Alphaform AG, is also the Chairman of the Management Board of EOS Holding AG in Krailling. EOS GmbH, a wholly owned subsidiary of EOS Holding AG, is one of Alphaform AG's largest suppliers of raw materials with a purchasing volume which, in the first nine months of 2009, totalled €382 thousand (previous year: €512 thousand).

## **Events after the end of the first nine months**

On 14 October 2009, the management of Alphaform AG and the works council resolved a reconciliation of interests including a redundancy scheme for the reduction of 23 positions at Alphaform AG in Feldkirchen. The employees have since been notified.

Other than those discussed above, no events of material importance or that could require a reassessment of Alphaform or its business arose after the first nine months of 2009.

## **Financial Calendar 2009**

Analyst Conference

Date: 9 December 2009

## **Investor Relations**

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