ALBA SE
(formerly INTERSEROH SE)

Mid-year financial report of
ALBA SE and its affiliated
Subsidiaries (Group)

for the period January 1, 2012, through June 30, 2012

ALBA SE – Stollwerckstraße 9a – 51149 Cologne – Phone: +49 2203 9147-0 – Fax: +49 2203 9147-1394
email: aktie@alba-se.com – web: www.alba-se.com

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The Share

The holding company of the publicly quoted group of companies has been operating under the name ALBA SE since July 2, 2012. The shareholders, by a large majority, passed the relevant resolution at the General Shareholders' Meeting on June 13, 2012, in Cologne, thereby expressing their approval of the renaming of the Group from INTERSEROH SE to ALBA SE. The ALBA SE share has been quoted on the German stock exchanges in Frankfurt, Düsseldorf, Stuttgart, Munich, Hamburg and Berlin-Bremen since July 6, 2012, under the ticker symbol ABA.

The operational companies of ALBA SE are not affected by the change in name. Furthermore, the INTERSEROH brand is being maintained as customer/product brand and within the ALBA Group represents the recycling services organisation.

ALBA Group plc & Co. KG, as parent of ALBA SE, and its affiliated subsidiaries comprise the ALBA Group. The ALBA Group belongs to one of the ten largest environmental services, recycling and secondary resource trading companies worldwide. The Group's business activities prevent the release of several million tons of environmentally harmful carbon emissions every year.

The ALBA SE share price developed extremely positively during the first half of 2012. When the stock exchange opened on January 2, the share was quoted at EUR 52.22 on the Frankfurt stock exchange; it rose to EUR 60.50 in the period under review and closed at EUR 58.45 on June 30. The control and profit transfer agreement entered into with ALBA Group plc & Co. KG, Berlin, in 2011 had a major influence on the positive development of the share.

ALBA Group plc & Co. KG is the major shareholder of ALBA SE. Voting rights of ALBA Group plc & Co. KG, Berlin, are to be attributed to Dr. Axel Schweitzer and Dr. Eric Schweitzer in accordance with Section 22, paragraph 1, clause 1 (1) of the German Securities Trading Act via ALBA Finance plc & Co. KGaA, ALBA Finance Holding plc, ALBA Group Europe plc, Alpsee Ltd. and Eibsee Ltd., each with statutory headquarters in London, UK, and administrative headquarters in Berlin. On June 30, 2012, these voting rights arose from 8,395,849 shares (85.324 percent).

ALBA SE, Cologne
(formerly INTERSEROH SE)

Interim Group Management Report

for the period from January 1, 2012, to June 30, 2012

Since July 2, 2012, INTERSEROH SE, Cologne, has been operating under the name of ALBA SE, Cologne.

The business activities of ALBA SE and its affiliated subsidiaries (ASE Group) are divided into two segments – steel and metals recycling and services.

A control and profit transfer agreement was entered into between ALBA Group plc & Co. KG, Berlin, (ALBA KG) as controlling company, and ALBA SE as controlled company. Under the agreement ALBA Group plc & Co KG it is required, at the request of any external shareholder of ALBA SE, to acquire his bearer shares with a notional share in capital stock of EUR 2.60 per share for cash compensation of EUR 46.38 for each ALBA SE share (cash compensation offer).

Those external ALBA SE shareholders preferring not to accept the cash compensation offer are entitled to receive a recurring payment for the duration of the agreement (equalisation payment). The equalisation payment amounts to EUR 3.94 gross per ALBA SE share for each full fiscal year minus corporate taxes plus a solidarity surcharge according to the rate applicable to these taxes for the relevant fiscal year.

A legal challenge under the German Award Proceedings Act regarding the level of the cash compensation and equalisation payment is pending at the District Court in Cologne.

During the first hearing of the legal challenge as to the appropriate compensation amount (*Spruchverfahren*) on April 20, 2012, the Regional Court (*Landgericht*) of Cologne discussed the pleadings of both claimants and respondent (ALBA Group plc & Co. KG). Subsequently, the Court decided on June 15, 2012, to order a new expert opinion, which is to calculate independently the enterprise value by "reasonably taking into account the statements made in connection therewith" within the next two years.

A. Framework Conditions

1. General Economic Development

After a marked decline in the global economy in the fourth quarter of 2011, global production recovered in the first three months of 2012. However, by the second quarter the economy lost some momentum again. China, until now the 'locomotive of the world economy', reported in the months between April and June the lowest growth rate for three years.

The eurozone economy was characterised by a strong divergence in the first half of 2012. Whilst the whole eurozone found itself in recession, the German economy reported a slight growth.

Nevertheless, the eurozone crisis restricted the German economy more heavily than was originally expected and diminished the demand for German products. Because of the worldwide recession, exports in non European regions also weakened slightly. Therefore the German economy was primarily driven by the domestic economy. In addition to private consumer spending, positive stimuli came mainly from the construction industry because of favourable financing conditions. Companies held back because of the uncertain economic situation and equipment investments were accordingly subdued.

2. Changes in Legal Framework Conditions

The discussions which are part of the amendment of the recycling management law for the approval of private firms in the recycling sector for commercial collections from households resulted in a compromise at the conciliation committee session on February 8, 2012. This means that private firms can only perform commercial collections from households if they are significantly more effective than the public system. The German Federal Diet and the German Federal Council adopted the new recycling management law with this reasoning on February 9 and 10. This law came into force on June, 1 2012. Collections in the industrial sector are not affected by this.

The Federal Association of German Waste, Water and Raw Materials (BDE) filed a suit with the European Commission against the law. As things stand, the management expects that the new law will have no significant effects on the business of ALBA SE and its affiliated subsidiaries.

On January 19, 2012 the European Parliament agreed with a large majority to an amendment of the European Waste Electrical and Electronic Equipment Directive (WEEE). The aim of the new Directive is to considerably increase the collection rates of electronic devices in EU Member States within seven years. Furthermore the Directive contains regulations which should prevent the illegal transfer of disused devices more effectively. The implementation of the EU Directive requires an amendment to the German Electrical and Electronic Devices Law (ElektroG). A first draft is expected in fall 2012. As things stand, the management expects positive effects on the operations in all business sectors of ALBA SE.

B. Course of Business

1. Sales revenues and earnings

The steel and metals recycling segment was operating in an economically difficult market environment in the first half of 2012. Despite decreased demand and lower prices compared to the same period of the previous year, the segment was successful in increasing traded tonnage and maintaining sales at the previous year's level. Losses in earnings were recorded, however. In the services segment the purging of low-profit customer contracts from the contract portfolio, planned at the end of 2011, that took place in the first six months of the current year resulted in a significant reduction in market share and sales in the area of sales packaging with a simultaneous rise in earnings.

Subsequent to the sale of the raw materials trading segment as at October 1, 2011, the related earnings after taxes are summarised in the profit and loss statement and reported as earnings after taxes from discontinued operations. The figures from the period under review are thus compared exclusively with amounts from continuing operations below.

Earnings before shares in earnings in associated companies, interest and taxes (EBIT) amounted to EUR 20.48 million in the period under review (same time period in the previous year: EUR 25.71 million). EBT totalled EUR 13.36 million (previous year: EUR 19.28 million).

Consolidated revenues totalled EUR 1,055.00 million (previous year: EUR 1,128.25 million).

The steel and metals recycling segment generated turnover of EUR 889.34 million (previous year: EUR 887.47 million).

Sales in the services segment amounted to EUR 170.61 million (same period in the previous year: EUR 246.50 million).

Sales between segments of EUR 4.95 million (previous year: EUR 5.72 million) were consolidated. Inter-segment consolidations equalled EUR 0.01 million (previous year: EUR 0.05 million).

2. Steel and Metals Recycling

The steel and metals recycling segment was operating in an economically difficult market environment of decreased demand and lower prices compared to the same period of the previous year. Nevertheless, the segment managed to maintain sales revenues at the previous year's level and to increase traded tonnage by over 56,000 tons. Lower margins, however, depressed earnings.

In the second quarter, general uncertainty regarding the future development of the euro debt crisis resulted in subdued steel demand and prices under those of the same period in the previous year. The average warehouse sales price of leading scrap type 2 dropped from EUR 350.70 per ton in the first six months of 2011 to EUR 328.80 per ton in the first half of 2012.

Prices of non-ferrous metals were extremely volatile. The difficult sales and procurement market situation for non-ferrous metals in the first half of the year was due primarily to the deceleration in growth in the Chinese economy and lower demand from many customers due to the uncertainties mentioned. This development was accompanied by enormous price rises in sea freight in Asia, as well as in part non-competitive European prices for zinc and copper in Asia.

On March 1, 2012, INTERSEROH Stainless Steel GmbH, Dortmund, acquired all assets of the ‘Alloyed Scrap’ segment of INTERSEROH NRW GmbH, Dortmund, and started up operations with alloyed scrap.

As at July 1, 2012, a new location in Homburg (INTERSEROH Serog GmbH, Bous) was opened, building up the presence of the steel and metals recycling segment in the Saarland.

3. Services

The services segment evidenced falling sales revenues and higher earnings in the first half of 2012 compared to the same period in the previous year. Both are due primarily to the purging of low-profit customer contracts in the sales packaging sector from the contract portfolio during the fourth quarter of fiscal 2011.

INTERSEROH Dienstleistungs GmbH, Cologne, joined an initiative of the National Association of German Waste Disposal, Water Management and Raw Materials Sectors (BDE) by signing a certificate to ‘assure packaging disposal’ in 2011. Under this agreement the Company committed to allowing an external auditor to check proper compliance with the packaging ordinance. The accompanying audit process was launched in the spring of 2011 and was successfully concluded in May of 2012. This process includes, in particular, a careful analysis and documentation regarding correct adherence to regulatory statutes of the packaging ordinance as set forth by enforcement authorities. Customers now also receive external confirmation of the legal certainty of compliance with the statutory rules as a result.

Transport packaging recycling showed increases in both sales and earnings. This is due above all to payment in arrears in the industry for economic reasons in 2011.

The innovative business fields ‘multi-way transport packaging for fruit and vegetables' and 'recycled resource’ have shown promise of success with respect to order levels and earnings in the first six months of 2012.

Sales and earnings from the INTERSEROH Pfand-System GmbH, Cologne, dropped in the first half of 2012 compared to the same period in the previous year. This is primarily because of the fact that some major customers have performed tallying of disposable packaging in-house, which has resulted in falling tallying quantities in the deposit system. Furthermore, a major customer is now undertaking logistics for empty packaging on its own.

In the first half of 2012, the Interseroh business unit Recycling Solutions was able to modestly increase sales and earnings. New customers were attracted above all in the automotive and facility management sector. The contract levels in the automotive field continued to be assured due to long-term commitments; the position in chain restaurants was asserted successfully.

Sales and earnings in the business unit that organises the collection and recycling of waste electric and electronic equipment from manufacturers hovered at previous year's levels. Dropping collection orders were compensated by the new product ‘light bulb collection’.

Sales and earnings of INTERSEROH Product Cycle GmbH, Cologne, dealing in ink and toner cartridges, were significantly lower in the first half of 2012 compared to the same period of the previous year. The main reason for this is the high level of supply of knock-offs of original cartridges and the resulting lower prices for empties.

REPASACK Gesellschaft zur Verwertung gebrauchter Papiersäcke mbH, Wiesbaden, recorded sales at the level of the same period in the previous year.

Business development at INTERSEROH Austria GmbH, Vienna, Austria, was positive during the first six months of 2012, despite increasing competitive pressure, and evidenced sales increases, with earnings at the same level as this period in the previous year.

Sales and earnings of the Eastern European subsidiaries were at the level of the same period in the previous year.

C. Presentation of Net Assets, Financial Position and Results of Operations

1. Results of operations

Consolidated earnings as at June 30, 2012, amounted to EUR 12.06 million, after EUR 16.21 million in the previous year. Sales revenues are down by 6.49 percent. The decline stems chiefly from the services segment. Cost of sales has dropped correspondingly at almost the same rate (5.57 percent).

Other operating income has risen as the result of higher exchange rate gains (EUR +2.29 million) and income from the liquidation of specific bad debt allowances (EUR +2.66 million). This is offset by lower income from other period from the write-off of liabilities (EUR -4.68 million).

Sales commissions in particular decreased in the case of other operating expenses (EUR -35.18 million). The reduction is directly related to the lower sales volume in the services segment.

2. Net Assets

Compared to December 31, 2011, total assets as at June 30, 2012, had fallen by EUR 26.22 million to EUR 628.86 million.

Inventories declined by 19.69 percent from EUR 127.58 million to EUR 102.45 million since December 31, 2011. This is due above all to the depletion of inventory of merchandise, as well as finished goods and goods-in-progress in the steel and metals recycling segment.

The reason for the increase in short-term trade receivables by 20.88 percent is primarily a major delivery in the steel and metals recycling segment shortly before the balance sheet date.

The rise in other current receivables reflects sales tax refund claims from the tax authorities.

The reduction in current and non-current financial debt results in large measure from the repayment of liabilities to banks. In addition current financial debt contains the net balance of EUR 4.52 million from the cash pool agreement entered into with ALBA KG. Additional comments in this respect can be found in the section on the financial position.

3. Financial position

Financing Measures

In the period under review the loan of the ASE Group in the amount of EUR 68.46 million for refinancing existing liabilities was repaid by utilising the ALBA KG cash pool.

Cash and cash equivalents

At the beginning of active participation in the ALBA KG cash pooling process the definition of cash and cash equivalents in the cash flow statement was changed and the previous year's figures adjusted.

Now cash and cash equivalents in the cash flow statement includes the net cash pool balance with ALBA KG in addition to the liquid funds in the amount of EUR 24.39 million (previous year: EUR 74.88 million) reported in the balance sheet. As at the balance sheet date a cash pool liability of EUR 4.58 million (previous year: receivable of EUR 2.0 million) existed, so that the cash and cash equivalents figure at the end of the period under review amounted to EUR 19.81 million (previous year: EUR 76.88 million). The balances included in the level of cash and cash equivalents are subject to minimal value fluctuation risks only.

The reduction in cash and cash equivalents by EUR 57.07 million stems overwhelmingly from the loan repayment described above and the countervailing effect from the reduction of a short-term loan of EUR 15.21 million granted to ALBA KG.

Please refer to the cash flow statement for additional information.

Investment

Investment in intangible assets and property, plant and equipment, excluding finance leasing, amounted to EUR 5.55 million during the period under review as opposed to EUR 5.69 million in the same period of the previous year.

D. Additional Disclosures

1. Subsequent Events after the balance sheet date

There were no events of special importance that occurred after the period under review.

2. Board of Directors and Supervisory Board

There were no personnel changes either in the Company's Board of Directors or Supervisory Board in the first half of 2012.

3. Employees

In the first half of 2012 the Interseroh Group employed an average of 1,910 individuals, including trainees (previous year: 1,987).

4. Risk Management and Internal Control System

In principle ALBA SE’s Board of Directors is responsible for the scope and design of the monitoring systems instituted, such as the risk management system (RMS) and internal control system (ICS). The systems are adapted to the relevant company-specific conditions, centrally coordinated and reviewed on a regular basis.

Please refer to the 2011 annual report for details on the design of the RMS in the ASE Group.

During the first half of 2012 the Board of Directors took further steps to optimise risk management and undertook additional organisational developments. For instance, the rules of procedure were standardised and the risk management process continued to be standardised and automated.

There are currently no known risks that might jeopardise the continued existence of the ASE Group.

The internal control system (ICS) as it relates to the Group's accounting system is presented in detail in the 2011 annual report. There have been no significant changes in the first half of 2012.

5. Environment and sustainability

Environment and sustainability play a central role in the ASE Group. Accordingly, INTERSEROH Dienstleistungs GmbH certified additional facilities in Germany and in the subsidiary in Austria. The two washing centres of INTERSEROH Pool GmbH, Cologne, obtained certification under DIN ISO 14001 and BS OHSAS 18001 in the spring of 2012; the REPASACK cleaning facility in Oberhausen and INTERSEROH Austria GmbH obtained certification in the middle of the year.

E. Anticipated Developments

1. Risks and opportunities report

Currently no risks have been identified that might jeopardise the continued existence of the ASE Group.

Below we explore only the changes in risk in the current fiscal year and new measures of risk protection. Please refer also to the risk and opportunities report in the 2011 annual report.

Relationships with customers and suppliers

Optimisation of the centrally coordinated trade credit insurance system in order to avoid sales and earnings losses, as well as defaults, was actively pushed forward and standardised in the first half of 2012.

Compliance

Compliance risks arise from factors such as a failure to comply with different legal regulations and requirements, for instance in areas such as anti-corruption, anti-trust law, environmental protection and taxes and data protection. The ASE Group has taken many steps to further minimise these risks.

In addition to regular training sessions on the topics of anti-trust law and anti-corruption the installation of central knowledge databases for training and for the exchange of experience in the areas of anti-trust and public procurement law was implemented in the first half of 2012.

Segments

Steel and Metals Recycling

The risk of volatile raw materials prices, which impact the financial position and results of operations of the segment, are countered by active position management. Additional hedging options, such as commodity hedging for some non-ferrous metal scrap on the London Metal Exchange, as well as exchange rate hedging, continue to be developed in the current fiscal year.

Services

In the services segment, too, volatile commodity prices could influence business development; a certain amount of volatility has already been taken into consideration in customer contracts.

Opportunities

The control and profit transfer agreement between ALBA Group plc & Co. KG and INTERSEROH SE, as well as the change of name to ALBA SE, will reinforce the position vis-à-vis competitors by consolidating the strengths of both corporate groups. Inter-company cooperation is evident along the entire value creation chain in the shape of cross-selling and cross-buying measures, for instance. Additional organisational changes in the ALBA Group and a customer-oriented set-up will assist in this process.

2. Outlook

a) General Economic Development

Leading economic experts reduced their growth forecasts for the global economy and expect an increase of only 3.5 percent this year.

The eurozone is in a recession because of the debt problems of many countries and the prolonged uncertainty of the financial markets. Economists expect an economic decline of 0.3 percent in 2012 for the eurozone. Accordingly, the demand for German products from both the eurozone and from other industrialised countries will continue to remain subdued. A rise in exports is not expected until the new year. Therefore this year the German economy will predominantly be supported by the domestic economy. Economic experts predict a growth of only 1 percent for 2012.

The expert’s estimations are conditional on politicians in the eurozone taking sufficient steps to address the crisis.

Estimates of the short to medium-term development of the business segments of ASE Group are based on current expectations and assumptions regarding the effects of future events and economic conditions on the operational companies.

b) Developments in the segments

Steel and Metals Recycling

The current political and economic situation has led to uncertainty among market participants. The steel industry is, therefore, anticipating a weaker second half of 2012.

Price reductions in Europe are forecast in the area of non-ferrous metals. Here, too, the uncertainties regarding the economic and currency developments are being felt.

The Board of Directors is anticipating dropping demand and declining prices in non-ferrous metals for the rest of 2012. In the iron scrap (Fe) segment slightly decreasing price levels and declining quantities are expected in the second half of the year. Based on these anticipated developments, slightly lower sales and somewhat more reduced earnings before taxes are expected for the whole of 2012 for the steel and metals recycling segment as compared to the previous year.

Opportunities and potential arise from the comprehensive use of know-how available in the segment for the purpose of continued optimisation of process flows in treating and trading scrap. In the past few years the steel and metals recycling segment has continued the internationalisation process begun in all divisions. This is demonstrated by such developments as building a deep sea terminal in Dordrecht, as well as the expansion of the Fe container business with a focus on Asia. Consistent development of the areas of non-ferrous metals and alloyed scrap are the focus of activities in 2012.

In order to continue to expand its leading position, the steel and metals recycling segment is counting on further growth in its export business, especially to Asia, and the development of new procurement and sales markets in Europe. Furthermore, trading activities for alloyed scrap and in the non-ferrous metals area are to be expanded. Progressive networking of locations is of key importance here, in order to enhance the segment's profitability by means of improved marketing structures.

Risks exist with respect to lower than expected quantity growth, especially in the markets Turkey and China, due, for instance, to political disturbances in the region, regulatory measures or restrictive monetary policy. The possible intensification of the euro crisis represents a special risk, which would be expressed by a decline in industrial production *inter alia.* Furthermore, devaluation in the US dollar could have a negative impact on the competitive position of European secondary resource suppliers.

Services

On the whole the Board of Directors is expecting a drop in sales in fiscal 2012 compared to the previous year for the services segment due to the ongoing purging of low-profit customer agreements from the contract portfolio. At this time, despite sharp competition in selected business fields and the anticipated reduction in price levels in several commodities markets, earnings before taxes comparable to 2011 are expected.

c) Development of the Group

As at December 31, 2011, the Board of Directors was expecting a decrease in sales of 5 percent with a reduction in earnings before taxes of 15 percent in the continuing business areas for fiscal 2012. Due to economic uncertainties and persistent pressure on margins in both segments, the Board of Directors is anticipating a decline in sales of from 5 to 10 percent. The drop in earnings, however, is likely to be greater than forecast.

The liquidity required for the ASE Group is assured to a great extent by participation in the cash pooling process. Any requirements beyond the short-term liquidity available can be covered completely at all times by rolling cash credit lines granted by commercial banks.

Consolidated Interim Financial Statements

for the period from January 1 to June 30, 2012

ALBA SE, Cologne
(formerly INTERSEROH SE)

Consolidated Income Statement

for the period from January 1 to June 30, 2012

	1. half year 2012 EUR	1. half year 2011 EUR
1. Sales revenues	1,054,999,386.13	1,128,254,278.31
2. Reduction / Increase in inventory of finished and work in progress	-6,255,165.42	8,398,921.57
3. Other operating income	34,449,872.36	32,576,312.53
4. Cost of materials	913,260,602.92	967,164,363.65
5. Personnel costs	51,299,345.98	50,563,935.67
6. Depreciation on intangible assets and on property, plant and equipment	8,814,723.68	8,984,152.61
7. Other operating expense	89,337,413.49	116,810,198.05
8. Profit shares in associated companies, accounted for under the "at-equity" method	515,179.29	547,654.78
9. Financial income	1,709,685.02	1,667,421.40
10. Financial expenses	9,349,332.06	8,643,110.45
11. Earnings before taxes	13,357,539.25	19,278,828.16
12. Income tax expense	1,296,545.22	3,065,261.07
13. Earnings after taxes from continuing business	12,060,994.03	16,213,567.09
Earnings after taxes from discontinued business	0.00	3,351,787.72
Income after taxes	12,060,994.03	19,565,354.81
14. Shares in income to be attributed to minority interests	618,607.08	1,634,856.69
of which from continuing business		1,580,375.81
of which from discontinued business		54,480.88
15. Of which shares in income to be allocated to shareholders of the parent company	11,442,386.95	17,930,498.12
of which from continuing business		14,633,191.28
of which from discontinued business		3,297,306.84
16. Earnings per Share		
of which from continuing business	1.16	1.77
of which from discontinued business		0.06
of which from continuing and discontinued business	1.16	1.82

ALBA SE, Cologne
(formerly INTERSEROH SE)

Consolidated Balance Sheet

as at June 30, 2012

ASSETS	30.06.2012 EUR	31.12.2011 EUR
Non-current assets		
Intangible assets	**119,370,988.93**	**121,189,087.71**
Property, plant and equipment	**84,824,139.00**	**86,413,683.80**
Financial assets accounted for under the at-equity method	**8,456,808.03**	**7,741,601.29**
Financial assets	**1,119,449.55**	**1,728,113.37**
Other receivables	**1,310,883.47**	**1,133,722.99**
Deferred tax assets	**6,428,911.23**	**6,252,238.90**
	221,511,180.21	**224,458,448.06**
Current assets		
Inventories	**102,449,739.04**	**127,575,787.43**
Trade receivables	**208,276,843.06**	**172,304,765.27**
Financial assets	**9,913,066.28**	**24,679,114.09**
Other receivables	**59,103,698.29**	**28,822,068.48**
Income tax refund claims	**3,218,211.48**	**2,355,136.63**
Cash and cash equivalents	**24,385,339.52**	**74,882,830.26**
	407,346,897.67	**430,619,702.16**
	628,858,077.88	**655,078,150,22**

LIABILITIES	30.06.2012 EUR	30.06.2012 EUR	31.12.2011 EUR	31.12.2011 EUR
Shareholders' equity				
Subscribed capital and reserves attributable to the parent company				
Subscribed capital	25,584,000.00		25,584,000.00	
Reserves	168,662,690.32	194,246,690.32	153,360,146.04	178,944,146.04
Minority interests in equity		6,493,033.05		6,100,612.35
		200,739,723.37		185,044,758.39
Liabilities				
Non-current liabilities				
Payments to employees under pension commitments	19,171,206.91		19,410,156.61	
Other non-current provisions	6,000,230.04		5,588,814.36	
Deferred tax liabilities	5,795,297.37		6,083,527.57	
Financial liabilities	9,660,051.65		71,319,610.32	
Trade liabilities	447,971.22	41,074,757.19	366,806.02	102,768,914.88
Current liabilities				
Provisions	16,286,806.75		11,703,541.08	
Income tax liabilities	6,522,855.79		7,291,722.48	
Financial liabilities	56,076,756.39		67,474,424.12	
Trade liabilities	225,694,574.68		209,289,281.14	
Other liabilities	82,462,603.71	387,043,597.32	71,505,508.13	367,264,476.95
		428,118,354.51		470,033,391.83
		628,858,077.88		655,078,150.22

ALBA SE, Cologne
(formerly INTERSEROH SE)

Consolidated Cash Flow Statement

from January 1 to June 30, 2012

	1. half year 2012 EUR million	1. half year 2011 EUR million	2011 EUR million
Consolidated income	12.06	19.57	37.15
Income tax expense	1.30	1.06	4.79
Finance income	7.64	7.21	15.92
Shares in gain/loss of associated companies accounted for under the at-equity method	-0.52	-0.55	-0.10
Consolidated EBIT (previous year: including raw materials trading segment)	20.48	27.29	57.76
Amortisation/depreciation on intangible assets and property, plant and equipment	8.81	9.98	19.20
Gains from asset disposals	-0.97	-0.57	-1.65
Changes in pension and other provisions	4.76	4.68	2.74
Changes in net operating assets	-12.86	-52.52	-29.03
Interest payments	-6.59	-2.63	-7.04
Income tax payments	-3.91	-4.80	-4.19
Cash flow from operating activity	9.72	-18.57	37.79
Payments for shares in companies	-0.01	-1.19	-7.24
Cash acquired from the purchase of shares in companies	0.02	4.50	5.38
Payments received from the sale of shares in companies	0.00	0.00	15.18
Cash paid out from the sale of shares	0.00	0.00	-6.39
Payments received from the sale of assets	2.06	1.38	3.80
Investments in property, plant and equipment (not including finance leases)	-5.55	-5.69	-13.27
Other investment	0.00	-0.48	-0.18
Cash flow from investment activity	-3.48	-1.48	-2.72
Assumption of financial debt	4.71	8.29	3.24
Repayment of financial debt	-80.02	-2.23	-13.48
Repayment of financial lease liabilities	-2.87	-0.99	-2.30
Payment of major shareholder for repayment of financial debt	15.21	0.00	0.00
Transactions with owners	-0.34	-8.00	-8.06
Dividends to shareholders of the parent company	0.00	-2.46	-2.46
Cash flow from financing activity	-63.31	-5.39	-23.06
Changes in cash and cash equivalents	-57.07	-25.44	12.01
Cash and cash equivalents at the beginning of the period	76.88	64.87	64.87
Cash and cash equivalents at the end of the period	19.81	39.43	76.88

ALBA SE

ALBA SE, Cologne
(formerly INTERSEROH SE)

Consolidated Statement of Changes in Equity

in the period from January 1, until June 30, 2012

	Parent company				
				Cumulative other consolidated earnings	
	Subscribed capital	Capital reserve	Earned consolidated equity	Adjustment item from foreign currency conversion	Other non-cash transactions
	EUR million	EUR million	EUR million	EUR million	EUR million
As at January 1, 2011	25.58	38.61	136.67	-0.44	-16.13
Dividends paid			-2.46		
Changes in the scope of consolidation			-0.10		
Capital transaction with changes in the share of holdings			-4.53		
Consolidated earnings			35.28		
Amounts directly recorded in equity				-1.82	-1.61
Total consolidated earnings					
Profit transfer to ALBA Group plc & Co. KG			-30.11		
As at December 31, 2011	**25.58**	**38.61**	**134.75**	**-2.26**	**-17.74**
As at January 1, 2012	25.58	38.61	134.75	-2.26	-17.74
Dividends paid					
Changes in the scope of consolidation					
Capital transaction with changes in the share of holdings					
Other changes					
Consolidated earnings			11.44		
Amounts directly recorded in equity				0.89	2.97
Total consolidated earnings					
Profit transfer to ALBA Group plc & Co. KG					
As at June 30, 2012	**25.58**	**38.61**	**146.19**	**-1.37**	**-14.77**

	Parent company	Minority shareholders	Consolidated equity
	Equity	Minority capital	
	EUR million	EUR million	EUR million
As at January 1, 2011	184.29	11.98	196.27
Dividends paid	-2.46	-0.06	-2.52
Changes in the scope of consolidation	-0.10	-0.85	-0.95
Capital transaction with changes in the share of holdings	-4.53	-6.28	-10.81
Consolidated earnings	35.28	1.87	37.15
Amounts directly recorded in equity	-3.43	-0.56	-3.99
Total consolidated earnings	31.85	1.31	33.16
Profit transfer to ALBA Group plc & Co. KG	-30.11		-30.11
As at December 31, 2011	**178.94**	**6.10**	**185.04**
As at January 1, 2012	178.94	6.10	185.04
Dividends paid			
Changes in the scope of consolidation			
Capital transaction with changes in the share of holdings			
Other changes			
Consolidated earnings	11.44	0.62	12.06
Amounts directly recorded in equity	3.86	-0.23	3.63
Total consolidated earnings	15.30	0.39	15.69
Profit transfer to ALBA Group plc & Co. KG			
As at June 30, 2012	**194.24**	**6.49**	**200.73**

ALBA SE

ALBA SE, Cologne
(formerly INTERSEROH SE)

Exhibit of Income and Expense Recorded in Group Equity

(Overall Group Result)
for the period from January 1 to June 30, 2012

	1. half year 2012 EUR Million	1. half year 2011 EUR Million
Changes in the fair value of derivatives used for hedging purposes (including deferred taxes)	2.97	1.84
Changes in adjustment items from currency conversion recorded in equity	0.66	-0.03
Results not recognised in income	**3.63**	**1.81**
of which attributable to minority interests	-0.23	-0.04
of which holdings in companies accounted for at equity		
Group result	**12.06**	**19.57**
of which attributable to minority interests	0.62	1.64
Overall Group result	**15.69**	**21.38**
of which attributable to minority interests	0.39	1.60
of which attributable to ALBA SE shareholders	15.30	19.78

Condensed Notes to the Interim Consolidated Financial Statements
for the period January 1 to June 30, 2012

ALBA SE, Cologne
(formerly INTERSEROH SE)

1. Information on the Company

The change of name from INTERSEROH SE to ALBA SE was completed effective on the date of entry into the commercial register, July 2, 2012, as a consequence of the positive resolution passed at the General Shareholders' Meeting on June 13, 2012.

ALBA SE has its head office in Cologne. The business address is: Stollwerckstrasse 9a, 51149 Cologne. The condensed consolidated interim financial statements for the first half of the year include, in addition to the Company, its subsidiaries and holdings in associated companies (collectively termed the ASE Group).

The ASE Group is one of the leading environmental services providers, recyclers and traders of steel and metals scrap in Europe. As service provider, the ASE Group organises recycling processes and, as supplier to steel works, smelters and foundries, supplies processing industries. The business activities of the ASE Group are divided into two segments – steel and metals recycling and services.

According to the control and profit transfer agreement (CPTA) with ALBA Group plc & Co. KG (hereinafter ALBA KG) the latter guarantees external shareholders of ALBA SE a recurrent payment, a so-called equalisation payment, for the duration of the agreement, for each full fiscal year in the gross amount of EUR 3.94 per ALBA SE share, minus corporate taxes plus a solidarity surcharge according to the rate applicable to these taxes for the relevant fiscal year.

The condensed interim consolidated financial statements covering the first six months of fiscal 2012 were released for publication upon resolution of the Board of Directors on August 10, 2012.

2. Accounting Policies

The condensed consolidated interim financial statements for the period January 1 through June 30, 2012, are prepared in accordance with the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting".

The condensed consolidated interim financial statements do not contain all information and notes required under IFRS for the consolidated financial statements at the end of the fiscal year and should be read in conjunction with the consolidated financial statements of December 31, 2011.

Accounting policies applied in preparing the condensed consolidated interim financial statements reflect the methods used in the consolidated financial statements for the fiscal year ending December 31, 2011. This also applies to the principles and methods relating to the required assumptions and estimates in the interim financial statements.

All revisions of IFRS standards and interpretations to be used as of 2012 were taken into account in these condensed consolidated interim financial statements. Modifications to the standards and interpretations did not impact the condensed consolidated interim financial statements.

A detailed description of the accounting policies is contained in the Notes to the consolidated financial statements of December 31, 2011, and published in our annual report for 2011.

The raw materials trading segment was sold effective October 1, 2011. The previous year's figures in the income statement have been adjusted accordingly in order to enhance comparability. Earnings after taxes relating to the raw materials trading segment is summarised in the comparator period and reported as earnings after taxes from discontinued operations.

3. Scope of consolidation

Below is a summary of the change in the scope of consolidation in the interim period under review.

Number of companies	fully consoli-dated	valued at equity	not included due to immateriality			Total
			Holding > 50%	Holding >= 20% <= 50%	Holding < 20%	
Balance 1.1.	34	3	14	11	3	65
Additions	1	0	1	0	0	2
Disposals	0	0	-1	0	0	-1
Balance 30.06.	35	3	14	11	3	66

The name of INTERSEROH Metals GmbH, Dortmund, has been changed to INTERSEROH Stainless Steel GmbH, Dortmund, by a shareholder resolution on January 24, 2012.

On March 1, 2012, INTERSEROH Stainless Steel GmbH, Dortmund, acquired all assets of the 'Alloyed Scrap' segment of INTERSEROH NRW GmbH, Dortmund, and started up operations with alloyed scrap.

Due to the takeover of the business the company is fully consolidated effective January 1, 2012. The asset and liabilities to be reported at the time of the initial consolidation were immaterial in amount.

4. Explanations regarding the cash flow statement

In the period under review the loan of the ASE Group in the amount of EUR 68.46 million for refinancing existing liabilities was repaid by utilising the ALBA KG cash pool.

At the beginning of active participation in the ALBA KG cash pooling process the definition of cash and cash equivalents in the cash flow statement was changed and the previous year's figures adjusted.

Now cash and cash equivalents in the cash flow statement includes the net cash pool balance with ALBA KG in addition to the liquid funds in the amount of EUR 24.39 million (previous year: EUR 74.88 million) reported in the balance sheet. As at the balance sheet date a cash pool liability of EUR 4.58 million (previous year: receivable of EUR 2.0 million) existed, so that the cash and cash equivalents figure at the end of the period under review amounted to EUR 19.81 million (previous year: EUR 76.88 million). The balances included in the level of cash and cash equivalents are subject to minimal value fluctuation risks only.

5. Segments

The companies of ALBA SE are divided into two segments, whereby all companies that undertake steel and metals recycling are assigned to the eponymous segment.

The remaining companies, including ALBA SE, are allocated to the services segment.

Segment revenues and earnings in the interim reported period are shown as follows:

	Steel and metals recycling		Services		Cross-segment consolidations		Continuing business	
	1. half year 2012	1. half year 2012	1. half year 2012	1. half year 2011	1. half year 2012	1. half year 2011	1. half year 2012	1. half year 2011
	EURO million		EURO million		EURO million		EURO million	
Sales revenues	889.26	887.27	165,74	240.98	0.00	0.00	1,055.00	1,128.25
External sales	0.08	0.20	4.87	5.52	-4.95	-5.72	0.00	0.00
Sales between the segments	889.34	887.47	170.61	246.50	-4.95	-5.72	1,055.00	1,128.25

	Steel and metals recycling		Services		Cross-segment consolidations		Continuing business	
	1. half year 2012	1. half year 2012	1. half year 2012	1. half year 2011	1. half year 2012	1. half year 2011	1. half year 2012	1. half year 2011
	EURO million		EURO million		EURO million		EURO million	
Segment earnings	12.46	21.30	8.53	5.00	0.01	-0.05	21.00	26.25
Shares in profit of associated companies accounted for under the at-equity method contained therein	0.52	0.55	0.00	0.00	0.00	0.00	0.52	0.55
Segment EBIT	11.94	20.75	8.53	5.00	0.01	-0.05	20.48	25.70
included non-cash contributions:								
-Depreciation on tangible assets and property, plant and equipment								
scheduled	6.99	7.03	1.83	1.95	0.00	0.00	8.82	8.98
extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
-Transfers to provisions	0.17	0.65	6.01	7.47	0.00		6.18	8.12
-Liquidation of liabilities and provisions	0.31	0.30	12.54	18.17	0.00	0.00	12.85	18.47
-Transfers to bad debt allowances	0.63	0.46	1.25	2.10	0.00	-0.18	1.88	2.38
-Reversal of impairment losses								
<u>Reconciliation:</u>								
Segment earnings							21.00	26.25
+Financial income							1,71	1.67
of which interest income	0.97	1.30	3.26	3.12	-2.52	-2.92	1.71	1.50
-Financial expenses							-9.35	-8.64
of which interest expense	-10.70	-8.35	-1.18	-3.75	2.69	3.46	-9.19	-8.64
-Tax expenses							-1.30	-3.07
<u>consolidated profit acc. To income statement</u>							12.06	16.21

Segment assets and segment liabilities have developed as follows compared to December 31, 2011:

	Steel and metals recycling		Services		Cross-segment consolidations		Continuing business	
	30.06. 2012	31.12. 2011	30.06. 2012	31.12. 2011	30.06. 2012	31.12. 2011	30.06. 2012	31.12. 2011
Segment assets	473.13	460.00	136.43	174.75	-1.38	-14.69	608.18	620.06
including:								
- Interests in associated companies	8.46	7.74	0.00	0.00	0.00	0.00	8.46	7.74
Reconciliation:								
Segment assets							608.18	620.06
+ Long-term financial assets							1.12	1.73
+ Deferred tax assets in accordance with IAS 12							6.43	6.25
+ Current financial assets							70.35	24.68
+ Income tax refund claims In accordance with IAS 12, Income taxes							3.22	2.36
Consolidated assets according to the balance Sheet							689.30	655.08
Segment liabilities	171.40	162.98	191.39	182.21	-12.72	-27.32	350.07	317.87
Reconciliation:								
+ Deferred tax liabilities in accordance with IAS 12							5.80	6.08
+ Non-current financial liabilities							69.66	71.33
+ Tax liabilities in accordance with IAS 12, income taxes							6.52	7.29
+ Current financial liabilities							56.51	67.47
Consolidated liabilities according to the balance Sheet							488.56	470.04

6. Related party disclosures

Effective June 30, 2012, the greater part of the ASE Group is participating in a cash pooling process with ALBA KG. An interest rate of 2 percent is applied to cash pool receivables and 6 percent to cash pool liabilities. The existing net balance of cash pool liabilities is presented in the consolidated interim financial statements under current financial liabilities. Otherwise there have been no significant changes with respect to related parties compared to December 31, 2011. Please refer to the details provided in the 2011 annual report.

7. Events after the end of the interim reporting period

Subsequent to the positive resolution to rename INTERSEROH SE as ALBA SE at the General Shareholders' Meeting of June 13, 2012, this was completed by entry into the commercial register on July 2, 2012.

8. Audit review

The consolidated interim financial statements for the period January 1 to June 30, 2012, and the interim management report as at June 30, 2012, have neither been subject to audit review nor audited according to § 317 of the German Commercial Code (HGB).

9. Assurances of legal representatives

To the best of our knowledge we provide assurance that the consolidated interim statements prepared in accordance with applicable accounting principles for interim financial reporting represent a true and fair view of the Group's financial, earnings and liquidity position and that the interim Group management report presents the course of business, including business results and the situation of the Group, such that a true and fair view is conveyed and that significant risks and opportunities inherent in the anticipated development of the Group during the remaining fiscal year are described.

Cologne, August 10, 2012

ALBA SE

The Board of Directors

Dr. Axel Schweitzer — Joachim Wagner

Contacts:

ALBA SE
Investor Relations
Stollwerckstraße 9a
51149 Cologne
Phone: +49 2203 9147-1264
Fax: +49 2203 9147-1406
email:aktie@albgroup.de
Web: www.alba-se.de