

INTERIM REPORT JANUARY – JUNE 2007

Spirit Avert AG successfully closes first capital increase and starts the development of a zero emission vehicle concept

Review

Capital increase

In March 2007, the company successfully completed a capital increase of CHF 20.7 million. These funds will be used to continue the development of the company by investing in small and mid caps with a preference for sustainability.

Industrial activity in Shanghai

During the first half of 2007 it became apparent that the size of the assembly plant in Shanghai, the sole remaining industrial activity dating back to the former Nextrom Holding, was suboptimal if it was to continue operating profitably in the future.

Following the substantial, yet insufficiently profitable increase in sales in 2006, it was decided that incoming orders would have to be more profitable from 2007 onwards. Inevitably, this led to a decline in sales. After sales of CHF 3.669 million in the first half of 2006, sales in the first half of 2007 reached only CHF 0.935 million. As a consequence, the foundations for continuing the last remaining industrial activity no longer existed. In July 2007, after considering all available options the company decided to cease industrial activities in China and to liquidate the local company over there.

Spirit Avert completed the first semester of 2007 with a consolidated loss of CHF 5.659 million, compared to a loss in the same period of 2006 of CHF 1.168 million.

Outlook

mindset.ag

Concerns about growing environmental problems, climate change or CO₂-emissions are in everybody's mind. A whole raft of reasons are leading to rising oil prices, and large parts of the population (having ignored the problem over many decades) are now beginning to reconsider different forms of private mobility – i.e.: their own travel behaviour in their own automobile against the backdrop of rising fuel prices.

The key people at Spirit Avert AG have wide-ranging expertise when it comes to the construction of light electric vehicles (LEVs). Toll charges for private automobiles in major European cities such as London or Stockholm are increasingly putting the automotive industry under pressure to produce modern hybrid vehicles (Prius, Lexus, etc.) or even zero emission vehicles.

Spirit Avert AG has founded mindset.ag which is headed by the internationally acclaimed automobile designer Murat Günak. Mr. Günak previously held the position as Head of Design variously at Mercedes, Peugeot and the Volkswagen Group, before joining mindset at the beginning of July 2007.

Together with a team of proven specialists, a vehicle is being developed that is strongly design-oriented. Its appearance will be closer to that of a conventional car than to the familiar light electric vehicles currently available on the market. The distinguishing potential lies primarily in the engine concept (zero emission vehicle, battery technology) and in the rigorously lightweight construction.

In January 2008, a 1:1 model of the vehicle (including the interior design concept) will be presented to an audience of specialists, and potential industrial partnerships will be disclosed.

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About Spirt Avert AG:

Spirt Avert AG is listed on the Swiss stock exchange (SWX-SPA). Nextrom Holding AG was renamed Spirt Avert AG during the course of 2006 and a new field of activities was determined at the same time. Spirt Avert AG acquires shareholdings in privately owned companies (up until pre-IPO stage) and Swiss listed small and mid-caps and makes investments in any opportunities which may arise. To alter your subscription profile or to unsubscribe, please send an email to investor@spirtavert.ch. For more information about Spirt Avert AG and press releases, please visit our website www.spirtavert.ch.

CONSOLIDATED INTERIM FINANCIAL INFORMATION (unaudited)

Consolidated income statements (unaudited)

	Jan-Jun 07 CHF 1'000	Jan-Jun 06 CHF 1'000
Gross sales	935	3'669
Commissions	0	-171
Net sales	935	3498
Cost of sales	-727	-2'740
Gross profit	207	759
Other operating income	0	-32
Administration	-1'480	-1'797
Operating loss before interest and taxes	-1'273	-1'071
Finance income	174	55
Finance cost	-4'354	-56
Loss before taxes	-5'452	-1'072
Taxes	-206	-95
Net loss for the period	-5'659	-1'168
Loss per share	CHF	CHF
- per bearer share	-1.96	-0.46
- per registered share	-0.65	-0.15
Diluted loss per share	CHF	CHF
- per bearer share	-1.91	-0.45
- per registered share	-0.64	-0.15

CONSOLIDATED INTERIM FINANCIAL INFORMATION (unaudited)

Consolidated balance sheet (unaudited)

	30.06.2007	31.12.2006
	CHF 1'000	CHF 1'000
Assets		
Cash and cash equivalents	10'089	827
Marketable securities	6'201	685
Trade receivables	511	95
Other current assets	424	354
Inventories	15	368
Total current assets	17'240	2'330
Fixed assets	312	349
Intangible assets	50	57
Financial assets	110	110
Total non-current assets	472	516
TOTAL ASSETS	17'712	2'846

	30.06.2007	31.12.2006
	CHF 1'000	CHF 1'000
Liabilities and shareholders' equity		
Trade payables	549	781
Prepayments	67	157
Tax liabilities	4	0
Accruals	48	66
Other short-term liabilities	545	487
Total current liabilities	1'213	1'491
Long-term liabilities	8	9
Long-term liabilities	8	9
Liabilities	1'220	1'500
Share capital	10'775	7'634
Share premium	17'688	0
Accumulated deficit	-11'972	-6'288
Total shareholders' equity	16'492	1'345
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17'712	2'846

CONSOLIDATED INTERIM FINANCIAL INFORMATION (unaudited)

Consolidated cash flow statements (unaudited)

	Jan-Jun 07 CHF 1'000	Jan-Jun 06 CHF 1'000
Result before tax	-5'659	-1'072
Adjustments for non cash items	106	46
Movement in net working capital	-6'026	-1'101
Income tax paid	-	-110
Net cash used by operating activities	-11'578	-2'237
Net cash from (used in) investing activities	5	143
Proceeds from capital increase	20'700	0
Proceeds from exercised share options	131	71
Net cash from financing activities	20'830	71
Net change in cash	9'257	-2'023
Currency effects on cash	5	-51
Cash at beginning of period	827	5'151
Cash at end of period	10'089	3'077

CONSOLIDATED INTERIM FINANCIAL INFORMATION (unaudited)

Consolidated statements of change in equity (unaudited)	Share capital	Share premium	Transl. diff.	Accum. deficit	Total equity
Balance at 31. December 2005	7'614	67'796	-911	-70'981	3'518
Reclassification		-67'429		67'429	-
Net income directly recognized in equity					-
Net loss for the period				-1'168	-1'168
Total recognized income and expenses		-67'429	-	66'261	-1'168
Exercise of share options	20	51			71
Release share premium		-307		307	-
Release reserve for own shares		-111		111	-
Adjustment negative goodwill at 30.06.06				34	34
Balance at 30. June 2006	7'634	-	-911	-4'268	2'455
Currency translation adjustments			-5		-5
Net income directly recognized in equity					-
Net loss for the period				-1'071	-1'071
Total recognized income and expenses			-5	-1'071	-1'076
Adjustment negative goodwill at 30.06.06				-34	-34
Balance at 31. December 2006	7'634	-	-916	-5'373	1'345
Currency translation adjustments			-26	-	-26
Net income directly recognized in equity					-
Net loss for the period				-5'659	-5'659
Total recognized income and expenses		-	-26	-5'659	-5'684
Reclassification currency translation adjustments			377	-377	-
Exercise of share options	37	94			131
Capital increase	3'105	17'595			20'700
Balance at 30. June 2007	10'775	17'688	-565	-11'409	16'492

CONSOLIDATED INTERIM FINANCIAL INFORMATION (unaudited)

Selected explanatory information in the notes to the Interim Report for the period to 30 June 2007
1. Basis of preparation of financial statements

These financial statements are the interim condensed financial statements of Spirt Avert AG and its subsidiaries for the six-month period ended on 30 June 2007. They are prepared in accordance with the International Accounting Standard IAS 34 "Interim Financial Reporting".

The interim financial statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2006 as they provide an update of previously reported information. The accounting policies used are consistent with those used in the annual financial statements. The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

2. Gross sales by business segments

	Jan-Jun 07 CHF 1'000	Jan-Jun 06 CHF 1'000
Manufacturing Services	935	3'669
Total gross sales	935	3'669

3. Segment operating result

	Jan-Jun 07 CHF 1'000	Jan-Jun 06 CHF 1'000
Manufacturing Services	-406	-317
Marketable securities	-4'180	-235
Unallocated holding cost	-866	-519
Operating result before tax	-5'452	-1'071

4. Seasonal and economic influences

The Group operates in areas which are not subject to significant seasonal or cyclical variations during the financial year.

5. Securities – unusual events

The financial resources derived from the capital increase have been invested partly strategically and partly in short-term listed securities. While the majority of the individual stocks produced a positive performance, the position UBS options recorded a loss of CHF 4.892 million.

6. IAS 8 – misinterpretation of accounting standards (IAS 19)

In the financial accounts for the year ended 31 December 2007 the pension benefits for the two employees of the Swiss company were treated as defined contribution plans. This judgement was made after management came to the conclusion that the impact on the financial reporting would not be material or different. The judgement of materiality still applies; however, the plan should have been treated as a defined benefit plan.

CONSOLIDATED INTERIM FINANCIAL INFORMATION (unaudited)

The group has decided to include in the next financial statements (for the year ending 31 December 2007) a full disclosure which will conform to IAS 19.

7. Employees – stock option scheme

The number of outstanding stock options in the option schemes of April 2003 totalled 61'800 on 30 June 2007.

Between 16 May 2006 (date of the last capital increase from contingent capital) and 30 June 2007, a total of 12'897 options were exercised. Of these, 12'275 options were credited to equity within the framework of the contingent capital increase of 23 May 2007.

8. Related party transactions

Dr. Jürg Leupp - the CEO of Spirt Avert AG - is providing his services through Leupp Management Beratung GmbH. Included in these financial accounts is a payment of CHF 100'148 (prior period CHF 94'984) for services rendered.

As of 1 January 2007 a sub rental contract for offices was entered into with CommCept AG (the major shareholder of Spirt Avert AG). Included in these financial accounts is a payment of CHF 41'964.

9. Events after the balance sheet date

During the course of July 2007, it became apparent that the closure of the assembly works in Shanghai, which had previously been considered and announced, was indeed the only reasonable economic option. Liquidation procedures have now been initiated. These are likely to be largely completed by the end of the financial year. It is expected that the liquidation will have a neutral impact on earnings.

Also in July 2007 Mindset AG, St. Niklausen was founded as a 100% subsidiary and financed with CHF 2 million. Mindset AG is headed by the internationally-renowned designer Murat Günak, and will develop an alternative vehicle concept.