

INTERVIEW



Ms Zeidler, what is the rationale behind DBAG changing their target system and performance indicators?



Susanne Zeidler,
Chief Financial Officer

With this annual report, the weightings of some performance indicators have changed, and it is clear that DBAG has re-worked its targets and management approach. An interview with Chief Financial Officer Susanne Zeidler on the rationale behind this decision.

What is the reason for the changes?

We want to make it easier for readers to identify the value of Deutsche Beteiligungs AG. The first step in this direction was the introduction of segment reporting at the beginning of the 2014/2015 financial year. Now we are ready to take the next step: the value of the company is determined by the value of the two business segments, Private Equity Investments and Fund Investment Services, with all financial and non-financial targets contributing. The development in value of Private Equity Investments is calculated on the basis of the net asset value, the change in value of Fund Investment Services is derived from the long-term development of net income from advising funds.

So you no longer want net income to be used as a benchmark?

Net income remains an important indicator. It is, after all, determined by the change in net asset value and the income from Fund Services. However, what we would rather focus on are the long-term drivers of DBAG's value. Net income is much more volatile than the other two indicators and a high level of volatility makes it difficult, in particular for external parties, to assess what is really going on inside the Company.

What benefits do you see in this approach?

Our intention is to move more in line with the reporting methods of other listed private equity companies. This may help us to gain greater interest from investors seeking exposure to such types of shares.

Have there been any other changes?

During the financial year under review, we revised our target system with regard to non-financial targets, in order to bring them and the respective management indicators closer together. As part of this process, we also

reviewed the management indicators across the board and adjusted them in some areas.

As a result, the "Retention of experienced and motivated staff" has been added as a non-financial objective. Our staff are key to the progress of our investment activities. It is therefore vital to DBAG's business success that we continually invest in the expertise, motivation and loyalty of our staff, and monitor these activities closely. To see whether our efforts bear fruit and whether we have achieved this non-financial objective, it is enough to look at the average length of service.

Will DBAG's core corporate objective remain the same?

Yes, it will. The core business objective of our activities has always been to increase the long-term value of DBAG. We want our shareholders to benefit from this – through attractive dividends and a fair market valuation of the DBAG share.