

## PRESS RELEASE

### **Deutsche Beteiligungs AG divests Coperion US industrial enterprise Hillenbrand, Inc. buys mechanical engineering company / Fourth quarter expected to end with positive result**

**Frankfurt am Main, 16 October 2012.** Deutsche Beteiligungs AG (DBAG), its managed funds and Coperion's management have sold their interests in Coperion Capital GmbH (Coperion) to US-based Hillenbrand, Inc. (Hillenbrand). A purchase contract to that effect was signed today. DBAG and its co-investment funds acquired Coperion in July 2007 in a management buyout, with Coperion's management co-investing. The purchase contract is amongst others subject to regulatory approval. The transaction is expected to be completed this calendar year. DBAG achieved returns on this investment in excess of the usual targets. The purchase price exceeds the most recent valuation in DBAG's interim financial statements at 31 July 2012; from today's perspective, the value gain on disposal will contribute towards the fourth-quarter of financial year 2011/2012 (31 October) ending with a slightly positive result.

The companies of the Coperion group develop, manufacture and market complete bulk materials conveyor systems as well as machines for the production and processing of plastics, chemicals and food in powder and granular form. Coperion's customers typically produce plastics, but also, to an increasing degree, products for the food and pharmaceutical industries. Core competencies are compounding and extrusion, or the mixing and shaping of various materials under changing pressures and temperatures, as well as technologies for conveying bulk materials in powder and granular form.

Coperion has made excellent progress in the past five years. Since DBAG entered into the investment, Coperion expanded its service business, which has grown strongly, among other things by establishing further international sales and service sites. Since 2007, the company has been investing heavily in restructuring and improving production processes at its Stuttgart site. Its strong geographic growth in markets such as China, India and the Near and Middle East documents that Coperion has succeeded in transferring its huge know-how from traditional markets to other regions. In January 2012 and April 2012, Coperion also acquired two smaller companies that additionally complement and enhance the product portfolio. In the past 12 months (30 September 2012), Coperion generated revenues of 518 million euros,

compared with 480 million euros in 2007, the year that DBAG and its managed funds entered into the investment. In the wake of the economic crisis, revenues had intermittently dropped considerably, but recovered strongly in 2011 and 2012. Coperion is now much better positioned to cushion the effects of similar crises.

“We invest in companies that exhibit the potential for structural value growth. Coperion’s management exploited that potential and developed the company into a highly innovative and flexible group,” said Dr. Rolf Scheffels, a member of DBAG’s Board of Management, commenting on the signing: “Through its expanded internationalisation, Coperion is clearly more resilient today in economic downturns and financially stronger than before.”

“Hillenbrand is the perfect buyer from our point of view,” said Günter Bachmann, Coperion CEO, commenting on the change of ownership. “Hillenbrand’s process technologies and Coperion are an ideal fit in respect of the product portfolios and international presence. Both corporate groups will benefit enormously from each other.”

“The acquisition of Coperion represents a very significant move forward for our company, and their vision and strategy are the perfect complement to the strategy of our Process Equipment Group,” said Hillenbrand CEO Kenneth A. Camp. “Coperion is a highly respected company led by an exceptionally talented management team with extensive global experience,” Camp continued. “This transaction will enable us to capitalize on several opportunities in combined equipment sales, accelerated global expansion, and leveraging of replacement parts and service capabilities.”

Coperion was formed in late 2000 through the merger of Werner & Pfleiderer and Waeschle. Coperion currently employs a staff of about 2,000, of whom over 1,300 are located at two larger German sites in Stuttgart and Weingarten. The group operates further production and product development sites in China (two), the US and India.

Hillenbrand ([www.hillenbrand.com](http://www.hillenbrand.com)) is a listed globally operating diversified industrial enterprise with multiple subsidiaries contained within two business platforms. Coperion will become part of the “Process Equipment Group”, which currently generates about 30 percent of Hillenbrand’s revenues (2011: US\$883 million). At present, the Group consists of three operating companies: K-Tron, which provides feeding and pneumatic conveying equipment; Rotex, a manufacturer of separation equipment; and TerraSource Global, which specializes in bulk material handling equipment and crushing machinery.

The successful divestment of the interest in Coperion will make a positive contribution of more than ten million euros to DBAG's fourth-quarter net result of valuation and disposal in its 2011/2012 financial year. This contribution outvalues the two current negative effects on the result. The stock market price of Homag shares has fallen by 15 percent since the last valuation date. Moreover, a charge on equity arising from the interest rate trend is expected at the end of the financial year: based on the annual actuarial appraisal of pension provisions, DBAG assumes that additional allocations to these provisions will need to be made. These allocations would then be recognised as an actuarial loss and would reduce consolidated net income.

***Deutsche Beteiligungs AG (www.deutsche-beteiligung.de) is a leading publicly listed private equity company. With a track record of nearly 50 years, it is the oldest private equity firm in Germany. DBAG focuses on market-leading mid-sized enterprises in Germany and neighbouring European countries. It invests from its own balance sheet and from the assets of co-investment funds. The company has approximately 1.4 billion euros under management.***

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