Deutsche Beteiligungs AG

PRESS RELEASE

Deutsche Beteiligungs AG: Consolidated net income of 44.5 million euros
• Dividend of 1.20 euros per share recommended
• Two new investments already completed in new financial year 2012/2013

Frankfurt am Main, 29 January 2013. Deutsche Beteiligungs AG (DBAG) ended its 2011/2012 financial year posting consolidated net income of 44.5 million euros. Net asset value (NAV) per share rose from 17.47 euros to 19.46 euros. The prime driver for the gain was a net result of valuation and disposal totalling 48.6 million euros; it largely derives from two profitable divestments and the positive performance which most portfolio companies delivered. The brighter sentiment in the stock markets on an annual comparison led to higher valuations and thereby supported the upward movement stemming from the portfolio companies' operating performance. The return on net asset value per share, the Company's key performance measure, was 16.7 percent for 2011/2012, considerably exceeding the cost of equity. DBAG continues to boast a robust balance sheet and sizeable financial resources: with a capital-to-asset ratio of 89 percent, DBAG has 105.8 million euros (at 31 October 2012) at its discretion for investment from the balance sheet alone. DBAG ended the previous 2010/2011 financial year posting negative consolidated net income of -16.6 million euros and a return on net asset value per share of -6.2 percent.

Key indicators (IFRS)	2011/2012	2010/2011
Consolidated net income	€44.5mn	€- 16.6mn
Return on net asset value per share	16.7%	- 6.2%
Net asset value per share (at 31 October)	€19.46	€17.47
Distribution (2011/2012: recommended)		
Dividend	€0.40	€0.40
Surplus dividend	€0.80	€0.40

"Our two very profitable realisations of Preh and Coperion are proof of the excellent progress companies can make with our support," said Wilken von Hodenberg, Spokesman of the Board of Management of Deutsche Beteiligungs AG at the annual press conference of this listed private equity company in Frankfurt today. "We succeeded in agreeing prices with industrial buyers that in part were considerably over the investments' previous value carried on our balance sheet," von Hodenberg said.

Nine of the twelve buyouts that DBAG exited over the past ten years went to industrial buyers, most recently the investment in mechanical engineering company Coperion in October 2012.

High dividend yield

From the retained profit of Deutsche Beteiligungs AG, based on German GAAP (HGB) and totalling 24.1 million euros, the Company plans to pay a dividend and, in view of this past year's successful realisations, a surplus dividend on top. The proposed dividend slated for payment in March 2013 totals 1.20 euros per share, consisting of a 0.40 euro base dividend in addition to a surplus dividend of 0.80 euros. In 2012, the payout to shareholders was 0.80 euros, 0.40 euros of which was a surplus dividend. "We are extremely pleased to be able to maintain our dividend policy and again recommend paying an attractive dividend," von Hodenberg said. The proposed distribution represents a dividend yield of over six percent based on the current share price; measured by the opening net asset value at the start of financial year 2011/2012, it equates to more than seven percent.

Pension obligations: Current phase of low interest rates leads to actuarial losses and weighs on net asset value

Two particularities characterise the 2011/2012 annual closing. The present value of pension obligations was remeasured using a discount rate of 2.91 percent, instead of 4.60 percent as in the previous year. This had an impact on net asset value of 6.3 million euros, or 0.46 euros per share. "We applied the same valuation principles as in the past years and have accounted for the lower discount rate in full," emphasised Susanne Zeidler, who joined DBAG's Board of Management in November 2012 and will take over responsibility for the financial sector from Mr von Hodenberg after the 2013 Annual Meeting. A positive effect, on the other hand, came from the reversal of provisions in the amount of 11.0 million euros, which had previously been made for value-added tax risk.

Three MBOs in twelve months and a first expansion capital investment

Together with DBAG Fund V, DBAG made two majority acquisitions in 2011/2012: the greater part of the 21.6 million euros invested in 2011/2012 was spent on the management buyouts (MBOs) of Broetje-Automation GmbH and Spheros GmbH. In November 2011, shortly after the start of DBAG's new financial year, two other investments were added to the portfolio. DBAG acquired the majority in Heytex Bramsche GmbH (www.heytex.com) alongside DBAG Fund V and Heytex' management in an MBO. Heytex is a leading manufacturer of technical textiles and textile print media; print media are used in the advertising industry, for example as banners on building facades. Furthermore, DBAG also invested in Plant Systems & Services PSS GmbH (PSS, www.eta-bo.de) together with its managed DBAG Expansion Capital Fund to finance the company's growth towards becoming a large mid-market industrial services group. This transaction is the first that DBAG has structured together

with its fund for expansion financings. PSS is the nucleus for a group of specialised companies that provide services for the energy and process industries, such as for power plants and chemical companies.

Major investments in the portfolio of Deutsche Beteiligungs AG	
Company	**Sector**
Broetje-Automation GmbH	Mechanical engineering and plant construction
Clyde Bergemann Group	Mechanical engineering and plant construction
FDG S.A.	Industrial services
Grohmann GmbH	Mechanical engineering and plant construction
Heytex Bramsche GmbH	Technical textiles
Homag Group AG	Mechanical engineering and plant construction
Plant Systems & Services PSS GmbH	Industrial services
Romaco Group	Mechanical engineering and plant construction
Spheros GmbH	Automotive suppliers

Change to Board of Management

The 2011/2012 financial statements are the last to be presented by Spokesman of the Board of Management von Hodenberg. After nearly 13 years in his role as Spokesman of DBAG's Board of Management, he will step down from the Board on 26 March 2013. Succeeding him will be Torsten Grede, a member of the Board of Management for many years, whose appointment was announced by the Supervisory Board last year.

Torsten Grede addressed DBAG's notable development over the last ten years. "DBAG has become a successful, independent and leading private equity firm in Germany. The Company today has a broad international investor base willing to invest both in DBAG shares and in the funds with which we co-invest."

This past year, the investor base again expanded. In August 2012, the Company closed its new DBAG Fund VI, the largest buyout fund raised to date by a German private equity firm. German and international investors committed 567 million euros to the fund. Added to that is a co-investment of 133 million euro by DBAG itself, bringing the size of the fund to 700 million euros, which will be available for investment in management buyouts over the next five years.

"I am very confident that we soon will be able to report on further new portfolio companies," said the designated Spokesman of the Board of Management, Grede. "Negotiations on several transactions have progressed to an advanced stage – both for management buyouts and for expansion financings. We benefit from being perceived as a partner of choice to Germany's 'Mittelstand'."

Grede pointed out that the new fund would augment the basis for fee income from advisory services to the funds. The Company aims to lower costs for the management of the portfolio and has targeted a net cost rate of less than three percent on an annual average over a five-year period – over the past five financial years it ranged between 2.5 and 4.9 percent (2011/2012: 4.8 percent).

Objective of long-term value appreciation remains unchanged

"For the last ten-year period, we have achieved an average annual return on net asset value per share of 13.8 percent," von Hodenberg said. He stated that shareholders also profited from that performance – through dividends totalling 12.29 euros per share and good share price movement. Designated Spokesman Grede underscored that "DBAG's strategy will remain unchanged. Our role is that of an equity investor operating in Germany's 'Mittelstand' with a focused partnership approach and a clearly defined investment strategy. We create value by supporting the efforts of good companies to become even better."

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. Deutsche Beteiligungs AG 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. Currently, the company has approximately 1.3 billion euros under management.

Notes to editors:

We would like to draw your attention to a further press release issued by Deutsche Beteiligungs AG today:
"Mid-market buyout segment defies economic environment in 2012"

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Photos
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