

## PRESS RELEASE

### **Deutsche Beteiligungs AG: Consolidated net income of 18.1 million euros in first six months**

#### **Portfolio companies making good progress / Net expenses lower**

**Frankfurt am Main, 13 June 2014.** Deutsche Beteiligungs AG (DBAG) ended the first six months of its 2013/2014 financial year posting good results: consolidated net income, at 18.1 million euros, is about level with the previous year's 18.9 million euros. Of that amount, 5.6 million euros were recorded in this year's the second quarter, which compares with 11.4 million for the same period last year. At 30 April 2014, the half-yearly reporting date, net asset value per share was 20.45 euros, which is an increase of nine eurocents on the start of the financial year. Relative to net asset value at the outset of the financial year, less the dividend of 1.20 euros, (19.16 euros), this equates to a gain of 6.7 percent. In the preceding 2012/2013 financial year, the consolidated net income for the first two quarters led to a gain in net asset value per share of 7.6 percent.

The lower net income for the second quarter on a year-over-year comparison primarily results from the valuation of the unquoted investments in the portfolio. Their value for the moment did not record another substantial gain. Various macro factors such as the Ukraine crisis, devaluation pressure on currencies, particularly those of the BRIC nations, as well as weaker growth forecasts for those nations have weighed on the business of several portfolio companies. However, these developments are within the scope of normal business swings, and the managements of the portfolio companies concerned therefore saw no need to fundamentally adjust their budgets.

“Most of our portfolio companies continue to have good order-intake levels and are benefitting from a favourable market environment. They therefore expect higher revenues and improved earnings for 2014,” states the interim report DBAG issued today. Consequently, the net result of investment activity for the first half-year of 2013/2014 was positive, totalling 18.8 million euros, of which 5.6 million euros were generated in the second quarter. The net result of investment activity contains the value movements of 15 portfolio companies; five others are still being valued at cost, since they have been in the portfolio for less than one year. Stock market movements in the form of higher multiples only had a minor influence on the valuation result. A much stronger

effect can be ascribed to improved earnings and lower debt. Thanks to its upward share-price trend, the investment in quoted Homag Group AG again contributed positively both to the half-yearly and second quarter results, delivering a total contribution of 10.2 million euros, following 12.3 million euros in the previous year.

Another positive trend is the reduction in net expenses, or the net amount of other income/expenses. They decreased further in the half-year period, as planned, and amounted to 0.5 million euros.

In April, alongside DBAG Fund VI, DBAG sponsored the management buyout (MBO) of Dahlback, the fifth largest bakery chain in Germany. It is the first new investment in the current financial year and adds another attractive company to the portfolio. “We have a number of potential transactions in the pipeline for the remainder of the year and are confident of again being among the most active participants in our market segment,” commented the Board of Management in its interim report. As to the forecast, DBAG states: “We assume that the unquoted portfolio will again contribute positively to income. Given stable stock market conditions and favourable economic growth in major industrial and emerging countries – but excluding the contribution that our quoted Homag investment will make – we expect that consolidated net income for 2013/2014 will fall short of that posted for the preceding financial year. We remain confident of achieving a return on net asset value per share in the order of the cost of equity – the minimum objective we have set for the long-term average.”

***Deutsche Beteiligungs AG, a listed private equity company, invests in well-positioned mid-sized companies with potential for growth. For many years, DBAG has focused on industrial business models in selected sectors. With its experience, expertise and equity, DBAG supports its portfolio companies in implementing corporate strategies that sustainably create value. Its entrepreneurial approach to investing has made DBAG a sought-after investment partner in the German-speaking world. It invests from its own balance sheet; DBAG also manages and advises parallel investment funds. Total assets amount to approximately 1.3 billion euros.***

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