

PRESS RELEASE

Deutsche Beteiligungs AG profitably concludes investment in Homag Group AG

- **Major shareholders agree on selling to Dürr, a long-established German company**
- **Sales price recognises Homag's successful realignment in recent years**
- **DBAG ends its long-standing investment, achieving attractive return for shareholders and investors**
- **Net income forecast for Group and AG raised**

Frankfurt am Main, 15 July 2014. Deutsche Beteiligungs AG (DBAG) will successfully end its investment in Homag Group AG and sell all of the shares it holds in the mechanical engineering company to a subsidiary of Dürr AG. The parallel investment funds managed by DBAG will also sell their holdings. Contracts to that effect were signed today; they remain conditional on approval by the cartel authorities. DBAG and the funds will sell their shares for 26.00 euros; that price represents a premium of about 12 percent on the volume weighted average share price over the past three months. The transaction is in agreement with the Schuler-Klessmann pool and two other shareholders: the second-largest shareholder, the pool consisting of founding family Schuler and the Klessmann Foundation, will divest a part of their shares and add a subsidiary of Dürr AG to the pool. Two other shareholders or groups of shareholders will – like DBAG – sell their shares completely. Dürr AG – together with the pool – will then hold more than 75 percent of the voting rights arising from the Homag shares.

DBAG will achieve an uplift to valuation as reported in its last interim financial statements of 9.2 million euros. DBAG's consolidated net income for financial year 2013/2014 will therefore – based on the result achieved so far (first half-year) in addition to the contribution to income from the divestment of Homag and otherwise unchanged assumptions for the remainder of the financial year – slightly exceed the previous year's level and clearly exceed the annual income forecast. The capital gain on disposal, determined in conformity with German GAAP ("HGB"), can provide for a surplus dividend.

“In Dürr AG, we are delighted to have found, together with the Schuler-Klessmann pool, a new major shareholder. As a globally operating industrial company with strong regional roots, Dürr is in an excellent position to continue

the pattern of growth Homag has exhibited following the successful realignment which the Board of Management under the chairmanship of Dr. Markus Flik has put in place in recent years. At the same time, we will now be realising a price that fully reflects the outstanding performance of Homag shares,” said Torsten Grede, Spokesman of DBAG’s Board of Management.

DBAG first invested in Homag Group AG in 1997 and successfully led the company to an initial public offering in July 2007. The proceeds from the IPO considerably exceeded the investment’s total cost. Overall, after the completion of the transaction and including previous disposal proceeds and dividend payments, the investment will have returned a money multiple of 3.5x. Measured by absolute proceeds, this investment is one of DBAG’s most profitable transactions.

Following the IPO, DBAG and its managed funds most recently held a 39.5 percent interest in Homag. After reaching a low point in 2009, Homag shares performed extremely well in the wake of the company’s realignment, rising by about 75 percent in the past 12 months alone.

“We have the flexibility to back a portfolio company even over a long period of 17 years and therefore reliably support ‘Mittelstand’ companies through various development cycles,” Grede said. In conjunction with the completed realignment and its value appreciation, DBAG and the other major shareholder, the pool consisting of founding family Schuler and the Klessmann Foundation, had reviewed options for exiting the Homag investment and jointly agreed on Dürr AG as Homag’s new owner.

Gerhard Schuler, one of the founders and honorary chairman of Homag’s supervisory board, today said that the pool was very pleased with Dürr AG’s entry as a new major shareholder, since two ‘Mittelstand’ family businesses with special competencies in the global mechanical engineering market would thus be coming together and creating for Homag Group AG and its staff the prospect of taking the next step in the company’s sustainable worldwide growth.

In commenting on the transaction, Ralf W. Dieter, Chairman of the Management Board of Dürr AG, said: “Homag experienced excellent development on the back of its realignment in recent years and has additional potential. We are now acquiring an attractive company that is a good fit for our growth strategy.”

The transaction will have a substantial impact on DBAG’s consolidated net income for the 2013/2014 financial year (1 November to 31 October). The agreed price considerably exceeds the price at which the investment was valued at the last closing date of 31 October 2013. The difference between this price – the stock market price at the closing date – and the current price gives rise to a net result of disposal of some 19.4 million euros; compared with the most

recent interim financial statements at 30 April 2014, this equates to an uplift of 9.2 million euros, net of transaction-related costs and performance-linked remuneration. DBAG has held 3.15 million shares or 20.1 percent in Homag.

The transaction makes it possible to concretise the forecast for the 2013/2014 consolidated net income. DBAG's Board of Management had predicted consolidated net income to clearly fall short of that posted for the preceding year (32.3 million euros), but expected it would at least reach the cost of equity. The forecast did not contain a value contribution from the investment in Homag Group AG. Based on the agreed sales price, the Homag realisation will now contribute 19.4 million euros. DBAG's consolidated net income for the 2013/2014 financial year will therefore – based on the result achieved so far (1st half year) in addition to the contribution to income from the divestment of Homag and otherwise unchanged assumptions for the remainder of the financial year – slightly exceed that of the preceding year (32.3 million euros).

In the HBG-formatted financial statements of Deutsche Beteiligungs AG, the Homag investment is not carried at the most recent share price, but at the average historical cost. The divestment therefore results in a significantly higher capital gain than in IFRS accounting. After deducting transaction costs and performance-linked remuneration, the capital gain would amount to approximately 47.9 million euros; it is recognised in the retained profit of DBAG, which then represents the assessment base for the dividend distribution. Unlike previously forecast, the HGB-formatted annual profit of DBAG will therefore significantly exceed that of the preceding year (35.6 million euros).

“As in the past, we want our shareholders to participate in this very profitable realisation,” said DBAG's CFO Susanne Zeidler. “The Board of Management and the Supervisory Board will decide on a dividend recommendation and a possible surplus dividend after the completion of the financial year.”

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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