

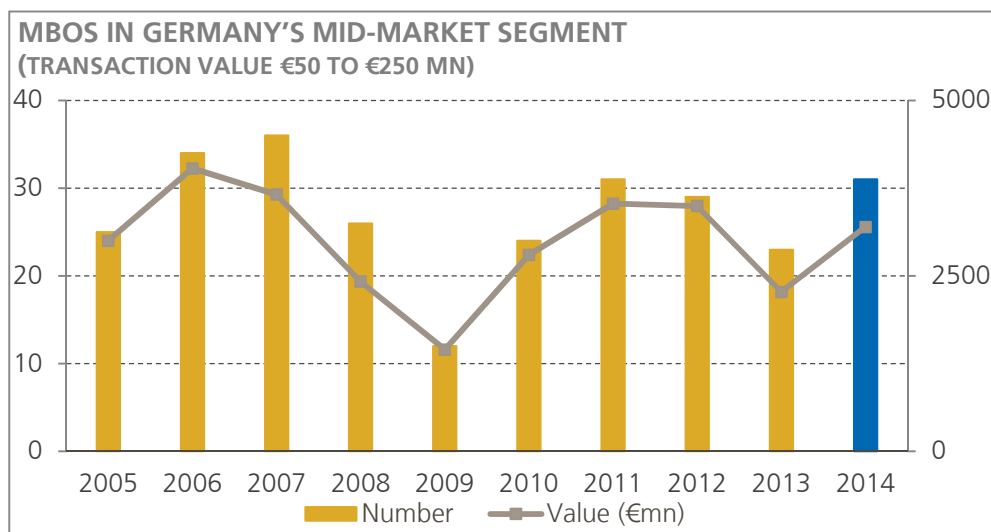
PRESS RELEASE

Mid-market buyouts in Germany in 2014:

More transactions and higher value

- Traditional industries much sought-after targets
- Share of primary transactions stable on a high level
- DBAG most active investor again
- Financial investors' capital strength and credit supply driving the market

Frankfurt am Main, 22 January 2015. Germany's mid-market segment for management buyouts (MBOs) recorded an uptrend in 2014. The sector registered significantly more transactions and a higher overall transaction value compared with the preceding year. Traditional industries, in which numerous German companies hold leading positions worldwide, remained much sought-after targets for financial investors: in 2014, chemical companies, automotive suppliers, mechanical and plant engineering companies, as well as industrial services providers accounted for about a third of all MBOs.



This is documented by the data issued today by Deutsche Beteiligungs AG (DBAG). The statistics relate exclusively to majority takeovers by financial investors, in which the target company's management co-invests and which have a transaction value of 50 to 250 million euros for the debt-free company. The data is based on publicly accessible sources as well as on estimates and own research by DBAG in collaboration with FINANCE magazine.

The number of transactions climbed from 23 to 31; the value of completed deals by financial investors in the German mid-market totalled 3.2 billion euros, surpassing that of the preceding year by more than one billion euros. The German MBO market is still characterised by a high proportion (19 out of 31) of primaries – buyouts in which a financial investor invests in a company for the first time; included therein are four transactions in which the MBO also resolved the succession issue in family-run businesses. The high proportion of primary transactions reflects the broad mid-market spectrum in Germany, indicating that private equity is an attractive form of financing for a significant number of companies.

Mid-market MBOs in 2014		
Target	Vendor	Financial investor
Ada Cosmetics	Carlyle	Ardian
Amoena	Granville, Baird Capital	Halder
Ask Chemicals	Clariant, Ashland	Rhone Capital
BU Drive	Company founder	DPE Deutsche Private Equity
Camano	Former partner	Afinum
Caseking	Afinum	Equistone
Comcave College	Maximilian A. Jaber	Gilde
dtms	Netrada Holding	Paragon
Duran	Adcuram	One Equity Partners
Engelmann Sensor	Brendecke family	Capiton, Nord Holding
Gienanth Iron Foundry	Gienanth Holding	DBAG
Huhtamaki Films	Huhtamaki	DBAG
Hussel	Douglas	Emeram
J&S Automotive	Finatem	Brockhaus
J.H. Ziegler	Unger Group, Staufen Invest	DPE Deutsche Private Equity
Jet Group	H2 Equity	Egeria
Koller Gruppe	Founding family	Hannover Finanz
Leitner	Blankenburg family	ECM
Meridian Spa	Private investors	Afinum
Munich Building Technologies	Founding family	Equistone
Pfautler	National OilwellValco	DBAG
PIA Performance Interactive	Diverse former partners	Equistone
Prefere Resins	Dynea Chemicals	Capiton
Sausalitos	EQT Expansion	Ergon
Schleich	HgCapital	Ardian
Stora Enso Uetersen	Stora Enso	Perusa
Time Partner	Creditors/financial institutes	Auctus
Transnorm	Equita	IK Investment Partners
Unser Heimatbäcker	Steadfast	DBAG
Vion Food Convenience Retails	Vion Food	Paragon
Windstar Medical	Former owner	Equita

“In 2014, we not only encountered strategic investors in the competitive field, but for the first time, driven by low interest rates, foundations and family offices to a notable extent as well,” said Torsten Grede, Spokesman of DBAG’s Board of Management, commenting on market activity this past year. “We prevailed in that competitive field given our very experienced investment

team and sizable financial capacity”, said Grede, “but above all because of our business processes, which we continually work to improve.” Deutsche Beteiligungs AG completed four transactions in 2014 and, as in 2013 (three out of 23 transactions), was the most active financial investor in Germany’s mid-market segment. Over an extended period of time, DBAG has also been among the leading financial investors in its market segment: only one competitor, Equistone (formerly Barclays Private Equity), has more transactions to its account than DBAG.

In DBAG’s opinion, a key driver of the transaction activity in the private equity business is still the available liquidity: firstly, private equity funds have received huge streams of capital commitments and must now invest these assets. Secondly, there is a sufficient supply of acquisition finance available. “We do not expect this situation to change fundamentally in the coming period of time,” said DBAG Spokesman of the Board of Management Grede at the annual press conference, where the market data was presented today.

Deutsche Beteiligungs AG, a listed private equity company, raises closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-sized companies with potential for development. DBAG focuses on industrial sectors in which Germany’s ‘Mittelstand’ is particularly strong on an international comparison. 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. Total assets managed and advised by DBAG amount to approximately 1.2 billion euros.

Notes to editors:

More information on market developments over the past ten years is available on request.

We would also like to draw your attention to a further press release issued by Deutsche Beteiligungs AG today:

“Deutsche Beteiligungs AG: Consolidated net income surges to 47.8 million euros”

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