

PRESS RELEASE

Deutsche Beteiligungs AG invests in foundry group

- **Investment in core sector of industrial components**
- **DBAG's experience in foundry business good basis for successful relationship**
- **Fifth management buyout in current financial year**

Frankfurt am Main, 14 July 2015. Deutsche Beteiligungs AG (DBAG) has announced it will invest alongside its advised DBAG Fund VI in Silbitz Group GmbH, a group of three foundries with a broad product portfolio. An agreement signed on Monday provides for the group's complete takeover by DBAG and the fund; the group's management will co-invest in a management buyout (MBO). The vendor is VTC Industrieholding GmbH & Co. KG, an independent industrial holding company. The transaction is contingent upon antitrust approval.

The Silbitz Group (www.silbitz-group.com) operates three foundries that generated revenues of some 130 million euros in 2014. Each of the foundries provides a different production range: at the group's headquarters in Silbitz (Thuringia, Germany), the company employs a staff of about 450. Various materials on an iron and steel basis can be cast there in hand-moulded and automated machine-moulded processes, enabling a high degree of flexibility to rapidly react to changes in customer markets. In Zeitz (Saxony-Anhalt, Germany) almost 180 employees cast products with a focus on wind energy systems. Rotor hubs and mainframes can reach weights of up to 30 tonnes. The company is therefore participating in the energy transition and ongoing readiness to invest in wind energy technology. Various materials with a high degree of individualisation can also be cast in different processes at its third site in Košice (Slovakia, 230 employees).

In addition to wind energy technology, Silbitz products are also used in drive engineering (planet carrier, bearing housings) and engine construction (pistons, cylinder covers, e.g. for ship and locomotive engines). The company's clients are among the leaders in their sectors. Silbitz primarily delivers its products to DACH countries and Scandinavia.

"We are investing in a foundry group that is equipped with modern machinery, experienced in various production processes and exhibits good earnings power," emphasised Torsten Grede, Spokesman of the DBAG Board of Management. "Silbitz will continue to develop autonomously; we want to

support management in offering its existing customers an extended range of products.”

On the agenda agreed with management are investments in expanding the melting capacities in Zeitz to enable manufacturing larger castings and strengthen the company’s geographical presence. “DBAG is an investor that has many years of extensive experience in our industry,” said Dr Torsten Tiefel, Managing Director of Silbitz, commenting on the change of ownership. “That is a good basis for a successful relationship.”

DBAG will initially invest proprietary capital of up to nine million euros for its stake and hold approximately 18 percent in the Silbitz Group.

This foundry group is the fifth MBO that DBAG structured in its current 2014/2015 financial year. DBAG previously invested alongside DBAG Fund VI in Infiana Group (specialty films), Pfaudler Process Solutions Group (glass-lined vessels), Gienanth GmbH (iron foundry) and Cleanpart Group (engineering services). For these acquisitions, DBAG invested a total of nearly 40 million euros from its own balance sheet. The Company additionally provided another eleven million euros for growth financing investments. The funds advised by DBAG invested a further 185 million euros; overall, DBAG initiated investment decisions on about 280 million euros in the past nine months.

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.

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