

## P R E S S R E L E A S E

### **Deutsche Beteiligungs AG invests in Telio Group**

- **Third telecommunications investment by DBAG**
- **Market leader for communications systems in prisons**
- **Growth opportunities through new products and new markets**

**Frankfurt am Main, 1 December 2015.** Deutsche Beteiligungs AG (DBAG) will invest alongside its advised DBAG Fund VI in the Telio Group (Telio), a telecommunications and software provider, the Company announced today. DBAG und DBAG Fund VI will acquire the majority in Telio in a management buyout (MBO). The investment aims to support the company in its strong growth. Telio's management, which is already invested in the company, will acquire additional interests as part of the transaction. The parties signed a purchase contract on Friday, thereby agreeing not to disclose the purchase price. The transaction is contingent on anti-trust approval and expected to be completed by the end of the year. The vendors include private investors in addition to Telio's management.

Telio ([www.tel.io](http://www.tel.io)) develops, installs and operates communications and media systems in prisons, i.e. Telio installs telephones and related systems that create a controlled environment allowing inmates to make calls from communal areas or directly from their cells. Telio's product range includes devices providing other modes of communication, such as TVs, DVD players, radios and PCs with restricted Internet access. The company's success has been based on investing in installations (cables, end devices) and offering software that controls telephone calls and handles the related billing. For example, the Telio software ensures that prisoners can only call approved telephone numbers. As a result, it takes on some of the responsibilities normally assigned to law enforcement officers, thereby simplifying workflows at correctional facilities.

The European leader in its field, Telio was founded in Hamburg in 1998 and has had subsidiaries in other European countries, including France, Belgium and the Netherlands, for ten years. Telio expects to generate revenues of almost 30 million euros in 2015. It employs a staff of about 100.

The business is driven by efforts to support prisoners' rehabilitation after their release. It has been shown that regular contact with family and friends outside of prison can contribute significantly to this goal. Inmate access to telephones and other communication devices has therefore been expanded in recent

years. Another promising segment for Telio's products is device-based learning in preparation for life after prison.

"These areas offer Telio solid growth opportunities," said Torsten Grede, Spokesman of the Board of Management of Deutsche Beteiligungs AG, commenting on the signing. "The company has many similarities with the two other telecommunication companies in our portfolio, and we intend to apply the experience gained there to our new investment."

Oliver Drews, managing partner at Telio, also emphasised the company's growth prospects: "Together with our new shareowner, we plan to tap further markets – in Europe and beyond."

Telio is DBAG's first new investment in its 2015/2016 financial year, which began on 1 October. DBAG will report on the performance of its past 2014/2015 financial year, which saw seven new investments, on 10 December 2015.

***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 1.1 billion euros.***

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