

## PRESS RELEASE

### **Deutsche Beteiligungs AG concludes DBAG Fund IV Successful buyout fund: returned twice the invested capital to investors / Clyde Bergemann Power Group exited**

**Frankfurt am Main, 15 April 2016.** With the divestment of the last of originally ten investments, Deutsche Beteiligungs AG (DBAG) has brought the DBAG Fund IV to a very successful close. The buyout fund launched in 2002 returned more than double the paid-in capital to investors. That makes DBAG Fund IV one of the best funds of its vintage for private equity investments in Europe. In a final step, the fund exited its investment in the Clyde Bergemann Power Group, which DBAG had entered into alongside DBAG Fund IV in May 2005. The buyer is a co-shareholder of the company who, with his Family Office, now is the sole owner.

DBAG Fund IV was launched in 2002. For the first time, investors outside DBAG's shareholder base had committed to this fund. DBAG's investments alongside the fund included four mechanical and plant engineering companies and three automotive suppliers. The portfolio comprised, for example, pump manufacturer Lewa, Otto Sauer Achsenfabrik, a manufacturer of trailer axle and suspension systems, and building component supplier Heim & Haus. DBAG Fund IV's successful investment activity with fast returns to investors facilitated raising further buyout funds that were larger in size: DBAG Fund IV (capital commitments of 228 million euros, plus 94 million euros by DBAG) was followed by DBAG Fund V. This fund (434 million euros, plus 105 million euros by DBAG) invested in eleven companies from February 2007 to February 2013. Five investments have been realised; most recently, in December 2015, Spheros, a manufacturer of climate systems for buses, was divested. Since February 2013, DBAG has been investing alongside DBAG Fund VI in MBOs. With a fund size of 700 million euros (133 million euros come from DBAG), DBAG Fund VI is currently 60 percent invested in eight portfolio companies, including tutoring services Schülerhilfe and the foundries Gienanth and Silbitz.

DBAG and DBAG Fund IV had invested in the Clyde Bergemann Power Group in May 2005. The companies of the Group develop and manufacture components for energy-related production processes. The products ensure efficient and safe operation of power plants, industrial and waste incineration

plants as well as petrochemical plants, and contribute towards energy efficiency and emission reduction in energy production. The Group, moreover, provides the servicing for these products.

Clyde Bergemann initially grew strongly: revenues rose from 180 million US dollars at the outset of the investment to more than 500 million US dollars, also through a number of add-on acquisitions. In recent years, however, changed views on coal-fired power generation in key markets had made themselves felt negatively to an increasing degree. That applies to Germany and, recently, to the US as well. Willingness to invest on the part of operators of coal-fired power plants declined significantly in these markets. The company responded by restructuring its larger US-based entities and European sites. Its Asian business continues to develop positively. The numerous coal-fired power plants installed in China form a good basis for the Group's extensive service and spare-parts business. Against this market backdrop, Clyde Bergemann has now, after completing the restructuring and eliminating the risks attached to certain large-scale projects, been sold to a co-shareholder: the head of the company's Asian business, with his Family Office, also acquired the interests of other shareholders. In conjunction with the purchase, the capital was increased to strengthen the business.

The divestment completed yesterday will not result in a value contribution for the third quarter of DBAG's current financial year (1 October to 30 September). In the first six-month period, Clyde Bergemann's value contribution to net income was negative. DBAG's second-quarter valuation result is, nonetheless, positive. DBAG will issue its interim report as at 31 March (first half-year) on 12 May 2016.

***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 under management or advice by DBAG amount to approximately 1.0 billion euros.***

*Public Relations and Investor Relations • Thomas Franke  
Börsenstrasse 1, 60313 Frankfurt am Main  
Tel. +49 69 95 787-307 • +49 172 611 54 83 (mobile)  
E-mail: thomas.franke@dbag.de*