

P R E S S R E L A S E

Deutsche Beteiligungs AG successfully divests FDG Group

- **French financial investor acquires services provider to mass retailers**
- **Succession arrangement in family business**
- **Attractive return after six-year holding period**

Frankfurt am Main, 24 February 2017. Deutsche Beteiligungs AG (DBAG) announced that it has ended its investment in the FDG Group following the company's very successful development. DBAG has sold its holding in FDG to CM-CIC Investissement, the private equity arm of French mutual banking group Crédit Mutuel (CM11)-CIC. The DBAG-managed DBAG Fund V and FDG's management have also divested their interests. The completion of the transaction is now only subject to approval by the cartel authorities which is expected in March. The parties to the contract have agreed not to disclose the purchase price.

DBAG acquired the FDG Group in June 2010 from the founding families within the scope of a family succession arrangement. The transaction had been the result of a collaborative effort with Quartus, DBAG's partner in the French market. DBAG has now exited the investment, earning an attractive return. The sales proceeds equate to more than twice the original investment. It corresponds to the investment's valuation as in the interim financial statements at 31 December 2016. The sale will therefore not result in a contribution to income in the current second quarter of the 2016/2017 financial year ending 31 March 2017.

FDG (www.fdg.fr) is a services provider to the mass retail sector. It supplies non-food product categories to supermarkets primarily located in France. These range from haberdashery, kitchen utensils and hair/beauty and DIY items to collectible sticker albums. FDG controls the supply chain, packages the products and – its core competence – manages the logistics to the markets. The company provides customised merchandising services to retail chain supermarkets and drug stores, individually managing the selected assortment on store shelves (full-service rack jobbing). The products are mostly marketed under FDG's own brands, but also partly consist of licensed products or proprietary supermarket brands.

In addition to a succession arrangement in this formerly family-owned business, the objective at the outset of the investment was to broaden the

product range. The FDG Group, the number two in the French market by revenue, wanted to grow: organically – by adding new products and customers, for example – and through acquisitions of specific product lines, brands or distribution networks. FDG reached these goals in the past years by, among other things, acquiring two smaller companies. Net sales rose from 111 million euros in the first year of the investment to approximately 123 million euros in 2016. The company's development continued despite the stagnation that has persisted for years in the French economy and the resulting impact on private consumption in France. Greater integration at what was initially a highly decentralised group played a key role in increasing efficiency.

The new owner will back FDG's growth; further add-on acquisitions are planned.

“With the highly constructive engagement of all owners, we succeeded in arranging the succession in this family business to the advantage of the company,” said Dr Rolf Scheffels, member of the DBAG Board of Management. “This transaction shows that our investment approach is also successful outside Germany when we invest in a company that is well positioned in the market and has an entrepreneurially driven management and solid earnings base.”

Deutsche Beteiligungs AG, a listed private equity company, initiates 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 the 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. Assets under management or advisement by the DBAG Group amount to approximately 1.8 billion euros.

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