Translation

Speech by
Wilken von Hodenberg, Spokesman of the Board of Management
of Deutsche Beteiligungs AG,
Frankfurt am Main,
at the Annual Meeting
on 26 March 2013 in Frankfurt am Main

Shareholders and Shareholders' Representatives,
Ladies and Gentlemen,

On behalf of the entire Board of Management, I would like to cordially welcome you to our Annual Meeting. There are five Board members meeting with you here today – a temporary constellation, since we are in a process of a generational change. Ms Zeidler joined us on the Board at the beginning of November. She will assume responsibility for the financial sector and all key staff functions.

This is my thirteenth and last Annual Meeting. As you probably know, with the conclusion of this Annual Meeting I will step down from the Board of Management of Deutsche Beteiligungs AG. My colleague André Mangin will follow in a few days. Both of us were born in 1954, and we have reached an age where one is not inclined to bind and commit oneself for the term of another private equity fund – which generally constitutes a period of ten years. Beginning this afternoon, my colleague Torsten Grede will take over as Spokesman of the Board of Management, and the company will be led by Mr Grede, Dr Scheffels and Ms Zeidler.

Please allow us therefore to divide our presentation between Mr Grede and myself this morning: I will report on this past financial year. Mr Grede will then give you the bearings for Deutsche Beteiligungs and set out what you can expect from DBAG in the coming months and years.

We achieved all of our business objectives this past financial year.
- Posting consolidated net income of 44.5 million euros and a return on net asset value of 16.7 percent, we clearly increased the Company's value.

- The basis for this was our portfolio companies' value growth, reflected in a net result of valuation and disposal that reached 48.6 million euros.
- Finally, we are in a position to again recommend an attractive dividend by which you share in the performance of Deutsche Beteiligungs AG.

2011/2012 was a successful year – that also applies to the changes in the portfolio. But I will come back to that later.

First, the key financial metrics. I will start with the *consolidated net income*.

It differs clearly from that of the previous year. For 2010/2011 we had to report a consolidated loss of 16.6 million euros which largely derived from unrealised value movements, whereas in 2011/2012 we achieved a consolidated net income of 44.5 million euros. These earnings stem to a very large part from gains on disposals that have meanwhile actually been realised. Last year, we suffered from the bleak sentiment that had spread across the equity markets. The nosedive on the stock exchanges also hit the value of our portfolio companies.

The key item on our income statement and, consequently, the key determinant of net income, is the *net result of investment activity*, which totalled 51.3 million euros. This exceeds the previous year's amount by almost 56 million euros. The net result of investment activity breaks down into three components:

The *net result of valuation* was again the determining factor for the net result of investment activity in the year. It reached 45.1 million euros, meaning that the value of those investments which were in the portfolio at the start of the past financial year and which had not been disposed up to the reporting date increased by 45.1 million euros over the course of the 2011/2012 financial year.

Which specific effects are behind these movements? A detailed breakdown is contained in the Annual Report. I will restrict my comments here to the major influential factors.

The single most significant effect, or 37.4 million euros, derives from the value gain achieved on our investment in Coperion, one of our outstanding mechanical engineering firms. We sold Coperion in October 2012, but the transaction was not completed until the end of November. This investment was therefore still carried in the books on an imminent sales basis at the end of the period. That is why the gain on this disposal appears within the "valuation result".

I would like to go into this company in greater detail, because its development is a good example of the way DBAG operates, how companies are transformed with DBAG's support and how DBAG creates value.

Coperion is a cyclical company. Its machines sell well in periods of global economic growth, which is the case with most mechanical engineering companies that provide machines and equipment for factories. The financial crisis left Coperion faced with tough challenges, like many other mechanical engineering companies. Order intake in the new machine business plunged at times by more than half after the Lehman Bank failure in 2008. Events such as these would have sealed the fate of many companies. Coperion was seriously hit during this time, and we had to write down the equity value on this investment to nil for several quarters.

Coperion's good service business – the expansion of which management had resolutely pursued – and a good level of orders on hand that had been booked before the financial crisis were the reasons why the company's EBITDA were "only" down to half, despite the heavy drop in new orders. Coperion's management, however, also implemented what had been agreed up front:

- It improved the company's organisation by installing a new flat leadership structure, clear-cut decision-taking processes and short routes.
- It flexibilized the cost structure and, consequently, clearly lowered the breakeven point, for example by standardising and modularising the machine portfolio.
- By acquiring smaller companies, Coperion enlarged its product range, and new branch offices for the service business improved the company's position in the market.
- Finally, optimisation of processes and improvements in throughput times reduced current assets without impairing the speed and reliability of deliveries.

All of these measures have made the company stronger – largely independently of the economic trend. In 2012, three influential factors came together:

- The measures taken by management proved their effectiveness.
- The business environment supported robust revenue and earnings growth.
- The management of an American industrial corporation set its sights on this jewel in our portfolio and was ready to pay a good price.

Even though we, of course, target results such as this when we enter into an investment and support a portfolio company's development, the exact circumstances are not calculable in detail and above all in timing. We cannot promise, let alone guarantee, achievements such as these. But neither are they a coincidence. They are the fruits of hard work by an investment team who prudently invests the assets which you and other investors have entrusted to us.

The second significant effect on the valuation result came from our largest investment, Homag Group AG. The price of Homag shares clearly improved in 2011/2012, rising from 8.48 euros to 9.98 euros, which led to a valuation gain of 3.9 million euros.

You may have followed the reports in the media last spring prior to Homag's annual meeting and, later on, the investors' meeting. There was talk in those reports about differences of opinion between DBAG with its funds – the largest shareowner group – and Homag's founder, Mr Schuler. Mr Schuler sold the largest part of his Homag share block to us and through the company's IPO. Later, he reacquired shares and now holds 25 percent in a shareholder pool. There were significant differences between Mr Schuler's pool and us regarding our assessments of Homag. We were harshly criticised for supporting the management of Homag Group AG. However, we still firmly believe that Homag's management board and supervisory board deserve our support. We therefore increased our interest in Homag in 2012 and have again invested in the company. DBAG now holds more than 20 percent, another 19 percent are held by the co-investment funds. Despite the additional investment of about five million euros, what I said last year still applies: the IPO alone generated returns well in excess of the total capital invested, even though we only sold a part of our shares. Homag already constitutes a very profitable investment to date. But apart from that, our efforts are also aimed at improving our relations with this shareholder pool to avoid any detrimental effects for Homag.

In addition to Coperion and Homag, the other companies in the portfolio also delivered positive value gains, albeit to a smaller extent. Our portfolio currently contains relatively young investments that are momentarily implementing their agreed action plans and, for example, are making acquisitions. These strategic measures are not directly and not immediately reflected in valuation gains. Moreover, not all companies were able to increase revenues in 2012 – some were hit by the weakness in southern European economies, and in some instances fluctuations are a normal part of the business, such as when companies wind up large-scale projects.

As opposed to the two preceding years, stock market movements last year only had a limited impact on the valuation result.

The second component within the net result of investment activity is the *net result of disposal*, which reached 3.5 million euros and mirrors the difference between the sales proceeds from the disposal of an investment and its valuation at the start of the financial year. It says nothing about the profitability of an investment – which was significantly higher for the two investments we realised this past financial year.

I just reported on the successful realisation of Coperion. The second company that we completely released from the portfolio in 2012 was Preh. You will remember that we had sold three-quarters of our investment in 2011. We now exercised an option to sell the remaining interest. Preh has continued to make very good progress, and we were able to once again achieve sizeable sales proceeds. A part of the value appreciation was already contained in the preceding year's valuation result, and the most recent accounts therefore only mirror a smaller part of the returns.

The third component within the net result of investment activity is *current income from financial asset*s.

In 2011/2012 it totalled 2.8 million euros. This amount is not comparable with that of the previous year, because a special effect had inflated this item.

Overall, current income from financial assets plays a more or less subordinate role for our income. This is due to our portfolio's profile. At 31 October 2012 it consisted largely of management buyouts. We normally do not receive distributions from MBOs.

As to the other components on our income statement:

Other operating income, totalling 27.5 million euros, was considerably up on the previous year, by nine million euros. The rise, however, is due to a special effect:

Last year, I reported on our discussion with the Revenue Office concerning the interpretation and application of certain value-added tax rules. The tax authority has now revised its previously held opinion, and we were able to reverse provisions of 11.0 million euros we had made in the preceding financial year for exposure to value-added tax risk.

As before, fee income from investment services to the co-investment funds we advise was the most significant regular item in other operating income. It rose to 11.7 million euros, due to the fact that fee income from the DBAG Expansion Capital Fund was generated for the first time for a full business year and performance-related income was received from an older fund. This is set against a decline in fee income from DAG Fund IV and DBAG Fund V.

Other operating income also includes reimbursed costs for screening investment opportunities. These costs can be charged proportionally to the co-investment funds or the portfolio companies. The lower income this year is set against lower expenses.

The costs for screening investment opportunities are, in turn, the largest item in *other operating expenses*. Transaction-related consultancy and screening costs were considerably lower in 2011/2012. Moreover, since provisions were no longer required to be made for exposure to value-added tax, other operating expenses were down by 6.4 million euros on the previous year. Other significant items under this heading are discussed in the Annual Report on this past financial year. For the first time this year, we have issued a combined management report for the Group and for Deutsche Beteiligungs AG itself. That will enable you to view the annual results based on the IFRS and, on the other hand, based on German GAAP (HGB) in one document. This should help elucidate the two different approaches: the IFRS claim to be able to deliver a current presentation of a company's asset position, whereas HGB is primarily geared to creditor protection. A profit is only recognised when – as in our case – an investment is actually realised, and not when the investment, based on current market conditions, becomes more valuable than it was before.

Personnel costs increased in 2011/2012 to 15.9 million euros. In light of the significantly improved result for the year, higher provisions were made for performance-related income components, which have meanwhile been paid. This effect accounts for the major part of the increase. Variable emoluments linked to investment performance totalling 2.3 million euros relate to the final realisation of the investment in Preh this financial year and inflows from the realisation of the remaining assets of a former portfolio company (Hochtemperatur Engineering). Emoluments linked to investment performance fall due upon realisation of the value appreciation and therefore contain performance-related components from value gains achieved in previous years.

Net interest declined markedly to 0.8 million euros – not much, you might say, in view of the high proportion of liquid and near-liquid resources on our balance sheet. But: creating value through cash deposits is not our core business. And we are prudent business people. That is why we invested our cash funds safely, largely in securities of German sovereign issuers. And for a number of years now they have been paying very, very low interest rates, which dropped once more this past year. For a year-on-year comparison, it is important to know that 2010/2011 contained interest income of 1.6 million euros from a tax refund following a tax audit.

Consolidated net income includes *tax expenses* of 0.9 million euros. After the completion of a tax audit, provisions of 1.0 million euros were made for expected additional income tax claims. In the previous year, a tax refund of 2.8 million euros led to tax income of 1.8 million euros.

Turning to the *statement of financial position,* we conduct your company by a measure you can derive from the balance sheet: we aim to increase the net asset value per share over the long-term average by a rate that exceeds the cost of equity. We determine the return on NAV by deducting the proposed dividend from the opening NAV at the start of the financial year; we then compare that value with the NAV at the end of the financial year.

I said at the beginning of my remarks that we succeeded in increasing the *net asset value per share* by 16.7 percent in 2011/2012.

We started the reporting year with NAV per share of 17.47 euros. After deducting the dividend of 0.80 euros paid in March 2012, the NAV amounted to 16.67 euros per share.

One year later, on 31 October 2012, net asset value was 19.46 euros per share. This equates to an increase of 1.99 euros per share, or – as reported – of 16.7 percent. Looking at the long-term average over a period of ten financial years, we increased the net asset value of Deutsche Beteiligungs AG – *your* assets – by an average annual rate of 13.8 percent. And we thereby clearly exceeded our target mark – the cost of equity of approximately eight percent. Not many equity capital investors can boast similar after-tax returns over the past ten, or even 15 or 20 year periods.

The structure of our fundamentally very solid statement of financial position has not changed significantly: On the assets side, our financial resources – comprised of cash and long-term securities – totalled almost 106 million euros, or more than a third of our assets, at 31 October 2012. They declined compared with the previous year – largely because we have invested and paid a dividend. The proceeds from the realisation of Coperion were received in the new financial year – which explains the high amount reported for this item in the current interim financial statements. I will come back to that later. As in previous years, the liabilities side is dominated by our equity capital, which accounted for 89 percent at the reporting date. Bank liabilities have not existed for years.

The results of the past financial year were indeed very satisfactory: we were able to present very good financials, and we complemented the portfolio by new attractive investments. I reported on Spheros and Broetje-Automation, the previous year's new additions, at our last Annual Meeting. As I do not want to repeat myself, I would rather refer you to our Annual Report. There you will find a detailed account of both of these companies' business models and investment cases – that also applies to our other major portfolio companies.

You, the shareholders of DBAG, will of course attach particular importance to the dividend and the share price movement. I believe you will be pleased with both. That holds true for this past financial year, as well as for the longer periods of time, with which we work in the private equity business.

A comparison of an investment in DBAG shares with alternative investments, such as in the Dax or an index family of other listed private equity companies attests to that. For all three periods – five, ten and fifteen years – DBAG shares outperformed the others. That comparison not only considers the market price trend, but also includes the partly very high dividends that have been returned to you in the past years.

At this point, please allow me to make a personal remark.

I mentioned at the beginning of my report that, with the conclusion of this Annual Meeting, I will be stepping down from my office as Spokesman of the Board of Management of Deutsche Beteiligungs AG. A generational change in our line of business requires careful attention and must be prepared with a long-term perspective. I therefore announced my departure from the Board a year ago.

The Supervisory Board has appointed my colleague of many years Torsten Grede as the new Spokesman of the Board of Management. Supporting him on the Board will be Dr Rolf Scheffels and Susanne Zeidler. Having had the opportunity of becoming acquainted with Ms Zeidler during the selection process, we were quickly convinced that she is the right choice to complement DBAG's leadership team – professionally, but perhaps even more importantly, personally. I trust you will share my confidence that this trio will successfully continue DBAG's strategic approach and notable development.

Based on this approach and our investment strategy, we were able to secure commitments to a 700-million-euro buyout fund within a surprisingly short period of time in 2012. We succeeded in convincing investors from Korea to the United States that our investment strategy, our discipline and Germany as a market for this strategy are very promising.

I have had very loyal and friendly working relations on the Board of Management with Mr Grede since 2001 – more than twelve years – and with Mr Mangin and Dr Scheffels since 2004. These colleagues originated, structured and supported DBAG's most successful investments. I would like to take this opportunity to express my thanks to my colleagues on the Board of Management and to our Supervisory Board. DBAG's outstanding development would not have been possible without a great team – the people on our investment team, in finance and accounting, investor relations, IT, in the human resources and organisation department.

We, the Board members, are the shareholders' top employees. It was a great pleasure for me to have worked for your Company and to have served you for the last 13 years. Despite the disappointing results after 11 September 2001 and the Lehman failure, after those once-in-a-century catastrophes that unfortunately seem to occur ever more frequently, we have always received your "applause". That certainly did us good, and we would like to thank you for it.

I wish you personally and the Company all the best and every success!

[*Torsten Grede, the new Spokesman of the Board of Management of Deutsche Beteiligungs AG, follows:*]

Ladies and Gentlemen,

In presenting the 2011/2012 consolidated accounts, Mr von Hodenberg omitted an important detail, which I would now like to deliver. You have probably read in the media that we would like to distribute a divided of 1.20 euros per share. Our *dividend recommendation* consists of an unchanged base dividend of 0.40 euros per share and a surplus dividend of another 0.80 euros per share, by means of which we would like you to share in the Company's profitable realisations.

This continues our proven dividend policy that pursues two goals: irrespective of our business' strong volatility, as the past two financial years have again shown, we want the shareowners of DBAG to be able to rely on a base dividend, which – subject to sufficient liquidity and distributable profit – will be paid even when, in light of valuation movements, net income does not turn out quite so opulent, or in instances where we incur a loss – as has happened twice in the past ten years. The *base dividend* is meant to ensure a kind of minimum return on net asset value per share. It will remain at 0.40 euros per share this year – which at least sums up to more than two percent, relative to net asset value per share.

As you are owners of this Company, we consider it appropriate for you to share in its performance. In the past, we have distributed a surplus dividend whenever we transacted particularly profitable divestments – when we actually realised the value gain that was created over the holding period of an investment. Last year, we divested our remaining interest in Preh and agreed the sale of Coperion. These realisations led to a profit in the accounts of Deutsche Beteiligungs AG based on the German Commercial Code (HGB). The retained profit, which is decisive for distributions, totals 24.1 million euros. That puts us in a position to again pay a *surplus dividend* this year.

If you approve our recommendation, 1.20 euros per share, or a total of 16.4 million euros, will be distributed tomorrow. Relative to the opening net asset value at the onset of the 2011/2012 financial year, this represents a dividend yield of 7.2 percent. Measured by the share price – regardless of the current market price or average quotation for the financial year or the opening price at the onset of the year – we also arrive at very respectable dividend yields of between 5.5 and 7.8 percent. Our dividend is once again very shareholder-friendly. But please note that this year's surplus dividend will not be repeatable every year. Surplus dividends are linked to profitable realisations. Only when we realise an investment upon its ultimate sale are we in a position to have you share in our investment performance.

Over the last nine years, we have distributed more than 176 million euros. Including the dividend on which you will pass a vote today, this equates to 12.29 euros per share. When looking at the share price movement alone, that huge amount should not be left unconsidered. Another 88 million euros have been returned to shareholders through share buybacks. The fact that our equity today is higher yet than it was in spring 2004, after our latest capital increase, is indicative of the outstanding progress DBAG has made in recent years. DBAG's performance, measured by its financials, is quite apparent.

Let me address another aspect that is indicative of DBAG's notable development in recent years. As you know, one of Mr von Hodenberg's priority issues was securing the financial platform for our investment business. That platform has always rested on two pillars: the balance sheet of Deutsche Beteiligungs AG and the assets committed by third parties to co-investing funds.

In the year 2000, more than half of our shares were in the hands of a few institutional investors, among them Deutsche Bank, which held a 15 percent interest. These investors also committed capital to the co-investment funds. In 2001, Deutsche Bank decided to withdraw from the private equity business. Commitments to a follow-on fund were uncertain, and the ability to obtain borrowings was also doubtful. It should be borne in mind that, at the time, bank debt accounted for one-third of total liabilities on our balance sheet.

DBAG's financial platform had to be quickly restructured. Mr von Hodenberg was fundamental in accomplishing this. Patience and perseverance paved the way to the broad high-quality investor base Deutsche Beteiligungs AG has today. With a view to DBAG shares, "high-quality" means that, in addition to private investors, organisations that are very familiar with private equity and are specialised in these assets are invested in our shares today. With a view to the co-investment funds, "high-quality" means that we have investors from many countries who have committed capital across several funds and who, as acknowledged and experienced investors, serve as an orientation point for other capital lenders.

This past year has once again proven the importance of a strong investor base. 2012 was not an easy year for raising private equity funds. Yet we succeeded in doing so. We

- raised more capital than expected
- within an extremely short period time, namely four months,
- we attracted new investors and
- thereby completed the largest buyout fund ever raised in Germany to date.

That has significantly expanded the financial base for future investment. The new fund will also make an important contribution to our income account. The business with co-investment funds benefits us and, lastly, you. When the investment period of DBAG Fund VI commences, fee income from management and advisory services to the co-investment funds will increase considerably, thereby enabling us to reduce the remaining net cost for the management of our own portfolio.

Success in raising funds is a major prerequisite for DBAG's continued progress. The other crucial requirement is investments in new portfolio companies. That brings me to my remarks on the future of Deutsche Beteiligungs AG.

In recent years, we very profitably realised numerous investments and, in light of market conditions, took a restrained approach to new investment.

The high proportion of financial resources on our balance sheet is indicative of this. In the coming years, we expect that this high proportion of liquid or near-liquid resources, which are diluting our return, will recede, because we intend to invest strongly – as we did in the first months of the new financial year. Our aim is to transact an average of two to three management buyouts and expansion financings, respectively, each financial year. Measured by an average of ten million euros per investment, our liquidity requirement adds up to approximately 50 million euros annually, or 250 million euros in five years, which we intend to cover through our available financial resources and inflows from realisations of investments. In comparison to the past five-year average, this would mean quadrupling the amount invested. That may seem ambitious. However, we have already entered into four new investments in the first five months of the new financial year and have invested or will soon invest about 30 million euros from DBAG's balance sheet.

Before I come to the first-quarter results and the current portfolio, I would first like to familiarize you with these four new portfolio companies.

What do we like about Heytex Bramsche, a manufacturer of technical textiles and textile print media? For instance, the fact that it is a leader – in its technology, but also as regard its European market share. Increasing the company's business outside Europe is part of the strategy we agreed with management prior to making the acquisition. To achieve the goals that were set, Heytex will invest – for example, in its product development activities and its international sales organisation. Heytex has so far been a provider to customers primarily in western Europe; emphasis will now be placed more strongly on developing other markets, such as its American market. We also like the fact that Heytex operates in a segmented market, with numerous applications for its products in different customer industries. That reduces dependencies and, to a certain extent, is conducive to business stability.

PSS stands for Plant Systems & Services – meaning services that must regularly be rendered in power plants, chemical companies or the petrochemical industry to keep facilities running efficiently and smoothly. Currently, PSS consists of three smaller companies that generate combined revenues of more than 50 million euros. PSS is targeted to grow: the objective is to build a cross-regionally operating group of companies with a broad product range. The group stands to profit from the individual companies' ability to offer clients an extended range of supplementary services from the portfolios of partner companies and be backed by the holding company's financing capabilities. This growth will be financed by us – DBAG and the fund we raised for expansion financings, the DBAG Expansion Capital Fund.

We are very confident that PSS will succeed in building a large mid-market industrial services group capable of generating substantially more than 100 million euros in revenues. Work for industrial services providers is there in abundance: market drivers include the age of existing power plants, plans to decommission power plants and the general trend towards outsourcing industrial services to external specialists. Similar opportunities exist in the petrochemical and chemical industries, which are faced with ever more stringent safety requirements.

Industrial services have been a fruitful sector for DBAG in recent years. The investments in Babcock Borsig Service (divested in 2005) and MCE (divested in 2009) were two of DBAG's most successful transactions.

We reported on the acquisition of Formel D in late February. We succeeded in designing a future-focused succession arrangement for a growing company with a prospering business model: the founders and present managing directors will remain committed to the company by serving on the advisory council. Formel D provides services to carmakers and automotive suppliers, both in production as well as in after-sales activities. One typical example is the quality assurance of production lines; at the carmaker or supplier's incoming goods department, parts and components are inspected and, if indicated, sorted out. One of the company's strengths is that it supports processes associated with the launch of new car models in car factories or with the relocation of the production of certain components or car models to other factories. Together with our fund, we intend to sponsor the growth of this company that was founded as recently as 1993.

Finally, Stephan Machinery is the third buyout we structured this current financial year. Stephan designs and builds machines for food production processes. Its machines provide cutting-edge technology and are used for thermal processing of liquid or semi-liquid food products such as sauces, soups or baby food. Stephan is a supplier to all major international food producers in the product segments it serves, as well as to key clients in growth markets. We have again acquired a market leader, albeit a leader in a small niche. The food market is stable, individual segments such as convenience foods and baby food are growing and create good potential. Added to that is the growth in emerging countries – which, in our view, all sums up to very real opportunities for a company with leading-edge technology, such as Stephan.

I have just introduced four companies to you that generate revenues of 40 to 130 million euros and employ from 180 to 2,500 people – companies in Germany's "Mittelstand".

We are a partner to that "Mittelstand" and invest in such companies. We take stakes in family businesses – as we did recently in PSS and Formel D; we acquire entities from large corporations – as we did in purchasing Stephan Machinery; and occasionally, we may invest in secondary buyouts, meaning management buyouts previously held by other financial investors, that appeal to us – as did Heytex in November. What all portfolio companies have in common is that they operate in industrial sectors. This is no coincidence; it is our clearly defined approach and the persistency with which we adhere to our investment criteria. It is also what distinguishes us from many other private equity companies.

We have supplemented our Annual Report this year by a more detailed report on the Company. In it, we depicted how we create value: we aim to support companies in optimising their strategic positioning and, in most cases, their operating processes. I do not want to go into detail, but I would like to highlight four points that characterise the way we work. We

- act with a long-term view,
- think strategically,
- finance upstream activities, and
- involve management and staff.

From my point of view, the last two aspects are particularly significant for our performance.

Which brings me to our portfolio. I have great confidence in these companies' potential. The reason is not least the very satisfactory financials the portfolio companies have posted for this past business year and their budgets for the ongoing year. Most budgets provide for higher revenues and earnings. That paves the way for an increase in the net asset value of DBAG. One week ago, we issued the results for the first quarter of 2012/2013. We consider

- a consolidated net income of 7.5 million euros and
- an increase in the net asset value per share by 3.1 percent over a period of three months

to be a good start to the new financial year.

But what prospects lie ahead? In our latest interim report, we emphasised that it would not be appropriate to use the first-quarter financials to extrapolate results for the entire year. In the first quarter we recorded a very gratifying effect from the divestment of Coveright's last remaining operations, in addition to the upward price movement of Homag shares.

That is not easily repeatable. For the current 2012/2013 financial year, the assessment we expressed in the Annual Report remains valid: assuming the conditions in the equity markets remain unchanged, we expect that consolidated net income will fall short of that posted for this past financial year. We also announced in the Annual Report that we intend to adhere to our dividend policy. It provides for a consistent base dividend if at all possible – even in financial years in which there were no realisations.

The companies in the portfolio of Deutsche Beteiligungs AG are well positioned in their competitive fields. Most of them are continuing to make good progress – that is, they will, in our opinion, further improve their level of earnings and reduce debt least over the mid-term. These are key prerequisites for positive earnings contributions – this financial year and beyond.

We cannot predict exactly when and to what extent the portfolio companies' valuation-related data – meaning their strategic positioning and attractiveness as well as their financial metrics – will exhibit further improvement. Mr von Hodenberg pointed out earlier that there are a number of companies in our relatively young portfolio which are just beginning with their development. That can lead to positive or negative valuation movements, profits or losses. But these are book profits and losses. The moment of truth is when the money flows – upon an investment's ultimate sale.

The essential issue is: for what price will we be able to sell the companies after our investee businesses have implemented the strategic plan agreed at the outset of an investment and reached the targeted milestones. Some of our recent realisations have again shown that valuations during the investment period are not conclusive about the success of an investment: Heim & Haus, Preh and Coperion – the realisations of the past two years – were at times valued far below their historical cost. In spite of that, we realised them at a sizeable profit over their historical cost.

Our momentary focus is on new investments in the portfolio. New investee companies broaden the basis for future value growth and create the platform for commensurate returns.

My message and that of my other two colleagues on the Board can be said in one sentence: In view of its competitive standing and its sufficient financial resources, we believe that Deutsche Beteiligungs AG is well equipped this financial year and beyond to continue its pattern of progress, which in the past decade has delivered superior returns on your investment in the Company.

In concluding my remarks, I would like to like to enlarge upon three items on today's Agenda and solicit your endorsement for these proposals.

Item 6 on the Agenda relates to a by-election to the Supervisory Board. Professor Langenbucher will retire from his office on the Supervisory Board following this Annual Meeting. You, Professor Langenbucher, have served the Company for seven years, and are now leaving office not because you have grown tired of Deutsche Beteiligungs AG, but because an age limit for Supervisory Board members requires that you step down. We all very much regret that you will be leaving. The Company profited tremendously from your expert knowledge and wise counsel. I would like to cordially thank you for your dedicated service over all these years.

Concerning Item 7 on the Agenda, we request your approval for new remuneration arrangements for the Supervisory Board. You will find a detailed description of these arrangements in the Agenda. I would just like to address one particular aspect. The new arrangements provide for remuneration on a fixed fee-only basis. We believe this type of remuneration better suits the Supervisory Board's duties of controlling managerial activities. That duty is not linked to the Company's short-term performance, to which the current variable remuneration components are geared. Jointly with the Supervisory Board, we therefore recommend adopting arrangements that, in their structure and amount, correspond to the standard practiced by comparable companies. We believe that this remuneration is appropriate; it should be kept in mind that the fixed fee in the current arrangements has remained unchanged since 2004.

An important amendment, in our opinion, relates to Item 8 on the Agenda. Our recommendation is to convert from bearer shares to registered shares.

We have observed that public attention for companies with more or less smaller market capitalisation has receded to an ever greater extent in recent years. Even daily newspapers with a focus on economic and financial news do not regularly report on companies indexed in the S-Dax, such as Deutsche Beteiligungs AG. Shareholders' associations no longer automatically come to our Annual Meetings, and banks only selectively monitor the shares of smaller companies. Communicating directly with our shareholders is therefore all the more important. Registered shares facilitate that.

Overall, we endeavour to communicate with you, our shareholders, openly, transparently, but also efficiently. You may have noticed that our latest financial report contains more information than before – for example on the portfolio companies' development. I feel it is important to continue that practice. Our aim is to make it easier for you and other stock market participants to understand and follow our business. The issue, however, is not only the content, but also the form. Since last year, our Annual Report is also available as an app for mobile devices, such as smartphones and tablet computers – we encourage you to make use of these new vehicles to access information.

Looking at it that way, registered shares are also a technical means of better communicating with you, without having to circumnavigate via a custodian bank. A share register will enable us to

• better capture the composition of the Company's shareholders,
• track changes in the shareholder profile and
• more strongly gear shareholder activities to the needs and requirements of shareholders.

Moreover, we expect cost savings in the mid-term through the ability to directly forward information, such as the notice of the Annual Meeting.

Registered shares are standard in most countries. Bearer shares are largely unknown in many countries. Even in Germany, registered shares are increasingly taking hold. 15 of the 30 Dax companies today have registered shares, as do 15 of the 50 M-Dax and eleven of the 50 S-Dax companies. And most companies that have held an IPO in recent years decided in favour of registered shares.

We exclusively see advantages in converting to registered shares and therefore request your approval. For a number of weeks now, answers to possible questions shareholders may have on the conversion of the shares have been accessible on our website. We have also prepared information material for this Annual Meeting. You have already received it with your invitation to this Meeting; additional copies are available here.

Now for the seventh time, we would like to invite you to visit another great exhibition at the Schirn Kunsthalle. We have maintained our commitment to Frankfurt's famous art institution, located next to the Cathedral, as "Friends and Sponsors of the Schirn". May we encourage you to use the voucher you received along with the invitation to this Annual Meeting! My colleagues and I wish you an enjoyable time at the exhibition currently running at the Schirn, entitled "Yoko Ono – Half-A-Wind Show". A short film, which will be shown later when the votes are being counted, will give you an impression of what awaits you at this retrospective exhibition.

Today's Annual Meeting has been a special event for all of us here on the podium. We are saying goodbye to two colleagues – not because they are retiring, but because they are entering a new phase in their business life. Both intend to remain active, but perhaps not as intensively as in the past. Mr von Hodenberg has commented on his plans himself. I am very happy that Mr Mangin will also remain committed to Deutsche Beteiligungs AG in an advisory capacity.

Please be assured that we – my two colleagues on the Board of Management, the entire staff and, of course, myself – will remain dedicated to successfully serving you and Deutsche Beteiligungs AG so that in the coming years we can continue welcoming you here as satisfied shareholders.

Thank you very much for your attention. We will be glad to answer your questions.