Deutsche Beteiligungs AG

Interim Report

at 31 January 2012

1st Quarter 2011/2012

At a glance

Deutsche Beteiligungs AG is a leading German private equity company. We invest in successful companies whose products and services have gained them outstanding positions in their markets. We seek our investee business in sectors where German companies have traditionally been strong– and where they have an excellent reputation the world over. Our shareholders and investors in the funds we manage participate in the growth of these profitable "Mittelstand" companies. Drawing on our long years of investing experience, we aim to achieve attractive returns on buyout and expansion capital investments.

Financial highlights (IFRS)

		1st quarter 2011/2012	1st quarter 2010/2011
New investment [1]	€mn	6.1	0.5
IFRS carrying amount of investments (31 January) [1]	€mn	102.4	125.4
Number of investments (31 January)		17	17
EBIT	€mn	6.4	9.1
Earnings before taxes (EBT)	€mn	7.1	9.4
Net income	€mn	6.9	10.0
Consolidated retained profit	€mn	44.2	83.1
Equity (31 January)	€mn	245.7	283.8
Cash flows from operating activities	€mn	(3.5)	(3.7)
Cash flows from investing activities	€mn	11.7	17.6
Cash flows from financing activities	€mn	0.0	0.0
Change in cash funds	€mn	8.1	14.0
Earnings per share [2]	€	0.50	0.73
Net asset value (equity) per share	€	17.96	20.75
Change in net asset value per share [3]	%	2.9	3.9
Employees (31 January)		50	52

[1] Without shelf companies and group companies mainly attributable to third parties
[2] Relative to weighted number of shares outstanding in each period
[3] Change in net asset value per share at the closing date relative to opening net asset value per share at beginning of period, less the sum proposed for dividend payment

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Letter to Shareholders

Dear Shareholders,

Deutsche Beteiligungs AG posted net income of 6.9 million euros in the first quarter of the 2011/2012 financial year. The gain largely stems from positive value movements for our portfolio companies; most of these businesses have forecast a rise in earnings and a reduction of debt in 2012. Following the stock markets' recent recovery, they are now being valued at higher multiples again. The price increase for shares in Homag Group AG, our largest investment, contributed 3.3 million euros towards the first-quarter result. Net asset value per share at 31 January 2012 was 17.96 euros, a gain of 0.49 euros per share in the period. In relation to the opening net asset value at the beginning of the financial year, less the proposed dividend, this equates to a rise of 2.9 percent. In the preceding 2010/2011 financial year, DBAG completed the first quarter recording net income of 10.0 million euros and a return on net asset value per share of 3.9 percent.

Two new MBOs in the first quarter

Clearly, the key events in the first quarter were the agreements we reached on two new investments; we reported on them in December and early January. Spheros and Brötje-Automation ideally meet our investment criteria in every respect: entrepreneurially driven managements, outstanding market positions, global presence and excellent prospects of sharing in the growth of their markets.

Spheros is the world's leading developer and manufacturer of air conditioning and engine-independent heating systems, water pumps and roof hatches for all types of buses – comfortable long-distance coaches, airport buses or the bus fleets of public transportation operators. The company runs six production sites on three continents. Boasting market shares of up to 35 percent and with its innovative, technologically differentiated product portfolio, Spheros is one of the strong competitors in a growing global market. Backed by DBAG, the company intends to drive the internationalisation of its business.

Brötje-Automation develops and manufactures machines and complete lines for the automated production and assembly of aircraft. This, too, is a growth market that offers a host of opportunities for technology leaders, for example, through new aircraft manufacturers in China and Russia. Transferring the company's competence to products for other sectors is another integral

part of the strategy we agreed with management prior to entering into the investment and which we will proactively support. Brötje-Automation is the eighth MBO that we have sponsored alongside our DBAG Fund V. Incidentally, we acquired three of these eight companies from family owners. This we take as a mark of confidence by the families in our ability to support their companies on the way into a strong future.

It is a challenging endeavour in the current financial market environment to obtain acquisition finance for management buyouts. We attribute the fact that we managed to do so in both cases to our unique position and our long-standing presence in the German private equity market and, above all, to our well established relationships with banks and other financing partners.

In 2011, there were 31 transactions in Germany's mid-market buyout segment, and the investment team of Deutsche Beteiligungs AG structured three of them – two of the four MBOs in the mechanical engineering sector, and one of the two deals in the automotive industry. This attests once more to the excellent market position we hold in our core sectors.

We aim to add further attractive investments in the coming months and extend the portfolio – by both management buyouts as well as companies in which we invest expansion capital. Even after the outflows for our most recent acquisitions and the dividend payment – we recommended 0.80 euros per share or a total of 10.9 million euros – ample liquidity will be available for investment: approximately 120 million euros from our own balance sheet and commitments of some 240 million euros to our funds

Well poised for further investments, plus a portfolio which is, overall, in good shape – that makes us confident about the upcoming quarters and beyond. Whether and to what extent we will be able to record value growth in the current financial year for our portfolio companies, that is then reflected in net income, depends on the trend in the economy and on developments in the sovereign debt crisis, which has a considerable influence on the sentiment in the equity markets. Given stable capital market conditions and a persistent favourable business climate, we expect DBAG to post positive net income in the coming quarters.

The Board of Management of
Deutsche Beteiligungs AG

Management's interim report

on the first quarter of financial year 2011/2012

The group and underlying conditions

Business activity: Investments in select core sectors, financing alongside co-investment funds

Deutsche Beteiligungs AG focuses the major part of its investments on companies whose business models are rooted in the outstanding engineering quality of their products and in specialised services. Its key target industries encompass the mechanical and industrial engineering sector, automotive suppliers, specialty chemicals, measurement and automation technology and specialised support services for different industrial sectors.

Deutsche Beteiligungs AG invests in established companies with a proven business model. Key conditions for an investment are a target company's profitability prospects, strong market position and unique propositions in its product and service offerings. This strategy precludes investments in early-stage and small companies.

From 2001 to 2011, Deutsche Beteiligungs AG invested exclusively in management buyouts (MBOs), i.e. investments in which the target companies' managements co-invest and financial investors hold a controlling interest. This investment strategy derived from market conditions, which at the time aroused little demand for expansion capital from private equity companies. The change that took place in the finance markets led us to broaden our investment approach and return to making minority investments by way of expansion financings, as we did up to the 1990s. These include investments in family-owned businesses wanting to retain control over their companies.

The investment performance of Deutsche Beteiligungs AG is based, first and foremost, on tried and true private equity work methods. Key aspects are an in-depth due-diligence process prior to making an investment and, during the holding period, support for the portfolio companies' managements in implementing their corporate concepts by taking offices on advisory councils and supervisory boards.

Besides investing the assets of Deutsche Beteiligungs AG, an integral part of the investment and financing strategy is to additionally invest the capital of other German and international private equity investors. Deutsche Beteiligungs AG manages the capital committed by these investors through co-investment funds. These funds invest parallel to Deutsche Beteiligungs AG at the same terms in the same investee businesses and in the same instruments. Co-investment funds have independent decision-taking structures and operate on their own account. Deutsche Beteiligungs AG earns fee income for accessing investment opportunities and managing the investments of these funds. This fee income serves to cover a part of the operating costs of Deutsche Beteiligungs AG. Fees for management services to co-investment funds are value-related. In addition to this (partial) cost coverage, investing alongside co-investment funds has a number of important advantages for the Company and, consequently, its shareholders. The assets of these co-investment funds create a much larger capital base, which allows us to acquire larger companies and diversify the portfolio more broadly.

Our investment activity is targeted at building the value of investments and realising that value after a period of four to seven years upon an investment's ultimate disposal. That way, we aim to augment the value of Deutsche Beteiligungs AG on the long-term average by an amount that exceeds the cost of equity of DBAG. We have achieved this target over the past ten-year period (2001/2002 to 2010/2011). The average return on net asset value – or equity – per share was 11.2 percent over that period. Shareholders of Deutsche Beteiligungs AG have profited from the attractiveness of the asset class of private equity, whose returns in the past have been superior to those of other, traditional asset classes.

Underlying conditions: Private equity market reviving; uncertainty over economic trend

The sentiment in Germany's private equity market revived towards year-end 2011. That was evidenced by surveys that poll private equity practitioners, such as those regularly conducted by the BVK (German Private Equity and Venture Capital Association) in collaboration with the KFW Bank Group. According to these findings, prospects again improved in the fourth quarter of 2011 for private equity companies that invest in established businesses, as Deutsche Beteiligungs AG does. In August 2011, expectations had been corrected downwards, following the abrupt change in sentiment in the capital market. The current, more optimistic assumptions are based on an advantageous trend in entry prices and interest levels, and to a lesser extent on the economic outlook or prospects for successful fund-raising.

Germany's private equity industry invested a total of 5.9 billion euros in 2011, an increase of 22 percent on the previous year, according to the BVK. The growth was, however, recorded almost exclusively in the buyout sector. Investments in expansion financings merely amounted to 506 million euros, a reduction of more than 40 percent on the year before. The funds were primarily channelled into companies smaller than those in which Deutsche Beteiligungs AG prefers to invest.

A number of projects we are currently working on have reached an advanced stage and relate both to the structuring of management buyouts and to minority investments in mid-sized companies seeking expansion capital. In our estimation, the uncertainty prevailing in the financial markets will continue to impede transaction activity in the coming months. The availability of finance for transactions remains a key bottleneck factor for buyouts. Acquisition finance can generally only be arranged through bank syndication. Scepticism about the economic trend in the eurozone complicates the assessment of business plans and, consequently, pricings.

Economic growth has slackened once more in recent months. In Germany, as well as on a European average, economic output was slightly weaker in the fourth quarter of 2011. Should the economic output shrink again in the current quarter, Germany – Europe's largest economy – would head from a boom directly into a recession. It remains to be seen if the economy is merely going through a "soft patch" or is on the verge of a recession. Conditions in the mechanical engineering and plant construction sector are particularly significant for the value growth of our portfolio. Differing indicators have recently come from this sector: the industry association retracted its revenue forecast for 2012 (plus four percent); on the other hand, business in the US is better than expected and the economy in Asia continues to grow strongly, although less dynamically than before. In our estimation, the underlying conditions remain good for our portfolio companies, which are largely globally positioned and not dependant on specific geographical markets. The budgets our portfolio companies drew up at year-end 2011 are based on that assumption.

Staff

At the quarterly reporting date, DBAG employed a staff of 45, plus five apprentices. One year ago, the staff numbered 47 and there were also five apprentices.

Current trading and financial performance

Earnings position: Positive stock market trend supports value movements

Deutsche Beteiligungs AG recorded net income of 6.9 million euros in the first quarter of financial year 2011/2012. The gain led to a rise in net asset value per share, up from 17.47 euros at 31 October 2011 to 17.96 euros at 31 January 2012. Adjusted for the proposed dividend payment of 0.80 euros per share, this equates to a return on net asset value per share of 2.9 percent. The same period in the previous year ended with net income of 10.0 million euros, while net asset value gained 3.9 percent.

A key determinant of the interim financial statements is the net result of investment activity; it consists of the net result of valuation and disposal and current income from financial assets.

The net result of valuation and disposal for the first quarter (9.0 million euros, after 12.4 million euros in the same period the previous year) derives from positive value movements for most of the investments in the portfolio. A considerable part of the gain comes from the rise in the price of shares in Homag Group AG, our largest investment. Homag shares increased from 8.48 euros to 9.74 euros in the first quarter of financial year 2011/2012; this price movement led to a valuation uplift of 3.3 million euros. Overall, the brighter sentiment on the stock markets had an upward effect on the net result, since the stock market-based multiples used for valuation purposes at the current reporting date were up on those at 31 October 2011. Our portfolio company valuations primarily derive from 2012 forecasts, which were mostly higher, and budgeted debt levels, which were largely lower than in 2011.

Income from financial assets was insignificant; it totalled 0.1 million euros and was equal to that of the first quarter of the previous year (0.1 million euros).

Personnel costs of 2.9 million euros were marginally below the previous year's first-quarter level (3.0 million euros). Other operating expenses reached 3.4 million euros in the first quarter, which represents an increase of 0.3 million euros on the same period the preceding year. The rise is spread over a larger number of individual items.

Other operating income clearly exceeded that of the equivalent period the prior year. It amounted to 3.9 million euros for the first quarter of 2011/2012, up 1.1 million euros on the same quarter the year before. Nearly half of the increase stems from fee income for management services to the DBAG Expansion Capital Fund, which had not yet existed in the previous year's first quarter. A positive effect also came from performance-related income from an older co-investment fund. Furthermore, income in conjunction with the reimbursement of costs for screening investment opportunities was recorded in the first quarter.

An increased securities position and slightly higher interest rates led to first-quarter net interest of 0.5 million euros (same quarter the previous year: 0.2 million euros).

Other income/expense items ("Total other income/expenses"), which can be regarded as net expenses for business operations, amounted to -2.0 million euros, which is 1.0 million euros less than for the equivalent period the prior year.

Financial position: Lower liquidity following investments

The liquid asset position of Deutsche Beteiligungs AG consists of two components: cash and securities. In the first quarter, we sold a part of our long-term securities to the benefit of our cash position. In total, liquid assets declined by 9.6 million euros to 146.0 million euros in the first quarter. Of that amount, 40.6 million euros are held in cash and 105.4 million euros in securities. As before, there are no liabilities to banks. The liquidity reduction is largely due to portfolio investments that were made in the first quarter.

Asset position and portfolio development: Two new MBOs

The first quarter saw the signing of agreements on the acquisitions of Spheros Management Holding GmbH ("Spheros") and Brötje-Automation GmbH ("Brötje-Automation"). We structured both transactions jointly with our managed DBAG Fund V as management buyouts. The MBO of Brötje-Automation is the eighth investment entered into by the Fund, which is now more than 75 percent invested.

In the reporting period, 6.1 million euros were spent on the investment in Spheros. Deutsche Beteiligungs AG will invest a total of up to 15.3 million euros from its balance sheet for this new acquisition and then own an interest of up to 19 percent in Spheros.

Spheros (www.spheros.de) is the world's leading developer and manufacturer of air conditioning systems, engine-independent heating systems, water pumps and roof hatches for buses. Air management in buses is the company's core competence. Spheros' head office is domiciled in Gilching, near the city of Munich in Germany. Spheros products are found in all types of buses – in comfortable long-distance coaches, airport buses or the bus fleets of public transportation operators. Spheros is the global market and technology leader in this niche market, recording shares of up to 35 percent in individual segments. In 2011, Spheros generated revenues of 185 million euros; for the current year, revenues are forecast to rise significantly. Key markets are Europe and Latin America; it share of Asian revenues is slated to grow strongly in the future.

Spheros largely manufactures its products in its end markets. Its six production sites are therefore spread across the globe: facilities are located in Neubrandenburg, Germany, and at five international sites (Finland, Turkey, Brazil, China and India). The company employs a staff of 680, approximately 20 percent of whom work in Germany.

Spheros' value creation lies in engineering and in tailoring customer-specific bus climate systems. The company has an innovative, technologically differentiated product portfolio. Spheros covers all specification classes with its premium, standard and basis products, which are successfully sold both in mature western markets and in strongly growing emerging countries. Comfort and cost efficiency are key criteria for customers: Spheros addresses these needs through lightweight construction, low coolant consumption, low noise emission, reduced fuel consumption and decreased life-cycle costs.

The contract on the acquisition of Brötje-Automation did not become effective before the end of the quarterly reporting date; the outflows for this investment are planned for the second quarter and are therefore not contained in the first-quarter accounts.

Brötje-Automation develops and manufactures machines and complete lines for the automated production and assembly of aircraft. The company expects to generate revenues of more than 80 million euros in its 2011/2012 financial year. The largest part – some 60 percent – falls to machines and complete lines used to automatically rivet, join and assemble large components of aircraft fuselage made of metal or carbon fibre composites. The machines and production lines developed and manufactured by the Group are thus large-scale, frequently reaching the size of a single-family house.

Production processes in aircraft construction call for particularly stringent tolerance specifications, standards which Brötje-Automation GmbH is able to meet in view of its several decades of experience with such processes and ongoing efforts to improve its products. The company is a leading strategic supplier to major aircraft manufacturers worldwide and is the undisputed global market leader in the development and production of fully automated riveting systems for the assembly of aircraft (airplanes and helicopters).

Other group revenues are generated by support services, transport and assembly equipment, and maintenance. Brötje-Automation and its subsidiaries plan and engineer turnkey production steps in aircraft factories for its clients; they not only deliver the machines and lines, but also provide support such as project management and procurement of other components. Their range of services includes replacement parts, maintenance, training, as well as the optimisation of existing machines and production lines.

Brötje-Automation plans to take advantage of market growth – for instance, with new aircraft manufacturers in China and Russia. The group employs a staff of 350 and is headquartered in Wiefelstede in northern Germany. It operates an additional production site in Jaderberg, Germany, and has sales offices in the US and China. Through a majority held in a French service provider to Airbus Toulouse, Brötje-Automation additionally has local access to the French and Spanish markets.

The portfolio of Deutsche Beteiligungs AG consisted of 17 investments at the quarterly reporting date (Brötje-Automation is not yet included). New investment totalling 6.1 million euros was spent for the first tranche of the investment in Spheros.

We measure the fair value of our investments on the basis of internal valuation guidelines at quarterly intervals. The principles and methods of valuation we employ are described in our Annual Report (page 82 of the 2010/2011 Annual Report). Among the 17 investments in the portfolio are a number of older commitments that are meanwhile of subordinate significance for the portfolio value – for instance, international buyout funds in the liquidation phase. Based on the valuation method we employ, our investments may be subject to value fluctuations. Consequently, even larger investments may (possibly temporarily) lose in significance for the value of the portfolio. At 31 January 2012, the following nine alphabetically ordered investments were the largest of the 17 in the portfolio, measured by their IFRS value. They account for almost 90 percent of the total portfolio value. An extended list of investments is presented on page 24 of this report.

Company	Historical cost (€mn)	Share held by DBAG (%)	Investment type	Sector
Clyde Bergemann Group	9.2	17.8	MBO	Mechanical engineering and plant construction
Coperion GmbH	10.4	18.8	MBO	Mechanical engineering and plant construction
DBG Eastern Europe II L.P.	5.8	14.9	Fund investment	Buyout funds
FDG S.A.	4.9	15.5	MBO	Industrial services
Grohmann GmbH	2.1	25.1	Expansion capital	Mechanical engineering and plant construction
Homag Group AG	21.4	16.8	MBO	Mechanical engineering and plant construction
Preh GmbH	0.6	4.3	MBO	Automotive suppliers
Romaco Group	7.7	18.7	MBO	Mechanical engineering and plant construction
Spheros GmbH	6.1	19.4	MBO	Automotive suppliers

Management buyouts account for 82.3 percent of the total portfolio value of 102.4 million euros. Another 9.5 percent are attributable to expansion capital investments, and 8.2 percent fall to international buyout funds.

Shares

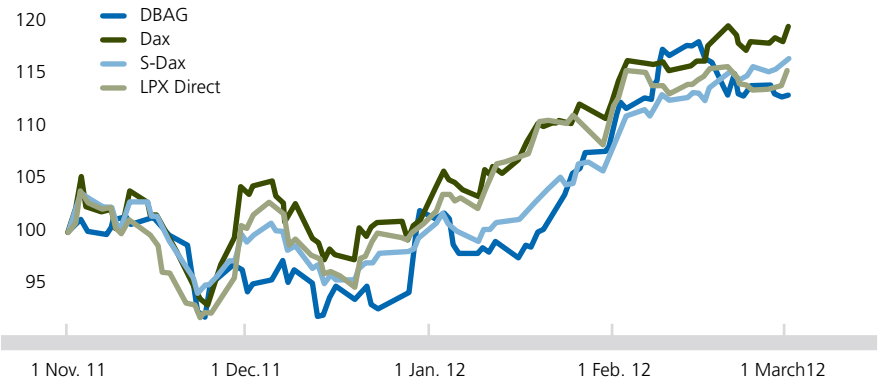
Shares performing parallel to market

In the past months, DBAG shares have largely moved parallel to the market. They closed at 16.50 euros on the quarterly reporting date, nearly eight percent higher than at the outset of the financial year. Over the same period, the Dax advanced by a little less than eleven percent, the S-Dax by almost seven percent, whereas the LPX Direct gained approximately nine percent. The very gratifying price movement of DBAG shares did not continue into the first weeks of the second quarter, and they are currently again trading at a discount to their intrinsic value.

In comparison to trading volumes in the preceding financial year and recent quarters, stock market turnover was relatively low over the first quarter of 2011/2012. Trading in Xetra, on the Frankfurt Stock Exchange and on the other German exchanges averaged 11,600 shares with a value of 175,000 euros daily. The preceding quarter saw a daily average of 17,400 shares (value: 276,000 euros), and for the full 2010/2011 financial year trading had averaged 22,900 shares daily with a value of about 450,000 euros. However, volumes traded on the established exchanges reflect a decreasing portion of total trading in DBAG shares. In addition to the stock

Performance of DBAG shares and benchmark indices

1 November 2011 to 1 March 2012 Index: 1 November 2011 = 100



exchanges, a further 7,500 shares are traded on a daily average through banks' direct transactions and on alternative trading platforms.[1] Market capitalisation of DBAG shares reached 225.7 million euros at the end of the reporting period, of which 180.3 million euros were in free-float ownership. DBAG shares ranked 30th among the 50 stocks indexed in the S-Dax (31 October 2011: 27th).

Analysts monitoring DBAG shares positively registered the news about the most recent additions to the portfolio and the financial statements for the past financial year, which were presented in late January. One of the houses moved its recommendation up from "hold" to "buy", whereas another analyst house rated DBAG shares from formerly "buy" to "hold", following the shares' recent price rise in February. The other analysts confirmed their recommendations. Analysts' ratings are regularly documented on our website at www.deutsche-beteiligung.de/IR.

Opportunities and risks

Confidence about portfolio companies' development; risk for valuations arising from movements in stock markets

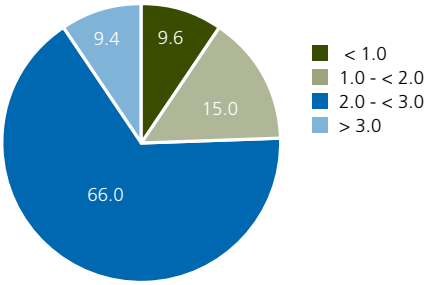
Our portfolio consists of very different companies. Many of them operate globally and have outstanding positions in their niche markets. That gives them a firm mainstay in times of growth. However, many of these companies are not immune to cyclical swings. In that respect, the global economic trend has an influence on our portfolio companies and, consequently, on the value of our financial assets. Nevertheless, a strong competitive position assists and stabilises our portfolio companies when growth weakens.

Negative effects on the portfolio value may ensue not only directly from the portfolio companies' earnings and debt positions, but also from changes in valuation ratios on the stock markets. However, following a number of strong realisations, the portfolio value relative to equity is at present comparatively low. Liquid funds (including securities) decreased in the first quarter of 2011/2012, following the expenditure for the investment in Spheros. But liquid assets still

[1] Source: Bloomberg

account for almost 60 percent of net asset value per share. This puts into perspective the risk to net asset value per share arising from global economic developments, but also limits the potential for value growth. Our portfolio companies' comparatively low levels of debt also mitigate the risk: approximately 90 percent of the portfolio value relates to companies whose debt rate is less than three times their forecast EBITDA for the current year. [2)]

Net debt / EBITDA 2012
%



At 31 January 2012, Deutsche Beteiligungs AG had liquidity of 146.0 million euros at its disposal; although second-quarter outflows will total more than 25 million euros for the investments in Spheros and Brötje-Automation as well as for the proposed dividend payment, DBAG is well placed to take advantage of investment opportunities in the coming years in view of its liquidity and undrawn capital commitments to the DBAG Fund V and the DBAG Expansion Capital Fund.

There are no risks perceivable that would endanger the Company as a going concern. The information contained in the risk management report of the Annual Report at 31 October 2011 therefore remains valid.

Report on expected developments: Economic and stock market effects could overshadow portfolio companies' positive development

The companies in the portfolio of Deutsche Beteiligungs AG are well positioned in their competitive fields. They reported good levels of order intake in the past months. Despite negative news in individual instances, revenues and earnings for 2012 are, for the most part, forecast to exceed those of the preceding year. Thus, most of our portfolio companies continue to develop successfully. This is a key prerequisite for positive earnings contributions.

[2)] Basis: Financial assets at 31 January 2012, less investment in MCE AG (retention for representations & warranties), DBG Eastern Europe, shelf companies and companies the majority of which is attributable to third parties; debt and EBITDA based on portfolio companies' forecasts or analysts' estimates (Homag Group AG), here: net debt/EBITDA 2011.

However, the portfolio companies are also exposed macroeconomic influences. The financial and economic crisis in 2008 and 2009 has shown how serious the consequences of sharp setbacks in the financial markets can be on the real economy. That particularly applies to those cyclical industries in which we prefer to invest. We cannot rule out that the sovereign debt crisis in Europe and the resultant currency turmoil it triggers will end in a recession with consequences for our portfolio.

In addition to the investee companies' earnings and debt, stock market multiples are used to determine the portfolio value at each reporting date. These multiples have recovered somewhat from their heavy reduction in the final quarter of the 2011/2012 financial year. We are not in a position to assess whether this trend will be sustainable. The considerable uncertainty prevailing about economic prospects, which is mirrored in an array of different opinions on the possible consequences of the sovereign debt crisis, prohibits a sound prediction on the trend that valuation factors will take.

We are therefore unable to foresee the extent to which changes in stock market valuation ratios will impact the valuation of our portfolio at the end of the next quarter in a few weeks' time or at the end of the current financial year. For that reason, it is impossible to make an exact earnings forecast for the year.

Even following our most recent acquisitions, our momentary focus is on new investments to the portfolio. They broaden the basis for future value appreciation and create the platform for commensurate returns. In view of the Company's competitive standing and high liquidity, we believe that Deutsche Beteiligungs AG is also well equipped to take advantage of attractive investment opportunities as they arise in the period beyond this current financial year.

Consolidated interim financial statements

at 31 January 2012

Consolidated income statement

for the period from 1 November 2011 to 31 January 2012

T€	1 Nov. 2011 to 31 Jan. 2012	1 Nov. 2010 to 31 Jan. 2011
Net result of investment activity		
Net result of valuation and disposal of investments and loans and receivables	9,025	12,409
Current income from investments and loans and receivables	63	104
Total net result of investment activity	**9,088**	**12,513**
Other income/expenses		
Personnel costs	(2,889)	(2,983)
Other operating income	3,872	2,829
Other operating expenses	(3,354)	(3,071)
Depreciation and amortisation on property, plant and equipment and intangible assets	(88)	(70)
Interest income	593	265
Interest expenses	(92)	(70)
Total other income/expenses	**(1,958)**	**(3,100)**
Net income before taxes	**7,130**	**9,413**
Income taxes	(5)	(1)
Net income after taxes	**7,125**	**9,412**
Minority interest (gains)/losses	(245)	599
Net income	**6,880**	**10,011**

T€	**1 Nov. 2011 to 31 Jan. 2012**	1 Nov. 2010 to 31 Jan. 2011
Earnings per share in euros	0.50	0.73
Diluted earnings per share in euros	0.50	0.73
Statement of comprehensive income:		
Net income	**6,880**	**10,011**
Actuarial gains/(losses) on defined benefit plans/plan assets	(105)	(127)
Unrealised gains/(losses) on available-for-sale securities	22	(31)
Other comprehensive income	**(83)**	**(158)**
Total comprehensive income	**6,797**	**9,853**
Reconciliation of net income to consolidated retained profit:		
Net income	**6,880**	**10,011**
Profit carried forward from previous year	37,322	73,100
Dividend	0	0
Consolidated retained profit	**44,202**	**83,111**

Consolidated statement of financial position

at 31 January 2012

Assets

T€	31 Jan. 2012	31 Oct. 2011
Non-current assets		
Intangible assets	57	30
Property, plant and equipment	1,431	1,514
Investments	108,546	93,464
Loans and receivables	3,676	3,676
Long-term securities	103,052	123,052
Other non-current assets	6,901	6,878
Total non-current assets	**223,663**	**228,614**
Current assets		
Receivables	2,887	2,826
Short-term securities	2,292	31
Other financial instruments	623	623
Income tax assets	7,364	7,271
Cash and cash equivalents	40,614	32,512
Other current assets	6,990	8,028
Total current assets	**60,770**	**51,291**
Total assets	**284,433**	**279,905**

Shareholders' equity and liabilities

T€	31 Jan. 2012	31 Oct. 2011
Shareholders' equity		
Subscribed capital	48,533	48,533
Capital reserve	141,394	141,394
Retained earnings	11,547	11,630
Consolidated retained profit	44,202	37,322
Total shareholders' equity	**245,676**	**238,879**
Liabilities		
Non-current liabilities		
Minority interest	10,957	10,712
Other provisions	129	117
Deferred tax liabilities	74	72
Total non-current liabilities	**11,160**	**10,901**
Current liabilities		
Other current liabilities	1,759	3,456
Tax provisions	1,628	1,637
Other provisions	24,210	25,032
Total current liabilities	**27,597**	**30,125**
Total liabilities	**38,757**	**41,026**
Total shareholders' equity and liabilities	**284,433**	**279,905**

Consolidateded statement of cash flows

for the period from 1 November 2011 to 31 January 2012

Inflows (+) / Outflows (-) T€	**1 Nov. 2011 to 31 Jan. 2012**	1 Nov. 2010 to 31 Jan. 2011
Net income	6,880	10,011
Valuation gains (-) / losses (+) on financial assets and loans and receivables, depreciation and amortisation on property, plant and equipment and intangible assets	(8,938)	(12,280)
Gains (-) / losses (+) from disposals of non-current assets	0	(48)
Increase (+) / decrease (-) in non-current liabilities	259	(919)
Increase (-) / decrease (+) in income tax assets	(93)	(2,962)
Increase (+) / decrease (-) in tax provisions	(9)	(439)
Increase (-) / decrease (+) in other assets (netted)	954	7,614
Increase (+) / decrease (-) in other liabilities (netted)	(2,602)	(4,668)
Cash flows from operating activities	**(3,549)**	**(3,691)**
Purchase of property, plant and equipment and intangible assets	(31)	(115)
Proceeds from disposals of financial assets and loans and receivables	82	4,090
Acquisition of non-current financial assets and investments inloans and receivables	(6,139)	(469)
Increase (-) / decrease (+) in securities	17,739	14,135
Cash flows from investing activities	**11,651**	**17,641**
Change in cash funds from cash-relevant transactions	8,102	13,950
Cash funds at start of period	32,512	23,749
Cash funds at end of period	**40,614**	**37,699**

Consolidated statement of changes in shareholders' equity

for the period from 1 November 2011 to 31 January 2012

T€	1 Nov. 2011 to 31 Jan. 2012	1 Nov. 2010 to 31 Jan. 2011
Subscribed capital		
At start and end of period	**48,533**	**48,533**
Capital reserve		
At start and end of period	**141,394**	**141,394**
Retained earnings and other reserves		
Legal reserve		
At start and end of period	403	403
First adoption IFRS		
At start and end of period	15,996	15,996
Provisions for actuarial gains/losses on defined benefit plans/plan assets		
At start of period	(4,720)	(5,269)
Change in the reporting period	(105)	(127)
At end of period	(4,825)	(5,396)
Revaluation surplus for unrealised gains/losses on available-for-sale securities		
At start of period	(49)	(242)
Reclassification to other revenue reserves	48	0
Change in the reporting period	22	(31)
At end of period	21	(273)
Other revenue reserves		
At start of period	0	0
Reclassification from revaluation surplus	(48)	0
At end of period	(48)	0
Retained earnings and other reserves at end of period	**11,547**	**10,730**
Consolidated retained profit		
At start of period	37,322	73,100
Net income	6,880	10,011
At end of period	**44,202**	**83,111**
Total	**245,676**	**283,768**

Condensed notes to the interim financial statements

for the first quarter of the 2011/2012 financial year

1. Basis of preparation

Deutsche Beteiligungs AG has prepared these consolidated interim financial statements at 31 January 2012 in conformity with the standards and interpretations of the International Accounting Standards Board (IASB), London, Great Britain, adopted by the European Union.

Furthermore, these consolidated interim financial statements at 31 January 2012 were drawn up in conformity with the rules of IAS 34 (Interim financial reporting).

2. Accounting and valuation policies

For these interim financial statements, the same accounting policies and methods of valuation and computation have been applied as for the most recent consolidated financial report for the year ended 31 October 2011 (see pages 123ff. of the Annual Report).

3. Seasonal and cyclical effects

Seasonal and cyclical effects are mirrored in the valuation of financial assets at fair value. Please see the discussion in the preceding section of this interim report for further information.

4. Unusual items

No unusual items have been recorded affecting assets, liabilities, equity, net income for the period, or cash flows, and which are unusual for the business operations of Deutsche Beteiligungs AG because of their nature, size, or incidence which have not been discussed in the preceding section of this interim report.

5. Changes in estimates of prior periods

There are no changes in estimates compared with the prior period.

6. Issuances, repurchases, and repayments of equity instruments and debt instruments

Equity or debt instruments were neither issued, repurchased, nor repaid in the first quarter of financial year 2011/2012.

7. Dividends paid

No dividends were paid in the first quarter of financial year 2011/2012.

8. Segment information

Segment information is not reportable, since only one segment exists (see description in the Annual Report 2010/2011, page 143).

9. Related party transactions

The members of the Board of Management held the following numbers of shares in the Company at the reporting date: Mr von Hodenberg 30,000; Mr Grede 20,323; Mr Mangin 15,270; and Dr Scheffels 10,290. Of the members of the Supervisory Board, Mr Philipp Möller holds 1,000 shares and Mr Roland Frobel 2,300 shares in Deutsche Beteiligungs AG.

There were no related party transactions in the first quarter of the 2011/2012 financial year materially affecting the asset, financial or earnings position of the Group in this period.

10. Changes in the composition of the Group

There were no changes in the composition of the Group compared with the status at 31 October 2011 (see pages 122f. of the 2010/2011 Annual Report).

11. Changes in contingent liabilities and contingent assets

In the first quarter of financial year 2011/2012, there were no material changes in contingent liabilities and contingent assets.

12. Other information

There were no changes in the composition of the Board of Management in the first quarter of financial year 2011/2012.

Frankfurt am Main, 12 March 2012
The Board of Management

Information on our portfolio companies

Portfolio company	2011 Revenues €mn	Number of staff	Sector
Brötje-Automation*, Wiefelstede	80 (FY 11/12, tentative)	350	A developer and manufacturer of machines and lines for the production and assembly of aircraft
Clyde Bergemann Group, Wesel/Glasgow/Delaware	US$423 mn FY 10/11)	1,550	A developer and manufacturer of components for coal-fired power plants
Coperion GmbH, Stuttgart	456	1,880	A developer and manufacturer of compounding systems and bulk-materials handling equipment
Coveright GmbH, Essen	155	380	A developer and manufacturer of impregnated films for the furniture and building industries
FDG Group, Orly, France	110	750	A non-food category manager for supermarkets in selected product lines
Grohmann GmbH, Prüm	103	650	A developer and provider of plants for industrial automation
Homag Group AG, Schopfloch	799	5,150	A provider of woodworking machines and plants for the furniture and construction supplies industries
ICTS Europe Holdings B.V., Amsterdam, Netherlands	338	10,000	A provider of security services in aviation and other areas
JCK Holding GmbH Textil KG, Quakenbrück	584	780	A marketer of textiles
Preh GmbH, Bad Neustadt an der Saale	412	2,700	A developer and manufacturer of sophisticated driver operating and control elements for cars
Romaco Group, Karlsruhe	93 (FY 10/11)	400	A developer and manufacturer of packaging machines for the pharmaceutical industry and of processing lines for the food, cosmetics and health-care sectors
Spheros GmbH, Gilching	185	680	A developer and manufacturer of air conditioning and heating systems, water pumps and roof hatches for buses

* Vollzug des Kaufvertrages für das zweite Quartal geplant

2012 Financial calendar

Report on the 1st Quarter 2011/2012 Analysts' conference call	13 March 2012
LPE Day (Investors' Conference), Zurich	13 March 2012
2012 Annual Meeting, Frankfurt am Main (Hermann Josef Abs Room)	29 March 2012
2012 Dividend payment	30 March 2012
LPE Day (Investors' Conference), Frankfurt, Munich	8/9 May 2012
Report on the 2nd Quarter 2011/2012 Analysts' conference call	14 June 2012

Note

This interim report is published in German and in English. The German version of this report is authoritative.

Forward-looking statements

This interim report contains forward-looking statements related to the prospects and progress of Deutsche Beteiligungs AG. These statements reflect the current views of the management of Deutsche Beteiligungs AG and are based on projections, estimates and expectations. Our assumptions are subject to risks and uncertainties, and actual results may vary materially. Although we believe these forward-looking statements to be realistic, there can be no guarantee.

Status: 9 March 2012

Incorporated in the Commercial Register
at the District Court in Frankfurt am Main
Handelsregister B 52 491

Shareholder Information

Deutsche Beteiligungs AG
Investor Relations and Public Relations
Thomas Franke
Börsenstraße 1
60313 Frankfurt am Main
Telefon: +49 69 95787-361
Telefax: +49 69 95787-391
E-Mail: IR@deutsche-beteiligung.de
Internet: www.deutsche-beteiligung.de

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Publication date of the Interim Report at 30 April 2012 (2011/2012 half-yearly report) is on 14 June 2012.