Speech by
Torsten Grede, Spokesman of the Board of Management
of Deutsche Beteiligungs AG, Frankfurt am Main,
and by **Susanne Zeidler**, Chief Financial Officer
of Deutsche Beteiligungs AG, Frankfurt am Main,
at the Annual Meeting on 21 February 2018

Translation – The German version of this speech is authoritative

Shareholders and
Shareholders' Representatives,
Ladies and Gentlemen,

Welcome to our Annual Meeting!

We are delighted to have you here today and would like to thank you for the interest which you have expressed through your attendance at today's Meeting.

This gives us an opportunity to report to you personally on the progress made by your Company in a very special year. 2017 is one of the best financial years in the Company's history.

In 2017, we achieved our best net income in the past ten years and the second-best since we began reporting our Group figures on the basis of the IFRS rules, i.e. over the past 15 years.

Measured in terms of earnings calculated according to the German Commercial Code, 2017 was the best year since Deutsche Beteiligungs AG was established over 30 years ago.

The return on equity is by far the highest in the past ten years.

This trend has also been reflected in our share price. The DBAG share price reached new record levels over the past few months.

We intend for you, dear shareholders, to also participate in the success of the past financial year with a dividend of 1.40 euros per share. You will thus once again achieve an attractive dividend yield which is higher than the market average.

The disposal of investments played a key role in our success in the previous business year. Some of our portfolio companies had made considerable progress in their development over the past few years. They used the development potential that we had seen before the start of the investment. We were thus able to sell our investments in six portfolio companies with great success.

However, we are not only highly satisfied with the financial result for the past financial year.

Last year I spoke about our team's development, portfolio development and investment progress. We have taken large strides forward in addressing these challenges.

In 2017 we once again made solid investment progress with five new portfolio companies. As the sellers expect high prices, we chose these very carefully. Moreover, through six company acquisitions we were able to support our portfolio companies in their development. We continued to work on the development of our team following an employee survey.

All of this has laid the foundations for our continuing successful development over the next few years.

In large part, this success is based upon the ability and the considerable dedication shown by all of DBAG’s employees. I would like to thank the entire team for their extremely strong dedication – also on behalf of Susanne Zeidler and Rolf Scheffels.

I would also like to expressly include the management and the employees of our portfolio companies in these words of thanks.

I am sure that you will all agree with me on that.

As in previous years, the members of the Board of Management will jointly report to you; in other words:

after I have finished speaking, Susanne Zeidler will provide you with a presentation on the achievement of our financial goals in the past financial year.

I will start off by reporting to you on the strategic development of DBAG and the challenges which lie ahead of us.

My report will consist of four sections:

Firstly: How have our two business segments developed?

Secondly: Have we been able to successfully follow through on the strategic decisions which we made in the past year?

Thirdly: How has the level of competition developed in our market?

Fourthly: What is our response to this? Which challenges do we see as lying ahead of us?

First of all, our two business segments. As many of you know, our business model combines investing in companies with a positive outlook and advising private equity funds.

We launch these funds and attract capital commitments from German and international institutional investors for this purpose. Alongside these funds, we also use our own proprietary capital. This accounts for 20 percent of DBAG Fund VII – and for 42 percent of the total invested capital in the case of DBAG ECF. With this end in mind, we seek out well-positioned mid-sized companies with development potential.

You, Ladies and Gentlemen, benefit from this in both of our business segments.

Using our own capital, we create value in our Private Equity Investments business segment, while we create value in our Fund Investment Services business segment through advisory services for outside capital.

We were successful in both of these business segments in the past financial year: and we were successful both in terms of the figures and in relation to your Company's strategic development.

First of all, our Private Equity Investments business segment. In the past financial year, the earnings contribution provided by our portfolio was exceptionally high.

We ended six of our investments. These portfolio companies had in some cases performed very strongly over the past few years. To provide you with a few examples:

- **ProXES:** After an expansion of the product range following targeted company acquisitions, turnover more than doubled and staff numbers rose from180 to 440.
- Or **Formel D:** After tapping into the global market, turnover doubled purely thanks to organic growth.

- Or **Schülerhilfe:** Market share increased significantly following improvements to the customer acquisition process.

However, all of this always takes time. Five of these companies had spent between four and seven years in our portfolio, while one of them was actually held in our portfolio for even longer.

In overall terms, these disposals were particularly successful. We achieved 3.8 times the invested capital through them. The average figure of 2.6 over the past 20 years demonstrates our considerable success.

Together with you, we are delighted with this success.

But at this fortunate moment, please allow me to say the following: we will not be able to sell quite so many companies quite so profitably every year.

This always depends on various factors, including the surrounding environment. In 2017, we used the positive capital market environment to our advantage and naturally also benefited from the high demand for well-positioned companies.

Now for our Fund Investment Services business segment. As shareholders, you benefit from our success as fund advisors.

Four of the investments sold in 2017 belonged to the portfolio of DBAG Fund V. This fund still has one investment.

It is already clear that Fund V will be among the most successful funds in its age group.

This is important, in order for us to be accepted and respected as private equity fund advisors on a long-term basis. Solid indicators for our existing funds are a key precondition, in order for investors to continue to commit capital to our funds in future. And these capital commitments generate advisory fee income.

The second most important criterion for Fund Investment Services is solid investment progress. This aspect has become more important in a period of low interest rates and a strong inflow of capital available for investment to our market over the past few years.

In the past financial year, we ended the investment period of DBAG Fund VI after less than four years.

Since this time, DBAG Fund VII has invested.

Now, a good year later, a quarter of this fund's resources has already been called.

What is more: with the start of the investment period for DBAG Fund VII, our Fund Investment Services business segment has returned to profitability.

DBAG ECF – which began a new investment period in June 2017 – will provide additional income.

That brings me to my second theme: the expectations placed in the launch of our new funds.

Our private equity funds have a term of ten years. In the first half of this period, they invest.

These funds pursue a specific investment strategy here. Investors want to know what they are letting themselves in for, in entering into a commitment for a long period of time.

This means that we will make changes when we launch a new fund. We did so in the past financial year. The volume of these changes was extensive. That is why I spoke last year of a strategic course-setting.

We have expanded the investment strategy of both funds:

1. DBAG ECF now also acquires majority stakes in companies and structures smaller management buyouts with an equity investment of between 10 and 30 million euros.
2. We have supplemented our Fund VII with a top-up fund. Through this fund, we are able to invest up to 200 million euros of equity in a single transaction.

This widens our investment range and strengthens our market position. We are expanding our opportunities to invest in the German SME sector. We are using our network even more broadly. We are strengthening our capacity to act and are becoming even more competitive.

A key issue was how the market would respond to this investment range. Fortunately, the answer is: highly positively.

In the spring of 2017, with **More than Meals**, which consists of two family businesses, we created a European market leader for chilled convenience products. We used the top-up fund of our Fund VII due to the size of this transaction.

For DBAG ECF, since halfway through last year we have structured three smaller management buyouts for promising companies.

The favourable response on the market has also been reflected in a significant rise in the opportunities for transactions in the past year.

That brings me to my third point: our competitors.

A glance at our market position shows that we have been the most active private equity company in the German SME sector over the past ten years.

There was no change here in the past year. We structured five management buyouts in the financial year 2017.

And in the past year, it became apparent that we are held in particularly high esteem among company founders and family businesses. Almost without exception, our contract partners were company founders or family businesses.

A reputation as a solid shareholder of mid-sized companies is an absolute must when it comes to gaining the trust of company founders and those who run family-owned businesses. An appropriate consideration of the interests of all stakeholders of a company serves to fortify our reputation. For us, this begins even before an investment is made. We have integrated the principles for responsible investment into our investment process.

The volume of transactions with family entrepreneurs is particularly high for our Company, and this has always been the case. However, it is now clear that in general terms the German SME sector is increasingly open to private equity.

This suggests that we will be able to find a sufficiently large number of attractive investment opportunities over the next few years which will offer strong drivers for further development.

A lot of money has been invested in the private equity investment class over the past few years. Our competitors' coffers are thus also well filled. It is therefore no surprise that our market has a capital overhang. There is also the appetite for investment on the part of strategic buyers, e.g. from China and the USA, who are particularly interested in technology "made in Germany".

This capital overhang is resulting in strong demand and leading to higher prices. What does this mean for us? Have we paid inflated prices? Will this entail a reduced outlook for earnings over the next few years?

If you compare the valuations of our transactions in the past three years with the level for the past 15 years, this points to an increase. This is moderate, but nonetheless clearly apparent.

However, this statistic – like any other statistic – does require some interpretation: part of this increase in valuations is attributable to a change in the industry make-up of our investments over the past five years.

As you know, in the past few years we have opened up more strongly in relation to new sectors. This also affects the overall valuation level. Take healthcare for instance. Higher valuations are being demanded and paid for this type of business model than for industrial firms with a cyclical market trend.

But even after allowing for those kinds of considerations, a clear price rise is still apparent. How prices will develop in our market is just as hard to predict as the trend for share prices. It is entirely possible that we will now acquire companies for valuation multiples which are higher than those for which we will be able to sell them in future.

How will we handle that? This brings me to the fourth part of my comments: the challenges which lie ahead of us.

Our response – and also the challenge for us – is to achieve a further improvement in our operational performance.

What type of approach will we follow here? The same as I mentioned to you last year:

1. Seeking out new investments, to achieve solid investment progress

We are continuously improving our approach in seeking out new investments.

In the past financial year, we worked intensively on the development of our Executive Circle. The network meanwhile consists of 60 business figures.

These experts are contractually bound to DBAG. Some of them work exclusively for us. We are able to exploit their expertise and their experience when we need to rapidly get up to speed on the specific details of a business model.

And to assess the development potential of companies.

Last year, we included 25 new people in this group. A glance at our statistics demonstrates the importance of this network: we owe this group of individuals almost ten percent of all of our transaction opportunities. While this is a good figure, we think that we can increase it even further.

2. Growth thanks to portfolio companies' ongoing development

In view of the price trend, it is important to look at the development opportunities even more closely and to define them before entering into an investment.

Increasingly, this also includes inorganic growth measures, i.e. company acquisitions. For instance, this can help to speed up the development of new markets, to make desired additions to our product range and to expand our service business.

In the past year we once again supported such company acquisitions.

3. The development of our team

We are an attractive employer in a prospering industry. This means that talented individuals are taking notice of us. Our corporate culture is important, to ensure that these talented people remain loyal to our Company on a long-term basis. We continuously encourage cooperation in our team. Our employee survey in 2017 has provided us with indications of where we can make further improvements.

As well as the so-called soft factors, performance-focused remuneration is also important. In addition, the members of our investment team participate in the success of an investment. In both of these areas, we follow the market standard.

As you know, the employees of our investment team are required to put up their own money in support of any fund investment, on a long-term basis. This means that every time that DBAG invests proprietary capital, money is also taken out of the relevant employees' accounts. This ensures that the people who work on investment decisions have the same interests as our shareholders and investors. Their interests are thus aligned, which benefits DBAG and its shareholders and our fund investors alike.

Through their stake, the members of the investment team participate in the financial success or failure of a fund. Subject to certain conditions, they will be entitled to a disproportionately high proportion of the gains from disposals, as in 2017 following the successful disposal of the DBAG Fund V. This mechanism is called Carried Interest.

I would like to end by providing you with an outlook.

Here, I am thinking of the factors in our business which are outside of our control.

For all of the improvements which can be initiated and implemented through the ownership of a financial investor, one thing holds true: even companies in the hands of private equity are unable to remain immune to cyclical influences.

Accordingly, even after the outstanding result of the past year we need to remain vigilant and to act wisely.

Optimism and positive growth outlook currently still predominate. But this growth is being buoyed by low interest rates. While our business has benefited from this, we are aware that such a low interest rate level is not healthy for us all on a long-term basis.

The length of the current macroeconomic cycle already suggests that it will end sooner rather than later. The cost increases due to wage increases and politically motivated higher social security contributions are perhaps the first harbingers of this.

The turnaround in interest rates has clearly begun. Further factors are significantly stronger exchange rate fluctuations and the impetus for change resulting from tax reform in the USA. Particularly the intense deflections on the stock markets in the past weeks show that uncertainty is growing.

And there are also repeatedly old and new changes and threats in the area of geopolitics.

However, Ladies and Gentlemen,

I am confident that with our excellent team we will be able to invest positively, even in case of possibly weaker future underlying conditions, and to responsibly support our portfolio companies.

The most recently published figures for the first quarter indicate that we remain on track for success.

In that sense, I am ending my comments on a positive note.

And now over to our Chief Financial Officer, Susanne Zeidler.

[Second part, Ms Zeidler]

Ladies and Gentlemen,
A very warm welcome from me too!

I too am proud to be discussing our very positive and above-average figures with you today.

Specifically, this involves the following issues:

1. Our goals and results in the past financial year,
2. The start to the new financial year and
3. The outlook for 2018 and beyond.

Our financial and non-financial goals contribute to our central economic objective: a long-term increase in the value of your Company, Deutsche Beteiligungs AG.

We are listed in Deutsche Börse's Prime Standard because we satisfy particularly stringent transparency requirements. This includes our quarterly reporting. However, what we really want to be judged by is whether we have sustainably increased the value of your Company, Deutsche Beteiligungs AG. By that, we mean a period of ten years.

That is the normal duration for a fund. Only at the end of that period will its actual level of success become clear. Its success is determined according to the proceeds realisable as of the disposal of the portfolio companies. Increases in value along the way are nice to have; but they will only be sustained if we can actually realise them when we come to dispose of these companies

The closed-end DBAG funds are at the heart of our integrated business model. They have a critical impact on the financial development of both of our business segments. We are therefore convinced that for Deutsche Beteiligungs AG, too, only when viewed over a sufficiently long period of time is it possible to assess whether we have achieved the core objective of our business activity.

We ultimately measure an individual year's performance contribution in terms of how it has contributed to this long-term success.

But precisely in these terms, 2017 was a financial year which generated an above-average level of success – for Deutsche Beteiligungs AG and for you, its shareholders.

The net income of 90.4 million euros and the return on equity per share of 26.5 percent were peak figures from the point of view of a ten-year comparison. On average over the past ten years, net income has amounted to approx. 28 million euros and the return on equity to 9.1 percent. You should bear in mind the following points here: This comparison has been affected by the two-year period of clearly negative results due to the financial and sovereign debt crisis.

You have been able to participate in this long-lasting success through regular dividends. Moreover, in the past few years the capital market has identified a different form of valuation for your Company, Deutsche Beteiligungs AG, which has resulted in significant price gains. The particularly loyal investors among you, who have invested for a period of ten years, have realised a growth rate of 13.5 percent year-on-year.

And someone who invested in DBAG shares at the start of the past financial year realised a growth rate of 59.5 percent at the end of the year, 39 percent more than an ETF on the Dax and 31 percent more than a similar security on the S-Dax. Nor have the recent setbacks done much to change this remarkably positive development of the DBAG share.

The subtitle to our report for the past financial year is: “How we create value through experience and perseverance”.

We had demonstrated in the past that this motto holds true. Accordingly, in the summer of 2016 we were able to raise a good one billion euros in capital for DBAG Fund VII. This fund was launched as scheduled on 21 December 2016. Since this date, we have earned income through fund advisory services for this fund – in the past financial year, to the tune of 12.6 million euros. Overall, income from fund advisory services is up by 8.6 million euros. The income from DBAG Fund VI declined, since its investment period ended and an investment was disposed of. The income from DBAG Fund V is also down, due to disposals out of this fund’s portfolio.

The 8.6 million euros increase in income compares with slightly higher expenses on balance. In view of the results achieved in the past financial year, we have paid higher performance-related remuneration. The fact that no capital-raising costs for a new fund arose in the past financial year was a positive factor. The segment result improved by almost eight million euros to 4.7 million euros. This segment has thus once again created value.

The particularly successful disposals in the past financial year occurred in the Private Equity Investments segment. The segment result amounted to 85.7 million euros. This is 33.4 million euros, or around two thirds more than in the already positive previous year.

The increase in the segment result reflects the significant increase in earnings from investment activity. I will say more about that in a moment.

A positive factor is that other income/expenses – the total of internal management fees, personnel costs, other operating expenses and income and net interest – only increased at a disproportionately low rate. Their increase is attributable to the performance-based remuneration resulting from our investment in Grohmann Engineering. On the other hand, there were also some savings: for instance, in the previous year we had to bear costs for the agreement of a credit line.

I would now like to provide you with a few more details about earnings from investment activity. This year, these consist almost entirely of realised value increases. At 81.8 million, the net result of disposal played the key role in earnings from investment activity.

You will recall that we measure our investments on a quarterly basis at fair value. Changes in this value are included in our profit and loss statement as a net result of valuation. When we come to dispose of a valuation, we report the difference between the proceeds on disposal and the carrying amount as of the previous reporting date as the net result of disposal. This also shows how reliable our valuations are: we have used this form of accounting for 15 years now. In that period, in almost all cases as of a disposal the proceeds generated by DBAG have at least matched the most recent fair value.

In 2017, we achieved particularly high disposal gains in several cases. Specific factors played a role in this. For instance, our investment in Grohmann Engineering was so important for Tesla Motors that this American firm paid a markup on our valuation. We are unable to anticipate that kind of premium.

In other cases, the level of competition between potential buyers was so unexpectedly strong that this was reflected in higher sales proceeds after long sales processes. Such dynamic developments always entail significant adjustments in valuations from one quarter to the next. When the disposals were completed toward the end of the financial year, on the basis of the accounting rules this resulted in a reclassification of the cumulative net results of valuation for the first few quarters to the net result of disposal.

I would now like to say a bit more about the profit shares of the minority shareholders, which reached 14.4 million in the past financial year. Of this, 13.8 million relates to carried interest.

We enter into our investments in our portfolio companies as a co-investor of the DBAG funds. Accordingly, we hold our investments through intra-Group investment entities. It is not only DBAG which participates in these investment entities. Members of the investment team – i.e. the members of the team who provide advisory support for a fund – also hold a minority interest, not only in the intra-Group investment entity but also in the investment entities of external fund investors. My colleague Torsten Grede has already clarified the purpose of this team investment.

The private investment made by members of the investment team in the fund amounts to around one percent each. To this extent, our colleagues are minority shareholders of the entities through which we and the fund investors hold our funds.

By the way, only the intra-Group investment entities are relevant for the consolidated financial statements of your company, Deutsche Beteiligungs AG. The investment entitles of the external fund investors are not included in the Group's assets.

If it looks as though the preconditions for payment of carried interest will be fulfilled for a fund, we will take this into consideration in the valuation of our shares in the intra-Group investment entities. These entitlements of the members of the investment team are deducted from these companies' net asset value. This is currently the case for the intra-Group investment entities for DBAG Fund V and DBAG ECF. You will find further information on this in our Annual Report.

Last year, it was at this point that I notified you that since the spring of 2016 our accounts have undergone a random sample examination conducted by the German Financial Reporting Enforcement Panel (FREP), now for the third time since the introduction of the so-called enforcement procedure. Specifically, this relates to our consolidated financial statements as of 30 September 2015. This procedure is ongoing.

I have a few comments on that: the accounts of capital market-oriented companies are not only audited every year by the auditor; since 2005, an "enforcement procedure" has also been in place. This is intended to preventively counteract violations of accounting rules in annual financial statements and consolidated financial statements. For this purpose, FREP and the German Federal Financial Supervisory Authority (BaFin) examine the accounts of capital market-oriented companies by means of a two-phase procedure. This examination is implemented either without any concrete grounds – on the basis of random sampling – or, in case of a concrete indication of a violation of accounting rules, through an examination with cause.

The random sample examination of our financial statements as of 30 September 2015 showed that FREP differs from us and our auditor in its assessment of one issue. This issue resulted from the first-time application of a new accounting standard, IFRS 10, and here in particular from the specific rules for private equity companies. In concrete terms, this had to do with the question of when and how the carried interest entitlements which I mentioned above should be included in our accounts.

Since we would like to receive basic clarification of this issue, in December 2016 we objected to FREP's identification of an error. The procedure was thus referred to BaFin, for its second phase. As usual, in January 2017 BaFin subsequently initiated a comprehensive audit of our consolidated financial statements as of 30 September 2015. BaFin is currently in the fact-finding phase of this audit.

We have reported on this, for example in our most recent Annual Report.

The subject of "BaFin" brings me to an item of our agenda which I would briefly like to comment on here: the change of the object of our Company.

In the first quarter of the past financial year, we reported on the reduction of a specific risk. We had proactively contacted BaFin in order to clarify outstanding issues relating to the legal interpretation of the German Capital Investment Code. This law transposes a European directive on the regulation of fund managers and came into effect in 2013.

Through our discussion with BaFin, we were able to eliminate existing legal uncertainties in this area. As a result, we are once again amending our regulatory structure: we are to relinquish our registration as a capital management company. In future, a subsidiary within our corporate group will handle this function. The internal changes which are necessary for this purpose are largely complete. However, final implementation will require the adjustment of the object of the Company in our Articles of Association. This is set out in further detail in agenda item 6.

I will now return to the figures for the past financial year.

The net asset value consists of three components: financial assets including loans and receivables – this is essentially our portfolio. In addition, there is our financial resources and – this is new – other financial instruments. We still do not have any bank liabilities. That is why the net asset value corresponds to the gross asset value.

The net asset value of your Company, Deutsche Beteiligungs AG, changed significantly in the past financial year – in terms of its volume and its structure. It has increased by 71 million euros in just one year – and that is even though we distributed a good 18 million euros to you as a dividend in the past year. Of this increase, 68 million relates to the net result of disposal after carried interest: the realised disposal proceeds exceeded the fair values of the investments disposed of by 81.8 million at the start of the financial year; 13.8 million must be deducted from this for carried interest.

Following these disposals, the value of the portfolio declined by 53.7 million euros. We received cash for the investments disposed of. Despite the extensive investment activities which I mentioned before, this cash amounts to 161.6 million euros; this is more than twice our financial resources at the start of the past financial year.

On the new, third component: In 2017, we granted significant loans to intra-Group investment entities for the first time. These loans are for the structuring of investments in new portfolio companies. Once the final capital structure has been determined, these short-term loans will be refinanced by way of acquisition financing and shareholders' equity. We will thus optimise the return on the capital employed. These short-term loans are recognised as other financial instruments, in the amount of almost 36 million euros on the reporting date. Following completion of acquisition financing and upon repayment of these loans, some of this figure will be added to the portfolio's value and the rest to our financial resources. It will thus certainly remain part of the net asset value.

In the past financial year, our portfolio generated returns of almost 200 million euros, more than ever before in a single year. Our financial resources have thus reached a volume which exceeds the requirements for an individual financial year, as our financing strategy stipulates in principle.

However, we will need these resources. We intend to grow and invest more than previously. Our co-investment commitments to DBAG Fund VII are 50 percent higher than for its predecessor fund. Overall, our co-investment commitments to the DBAG funds amount to 254 million euros.

The gap of 42.1 million is not in any way worrying. For the (net) portfolio value of 238 million is more than five and a half times as high. We will easily be able to close it through returns resulting from disposals out of our portfolio over the next few years.

Ladies and Gentlemen,

Our third financial goal is for our shareholders to participate in our success through dividends which are as regular as possible.

I am delighted that this year we are once again able to propose to you a dividend which does justice to every aspect of our dividend policy: 1.40 euros are to be distributed per share.

Allow me to recapitulate what I said at this point a year ago:

1. Our dividend should not depend on particular successes resulting from disposals. This makes it easier for us to deal with the market abuse rules and strengthens our position in sales processes. It also makes it easier for expectations to take shape on the capital market.
2. This dividend payout ratio is intended to reflect growth in the Private Equity Investments segment. The co-investment volume alongside DBAG Fund VII alone has increased by 50 percent on the predecessor fund.
3. A larger portfolio which may be expected to provide more regular returns than in the past and the marked increase in income in the Fund Investment Services segment following the launch of DBAG Fund VII provide the basis for a stable dividend.

Now for some detailed information on our dividend proposal:

We told you that our dividend is expected to rise whenever possible. This is certainly the case following a financial year with an above-average volume of returns from disposals. We are therefore proposing a dividend increase of 20 euro cents. That is almost 17 percent higher than in the previous year.

This proposed distribution corresponds to a return of around three percent. This is an attractive figure by comparison with other S-Dax stocks or other listed private equity companies.

Our dividend policy stipulates that our dividend must at very least remain stable. Over our medium-term planning period, we have assumed that our dividend will remain unchanged. Deutsche Beteiligungs AG’s high retained profit of approx. 191.9 million euros enables us to continue to pay this amount in coming years. Even if we do not achieve any returns from disposals in a given year.

Overall, our dividend proposal is in line with our financial resources and our financial planning. For as I have already commented: we intend to grow and for this purpose to invest more than in the past – without needing to borrow for this purpose.

That is all that I have to say about the past financial year. We will certainly all remember it as a special year.

This brings me to my next subject: Why are we satisfied with the start to the new financial year?

It has got off to a lively start in terms of investment activity. To name just a few transactions: DBAG ECF has agreed two new management buyouts. And several portfolio companies have improved their strategic positioning through company acquisitions.

The net income figure of 11.4 million euros is entirely according to plan. It is lower than in the past year; but back then we had an earnings contribution of a good seven million from one particularly successful disposal alone.

Our financial resources have declined only slightly in the first quarter. The agreed and in some cases now completed transactions have not yet been entirely reflected in corresponding cash outflows.

At 30.34 euros after three months, equity per share is 2.7 per cent higher than at the start of the financial year.

I now come to my third and final subject.

In our view, our most recent quarterly figures bear out our forecast for 2018. In our planning, in principle we assume unchanged valuation ratios on the capital markets. For this reason alone, our results deviate from our forecasts. For it is only by chance that valuation multiples will remain unchanged over the space of a year. They increased again in 2017 and once again had a significant favourable impact on our result, which was in any case positive.

What precisely do we now expect for the current financial year?

A net income figure which is as high as in the past year cannot easily be repeated. We cannot offer that many mature companies for sale every year. It may take some years, during which time investments will predominate over disposals. Accordingly, we are not using the extremely high result for 2017 as a benchmark for our forecast and are instead using the average result for the past five years. We are thus taking into consideration the specific nature of our business.

Underpinned by a solid trend in both of our business segments, we expect net income for 2018 clearly in excess of the benchmark of 43 million. This corresponds to a return on equity at the high long-term average level.

Finally, together with you I would like to take a look beyond the current year: an investment in Deutsche Beteiligungs AG certainly also makes sense as a long-term commitment.

As I just said: DBAG intends to grow. For instance, this will involve us investing more than in previous years. Growth is not an end in itself and should also be reflected in our performance indicators. It is our ambition even beyond the current financial year to increase the Company's enterprise value with once again moderately higher net income figures. We intend to significantly exceed the cost of equity. When I say "significantly", I mean "by more than 20 percent". As in all of our planning, we assume largely stable underlying conditions.

Ladies and Gentlemen,
Dear Shareholders!

"How we create value through experience and perseverance": as I have already noted, that is the subtitle to our Annual Report for the past financial year.

We – Torsten Grede, Rolf Scheffels and I – will strive to continue to create value for you and your Company, year after year, through experience and perseverance.

Please continue to grant us your confidence and support us in our work!

We will now be pleased to answer any questions which you may have!