

PRESS RELEASE

Deutsche Beteiligungs AG divests Broetje-Automation GmbH

- **Divestment marks the end of a very successful strategic development**
- **Shanghai Electric strengthens its business with automation technology**
- **Management and staff welcome new owner**
- **Contribution to income already accounted for in 2015/2016 forecast**

Frankfurt am Main, 15 August 2016. Deutsche Beteiligungs AG (DBAG) announced that it is divesting another company from its portfolio following that company's very successful development. The new owner of Broetje-Automation GmbH (BA) will be the Shanghai Electric Group Co., Ltd. (SEC) headquartered in Shanghai, China. DBAG's managed DBAG Fund V, the mechanical and plant engineering company Dürr as a minority shareholder and further co-investors will also divest their interests. Agreements to that effect were signed on Saturday; the completion of the transaction is amongst others subject to approval by the cartel authorities.

The parties to the contract agreed not to disclose the purchase price. It exceeds the investment's valuation in DBAG's most recent IFRS-formatted financial statements (30 June 2016). The uplift on disposal will therefore deliver another contribution to fourth-quarter income (30 September 2016), which has been accounted for in DBAG's recently reconfirmed earnings forecast for the financial year. With this divestment, DBAG will generate a return that tops its usual return targets. This mirrors the company's excellent development and the significantly improved strategic positioning achieved in the past four years.

Broetje-Automation (www.broetje-automation.de) designs and manufactures complete lines for the automated production of aircraft in the aerospace industry. The company is the leading expert worldwide for production processes in this industry; its clients encompass nearly all notable aircraft manufacturers. Its expertise in particular includes riveting machines and lines used to automatically rivet, joint and assemble large aircraft components made of metal or carbon fibre, such as fuselage, wings and cockpit.

DBAG and DBAG Fund V acquired BA in March 2012 from an enterprise in family ownership. The strategy agreed with the company's management in 2012 was successfully implemented. Sales of the group, originally at 83 million euros, more than doubled over the past four years. Its growth strategy included the expansion of the service business, the broadening of its product and services range, as well as further internationalising the customer

base. By founding a service company in 2012, the service business nearly quadrupled, thereby increasing to more than 20 percent of total revenue. The enlargement of the product and services portfolio was partly achieved through external growth, most recently through the acquisition of the aircraft assembly technology business from the Dürr Group in 2014. In the course of this transaction Dürr took an 11% stake in Broetje-Automation. After DBAG's entry, BA also intensified its activities in China, among other things, by establishing a sales site in Shanghai.

Last year, Broetje-Automation moved to new headquarters in Rastede (Lower Saxony), near both of its original locations; this investment improved conditions for the final assembly, which can now be adapted more flexibly and swiftly to clients' orders. BA's employees also benefited from the company's successful growth strategy and modern work environment. At the outset of the investment, BA had a staff of 450; today, it numbers 850.

"This investment demonstrates once again what we feel counts," said Dr Rolf Scheffels, member of DBAG's Board of Management, commenting on the signing. "We sponsored a leading company in Germany's 'Mittelstand' in developing its business model, enabling it to take the best possible advantage of market opportunities and to expand and strengthen its position in the global market."

BA's CEO Bernd Schröder said: "We have been operating in China for more than six years and are meanwhile providing our entire product portfolio there. Shanghai Electric is our preferred partner, since it will support the company's independent development in its key markets of Europe, the US, Japan, Russia and in particular China. SEC will also assist us in reaching our growth objectives in the most attractive and fastest growing aircraft markets in the world." The global market has a requirement of more than 30,000 aircraft over the next twenty years, which will increasingly be covered by local production facilities. "We have come to know SEC as a highly competent, strategically driven partner; management and staff are excited about mutually utilising the great opportunities inherent in our industry," said CEO Schröder.

Shanghai Electric (www.shanghai-electric.com; 2014 revenue: equivalent of 11.5 billion US dollars) will acquire direct access to all globally operating aircraft manufacturers through Broetje-Automation. SEC is a diversified company listed in Shanghai and Hong Kong, among other things, in the sectors of regenerative energy, industrial equipment and services. The company maintains cooperation with numerous German companies, such as Siemens and pump manufacturer KSB. Since the start of the year, it has been invested in mechanical engineering company Manz Automation. The investment in Broetje-Automation is aimed at establishing a presence for

SEC in the aviation industry and creating a basis for future business opportunities with BA clients such as Airbus and Boeing.

Deutsche Beteiligungs AG, a listed private equity company, raises closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-sized companies with potential for development. DBAG focuses on industrial sectors in which Germany's 'Mittelstand' is particularly strong on an international comparison. With its experience, expertise and equity, DBAG supports its portfolio companies in implementing corporate strategies that sustainably create value. Its entrepreneurial approach to investing has made DBAG a sought-after investment partner in the German-speaking world. Assets under management or advice by DBAG amount to approximately 1.8 billion euros.

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