

PRESS RELEASE

Deutsche Beteiligungs AG: First-quarter net income at €14.1mn

- **Successful sale of Grohmann Engineering GmbH and good overall portfolio performance**
- **Start of investment period for DBAG Fund VII: first fee income for advisory services to new fund**
- **Forecast reconfirmed for 2016/2017 financial year**

Frankfurt am Main, 9 February 2017. Deutsche Beteiligungs AG (DBAG) has gotten off to a good start in its 2016/2017 financial year. The company ended the first quarter (31 December 2016) recording net income of 14.1 million euros, driven by the successful divestment of Grohmann Engineering GmbH (Grohmann) to a trade buyer and by higher earnings which the portfolio companies budgeted for 2017. In the preceding year's first quarter, net income totalled 30.8 million euros. At that time, divestments also contributed positively to income; in addition, individual, especially newer portfolio companies reported unexpectedly strong financials, giving rise to an increase in value. DBAG regularly draws attention to the fact that, by the nature of its business model, the results of single quarters cannot be extrapolated to, and are not indicative of a full financial year. DBAG has reconfirmed its forecast for the 2016/2017 financial year issued in December 2016.

The Private Equity Investments business line reached net income of 14.2 million euros in the first quarter. This is 16.7 million euros below that of the previous year's first quarter – primarily for the reasons stated above. This segment's net income derives significantly from the net result of investment activity, which totalled 17.5 million euros. Nearly nine million euros thereof stem from the realisation of the investment in Grohmann. After almost 30 years in the DBAG portfolio, the company was acquired by Tesla Motors, Inc. in January 2017. In addition to this divestment, the portfolio's good overall performance contributed positively towards the net result of investment activity. By contrast, the change in valuation ratios derived from the stock market had a negative impact, as in the prior year, of 10.5 million euros.

Subsequent to the completion of a divestment from the portfolio of DBAG Fund V, the measurement base for management fees chargeable to this fund decreased in the first quarter of 2016/2017. Nevertheless, net income of -0.1 million euros generated by the Fund Investment Services business line

remained nearly constant. The reason is the start of the investment period of DBAG Fund VII on 21 December 2016. This new fund closed in September with capital commitments of 1,010 million euros. It succeeds DBAG Fund VI, whose investment period ended after less than four years with the management buyout of Dieter Braun GmbH agreed in December. First-quarter fee income in 2016/2017 for management and advisory services to funds therefore already includes fees from DBAG Fund VII and totalled – nearly unchanged compared to the previous year’s first quarter – 4.9 million euros.

The positive net income achieved led to a rise in DBAG’s equity of 13.4 million euros over the first three months of the 2016/2017 financial year to 383.1 million euros. This equates to equity per share of 25.46 euros, up 0.89 euros per share compared with the outset of the financial year. Relative to the opening equity at the start of the financial year (less the proposed dividend payment), this represents a gain of 3.8 percent (same quarter previous year: 10.6 percent).

“We are very satisfied with how the financial year has begun,” said Susanne Zeidler, DBAG Chief Financial Officer, on the first-quarter results. “We are exactly on schedule with the start of the investment period for DBAG Fund VII and are now on a path of growth in our two business lines.” As to the forecast for the year, DBAG’s quarterly statement published today states: “Irrespective of the fact that the underlying macroeconomic conditions seem to be growing less favourable, we adhere to our forecast as issued in the 2015/2016 Annual Report.”

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

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