Deutsche Beteiligungs AG

QUARTERLY STATEMENT

AT 30 JUNE 2017

1ST TO 3RD QUARTER

2016/2017

AT A GLANCE

Stock exchange-listed Deutsche Beteiligungs AG invests in well-positioned mid-sized companies with potential for growth. For many years, we have focused on industrial business models in selected sectors. With our experience, expertise and equity, we support our portfolio companies in implementing their sustainable value-creating corporate strategies. Our entrepreneurial approach to investing has made us a sought-after investment partner in the German-speaking region. We have achieved superior performance over many years – for our portfolio companies as well as for our shareholders and investors.

FINANCIAL HIGHLIGHTS

		1st to 3rd quarter 2016/2017	1st to 3rd quarter 2015/2016 restated[1]	**3rd quarter 2016/2017**	3rd quarter 2015/2016 restated[1]
Private Equity Investments segment					
Net result of investment activity	€mn	82.9	33.0	35.1	(3.4)
Net income before taxes	€mn	75.5	27.6	33.6	(4.7)
Cash flow portfolio	€mn	42.5	27.8	24.0	(11.8)
Net asset value (at end of period)	€mn	446.4	324.5		
thereof portfolio value (at end of period)	€mn	357.8	264.1		
Number of investments (at end of period)		26	24		
Fund Investment Services segment					
Fee income from fund management and advisory services	€mn	20.5	14.8	7.7	4.8
Net income before taxes	€mn	3.1	(1.3)	0.9	(1.0)
Assets under management or advisement (at end of period)	€mn	1,717.5	993.4		
Earnings before taxes (EBT)	€mn	78.6	26.2	34.5	(5.7)
Net income	€mn	78.6	26.4	34.5	(5.7)
Retained profit	€mn	211.1	127.4		
Equity (at end of period)	€mn	429.4	315.8		
Earnings per share[2]	€	5.22	1.93	2.29	(0.41)
Equity per share	€	28.54	23.09		
Change in equity per share[3]	%	22.1	9.1	9.1	(1.9)
Employees (at end of period, incl. apprentices)		65	58		

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)
2 Relative to weighted number of shares outstanding in each period
3 Change in equity per share relative to opening equity per share at beginning of period (less the sum proposed for dividend payment)

CONTENTS

QUARTERLY STATEMENT
AT 30 JUNE 2017

Three highly successful divestments agreed in third quarter

Five MBOs agreed

DBAG Fund VII already more than 20 percent invested

Net income:
78.6
million euros

Forecast concretised

LETTER TO OUR SHAREHOLDERS

Frankfurt am Main, 7 August 2017

Dear Shareholders,

Our portfolio companies are arousing interest in the market: in the past three months, we have sold our investments in Formel D, Schülerhilfe and ProXES, achieving superior returns. All three divestments were agreed in May and have now been completed. The proceeds from these transactions range between four and five-and-a-half times the originally invested capital and have exceeded our expectations; they contributed significantly to the rise in net income, which reached 78.6 million euros after the nine-month period. We are now able to profit from the favourable market environment only because we invested in a focused manner, strategically developed our portfolio companies together with their managements and – as was the case for Formel D and ProXES – repositioned them in their markets.

A portfolio of companies with development potential will also serve as the basis of our future performance. It is therefore important that we identify a sufficient number of investment opportunities and continuously enter into new investments in promising companies. This can be a challenge in a market such as today's, in which vendors realise high prices. In spite of this, we succeeded in finding attractive companies to add to our portfolio in the first nine months of the current financial year. For instance, DBAG ECF structured its first MBO in the third quarter. DBAG Fund VII has agreed or completed three management buyouts since the start of its investment period in late December – after just six months, more than 20 percent of commitments to the fund have been called. These four companies all stemmed directly from family owners. That underscores once again our special access to Mittelstand family companies and our presence in the market.

Looking at the first nine months of the 2016/2017 financial year, we are very satisfied with what we have achieved.

The Board of Management
of Deutschen Beteiligungs AG

Torsten Grede | Dr Rolf Scheffels | Susanne Zeidler

REVIEW OF SIGNIFICANT EVENTS AND TRANSACTIONS

Private Equity Investments

The portfolio of Deutsche Beteiligungs AG changed substantially in the first nine months of financial year 2016/2017. At 30 June 2017, five management buyouts (MBOs) [1] and four divestments [2] had been completed. Another three, very successful divestments marked the third quarter; they have meanwhile also closed after the end of the period.

In April, More than Meals, a leading group of companies in the European market for prepared meals and snacks for private-label brands of large grocery chains, joined the portfolio of DBAG Fund VII. The acquisition of a majority interest in Vitronet Projekte GmbH, a services provider to the telecommunications industry, was agreed and closed in the third quarter; the acquisition was the first MBO by DBAG ECF. The MBO of automotive supplier Dieter Braun GmbH had already closed in the second quarter. This investment finalised the portfolio of DBAG Fund VI, whose investment period ended in December 2016. Mechanical engineering company Frimo and implant manufacturer Polytech have belonged to the portfolio of DBAG Fund VI since the first quarter. Both investments were contractually agreed in financial year 2015/2016.

The MBO of duagon AG, an investment agreed in June by DBAG Fund VII, closed after the end of the period. The company is a Switzerland-based provider of network components for data communication in trains. A further investment by DBAG Fund VII, the MBO of two radiology practices, was agreed in the second quarter but has not yet been completed.

Four companies were released from the DBAG portfolio in the first three quarters of financial year 2016/2017. June saw the completed disposal of approximately 75 percent of the interests held by DBAG and DBAG Fund V in Romaco. The remaining shares in this specialist provider of processing and packaging technology for the pharmaceutical industry will be transferred to the strategic buyers within the next three years. The income contribution generated by the sale of the investment in Romaco was recognised in the second-quarter accounts of 2016/2017. The divestments of the interests held in FDG, Grohmann Engineering and Broetje-Automation also closed successfully. The divestment of FDG to a financial investor closed in April. In January, the sale of Grohmann Engineering GmbH to a strategic investor became effective. The investment in Broetje-Automation ended in the first quarter, again by selling to a strategic buyer.

The entry of a further shareowner resulted in a partial divestment of DBAG Fund VI's investment in iron foundry Gienanth GmbH in the second quarter. The fund continues to hold a majority interest in the company.

During the past third quarter, in May 2017, Formel D (DBAG Fund V), a services provider to the automotive sector, ProXES (DBAG Fund V), a provider of machines and lines for the food industry, and education and tutoring services provider Schülerhilfe (DBAG Fund VI) were divested. The transactions completed after the end of the period. These three companies therefore were still carried in the DBAG portfolio at 30 June 2017.

At the period end, the DBAG portfolio consisted of investments in 24 companies and two externally managed international buyout funds.

More than Meals: Top-up fund of DBAG Fund VII used for the first time

In April 2017, DBAG established a European market leader for chilled convenience products based on two parallel acquisitions. To that end, DBAG Fund VII acquired the interests in Abbelen GmbH and Oscar Mayer Limited from their previous owner families via a management holding company. Abbelen is the largest manufacturer of chilled meatballs and ready-made burgers in Germany; the products are largely sold under private-label brands to supermarket chains. Oscar Mayer holds a leadership position in the United Kingdom for prepared foods and snacks delivered to large grocery retailers and discounters. The two companies will continue to be run autonomously,

1 Frimo Group GmbH, Polytech Health & Aesthetics GmbH, Dieter Braun GmbH, More than Meals Europe S.a.r.l., Vitronet Projekte GmbH
2 Broetje-Automation GmbH, Grohmann Engineering GmbH, FDG Group, Romaco Group

but will now operate under the umbrella of a joint management holding company.

More than Meals aims to make add-on acquisitions. To finance the transaction, the top-up fund of DBAG Fund VII was used, which enables equity capital investments of up to 200 million euros for a single transaction. DBAG has initially co-invested 28 million euros (largely through an issuance of jouissance rights) alongside DBAG Fund VII and holds an 18 percent interest in the group.

Vitronet – first MBO by DBAG ECF

DBAG ECF acquired a majority interest in Vitronet Projekte GmbH in a management buyout in the third quarter. Vitronet is a one-stop shop that provides all services required for broadband buildouts. Its activities focus on new fibre optic networks and upgrades of existing networks. In addition to the planning and servicing later on, the product portfolio includes network construction through sub-contractors. DBAG spent 7.2 million euros for its co-investment alongside DBAG ECF and now holds a 44 percent interest in Vitronet.

The management buyout of Vitronet marks the first time that DBAG ECF, launched in 2011, has entered into a majority investment. After expanding its investment criteria last year, the fund now also selectively provides capital for MBOs; the fund's equity capital investments range from 10 to 30 million euros. Previously, the fund invested exclusively in minority stakes in family-owned businesses aimed at financing growth in these companies.

Highly successful exits agreed in the third quarter

In May, DBAG agreed the very successful divestments of its stakes in Formel D, Schülerhilfe and ProXES. The sales prices achieved range between four and five-and-a half times the invested capital and reflect the successful strategic development of these companies: Formel D registered annual revenue growth of more than 20 percent over the investment period. ProXES supplemented its product range through three acquisitions and is now able to provide integrated production lines to its customers. Contrary to Formel D and ProXES, Schülerhilfe was the first of a total of four companies in the DBAG Fund VI portfolio that did not come from one of DBAG's core sectors. This very successful exit thereby has additional strategic significance for DBAG.

The contractually agreed sales proceeds of all three transactions exceed the investments' valuations in the IFRS accounts at 31 March 2017, resulting in an unrealised income contribution on an imminent sales basis of 34.4 million euros in the third quarter. The divestments were completed after the end of the period.

Changes in portfolio companies

In the first nine months of financial year 2015/2016, three companies strengthened their strategic position in the competitive field by making add-on acquisitions. In the first quarter of the year, Telio GmbH (DBAG Fund VI) expanded its European market coverage by acquiring a division of Spain-based telecommunications company Telefónica. To finance the acquisition, DBAG provided further equity capital of 0.6 million euros.

ProXES (DBAG Fund V), which has meanwhile been sold, had purchased Suatec GmbH in early 2017, a provider of automation solutions for process technology (www.suatec.de). ProXES financed the acquisition from its own resources.

The Frimo Group GmbH (DBAG Fund VI) also financed its most recent add-on acquisition from its own resources. In April 2017, Frimo acquired B+R Elektro-Steuerungstechnik GmbH (www.bormann-reinhold.de). The company employs a staff of about 40 and generated revenue of some five million euros in 2016. Frimo, previously one of B+R's key customers, secured important capacity in control technology for its own products through the acquisition.

The good progress that Infiana Group GmbH made enabled the company's refinancing, which led to a repayment of non-current shareholder loans totalling 7.4 million euros and corresponding cash inflows.

Fund Investment Services

Strong investment pace by DBAG Fund VII

In addition to the MBO of two radiology practices (agreed in March) and the More than Meals group (completed in April), the MBO of duagon agreed in June is already the third investment by DBAG Fund VII. At 30 June 2017, just six months after the start of the fund's investment period, more than 20 percent of commitments to the fund have been called.

Start of first new vintage by DBAG ECF

On 1 June 2017, DBAG ECF started its first new vintage, which will run until the end of 2018. Subsequently, starting 1 January 2019, a new vintage with a term of ten years each will be launched every two years. That enables DBAG to provide financings over a term of sufficient length and to satisfy the preference family companies have for an extended partnership. The fundraising for the first new vintage of DBAG ECF closed in January 2017. Investors committed a total of 85 million euros; of that amount, 35 million euros are attributable to DBAG's co-investments.[3]

As at 30 June 2017, DBAG ECF had invested in one MBO (Vitronet) and in eight minority investments.

COMPARABILITY WITH THE PRECEDING YEAR

Comparability of the financial data with that of the previous year is limited due to the amendments to IFRS 10 "Consolidated Financial Statements". In conformity with these amendments, which are required to be adopted for the first time this financial year, a subsidiary (Deutsche Beteiligungsgesellschaft mbH) is no longer permitted to be consolidated. Since this subsidiary is now recognised at its net asset value, financial assets have increased by 7.9 million euros. Financial resources are 5.9 million euros lower and this liquidity is now a constituent of the net asset value. The following commentary relates to previous year's amounts restated on a comparable basis. The change in consolidation has no effect on the Group's equity.

EARNINGS POSITION

Overview

At 78.6 million euros, net income for the first nine months was significantly in excess of that of the equivalent period the previous year. The 52.2 million euros increase largely derives from result achieved by the Private Equity Investments segment. In addition to the completed divestments, higher earnings forecasts by the portfolio companies for the current year and an overall bright sentiment in the stock markets, the gain was also driven by the three most recent, very successful exits that were agreed in May, but which closed after the end of period on 30 June 2017 (Formel D, Schülerhilfe and ProXES). Since the sales proceeds achieved exceed the investments' valuations as at 31 March 2017, their divestment led to a high third-quarter income contribution.

The Fund Investment Services segment also contributed to net income in the nine-month period. The commencement of DBAG Fund VII's investment period took effect in the second and third quarters.

3 Extrapolating the committed 85 million euros for a 19-month period to a term of five years, the commitments correspond to a fund size of about 270 million euros

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€'000	1st to 3rd quarter 2016/2017	1st to 3rd quarter 2015/2016 restated[1]	3rd quarter 2016/2017	3rd quarter 2015/2016 restated[1]
Net result of investment activity	82,853	32,990	35,146	(3,374)
Fee income from fund management and advisory services	19,674	13,923	7,447	4,492
Net result of fund services and investment activity	**102,527**	**46,913**	**42,592**	**1,118**
Personnel costs	(15,845)	(11,731)	(6,141)	(3,971)
Other operating income	7,013	6,654	4,359	3,585
Other operating expenses	(14,688)	(15,223)	(6,151)	(6,226)
Net interest	(376)	(382)	(128)	(160)
Other income/expenses	**(23,896)**	**(20,682)**	**(8,062)**	**(6,771)**
Net income before taxes	**78,630**	**26,231**	**34,530**	**(5,654)**
Income taxes	0	170	0	(3)
Net income after taxes	**78,630**	**26,401**	**34,530**	**(5,656)**
Minority interest	(31)	(26)	(11)	(8)
Net income	**78,599**	**26,376**	**34,519**	**(5,665)**
Other comprehensive income	(769)	44	(146)	(55)
Total comprehensive income	**77,831**	**26,419**	**34,372**	**(5,720)**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

Net income in the previous year's nine-month period amounted to 26.4 million euros. Two realisations delivered positive contributions at that time and particularly influenced the first-quarter income. As opposed to this, third-quarter net income in 2015/2016 was significantly impacted by negative effects on the portfolio value from the stock market trend following the Brexit vote.

The **NET RESULT OF FUND SERVICES AND INVESTMENT ACTIVITY** reached 102.5 million euros in the nine-month period, which significantly exceeds the previous year's 46.9 million euros. This item continues to be determined primarily by the net result of investment activity, both in its absolute amount and its volatility (see also the commentary below in "Net result of investment activity").

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES of 19.7 million euros was also clearly up on the comparative period (previous year: 13.9 million euros). With the start of DBAG Fund VII's investment period, the measurement base for advisory fees is now significantly higher; the effect from the sale of DBAG Fund V's investments (Spheros and Broetje-Automation) was more than compensated. This positive development began in the second quarter and continued into the third quarter.

Net expenses under **OTHER INCOME/EXPENSES**, or the net amount of personnel costs, other operating income and expenses as well as net interest, increased by 3.2 million euros year-over-year. This is largely due to a 3.5 million euro increase in the allocation to provisions for performance-based variable remuneration for the staff and Board of Management of DBAG; contained therein are performance-linked income components arising from the realisation of Grohmann Engineering totalling 1.6 million euros recognised in the second-quarter accounts.[4] Furthermore, transaction-related expenses recognised in other operating expenses increased by 0.7 million euros compared with the previous year's period. As compared to this, the prior year saw one-off expenses of 1.2 million euros for fundraising activities (DBAG Fund VII) and 0.8 million euros for the arrangement of a credit line, which were not incurred this year.

The largest contribution (-0.8 million euros) to **OTHER COMPREHENSIVE INCOME** came from the realisation of positive value movements of past years on the sale of securities and from negative valuation movements on long-term securities, mirroring the recent rise in interest rates.

4 Based on the scheme for performance-linked remuneration applicable for this investment, these emoluments reflect this investment's entire performance over the past 20 years.

Net result of investment activity

NET RESULT OF INVESTMENT ACTIVITY

€'000	1st to 3rd quarter 2016/2017	1st to 3rd quarter 2015/2016 restated[1]	3rd quarter 2016/2017	3rd quarter 2015/2016 restated[1]
Result of valuation and disposal portfolio, gross	93,943	35,523	39,590	(3,452)
Minority interest in investment entity subsidiaries	(13,607)	(4,903)	(5,862)	(830)
Result of valuation and disposal portfolio, net	**80,337**	**30,620**	**33,727**	**(4,282)**
Current income portfolio	6,536	5,321	2,411	2,717
Net result portfolio	**86,873**	**35,941**	**36,138**	**(1,565)**
Net result other assets and liabilities of investment entity subsidiaries	(4,021)	(2,380)	(992)	(1,073)
Net result other financial assets	1	(571)	(1)	(735)
Net result of investment activity	**82,853**	**32,990**	**35,146**	**(3,374)**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

The **NET RESULT OF INVESTMENT ACTIVITY** of 82.9 million euros (previous year: 33.0 million euros) largely reflects two influential factors: first, mirrored therein is the value appreciation of the investments in portfolio companies that are chiefly held through investment entity subsidiaries. To this extent, it not only depends on the portfolio companies' earnings forecasts, but – through their valuation using multiples of listed peer groups – on the stock market trend as well. And second, the net result of investment activity also includes the uplift over opening value on agreed disposals as well as inputs – typical for the sector – from expressions of interest by potential buyers for individual portfolio companies.

The **GROSS RESULT OF VALUATION AND DISPOSAL** of the portfolio reached 93.9 million euros after nine months, which is 58.4 million euros over that of the same period the previous year. In the first three quarters of 2016/2017, a strong rise in the multiples used to valuate the portfolio contributed significantly to the portfolio's value growth. Due to stock market effects after the Brexit vote, the effect of these multiples was negative in the third quarter of 2015/2016.

SOURCE ANALYSIS 1: We usually base our valuations at 31 December on the portfolio companies' budgets for the new year; at subsequent measurement dates we concretise the budgetary data based on actual results and the companies' successive forecasts. When comparing year-on-year, it should be kept in mind that, in the previous year, individual – particularly newer – portfolio companies had reported surprisingly good financials towards the end of their financial year in December 2015. Moreover, value contributions based on earnings trends were recognised for more companies in 2015/2016 than in the current reporting period: following the changes in the portfolio described above, six companies (Braun, Frimo, Polytech, More than Meals, Rheinhold & Mahla and Vitronet) are currently still valued at their original transaction price (at 30 June 2016: one portfolio company). The value uplift on the three most recently divested companies is disclosed in full in change in multiples; in the previous year, these companies had contributed significantly to valuation gains.

Most of the 16 portfolio companies that were valuated by the multiples method at the period end had budgeted higher revenues and earnings for 2017 (see our Quarterly Statement at 31 December, page 9). Depending on the planning reliability in each case, we took account of the fact in both of our past valuations at 31 December 2016 and 31 March 2017 that the achievement of budgets that early in the financial year is subject to a greater degree of uncertainty than in the second half of the year. We therefore applied an appropriate discount to expected earnings in individual instances. For most of the companies, the available information – stemming for the most part from the first quarter of their financial years – have largely confirmed these budgets. Consequently, we have meanwhile reduced the uncertainty discounts in several cases.

We basically do not receive current profit distributions during our holding period – at least not for MBOs – which puts the portfolio companies in a position to use their surpluses to reduce debt. This also increased the value of our investments overall in the nine-month period.

The largest contribution to the significant rise in the result of valuation and disposal stems from the effect of higher valuation multiples. In our valuations at the current measurement date, we partly used significantly higher multiples than at the end of the previous financial year: first, we used implicit multiples that were determined based on the disposals agreed in the third quarter of the investments in Formel D, Schülerhilfe and ProXES and the purchase prices negotiated in that context. The resulting uplift in value of 60.1 million euros in the first nine months constitutes a large part of the valuation effect in "change in multiples", which reached a total of 71.9 million euros. Second, valuations of stock-market listed peer companies improved significantly overall, at least in the first six months of the current financial year; this contributed about 11.2 million euros to the result of valuation; in the past third quarter, however, the stock market effect was neutral. And third, we have considered indications of interest by potential buyers in valuating individual investments while, at the same time, accounting for the fact that the outcomes of such negotiations are not foreseeable. At 0.6 million euros, this had a rather minor effect on the result of valuation for the third quarter.

Changes in currency rates had a minor negative effect on the valuation of the portfolio.

The ongoing positive performance of the portfolio companies measured by the DCF method is reflected in improved forecasts. The resulting uplifts in value contributed significantly to the change in "other influences" of 3.4 million euros in the first nine months.

Realised gains/losses on disposals contains the disinvestments of FDG and Romaco which closed in the third quarter as well as the Grohmann Engineering realisation of the second quarter. This item was burdened in the amount of 0.8 million euros through the final settlement of a sale agreed some years ago.

SOURCE ANALYSIS 2: The positive valuation movements are attributable to 17 active investments, in addition to the four divested. These include the investment in Telio GmbH, which was fair valued for the first time at the current measurement date. Six investments were valued at their transaction cost, as previously mentioned, because of the holding period of less than twelve months. One portfolio company and the two investments in externally managed international buyout funds contributed negatively to the result of valuation and disposal of the first three quarters. The portfolio company concerned has now forecast lower earnings for 2017. Three entities through which warranty retentions on former investments are settled were also valued lower than three months ago.

RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES
SOURCE ANALYSIS 1

€'000	**1st to 3rd quarter 2016/2017**	1st to 3rd quarter 2015/2016	**3rd quarter 2016/2017**	3rd quarter 2015/2016
Fair value of unlisted investments				
Change in earnings	4,184	38,328	7,349	11,048
Change in debt	2,129	1,090	(288)	(1,258)
Change in multiples	71.896	(6,161)	34,093	(12,202)
Change in currency rates	(583)	159	(1,711)	242
Change in other	3,436	2,573	1,898	495
	81,062	35,989	41,342	(1,675)
Realised gains/(losses) on disposals	16,960	(4,925)	(850)	136
Acquisition cost	0	31	0	39
Other	(4,078)	4,428	(902)	(1,952)
	93,943	**35,523**	**39,590**	**(3,452)**

RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES
SOURCE ANALYSIS 2

€'000	**1st to 3rd quarter 2016/2017**	1st to 3rd quarter 2015/2016	**3rd quarter 2016/2017**	3rd quarter 2015/2016
Positive movements	104,635	62,939	47,971	10,658
Negative movements	(10,692)	(27,415)	(8,382)	(14,110)
	93,943	**35,523**	**39,590**	**(3,452)**

RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES
SOURCE ANALYSIS 3

€'000	**1st to 3rd quarter 2016/2017**	1st to 3rd quarter 2015/2016	**3rd quarter 2016/2017**	3rd quarter 2015/2016
Net valuation movements	16,881	40,448	6,007	(3,589)
Unrealised disposal gains on imminent sales basis	60,102	0	34,432	0
Realised gains/(losses) on disposals	16,960	(4,925)	(850)	136
	93,943	**35,523**	**39,590**	**(3,452)**

SOURCE ANALYSIS 3: The realisations of the investments in Grohmann Engineering, FDG and Romaco have been completed; the result of disposal largely derives from the gains on these disposals. "Unrealised disposal gains on imminent sales basis" contains the gains on the disposals of Formel D, Schülerhilfe and ProXES, which closed after the end of the period. These disposals account for 60.1 million euros, or approximately two-thirds of the result of valuation and disposal; based on the underlying purchase agreements prior to the period end at 30 June 2017, this amount was recognised on an imminent sales basis.

GAINS ATTRIBUTABLE TO MINORITY INTEREST IN INVESTMENT ENTITY SUBSIDIARIES reduced the result of investment activity by 13.6 million euros in the nine-month period (previous year: 4.9 million euros). This relates to carried interest entitlements of selected current and former members of DBAG's investment team arising from personal investments in investment entity subsidiaries of DBAG Fund V and DBAG ECF. Carried interest in the investment entity subsidiaries recognised in the current financial statements mirrors the net realised and unrealised value appreciation of the funds' investments in the first nine months of the financial year. The carry can change with future valuation movements of the funds' investments. Corresponding to the realisation of value gains on individual investments, carried interest payments will extend over a number of years. The investment period of DBAG Fund VI ended only a few months ago; in light of the capital repayments to the investors so far, the conditions for recognising carried interest arising from private investments by members of the investment team have not yet been met.

CURRENT INCOME FROM THE PORTFOLIO is largely composed of interest payments on shareholder loans.

The **NET RESULT OF OTHER ASSETS AND LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES** is negative at -4.0 million euros for the nine-month period (previous year: -2.4 million euros). This item includes management fees for DBAG's co-investments alongside DBAG Fund VII and DBAG Fund VI as well as incorporation expenses for DBAG Fund VII.

LIQUIDITY POSITION

In addition to cash funds of 7.9 million euros, financial resources also consisted of securities totalling 33.8 million euros of German issuers with a credit rating based on Standard & Poor's of A or better. That liquidity is available for investment. Besides these, 15.0 million euros are also held in investment entity subsidiaries. In addition to securities valued at 5.3 million euros, these financial resources include 9.7 million euros in cash which is largely intended for the investments in the radiology group and duagon AG that had not yet completed at the reporting date.

The IFRS-based statement of cash flows below shows the change in cash funds.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

€'000	**1st to 3rd quarter 2016/2017**	1st to 3rd quarter 2015/2016 restated[1]	**3rd quarter 2016/2017**	3rd quarter 2015/2016 restated[1]
Net income	78,599	26,376	34,519	(5,665)
Valuation (gains)/losses and (gains)/losses on disposals of financial assets and loans and receivables	(83,412)	(30,530)	(34,387)	3,326
Other non cash-relevant changes	(523)	(954)	10,362	(1,696)
Cash flows from operating activities	**(5,336)**	**(5,109)**	**10,494**	**(4,035)**
Proceeds from disposals of financial assets and loans and receivables	68,210	40,906	16,597	27,134
Acquisition of investments in financial assets and loans and receivables	(48,944)	(23,964)	(22,081)	(2,758)
Acquisition of investments in other financial instruments	(25,703)	0	(25,703)	0
Proceeds from/(acquisition of) long and short-term securities	(13,384)	8,785	12,641	0
Other inflows and outflows	(231)	(704)	5	(106)
Cash flows from investing activities	**(20,052)**	**25,024**	**(18,542)**	**24,270**
Payments to shareholders (dividends)	(18,053)	(13,676)	0	0
Cash flows from financing activities	**(18,053)**	**(13,676)**	**0**	**0**
Change in cash funds from cash-relevant transactions	**(43,440)**	**6,239**	**(8,048)**	**20,235**
Cash funds at start of period	51,361	26,582	15,969	12,585
Cash funds at end of period	**7,921**	**32,820**	**7,921**	**32,820**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

In the first nine months of 2016/2017, **FINANCIAL RESOURCES** as shown in the statement of cash flows (exclusively comprise cash and cash equivalents, based on IFRS) decreased by 43.4 million euros to 7.9 million euros (at 30 September 2016: 51.4 million euros).

CASH FLOWS FROM OPERATING ACTIVITIES are substantially influenced by higher provisions year-on-year for variable remuneration and transaction-related consultancy costs as well as tax assets received.

CASH INFLOWS FROM INVESTING ACTIVITIES largely pertain to distributions by the investment entity subsidiary for DBAG Fund V following the completion of the disposals of Broetje-Automation and FDG, the refinancing of Infiana (DBAG Fund VI) and the sale of DBAG's investment in Grohmann Engineering. **CASH OUTFLOWS FROM INVESTING ACTIVITIES** primarily relate to capital calls by the investment entity subsidiaries for the investments by DBAG Fund VI (Frimo and Braun), DBAG Fund VII (More than Meals and duagon) and DBAG ECF (Vitronet) as well as to a bridge loan for the investment in Rheinhold & Mahla (DBAG ECF). Furthermore, in structuring an investment in a new portfolio company (More than Meals), DBAG for the first time subscribed to fixed-term jouissance rights capital in the third quarter.[5] The resulting outflows of 25.7 million euros have also been recognised in the statement of cash flows. In net terms, investing activities led to a cash requirement of 6.4 million euros in the nine-month period. However, it should be borne in mind that the proceeds from the completed disposal of Romaco had not yet been received by the period end; the same applies to the disposals of Formel D, Schülerhilfe and ProXES, which were not yet completed at 30 June 2017. The cash deployment in the first nine months compares with net cash inflows of 16.9 million euros for the equivalent period in the previous year. This volatility is reporting date-related and also reflects the few, but very significant cash flows attached to transaction activity, which is typical of our business model.

In the third quarter, DBAG recorded inflows of 12.6 million euros from the sale of securities. In net terms, proceeds and payments for sales or purchases of securities totalled -13.4 million euros in the nine-month period. The dividend payment at the end of February 2017 (18.1 million euros) also reduced financial resources.

ASSET POSITION

Asset and capital structure

At 30 June 2017, total assets had grown by 61.3 million euros compared with the outset of the financial year; both the financial assets and equity rose substantially in the nine-month period. To avoid negative interest charges, we invested free cash in long-term securities. These are liquidable at any time, but are required to be recognised in non-current assets based on the IFRS. The fixed-term jouissance rights in conjunction with the structuring of an investment in a new portfolio company (More than Meals) had an opposite effect; these jouissance rights are recognised in other financial instruments (see commentary on the statement of cash flows). In total, the ratio of financial assets to total assets rose compared with the outset of the financial year. This led to a change in the **ASSET STRUCTURE** at 30 June 2017: non-current assets accounted for 89 percent of total assets at the period end (at 30 September 2016: 84 percent).

CONDENSED STATEMENT OF FINANCIAL POSITION

€'000	**30 June 2017**	30 Sept.2016 restated[1]
Financial assets incl. loans and receivables	379,005	316,341
Long-term securities	33,812	21,279
Other non-current assets	1,790	2,081
Non-current assets	**414,606**	**339,701**
Other financial instruments	25,703	0
Receivables and other assets	4,188	4,414
Cash and cash equivalents	7,921	51,361
Other current assets	13,048	8,682
Current assets	**50,860**	**64,457**
Total assets	**465,466**	**404,158**
Equity	429,397	369,619
Non-current liabilities	16,768	15,203
Current liabilities	19,301	19,335
Total shareholders' equity and liabilities	**465,466**	**404,158**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

5 When the final capital structure has been arranged, the jouissance rights capital will be repaid and, if appropriate, partially converted to equity. This procedure optimises the return on the capital deployed for DBAG Fund VII.

The fixed-term jouissance rights that DBAG subscribed to in conjunction with the structuring of an investment in a new portfolio company (More than Meals) are carried with a total of 25.7 million euros as other financial instruments in current assets in the accounts at 30 June 2017. Other current assets also increased by 4.4 million euros in the nine-month period. This is largely due to reporting date-related higher receivables from DBAG funds for management and advisory fees, as well as a reclassification of a non-current receivable to current receivables (1.3 million euros): the buyer of a portfolio company sold last year made a partial payment as agreed. The effects mentioned were overcompensated by the reduction in liquidity. In total, current assets declined in net terms by 13.6 million euros at 30 June 2017.

At 30 June 2017, 81 percent (30 September 2016: 78 percent) of total assets were invested in financial assets. Financial resources accounted for nine percent of total assets, which is clearly less than the previous year's 18 percent. Subsequent to cash inflows from disposals (Formel D, Schülerhilfe and ProXES), a significant increase in financial resources is expected in the fourth quarter.

The ratio of financial assets to financial resources has improved once again and was 9.1 to 1 at 30 June 2017 (30 September 2016: 4.4 to 1). In addition to a significant rise in value on the carried portfolio, the change is also due to the deconsolidation of a subsidiary[6]. Financial resources of approximately 5.7 million euros were contained in the net asset value of this subsidiary at the reporting date.

Equity rose by 59.8 million euros compared with the past annual reporting date at 30 September 2016 to 429.4 million euros, as a result of the net income achieved. Equity per share therefore increased from 24.57 euros to 28.54 euros. Relative to the opening equity at the onset of the financial year, less the dividend payment (1.20 euros), this represents a gain of 22.1 percent within nine months.

The **CAPITAL STRUCTURE** changed only marginally. The capital-to-assets ratio, already at a high level, rose from 91.5 percent to 92.3 percent. This was largely due to the net income for the first nine months and the associated increase in equity in comparison to the beginning of the financial year.

As at the last annual reporting date, equity covers non-current assets completely. The difference between equity and non-current assets has, however, declined since the outset of the financial year. This is also due partly to the investment of liquidity not immediately needed in securities in order to avoid negative interest charges. The IFRS require recognising securities in non-current assets.

A 50-million-euro **CREDIT LINE** existing since the beginning of 2016 was not drawn down during the first nine months and as at the period end.

Financial assets including loans and receivables

Financial assets including loans and receivables are chiefly determined by the **PORTFOLIO VALUE**; they increased primarily due to the valuation gain on the companies contained therein (see also the commentary on the portfolio value).

Compared with the beginning of the financial year, **MINORITY INTEREST IN INVESTMENT ENTITY SUBSIDIARIES** increased in net terms by 7.6 million euros. The valuation gain on the investments alongside DBAG Fund V and DBAG ECF exceeded the payment of carried interest entitlements following the realisation of Broetje-Automation and FDG from the portfolio of DBAG Fund V.

The increase in **OTHER ASSETS/LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES** to 56.2 million euros largely derives from a purchase price receivable existing at the period end on the disposal of the investment in Romaco. The sales proceeds were received after the period end.

OTHER NON-CURRENT ASSETS contain the long-term portion of the purchase price receivable from the disposal of Clyde Bergemann in March 2016. These have only changed marginally in comparison to 30 September 2016.

6 See section "Comparability with the preceding year", page 8

FINANCIAL ASSETS INCL. LOANS AND RECEIVABLES

€'000	30 June 2017	30 Sept. 2016 restated[1]
Portfolio value (incl. loans and receivables)		
gross	357,788	302,597
Minority interest in investment entity subsidiaries	(36,462)	(28,847)
net	321,325	273,751
Other assets/liabilities of investment entity subsidiaries	56,229	40,132
Other non-current assets	1,450	2,458
Financial assets incl. loans and receivables	**379,005**	**316,341**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

Portfolio and portfolio value

At 30 June 2017, the **PORTFOLIO** of DBAG consisted of investments in 24 companies and two investments in externally managed international private equity funds which we entered into more than 15 years ago. Subsequent to the disposal of the directly held investment in Grohmann Engineering, investments are now held indirectly through investment entity subsidiaries with only one exception. These relate to 16 management buyouts and eight investments targeted at financing growth. The two international buyout funds are currently in the liquidation phase and for their part hold only one and two remaining investments, respectively.

The value of these 26 investments, including loans to and receivables from the portfolio companies but without bridge financings and jouissance rights, was 349.8 million euros at 30 June 2017 (30 September 2016: 297.0 million euros); additionally, there are entities with a value of 8.0 million euros (30 September 2016: 5.6 million euros) through which representation and warranty retentions from former disposals are (largely) settled ("other investments") and which are no longer expected to deliver appreciable value contributions. The portfolio value therefore totalled 357.8 million euros (30 September 2016: 302.6 million euros).

Since the start of the financial year, the **PORTFOLIO VALUE** increased by a gross amount of 55.2 million euros. Additions (largely Frimo, Polytech, Braun, More than Meals and Vitronet) of 44.9 million euros and valuation movements of 77.0 million euros are set against four disposals (primarily Broetje-Automation, Grohmann, FDG and Romaco) totalling 66.7 million euros.

At 30 June 2017, the 15 largest investments accounted for about 82 percent of the portfolio value. These 15 portfolio companies are listed alphabetically in the following table. A complete list of portfolio companies can be found on DBAG's website as well as at the end of this Quarterly Statement.

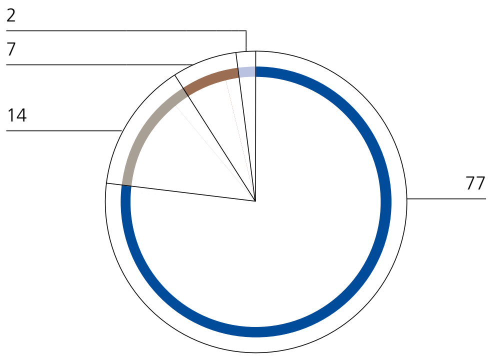
Company	Cost *(€mn)*	Equity share DBAG %	Investment type	Sector
Cleanpart Group GmbH	11.2	18.0	MBO	Industrial services
DNS:NET Internet Service GmbH	5.1	14.9	Expansion capital	Information technology, media and telecommunication
Formel D GmbH	3.7	17.8	MBO	Automotive suppliers
Frimo Group GmbH	14.8	14.5	MBO	Mechanical and plant engineering
inexio KGaA	7.6	6.9	Expansion capital	Information technology, media and telecommunication
Infiana Group GmbH	11.5	17.4	MBO	Industrial components
JCK Holding GmbH Textil KG	5.6	9.5	Expansion capital	Consumer goods
mageba AG	6.6	19.8	Expansion capital	Industrial components
Novopress KG	2.3	18.9	Expansion capital	Industrial components
Oechsler AG	11.1	8.4	Expansion capital	Automotive suppliers
Polytech Health & Aesthetics GmbH	12.4	18.5	MBO	Industrial components
ProXES GmbH	7.5	18.6	MBO	Mechanical and plant engineering
Schülerhilfe GmbH	2.5	15.3	MBO	Services
Silbitz Group GmbH	5.0	16.5	MBO	Industrial components
Telio GmbH	13.2	15.1	MBO	Information technology, media and telecommunication

The following representation of the portfolio is based on the valuations and the portfolio value derived therefrom at 30 June 2017. The investments in international buyout funds and interests in entities through which retentions for representations and warranties from exited investments are held are included in "Other". The information on debt is based on 2017 net debt and EBITDA; for annual periods ending during the year, based on the portfolio companies' forecasts at 31 December 2016.

PORTFOLIO PROFILE

PORTFOLIO VALUE BY VALUATION METHOD

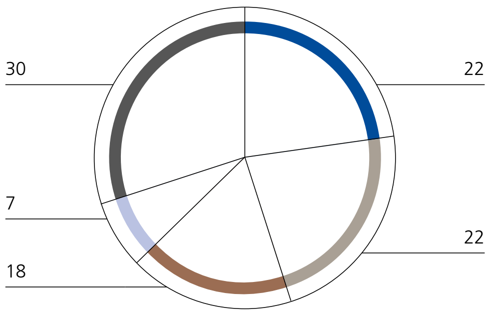
%



- Multiples method
- Transaction price
- DCF
- Other

PORTFOLIO VALUE BY SECTOR DISSEMINATION

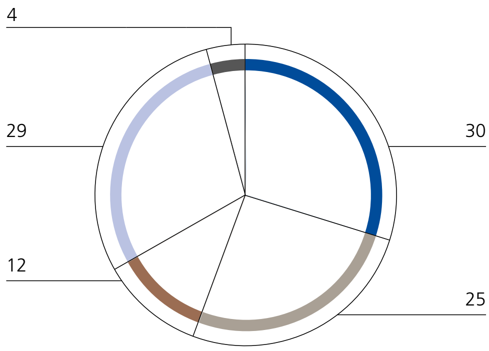
%



- Mechanical and plant engineering
- Automotive suppliers
- Industrial components
- Industrial services
- Other

PORTFOLIO VALUE BY NET DEBT/EBITDA OF PORTFOLIO COMPANIES

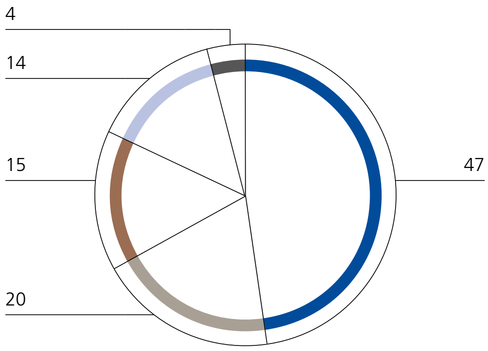
%



- < 1.0
- 1.0 to < 2.0
- 2.0 to < 3.0
- > 3.0
- Other

CONCENTRATION OF PORTFOLIO VALUE

size categories %



- Top 1 to 5
- Top 6 to 10
- Top 11 to 15
- Top 16 to 24
- Other (including externally managed international buyout funds)

BUSINESS PERFORMANCE BY SEGMENTS

Privates Equity Investments segment

SEGMENT INCOME STATEMENT PRIVATE EQUITY INVESTMENTS

€'000	1st to 3rd quarter 2016/2017	1st to 3rd quarter 2015/2016 restated[1]	3rd quarter 2016/2017	3rd quarter 2015/2016 restated[1]
Net result of investment activity	82,853	32,990	35,146	(3,374)
Other income/expenses	(7,336)	(5,419)	(1,516)	(1,325)
Net income before taxes	**75,517**	**27,571**	**33,630**	**(4,699)**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

PRE-TAX NET INCOME for the Private Equity Investments segment reached 75.5 million euros in the first nine months, or 47.9 million euros over that of the equivalent period the previous year. The increase largely derives from the **NET RESULT OF INVESTMENT ACTIVITY**. We refer to the commentary on this item in the "Earnings position" section. Net expenses under **OTHER INCOME/EXPENSES** (or the net amount of internal management remuneration, personnel costs, other operating income and expenses as well as net interest) increased by 1.9 million euros year-on-year. This is due, firstly, to performance-related remuneration previously mentioned on the realisation of the investment in Grohmann Engineering in the second quarter, for which 1.6 million euros were recognised. Secondly, transaction-related consultancy costs for the segment were up by 1.1 million euros in the nine-month period. Conversely, costs for the arrangement of a credit facility that had impacted the previous year's income by 0.8 million euros were not incurred this year. Internal administration fees of 0.8 million euros (previous year: 0.9 million euros) to the Fund Investment Services segment are included.

NET ASSET VALUE AND AVAILABLE LIQUIDITY

€'000	30 June 2017	30 Sept. 2016 restated[1]
Financial assets incl. loans and receivables	379,005	316,341
Other financial instruments	25,703	0
Financial resources	41,733	72,640
Bank liabilities	0	0
Net asset value	**446,441**	**388,981**
Financial resources	41,733	72,640
Credit line	50,000	50,000
Available liquidity	**91,733**	**122,640**
Co-investment commitments alongside DBAG funds	**266,782**	**278,241**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

For a discussion of the changes in financial assets and financial resources, we refer to the commentary on the asset and liquidity position. Other financial instruments of 25.7 million euros at 30 June 2017 contained fixed-term jouissance rights, to which DBAG subscribed for the first time in conjunction with the structuring of an investment in a new portfolio company (More than Meals). After finalising the acquisition finance, this amount will remain part of the net asset value.

At 30 June 2017, the **CO-INVESTMENT COMMITMENTS ALONGSIDE DBAG FUNDS** were only partially covered by the available financial resources (cash and long-term securities); to balance the irregular cash flows attached to our business model, the Company has had a credit facility of 50 million euros since January 2017 at its disposal. It is provided by a consortium of two banks for a term of five years.

The overhang of co-investment commitments exceeding the **AVAILABLE LIQUIDITY** corresponds to 46 percent of financial assets. We presume that this overhang will be covered by further realisations in the coming years. After the end of the period on 30 June 2017, the overhang decreased by approximately 92 million euros (see "Significant events after the end of the period").

Fund Investment Services segment

SEGMENT INCOME STATEMENT FUND INVESTMENT SERVICES

€'000	**1st to 3rd quarter 2016/2017**	1st to 3rd quarter 2015/2016 restated[1]	**3rd quarter 2016/2017**	3rd quarter 2015/2016 restated[1]
Fee income from fund management and advisory services	20,475	14,839	7,687	4,751
Other income/expenses	(17,361)	(16,179)	(6,787)	(5,706)
Net income before taxes	**3,114**	**(1,340)**	**900**	**(955)**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017)

PRE-TAX NET INCOME for the segment of Fund Investment Services was clearly positive, following a loss in the previous year's comparative period. The improvement is due to a sizeable increase in **FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES** subsequent to the commencement of DBAG Fund VII's investment period on 22 December 2017. Fees for advisory services to this fund were received for the first time as of the beginning of the second quarter of 2016/2017. Fees from DBAG Fund V decreased year-on-year following realisations from this fund's portfolio (Broetje-Automation and FDG). Although the previous year's burdening factors were not incurred this year, segment expenses rose due to higher personnel costs following the enlargement of the investment team and higher provisions for variable remuneration. We also refer to the commentary in the "Earnings position" section. In addition, the segment presentation contains internal proceeds from the Private Equity Investments segment of 0.8 million euros (previous year: 0.9 million euros).

ASSETS UNDER MANAGEMENT OR ADVISEMENT

€'000	**30 June 2017**	30.Sept. 016 restated[1]
Portfolio companies at cost	770,207	681,059
Outstanding capital commitments to funds	879,878	1,022,205
Financial resources and other financial instruments (of DBAG)	67,436	72,640
Assets under management or advisement	**1,717,521**	**1,775,904**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116, and note 2 of the condensed notes to the financial statements at 31 March 2017

ASSETS UNDER MANAGEMENT OR ADVISEMENT did not change substantially. The marked increase in item "Portfolio companies at cost" reflects disposals (primarily Broetje-Automation/DBAG Fund V, Grohmann Engineering, FDG/DBAG Fund V and Romaco/DBAG Fund V) netted against additions (primarily Frimo, Polytech, Braun/DBAG Fund VI, More than Meals/DBAG Fund VII and Vitronet/DBAG ECF). The decrease in outstanding capital commitments in the nine-month period stems from capital calls for Frimo, Braun, More than Meals[7] and Vitronet. For a discussion on the change in the financial resources of DBAG, please see the "Liquidity position" section.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

The disinvestments of Formel D, Schülerhilfe and ProXES were agreed in May and completed in July. The proceeds from the disposals of Formel D and ProXES have meanwhile been received, as have the proceeds from the Romaco disposal – approximately 92 million euros net.

In June 2017, DBAG announced that it will acquire an interest by way of an MBO in duagon AG, a provider of network components for data communication in trains. This transaction also closed in July 2017. DBAG initially spent 4.5 million euros from its own balance sheet for its co-investment and will hold an interest of 22 percent in duagon. After the period end on 30 June 2017, DBAG subscribed to jouissance rights capital of 9.6 million euros for interim financing in addition to its equity capital investment. These jouissance rights were prefinanced in the amount of ten million euros out of the credit facility totalling 50 million euros that has existed since the beginning of 2016. The liability arising from this transaction was redeemed in early August subsequent to cash inflows from the disposals.

At the beginning of August an agreement was signed on the acquisition of a company whose product portfolio supplements that of Vitronet Projekte GmbH. DBAG ECF acquired Vitronet this past quarter. For its share in the purchase of that company, which generates annual revenues of some 13 million euros, DBAG will spend approximately three million euros.

OPPORTUNITIES AND RISKS

With regard to opportunities and risks, we refer to the statements contained in the combined management report at 30 September 2016, which principally remain valid.[8] The assessment of two risks listed there has changed since the beginning of financial year 2016/2017; a further risk has been added.

Negative economic cycles can cause development processes that have been initiated at our portfolio companies to be implemented only slowly or not at all. That could prolong the holding periods of investments, postponing or reducing the gains on disposal. Currently, however, we find that the macroeconomic environment has improved as compared to the end of financial year 2015/2016 and exhibits sound growth. Since the end of the third quarter, we have therefore lowered the probability of occurrence of the risk of "Negative impact of general economy and economic cycles in certain sectors on earnings, financial and asset position of portfolio companies" from "possible" to "low". The expected value (combination of probability and impact) remains "high", based on this risk's unchanged high potential impact on DBAG and the DBAG funds.

Since the end of the first quarter, we assess a further risk listed in the combined 2015/2016 management report (Competitive disadvantages due to more stringent regulatory requirements)[9] as having a lower expected value. In the first months of the financial year, we were able to clarify outstanding issues with the Federal Financial Supervisory Authority (BaFin) on a legal interpretation in conjunction with the German Capital Investment Code (KAGB) and therefore lowered the assessment of this risk's potential impact, whereas the probability of occurrence remains unchanged. The expected value has moved from "high" to "moderate". We restrict our risk reporting to risks with an expected value of at least "high".

New in our list of risks is the infiltration of illegally obtained proceeds into our operations, for example, in conjunction with the sale of investments from the portfolio ("money laundering"). This is in response to amendments to German money laundering legislation. These involve new obligations for the DBAG Group concerning the control of funding used in our operations, for example, more extensive risk

7 A part of the funding of the investment in More than Meals will be called subsequent to the final structuring of the acquisition finance and redemption of the jouissance rights capital, which is to follow.
8 See 2015/2016 Annual Report, pages 88ff.
9 See 2015/2016 Annual Report, page 96

analyses. The sanctions regime will become more severe. Breaches threaten to be punished by very high fines and lead to a loss of reputation. We assess the probability of occurrence of this risk as being "possible" and the potential impact is "high". This results in a "high" expected value. We are addressing this risk by taking the appropriate business and customer-related internal security steps and by installing new processes. We are currently compiling a money-laundering guideline adapted to the new regulations and are preparing to train our staff accordingly.

FORECAST

The portfolio companies are implementing the changes and development programmes agreed at the outset of the investments. In the current course of the financial year and in keeping with our expectations, they have for the most part been developing positively and increasing their earnings. That has resulted in valuation gains on our investments. Completed, agreed and planned disinvestments from the portfolio confirm our valuations or result in uplifts over value. In addition, we ended the investment period of DBAG Fund VI as scheduled and, at the same time, commenced the investment period of DBAG Fund VII. This, in turn, confirms our budgetary assumption for fee income from fund investment services.

In May, we raised our forecast for financial year 2016/2017: the half-yearly results at 31 March 2017 had already nominally exceeded the net income forecast for the full 2016/2017 financial year. It was based to a not insignificant degree on an increase in valuation multiples derived from the stock market, an effect that we expressly do not consider in our forecasts. Nevertheless, an equally not insignificant part of the forecast result was covered by completed or agreed disposals. After the uplift to our forecast, we agreed three disposals, which generated additional income contributions that had previously not been considered. They are contained in full in the net income of 78.6 million euros at the end of the third quarter.

We also anticipate a positive Group net income for the current fourth quarter, driven by positive contributions from both segments. However, based on our valuation methodology (see analysis of the result from investing activity, page 10 ff.), we assume that we will not be generating substantial value contributions from the portfolio companies' earnings trend. It should also be considered that, following the disposals and in view of the high number of newer portfolio companies, income contributions can only come from a smaller number of portfolio companies. We therefore expect that net income for the complete financial year will slightly – meaning by up to ten percent – exceed the net income achieved at the end of the third quarter.

As always, there is a risk that the positive effects from higher valuation multiples might decline by the end of the financial year or even become negative. Also, it cannot be ruled out that the earnings position of our portfolio companies might be impaired in the wake of unexpected events; such possible events include persistently high geopolitical risks, emerging protectionism in the US and "Brexit" effects.

We again want to emphasise that, by the nature of our business model, short-term results are influenced by singular events; the result of a single quarter or half-year can therefore not be extrapolated to a full financial year.

OTHER DISCLOSURES

This document relates to a Quarterly Statement pursuant to § 51a of the Rules and Regulations for the Frankfurt Stock Exchange as amended 30 November 2015. The consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity have been drawn up in conformity with the International Financial Reporting Standards (IFRS). The same accounting, valuation and consolidation methods were basically applied as for the preceding annual financial statements at 30 September 2016 [10]; as described, one previously consolidated company is no longer consolidated due to an amendment to IFRS 10.[11]

10 See 2015/2016 Annual Report, page 124ff.

11 See commentary in section "Comparability with the preceding year" and in the 2015/2016 Annual Report, page 116, under "Amendments to IFRS 10"

ANNEX TO THE QUARTERLY STATEMENT

Consolidated statement of comprehensive income

for the period from 1 October 2016 to 30 June 2017

€'000	1 Oct. 2016 to 30 June 2017	1 Oct. 2015 to 30 June 2016 restated[1]	1 April 2017 to 30 June 2017	1 April 2016 to 30 June 2016 restated[1]
Net result of investment activity	82,853	32,990	35,146	(3,374)
Fee income from fund management and advisory services	19,674	13,923	7,447	4,492
Net result of fund services and investment activity	**102,527**	**46,913**	**42,592**	**1,118**
Personnel costs	(15,845)	(11,731)	(6,141)	(3,971)
Other operating income	7,013	6,654	4,359	3,585
Other operating expenses	(14,688)	(15,223)	(6,151)	(6,226)
Interest income	24	29	17	(5)
Interest expenses	(400)	(411)	(145)	(155)
Total other income/expenses	**(23,896)**	**(20,682)**	**(8,062)**	**(6,771)**
Net income before taxes	**78,630**	**26,231**	**34,530**	**(5,654)**
Incomes taxes	0	170	0	(3)
Net income after taxes	**78,630**	**26,401**	**34,530**	**(5,656)**
Minority interest (gains)/losses	(31)	(26)	(11)	(8)
Net income	**78,599**	**26,376**	**34,519**	**(5,665)**
a) Items that will not be reclassified subsequently to profit or loss				
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	(206)	(56)	(56)	(123)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met				
Unrealised gains/(losses) on available-for-sale securities	(563)	99	(90)	68
Other comprehensive income	**(769)**	**44**	**(146)**	**(55)**
Total comprehensive income	**77,831**	**26,419**	**34,372**	**(5,720)**
Earnings per share in € (diluted and basic)[2]	5.22	1.93	2.29	(0.41)

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116)
2 Earnings per share determined in compliance with IAS 33 are based on net income divided by the weighted average number of DBAG shares outstanding in the period

Consolidated statement of cash flows

for the period from 1 October 2016 to 30 June 2017

INFLOWS/(OUTFLOWS)

€'000	1 Oct. 2016 to 30 June 2017	1 Oct. 2015 to 30 June 2016 restated[1]	1 April 2017 to 30 June 2017	1 April 2016 to 30 June 2016 restated[1]
Net income	78,599	26,376	34,519	(5,665)
Valuation (gains)/losses on financial assets and loans and receivables, depreciation and amortisation on property, plant and equipment and intangible assets, (gains)/losses on long and short-term securities	(69,562)	(37,318)	(34,135)	(4,772)
(Gains)/losses from disposals of non-current assets	(12,458)	7,322	(16)	8,258
(Increase)/decrease in income tax assets	1,598	2,664	1,714	(115)
(Increase)/decrease in other assets (netted)	(4,485)	(7,170)	1,488	(6,417)
Increase/(decrease) pension provisions	25	(102)	(6)	71
Increase/(decrease) in other provisions	2,383	2,934	7,330	4,540
Increase/(decrease) in other liabilities (netted)	(1,436)	187	(399)	65
Cash flows from operating activities	**(5,336)**	**(5,109)**	**10,494**	**(4,035)**
Proceeds from disposals of property, plant and equipment and intangible assets	118	50	62	0
Purchase of property, plant and equipment and intangible assets	(349)	(754)	(58)	(106)
Proceeds from disposals of financial assets and loans and receivables	68,210	40,906	16,597	27,134
Acquisition of investments in financial assets and loans and receivables	(48,944)	(23,964)	(22,081)	(2,758)
Acquisition of investments in other financial instruments	(25,703)	0	(25,703)	0
Proceeds from disposals of long and short-term securities	12,641	8,785	12,641	0
Cash flows from investing activities	**(20,052)**	**25,024**	**(18,542)**	**24,270**
Cash flows from financial activities	**(18,053)**	**(13,676)**	**0**	**0**
Change in cash funds from cash-relevant transactions	(43,440)	6,239	(8,048)	20,235
Cash funds at start of period	51,361	26,582	15,969	12,585
Cash funds at end of period	**7,921**	**32,820**	**7,921**	**32,820**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116)

Consolidated statement of financial position

at 30 June 2017

€'000	30 June 2017	30 Sept. 2016 restated[1]
AKTIVA		
ASSETS		
Non-current assets	744	846
Intangible assets	1,046	1,235
Financial assets	377,636	313,646
Loans and receivables	1,369	2,695
Long-term securities	33,812	21,279
Total non-current assets	**414,606**	**339,701**
Current assets		
Receivables	3,538	2,167
Other financial instruments	25,703	0
Income tax assets	650	2,247
Cash and cash equivalents	7,921	51,361
Other current assets	13,048	8,682
Total current assets	**50,860**	**64,457**
Total assets	**465,466**	**404,158**
LIABILITIES		
Equity		
Subscribed capital	53,387	53,387
Capital reserve	173,762	173,762
Retained earnings and other reserves	(8,823)	(8,054)
Retained profit	211,071	150,525
Total shareholders' equity	**429,397**	**369,619**
Liabilities		
Non-current liabilities		
Minority interest	149	127
Provisions for pension obligations	15,101	15,076
Total non-current liabilities	**16,768**	**15,203**
Current liabilities		
Other current liabilities	1,100	2,000
Other provisions	18,201	17,336
Total current liabilities	**19,301**	**19,335**
Total liabilities	**36,069**	**34,538**
Total shareholders' equity and liabilities	**465,466**	**404,158**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116)

Consolidated statement of changes in equity

for the period from 1 October 2016 to 30 June 2017

€'000	1 Oct. 2016 to 30 June 2017	1 Oct 2015 to 30 June 2016 restated[1]
Subscribed capital		
At start and end of reporting period	**53,387**	**48,533**
Capital reserve		
At start and end of reporting period	**173,762**	**141,394**
Retained earnings and other reserves		
Legal reserve		
At start and end of reporting period	403	403
First adoption IFRS		
At start and end of reporting period	16,129	16,129
Reserve for gains/(losses) on remeasurements of the defined benefit liability (asset)		
At start of reporting period	(25,115)	(18,504)
Change in reporting period	(206)	(56)
At end of reporting period	(25,321)	(18,559)
Change in unrealised gains/(losses) on available-for-sale securities		
At start of reporting period	529	403
Change in reporting period through other comprehensive income	(279)	184
Change in reporting period through profit or loss	(284)	(85)
At end of reporting period	(34)	503
At end of reporting period	**(8,823)**	**(1,525)**
Retained profit		
At start of reporting period	150,525	114,746
Net income	78,599	26,376
At end of reporting period	**211,071**	**127,445**
Total	**429,397**	**315,847**

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116)

Segmental analyses

for the period from 1 October 2016 to 30 June 2017

SEGMENTAL ANALYSIS FOR THE PERIOD FROM 1 OCTOBER 2016 TO 30 JUNE 2017

€'000	**Private Equity Investments**	**Fund investment Services**	**Reconciliation**	**Consolidated**
Segment income	82,853	20,475	(801)	102,527
Segment expenses	(7,336)	(17,361)	801	(23,896)
Segment net income before taxes	**75,517**	**3,114**	**0**	**78,630**
plus taxes and minority interest				(31)
Net income				**78,599**
Financial assets and loans and receivables	**379,005**			
Other financial instruments	**25,703**			
Financial resources	**41,733**			
Assets under management or advisement		**1,717,521**		

SEGMENTAL ANALYSIS FOR THE PERIOD FROM 1 OCTOBER 2015 TO 30 JUNE 2016 RESTATED[1]

€'000	Private Equity Investments	Fund investment Services	Reconciliation	Consolidated
Segment income	32,990	14,839	(916)	46,913
Segment expenses	(5,419)	(16,179)	916	(20,682)
Segment net income before taxes	**27,571**	**(1,340)**	**0**	**26,231**
plus taxes and minority interest				144
Net income				**26,376**
Financial assets and loans and receivables	**270,395**			
Other financial instruments	**0**			
Financial resources	**54,129**			
Assets under management or advisement		**993,440**		

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116)

SEGMENTAL ANALYSIS FOR THE PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

€'000	**Private Equity Investments**	**Fund investment Services**	**Reconciliation**	**Consolidated**
Segment income	35,146	7,687	(240)	42,592
Segment expenses	(1,516)	(6,787)	240	(8,062)
Segment net income before taxes	**33,630**	**900**	**0**	**34,530**
plus taxes and minority interest				(11)
Net income				**34,519**
Financial assets and loans and receivables	**379,005**			
Other financial instruments	**25,703**			
Financial resources	**41,733**			
Assets under management or advisement		**1,717,521**		

SEGMENTAL ANALYSIS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 JUNE 2016 RESTATED[1]

€'000	Private Equity Investments	Fund investment Services	Reconciliation	Consolidated
Segment income	(3,374)	4,751	(260)	1,118
Segment expenses	(1,325)	(5,706)	260	(6,771)
Segment net income before taxes	**(4,699)**	**(955)**	**0**	**(5,654)**
plus taxes and minority interest				(11)
Net income				**(5,665)**
Financial assets and loans and receivables	**270,395**			
Other financial instruments	**0**			
Financial resources	**54,129**			
Assets under management or advisement		**993,440**		

1 Restated after adjustment for amendments to IFRS 10 (see 2015/2016 Annual Report, page 116)

PORTFOLIO COMPANIES

Company	2016 Revenues €mn	Employees	Core business
Cleanpart Group GmbH	52	570	Services for the semi-conductor industry, hospitals and other industries
Dieter Braun GmbH	77	1,500	Cable assembly and lighting solutions for the automotive industry
DNS:NET Internet Service GmbH	11	90	Telecommunications and IT services based on high-quality fibre-optic infrastructure in Berlin and Brandenburg
duagon AG	17	60	Network components for data communication in trains
Frimo Group GmbH	211	1,300	Tooling and plants for the production of plastic components in cars
Gienanth GmbH	119	875	Machine and hand-moulded castings for the automotive supplier industry and for the production of engine blocks
Heytex Bramsche GmbH	102	500	Producer of textile print media and technical textiles
inexio KGaA	51	180	Telecommunications and IT services based on high-quality optic-fibre infrastructure in southwest Germany
Infiana Group GmbH	197	800	Producer of plastic-based release liners and specialised films
JCK Holding GmbH Textil KG	637	900	Textile trading company to discounters in Germany
mageba AG	97	800	Products and services for the infrastructure and building sectors
More than Meals Europe S.a.r.l.	434	3,250	Chilled prepared meals
Novopress KG	n. a.	95	Tool systems for the sanitary, electronics and construction industries
Oechsler AG	355	2,259	Injection-mounded precision components with a focus on the automotive supplier industry
Pfaudler International S.a.r.l.	224	1,400	Glass-lined vessels and components for the chemical and pharmaceutical industries
Plant Systems & Services PSS GmbH	41	210	Industrial services for the energy and process industries
Polytech Health & Aesthetics GmbH	31	180	Silicone implants
Rheinhold & Mahla GmbH	94	480	Interior outfitting for ships and marine installations
Romaco GmbH	134	550	Machines and plants for packaging tablets
Silbitz Group GmbH	151	1,052	Hand-moulded and automated machine-moulded processes for various materials
Telio Management GmbH	38	110	Communications and media systems for correctional facilities
Unser Heimatbäcker GmbH	141	2,750	Bakery chain in northeast Germany
Vitronet Projekte GmbH	18	100	Services for the telecommunications sector

Investments in externally managed international buyout funds

DBG Eastern Europe II	Since 2010 in the divestment phase; the portfolio contains two remaining of originally ten investments
Harvest Partners IV	Since 2007 in the divestment phase; the portfolio contains one remaining of originally nine investments

"2016 revenue" largely refers to forecast revenues for the year 2016. Some companies have financial years that differ from calendar years.
mageba AG and duagon AG: amounts in CHF.
Pfaudler Process Solutions Group: amounts in US$.

OTHER INFORMATION

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.

Disclaimer

The amounts in this Quarterly Statement are generally presented in thousands and millions of euros. Rounding differences can occur between the amounts presented and their exact value; these, of course, are not of a significant nature.

This Quarterly Statement is published in German and in English. The German version of this Statement is authoritative.

As at 7 August 2017

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

Financial calendar

8 AUGUST 2017
Quarterly Statement on
the 3rd quarter of 2016/2017,
Analysts' conference call

30 AUGUST 2017
Road show Brussels

1 SEPTEMBER 2017
Road show Paris

7 SEPTEMBER 2017
SRC Forum Financials & Real Estate 2017,
Frankfurt am Main

19 – 21 SEPTEMBER 2017
Baader Investment Conference,
Munich

23 NOVEMBER 2017
Publication of results for
financial year 2016/2017

23 NOVEMBER 2017
Analysts' conference on results
of financial year 2016/2017

27 NOVEMBER 2017
Deutsches Eigenkapitalforum 2017,
Frankfurt am Main

DECEMBER 2017
Road show London/Dublin

DEAR SHAREHOLDER,

Would you be interested in receiving regular news and information on Deutsche Beteiligungs AG? We would be glad to include you on our shareholder mailing list. To register, please complete this page and return it to us by post, fax or e-mail. You will find our contact details at the bottom of this page.

Additionally, our shareholder portal is available for you throughout the year. There, you can register to receive by e-mail the invitation to and other documents for Annual Meetings, view your shareholder data and edit your contact details.

You can access our shareholder portal at: https://ip.computershare.de/deutsche-beteiligung or via our website: https://www.dbag.de/IR/.

PERSONAL DATA

Title/first name/last name:

Street/house number:

Postcode/city/country:

E-mail address:

Shareholder number (if at hand):

Please forward the following information/documents to me:

- ☐ News/information on Deutsche Beteiligungs AG by e-mail
- ☐ Annual Report of Deutsche Beteiligungs AG by post
- ☐ Invitation to Annual Meetings of Deutsche Beteiligungs AG exclusively by e-mail

Contact

Deutsche Beteiligungs AG
Investor Relations and Public Relations
Thomas Franke
Börsenstrasse 1
60313 Frankfurt am Main
Germany
Telephone: +49 69 95787–361
Fax: +49 69 95787–391
E-mail: IR@dbag.de
Internet: www.dbag.de

Information for shareholders

Deutsche Beteiligungs AG
Investor Relations and Public Relations
Thomas Franke
Börsenstrasse 1
60313 Frankfurt am Main
Germany
Telephone: +49 69 95787–361
Fax: +49 69 95787–391
E-mail: IR@dbag.de
Internet: www.dbag.de

ISIN DE 000A1TNUT7
Symbol: DBAGn (Reuters),
DBAN (Bloomberg)