



Deutsche  
Beteiligungs AG



# INTERIM REPORT

AT 31 MARCH 2016  
1ST HALF-YEAR AND 2ND QUARTER  
2015/2016



## AT A GLANCE

Stock exchange-listed Deutsche Beteiligungs AG invests in well-positioned mid-sized companies with growth potential 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 half-year 2015/2016 <sup>1</sup>	1st half-year 2014/2015 <sup>1</sup>	2nd quarter 2015/2016 <sup>2</sup>	2nd quarter 2014/2015 <sup>2</sup>
New investment in the portfolio <sup>3</sup>	€mn	8.4	53.9	8.4	35.0
IFRS carrying amount of portfolio (at end of period) <sup>3</sup>	€mn	257.6	244.6		
Number of investments (at end of period)		24	24		
Assets under management or advice (at end of period)	€mn	946.8	1,165.7		
<b>Segment Private Equity Investments</b>					
Net income before taxes	€mn	32.3	19.5	1.3	7.4
Net asset value (at end of period)	€mn	328.5	297.7		
<b>Segment Fund Investment Services</b>					
Net income before taxes	€mn	(0.4)	1.9	(0.2)	0.8
Assets under management or advice (at end of period)	€mn	946.8	1,165.7		
Earnings before taxes (EBT)	€mn	31.9	21.5	1.1	8.2
Net income	€mn	32.0	21.4	1.2	8.2
Retained profit	€mn	135.7	111.7		
Equity (at end of period)	€mn	321.6	297.2		
Cash flows from operating activities	€mn	0.2	0.3	1.5	0.0
Cash flows from financial assets	€mn	(7.2)	(60.3)	(12.4)	(25.2)
Cash flows from other investing activities	€mn	8.2	80.6	4.9	45.7
Cash flows from financing activities	€mn	(13.7)	(27.4)	(13.7)	(27.4)
Change in cash funds <sup>4</sup>	€mn	(12.5)	(6.8)	(19.7)	(6.8)
Earnings per share <sup>5</sup>	€	2.34	1.56	0.09	0.60
Net asset value (equity) per share (at end of period)	€	23.51	21.73		
Change in net asset value per share <sup>6</sup>	%	11.1	7.8		
Employees (at end of period, incl. apprentices)		58	60		

1 1st HY 2015/2016: 1 October 2015 – 31 March 2016; 1st HY 2014/2015: 1 November 2014 – 30 April 2015

2 2nd quarter 2015/2016: 1 January – 31 March 2016; 2nd quarter 2014/2015: 1 February – 30 April 2015

3 IFRS carrying amount of the portfolio within item "Financial assets"

4 Without changes in securities; these are recognised in cash flows from other investing activities

5 Relative to weighted number of shares outstanding in each period

6 Change in net asset value per share relative to opening net asset value per share at beginning of period, less the sum proposed for dividend payment



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AT 31 MARCH 2016

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Outflows of  
**19.4**  
million euros  
for two  
new investments

Divestments generate  
returns of  
**22.6**  
million euros

Credit line  
ensures  
financing flexibility

Net income  
**32.0**  
million euros

Forecast  
after uplift  
reconfirmed

## LETTER TO OUR SHAREHOLDERS

Frankfurt am Main, 10 May 2016

*Dear Shareholders,*

Recording net income of 32.0 million euros after six months, Deutsche Beteiligungs AG is well on its way to achieving the result forecast for 2015/2016, clearly surpassing that of the previous year. Our forecast equates to a return on net asset value of some 14 percent, which represents the long-term average. Despite the greater macroeconomic challenges, revenues and earnings budgeted by most of our portfolio companies exceed past-year performance. This and the proceeds from realised sales constitute the basis for the very satisfactory result. Changes in the stock markets had only a minor impact: net income rests on a solid basis.

Our portfolio has changed since the start of the financial year, as we previously reported. The picture is mixed for divestments. Our investment in Spheros yielded a very gratifying return, as did the realisation of an investment from the DBG Eastern Europe portfolio. We divested our interest in the Clyde Bergemann Power Group to a buyer who will provide the company with ongoing support as it adjusts to a challenging environment. This investment was disappointing in financial terms; nonetheless, the transaction allowed us to bring the DBAG Fund IV to a very successful conclusion. The investors will receive a return of more than twice their paid-in capital. The fund is one of the best of its vintage, which is an excellent basis for the further success of our fund investment services business.

Our two new investments were agreed in the first quarter. The market environment remains challenging. Competition for transactions that comply with our investment criteria and return expectations has become more intense. We are accustomed to dealing with such market phases. Our confidence in the progress of your company this year and beyond remains unchanged.

The Board of Management  
of Deutsche Beteiligungs AG



Torsten Grede



Dr Rolf Scheffels



Susanne Zeidler

## SHARES

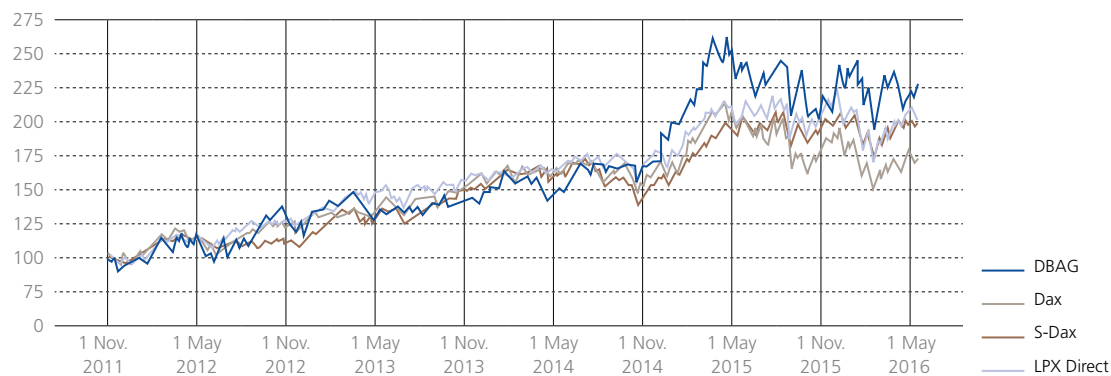
### Share price movement outperforms benchmark indices

DBAG shares performed very satisfactorily in the first six months of the financial year. At 31 March 2016, they closed at 26.95 euros in Xetra trading, a gain of 2.05 euros on the closing rate at the end of the past financial year.

Including the dividend of 1.00 euro per share paid on 26 February 2016, total return to shareholders was 12.1 percent in the six months to 31 March 2016. DBAG shares clearly outperformed the major benchmark indices: over the same period the Dax improved by 4.8 percent, the S-Dax by 5.9 percent, and the LPX Direct<sup>1</sup> advanced by 2.3 percent. Over a longer horizon, which is more appropriate for our business model, the performance of DBAG shares is largely in line with all three benchmark indices (see chart).

#### PERFORMANCE OF DBAG SHARES AND BENCHMARK INDICES

(1 November 2011 to 10 May 2016; indexed to: 1 November 2011 = 100)



Frequently, the difference between the share price and net asset value per share is used when assessing private equity companies. A gain in net asset value per share based on their own portfolio is considered an indicator of the value growth that companies create for their shareholders. Dividends are also considered, since distribution policies can vary greatly from company to company. In addition to a diversified portfolio of investments, one of the strengths of our business model is that we have access to a continual stream of income contributions from management and advisory services to private equity funds. Our efforts are focused on having this unique aspect of our business model adequately taken into account when DBAG shares are assessed.

### Proportion of trading on new electronic platforms increased

A key objective of our stock market communication is to achieve a fair valuation of our shares. Our efforts to promote trading in DBAG shares also serve that purpose, since the price-setting process is more efficient for liquid stocks.

In the six-month period to 31 March 2016, DBAG shares did not reach the very high trading level recorded in the first half of the preceding 2014/2015 financial year. The previous year's trading volume was, however, exceptionally high also on a long-term comparison. With an average daily turnover on German stock exchanges of about 0.875 million

<sup>1</sup> The LPX Direct tracks the performance of 30 listed private equity companies which hold a portfolio of individual investments similar to that of DBAG

euros and approximately 32,400 shares, share liquidity in the half-yearly period was about 60 percent below that of the first half of the preceding financial year. Once again, the month in which the dividend was paid saw the most active trading by far in DBAG shares. In addition to the established stock exchanges, a further 21,000 shares were traded on

a daily average during the first six months of 2015/2016 through banks' direct transactions and on new electronic trading platforms<sup>2</sup>; this represents about the same level in absolute terms as in the first six months of 2014/2015, but is nearly double in relation to the turnover on the established exchanges.

#### DBAG SHARE DATA<sup>1</sup>

		1st half-year 2015/2016	1st half-year 2014/2015	1st half-year 2013/2014	1st half-year 2012/2013	1st half-year 2011/2012
Closing rate start of half-year	€	24.95	21.96	19.30	19.24	15.31
Closing rate end of half-year	€	26.95	29.77	19.40	18.44	16.77
High (closing rate)	€	29.76	33.94	22.83	21.93	18.38
Low (closing rate)	€	23.53	21.96	18.50	17.27	14.01
Market capitalisation <sup>2</sup> – total	€mn	368.6	407.1	265.3	252.2	229.1
Average volume per trading day <sup>3</sup>	No.	32,425	75,001	33,441	33,939	13,756
Average turnover per trading day <sup>3</sup>	€mn	0.875	2.205	0.703	0.683	0.223

1 "1st half-year 2015/2016" extends from 1 October 2015 to 31 March 2016; the other periods extend from 1 November to 30 April of the following year

2 End of half-yearly period

3 Stock exchange traded

Market capitalisation of DBAG shares reached 368.6 million euros at the end of the period, of which 276,7 million euros were in free-float ownership (as defined by Deutsche Börse AG). By market capitalisation of the free float, DBAG shares ranked 43<sup>rd</sup> (30 September 2015: 37<sup>th</sup>) at the reporting date. Lower trading activity led to a lower liquidity standing: ranking 29<sup>th</sup> at 30 September 2015, DBAG shares scored 36<sup>th</sup> among the S-Dax stocks at 31 March 2016.

#### Broader analysts' coverage

At the beginning of the year, two further organisations, Baader-Bank and Bankhaus Lampe, began monitoring DBAG shares. Both analysts have arrived at a "buy" recommendation. They have derived their upside price targets of 34.80 euros and 35.00 euros, respectively, from the anticipated development of the net asset value and the value of fund investment services, based on current and future income

from this business segment. This currently brings the "buy" recommendations to a total of five, which is set against one "hold" and one "underweight" recommendation. Analysts' ratings are regularly documented on our website at [www.dbag.de/IR](http://www.dbag.de/IR).

On 25 February 2016, the 2016 Ordinary Annual Meeting was held at the Gesellschaftshaus of Frankfurt's Palmengarten with nearly 400 participants attending; 44.5 percent of the voting capital was represented at the Meeting. Shareholders also elected all members of the Supervisory Board. Roland Frobels, the only former member who did not stand for re-election, was succeeded by Sonja Edeler. Information on the members of the Supervisory Board can be found on our website at [www.dbag.de/members-of-the-board](http://www.dbag.de/members-of-the-board).



INTERIM  
MANAGEMENT  
REPORT

*on the 1st half-year and 2nd quarter  
of financial year 2015/2016*



## The Group and underlying conditions

Deutsche Beteiligungs AG (DBAG) raises closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments in mainly unlisted companies. Using its own assets, it enters into investments as a co-investor alongside these private equity funds. As a co-investor and fund manager and/or fund advisor ("fund investment services") its investment focus is on German "Mittelstand" companies.

For years, DBAG has pursued a highly focused investment strategy in respect of business models, company size and sectors. We centre on the mid-market segment in German-speaking regions, that is, on transactions with a value of 50 million to 250 million euros. Measured by the number of transactions and investment value, this encompasses a rather small section of the private equity market. It is therefore very possible for this segment to develop differently than the private equity markets in Germany as a whole.

The major underlying conditions for our business have not changed fundamentally in recent months. Liquidity among all market participants is high. That applies to strategic buyers with whom financial investors compete, as well as to financial investors themselves. Acquisition finance is readily available at attractive terms and in a sufficient amount. These huge assets seeking investment contrast with a limited supply of investment opportunities.

The underlying macroeconomic conditions have become more demanding. In view of a dynamic domestic economy and progressing recovery in Europe and North America, economic growth in Germany is forecast to range from 1.4 to 2.0 percent in the current year. However, in some sectors, such as mechanical engineering, the effects of lower demand in emerging economies and increasing uncertainty over the actual development in China have become apparent. The persistent low price of crude oil and other

commodities are dampening spending activity in some industries. In addition to the prevailing encumbrances from geopolitical trouble spots, concerns have emerged over the economic consequences of a possible "Brexit".

Our portfolio consists of companies that are subject to different market or economic cycles; there are companies that react early on to the industries' changes in capital expenditure activity and others, who tend to notice changes in order intake or delivery call-offs at the end of a cycle. Changes to underlying conditions therefore affect our portfolio to very different degrees, and, in part, conversely. Our consumer-related portfolio companies are benefiting from favourable domestic demand based on rising incomes, whereas others that are more strongly focused internationally, for instance, had to correct their forecasts for their business in China. Overall, we consider the underlying conditions for our portfolio companies as being satisfactory. The majority of our portfolio companies continues to expect higher revenues and earnings this current year than last.

## Staff

At the end of the first six-month period, DBAG employed a staff of 52 (without Board of Management members), plus six apprentices. One year ago, the staff numbered 55 and there were five apprentices at the end of the half-yearly period.

## Review of significant events and transactions

In the first six months of financial year 2015/2016<sup>3</sup>, Deutsche Beteiligungs AG agreed two new investments, complementing the portfolio by further attractive companies with potential for growth; in that context, DBAG for the first time entered into an investment in Switzerland. The divestment of Spheros, one of the largest investments in the portfolio, went to a strategic investor at a very gratifying valuation; this once again attests to the attractiveness of the companies in DBAG's portfolio. By obtaining a credit line, DBAG secured the flexibility to service liquidity requirements at any time.

With the divestment of the Clyde Bergemann Power Group agreed in March, DBAG Fund IV was brought to a very successful close. This buyout fund launched in 2002 returned more than double the paid-in capital to investors. That makes DBAG Fund IV one of the best funds of its vintage for private equity investments in Europe. Fast returns to investors from DBAG Fund IV's overall successful investment activity facilitated raising further buyout funds, each of which was larger in size and thereby founded the basis for the current fund management and advisory business.

### Investment decisions on 21 million euros

As an advisor to DBAG Fund VI and manager of the DBAG Expansion Capital Fund (ECF), we initiated new investment of about 85 million euros in the first six-month period, 20 million euros of which came from DBAG's balance sheet for DBAG's co-investments.

**A NEW MANAGEMENT BUYOUT:** Alongside its advised DBAG Fund VI, DBAG invested in the Telio Group ([www.tel.io](http://www.tel.io)), a telecommunication and software company that develops, installs and operates communications and media for correctional facilities. DBAG and DBAG Fund VI acquired Telio in a management buyout (MBO). DBAG will

invest 12.8 million euros through DBAG Fund VI for its interest (18.8 percent); the cash outflows for this investment were recorded in the second quarter and are contained in the financial resources of the co-investment vehicles. The transaction was completed after the end of the period in April.

**A NEW EXPANSION CAPITAL INVESTMENT:** The investment in Switzerland-based mageba AG (mageba) is the seventh investment DBAG has entered into alongside the DBAG ECF. The transaction was agreed in the first quarter and completed in the second quarter. Subsequent to the acquisition and a capital increase, DBAG and DBAG ECF now hold an interest of a little less than 42 percent; the majority remains in family ownership. DBAG invested 6.6 million euros for its interest (19.8 percent). Mageba ([www.mageba.ch](http://www.mageba.ch)) is a leading provider worldwide of structural bearings, expansion joints and other products and services for the infrastructure and building sectors.

More information on the new portfolio companies can be found on DBAG's website at [www.dbag.de/portfolio](http://www.dbag.de/portfolio).

### Three divestments

**SPHEROS GROUP:** DBAG successfully ended one of its largest investments. Spheros' new owner is Valeo, a listed automotive supplier in France. This is yet another portfolio company to be sold to a strategic investor. DBAG had acquired the Spheros Group, a manufacturer of climate systems for buses, in December 2011 in a secondary buyout. The sales price achieved equates to more than double the original investment. It also exceeds the investment's latest valuation in DBAG's IFRS-formatted consolidated financial statements at 30 September 2015 and therefore leads to a net result of disposal of 2.5 million euros in the half-yearly financial statements. Since the interest in Spheros is carried at its historical cost in DBAG's German GAAP accounts (HGB), the divestment, based on HGB, will deliver a contribution to the result of disposal of 12.6 million euros after the investment team's carried interest entitlement.

<sup>3</sup> Subsequent to the truncated 2014/2015 financial year (eleven months), DBAG's financial years now begin on 1 October of a year. This Interim Report covers the period from 1 October 2015 to 31 March 2016; the previous year's comparative data refers to the period from 1 November 2014 to 30 April 2015. Comparability is therefore limited.

**CLYDE BERGEMANN POWER GROUP:** DBAG had invested in the Clyde Bergemann Power Group alongside DBAG Fund IV in May 2005. The contract on the sale to a co-shareholder signed in March was completed after the end of the period; the proceeds from the sale of the investment and repayment of a shareholder loan will be received within the coming three years.

The companies of the Clyde Bergemann Group develop and manufacture components for energy-related production processes; a large part of revenues is generated by the business with coal-fired power plants. Clyde Bergemann initially grew strongly: revenues rose from 180 million US dollars at the outset of the investment to more than 500 million US dollars, also through a number of add-on acquisitions. In recent years, however, changed views on coal-fired power generation in key markets had made themselves felt negatively to an increasing degree. The company responded by restructuring several US-based and European sites. Its Asian business continues to develop positively. Against this market backdrop, Clyde Bergemann was sold to the head of the company's Asian business, who has already been a shareowner in the past; with this Family Office, he also acquired the interests of other shareholders. The investment's contribution to net income in the six-month period was negative; no further material contribution to income will result for the current third quarter. In the accounts in the HGB format, the divestment will entail a charge of 11.2 million euros on the annual profit of DBAG.

**DBG EASTERN EUROPE II:** This fund, one of the two international buyout funds in the portfolio, has agreed the divestment of one of its three remaining investments. The completion of this profitable transaction is expected by mid-2016. This imminent sale delivered a contribution to the result of valuation of some six million euros in the six-month period.

## Line of credit assures flexibility

In order to take advantage of investment opportunities at all times, we secured a line of credit: two banks have extended a credit facility of 50 million euros for a term of five years. The credit line supplements the financial resources on the balance sheet, which totalled 37.0 million euros at the reporting date. The liquidity thus available at the end of the period of about 87 million euros and the proceeds from the Spheros realisation, which have since been received, correspond to the outstanding commitments for co-investments to DBAG Fund VI and DBAG ECF.

The credit facility, which additionally provides for a significantly more efficient balance-sheet structure, ensures the ability to co-invest alongside the DBAG funds at all times. It does not entail a change in DBAG's financing strategy. Since by nature of the private equity business acquisitions are partially leveraged and therefore incur liabilities at the portfolio company level, bank liabilities should only burden DBAG's balance sheet for a short term at the most. As in the past ten years, DBAG will continue to finance its activities in the long term exclusively through the stock market.

## Economic position of the Group

### Earnings position

Net income of 32.0 million euros for the half-yearly period significantly exceeds that of the equivalent period the previous year (21.4 million euros). Most of the net income (30.8 million euros) was generated in the first quarter. It derives from the portfolio companies' progress, which was largely as forecast, as well as from realisations: the co-investment vehicle of DBAG Fund V divested the Spheros Group; DBG Eastern Europe II, one of the two international buyout funds in which DBAG has been invested since 2003 agreed the sale of an investment. In addition to higher expenses, the second-quarter (1.2 million euros) net income includes the negative value contribution from the interest in the Clyde Bergemann Group that has meanwhile been divested.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Net result of investment activity	36,194	20,985	3,721	8,149
Fee income from fund management and advisory services	9,432	10,152	4,607	4,919
<b>Net result of fund services and investment activity</b>	<b>45,625</b>	<b>31,137</b>	<b>8,328</b>	<b>13,068</b>
Personnel costs	(7,765)	(6,252)	(3,982)	(3,009)
Other operating income	3,234	4,549	1,714	1,188
Other operating expenses	(9,010)	(8,202)	(4,806)	(3,210)
Net interest	(210)	243	(201)	168
<b>Other income/expenses</b>	<b>(13,751)</b>	<b>(9,661)</b>	<b>(7,276)</b>	<b>(4,863)</b>
<b>Net income before taxes</b>	<b>31,874</b>	<b>21,475</b>	<b>1,052</b>	<b>8,205</b>
Income taxes	171	(76)	171	(10)
<b>Net income after taxes</b>	<b>32,045</b>	<b>21,399</b>	<b>1,224</b>	<b>8,195</b>
Minority interest	(18)	(17)	(9)	(9)
<b>Net income</b>	<b>32,028</b>	<b>21,382</b>	<b>1,215</b>	<b>8,186</b>
<b>Other comprehensive income</b>	<b>112</b>	<b>183</b>	<b>235</b>	<b>(307)</b>
<b>Total comprehensive income</b>	<b>32,139</b>	<b>21,564</b>	<b>1,450</b>	<b>7,879</b>

Only the data on the half-yearly period has been subject to review.

The **NET RESULT OF INVESTMENT ACTIVITY** of 36.2 million euros (previous year: 21.0 million euros) is the largest constituent of the net result of fund services and investment activity, which reached 45.6 million euros, compared to

the previous year's 31.1 million euros. It largely reflects the value growth of the interests in the portfolio companies, which are chiefly held through co-investment vehicles.

## NET RESULT OF INVESTMENT ACTIVITY

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Result of valuation and disposal portfolio, gross	38,976	42,323	4,938	28,685
Minority interest co-investment vehicles	(4,073)	(21,327)	(1,212)	(21,239)
<b>Result of valuation and disposal portfolio, net</b>	<b>34,903</b>	<b>20,995</b>	<b>3,726</b>	<b>7,446</b>
Current income portfolio	2,604	1,477	911	935
<b>Net result portfolio</b>	<b>37,506</b>	<b>22,442</b>	<b>4,637</b>	<b>8,381</b>
Net result other assets and liabilities of co-investment vehicles	(1,477)	(647)	(704)	154
Net result other financial assets	165	(811)	(212)	(386)
<b>Net result of investment activity</b>	<b>36,194</b>	<b>20,985</b>	<b>3,721</b>	<b>8,149</b>

Only the data on the half-yearly period has been subject to review.

The **GROSS RESULT OF VALUATION AND DISPOSAL** of the portfolio reached 39.0 million euros after six months, which is 3.3 million euros less than was generated in the first half of 2014/2015. In the preceding year, the rise in stock market multiples we use to value investments delivered a stronger contribution to value growth than this financial year. The divestments previously mentioned are partially included in the result of valuation (DBG Eastern Europe II, Clyde Bergemann Power Group), since they were agreed in the period, but had not yet been completed.

We had reported that nearly all portfolio companies expect better business this year than last. That remains unchanged: almost all portfolio companies have planned revenues and higher earnings for 2016 and are reporting financials in line with these budgets. Significant increases have been forecast in certain instances. The companies' debt is set to decline. Both of these aspects – higher earnings and lower debt – tend to increase valuations. These favourable developments overall do not exclude individual portfolio

companies falling short of their budgets and the value of our equity investment consequently declining. In our valuations, we took account of the fact that the achievement of budgets at this time in the financial year is subject to a greater degree of uncertainty than in the second half of the year.

The stock market impact was very different in the two quarters of the first half of the financial year: whereas the value contribution at 31 December 2015, was, in total, negative due to changed stock market multiples, valuations in the second quarter clearly profited from higher valuations of listed peer-group companies.

In the six-month period to 31 March 2016, a total of six portfolio companies delivered negative contributions: in two cases, this was due to the stock market multiple used; in two other cases, currency rate effects led to minor negative valuation modifications.

#### RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Valuation of unquoted investments (multiples method)				
Change in earnings	24,100	29,313	(3,891)	3,735
Change in debt	4,414	(5,693)	(4,580)	(4,089)
Change in multiples	3,410	11,947	13,982	20,562
Change in currency rates	(56)	2,497	(739)	344
	31,868	38,064	4,772	20,552
Acquisition cost	(8)	3	0	0
Other	7,116	4,256	166	8,133
	<b>38,976</b>	<b>42,323</b>	<b>4,938</b>	<b>28,685</b>

#### RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Result of valuation	35,703	41,707	6,486	28,654
Result of disposal	3,272	616	(1,548)	31
	<b>38,976</b>	<b>42,323</b>	<b>4,938</b>	<b>28,685</b>

## RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Positive movements	56,078	46,220	19,429	28,840
Negative movements	(17,103)	(3,897)	(14,491)	(155)
	<b>38,976</b>	<b>42,323</b>	<b>4,938</b>	<b>28,685</b>

Only the data on the half-yearly period has been subject to review.

**GAINS ATTRIBUTABLE TO MINORITY INTEREST IN THE CO-INVESTMENT VEHICLES** reduced the result of investment activity by 4.1 million euros (previous year: 21.3 million euros). This relates to carried interest entitlements of selected current and former members of the DBAG investment team arising from private investments in the co-investment vehicles of DBAG Fund V. The carried interest reflects the aggregate performance of DBAG Fund V since the start of its investment period in February 2007; this carried interest was required to be recognised in the second quarter of 2014/2015 for the first time and was therefore comparatively high. In the accounts for the reporting period, the carried interest mirrors the value gains of the investments of DBAG Fund V in the first two quarters as well as the realised gains on disposal. The carry can change with future valuation movements of the investments alongside DBAG Fund V. Corresponding to the realisation of value gains on individual investments, payments will extend over a number of years.

**CURRENT INCOME** from the **PORTFOLIO** is largely composed of interest payments on shareholder loans.

As expected, **FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES** was lower. In the preceding year, 0.4 million euros were still recorded from DBG Fonds I, the management agreement of which has meanwhile ended; fees from DBAG Fund V decreased by 0.5 million euros, after one of the fund's investee businesses was re-financed, which consequently reduced the computational base for management fees.

Total **OTHER INCOME/EXPENSES**, or the net amount of personnel costs, other operating income and expenses as well as net interest, moved negatively compared with the previous year's amount due to a number of factors.

In line with the income development, higher provisions were recognised within personnel costs for variable remuneration linked to the performance of DBAG.

The preceding year's period contained nearly 0.7 million euros within other operating income from disposals of securities, whereas less than 0.1 million euros were recorded in the current year's six-month period. Additionally, there was unusually high income in 2014/2015 from the valuation of temporarily held interests in portfolio companies.

Moreover, other operating expenses contain costs for the arrangement of a credit line (0.5 million euros) as well as consultancy costs on the further development of our structures.

Net interest changed by 0.5 million euros compared with the previous year's period: the prior year contained interest income on a significantly larger securities portfolio, whereas the current period contains interest expenses for the accommodation of the credit line.

**OTHER COMPREHENSIVE INCOME** largely reflects one effect: the revaluation of securities resulted in a slight gain.

## Liquidity position

In the first six months of 2015/2016, financial resources (consisting of long- and short-term securities and cash) decreased by 21.3 million euros to 37.0 million euros. The outflows were largely spent for the two new investments

agreed in the first quarter and for the dividend payment. Inflows from the portfolio (14.0 million euros) relate, among other things, to the repayment of a bridge-over loan stemming from a transaction last year.

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Net income	32,028	21,382	1,215	8,186
Valuation (gains)/losses on financial assets and loans and receivables	(32,529)	(20,152)	(1,943)	(7,987)
Other non cash-relevant changes	716	(951)	2,201	(179)
<b>Cash flows from operating activities</b>	<b>215</b>	<b>278</b>	<b>1,473</b>	<b>20</b>
Proceeds from disposals of financial assets and loans and receivables	13,994	6,848	8,170	1,952
Purchase of investments in financial assets and loans and receivables	(21,206)	(67,152)	(20,557)	(27,147)
Proceeds from/(acquisition) of long- and short-term securities	8,785	81,194	5,071	46,177
Other inflows and outflows	(598)	(635)	(220)	(480)
<b>Cash flows from investing activities</b>	<b>975</b>	<b>20,255</b>	<b>(7,536)</b>	<b>20,503</b>
Payments to shareholders (dividends)	(13,676)	(27,353)	(13,676)	(27,353)
<b>Cash flows from financing activities</b>	<b>(13,676)</b>	<b>(27,353)</b>	<b>(13,676)</b>	<b>(27,353)</b>
<b>Change in cash funds from cash-relevant transaction</b>	<b>(12,486)</b>	<b>(6,820)</b>	<b>(19,739)</b>	<b>(6,830)</b>
Cash funds at start of period	28,234	28,408	35,487	28,418
<b>Cash funds at end of period</b>	<b>15,748</b>	<b>21,588</b>	<b>15,748</b>	<b>21,588</b>

Only the data on the half-yearly period has been subject to review.

In addition to cash funds of 15.7 million euros, the Company has securities in the amount of 21.3 million euros of German issuers with a credit rating based on Standard & Poor's of A or better. These are available for investment.

Outstanding commitments for co-investments alongside DBAG Fund VI and DBAG ECF amounted to approximately 102 million euros at 31 March 2016. In addition to the existing liquid assets and proceeds from agreed divestments, the Company has had a credit facility of 50 million euros at its disposal since December 2015 to service that liquidity requirement independently of investment realisations.

## Asset position

At 31 March 2016, total assets increased by 16.6 million euros compared with the outset of the financial year, primarily due to the increase in financial assets and equity. Since financial assets grew more strongly than cash, the asset structure changed in the six-month period. Non-current assets amounted to 92 percent of total assets (at 30 September 2015: 85 percent).

Despite the dividend payment to shareholders, **EQUITY PER SHARE** increased from 22.16 euros to 23.51 euros. Relative to the opening net asset value at the onset of the financial year (less the proposed dividend payment), this represents a gain of 11.1 percent within six months.

#### CONDENSED STATEMENT OF FINANCIAL POSITION

T€	31 March 2016	30 Sept. 2015
Financial assets incl. loans and receivables	291,502	250,189
Long-term securities	21,297	26,370
Other non-current assets	2,272	2,022
<b>Non-current assets</b>	<b>315,071</b>	<b>278,581</b>
Receivables and other assets	6,388	10,765
Short-term securities	0	3,741
Cash and cash equivalents	15,748	28,234
Other current assets	6,511	5,844
<b>Current assets</b>	<b>28,647</b>	<b>48,584</b>
<b>Total assets</b>	<b>343,718</b>	<b>327,165</b>
Equity	321,567	303,104
Non-current liabilities	8,584	8,939
Current liabilities	13,567	15,121
<b>Total liabilities</b>	<b>343,718</b>	<b>327,165</b>

**FINANCIAL ASSETS INCLUDING LOANS AND RECEIVABLES** are chiefly determined by the portfolio value, although its proportion declined by nearly 14 percentage points to 78.7 percent. This item increased due to the valuation gains on the companies contained therein. Based on the value appreciation of the investments alongside DBAG Fund V, the share attributable to minority interest in

the co-investment vehicle for DBAG Fund V increased. The rise in other assets/liabilities of the co-investment vehicles pertains to higher cash funds in the vehicle for DBAG Fund VI (for payment of the purchase price for the Telio transaction, which had not yet been completed at the end of the period) as well as the purchase price receivable at DBAG Fund V following the Spheros realisation.

#### FINANCIAL ASSETS INCL. LOANS AND RECEIVABLES

T€	31 March 2016	30 Sept. 2015
Portfolio value (incl. loans and receivables)		
gross	257,567	255,683
Minority interest co-investment vehicles	(28,207)	(23,968)
net	229,360	231,715
Other assets/liabilities of co-Investment vehicles	60,489	16,198
Other financial assets	1,653	2,276
<b>Financial assets incl. loans and receivables</b>	<b>291,502</b>	<b>250,189</b>



At 31 March 2016, the **PORTFOLIO** of DBAG consisted of investments in 22 companies and two international private equity funds. The investments are held directly and indirectly through co-investment vehicles. The value of these investments, including loans to and receivables from the portfolio companies, was 251.4 million euros at 31 March 2016; additionally, there are entities with a value of 6.2 million euros through which representation and warranty retentions are (largely) settled ("Other investments")

and which are no longer expected to deliver appreciable value contributions. The portfolio value therefore totalled 257.6 million euros. At 31 March 2016, the 15 largest investments accounted for about 84 percent of the portfolio value. These 15 portfolio companies are alphabetically ordered on the following table. A complete list of the current portfolio companies can be found on DBAG's website as well as at the end of this report.

Company	Cost (€mn)	Equity share DBAG %	Investment type	Sector
Broetje-Automation GmbH	5.6	15.0	MBO	Mechanical and plant engineering
Cleanpart Group GmbH	9.4	14.9	MBO	Industrial services
DBG Eastern Europe II	0.1		Buyout fund	
Formel D GmbH	1.7 <sup>1</sup>	15.7	MBO	Automotive suppliers
Grohmann GmbH	2.1	25.1	Expansion capital	Mechanical and plant engineering
Heytex Bramsche GmbH	6.4	16.4	MBO	Industrial components
inexio KGaA	5.5	6.9	Expansion capital	Information technology, media and telecommunication
Infiana Group GmbH	12.4	17.4	MBO	Industrial components
JCK Holding GmbH Textil KG	8.8	9.5	Expansion capital	Consumer goods
Novopress KG	2.3	19.0	Expansion capital	Industrial components
Oechsler AG	11.1	8.4	Expansion capital	Automotive suppliers
ProXES GmbH	8.3	18.7	MBO	Mechanical and plant engineering
Romaco GmbH	9.9	18.6	MBO	Mechanical and plant engineering
Schülerhilfe	2.5 <sup>1</sup>	15.4	MBO	Services
Unser Heimatbäcker GmbH	10.1	12.6	MBO	Consumer goods

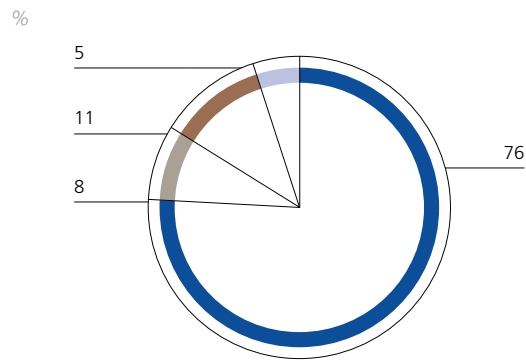
1 after recapitalisation

The new investments agreed in the first half of the financial year as well as the agreed divestments were only partially completed at the end of the period: the investment in mageba AG was added and Spheros GmbH was disposed of. At 31 March 2016 the 24 investments in the portfolio consisted of 14 management buyouts, eight investments targeted at financing growth and two investments in international buyout funds which are currently in the liquidation phase and which for their part only hold one and three remaining investments, respectively.

Compared with the value at the start of the financial year, the value of the investment portfolio increased by a gross amount of 1.9 million euros. Additions (largely mageba AG) of 8.6 million euros and valuation movement of 35.7 million euros are set against disposals of 42.4 million euros: more than three-quarters of this amount are attributable to the Spheros investment; added to that is the recapitalisation of Schülerhilfe. Portfolio companies that were measured at fair value instead of their transaction price in the first six-month period for the first time also contributed towards the value movement.

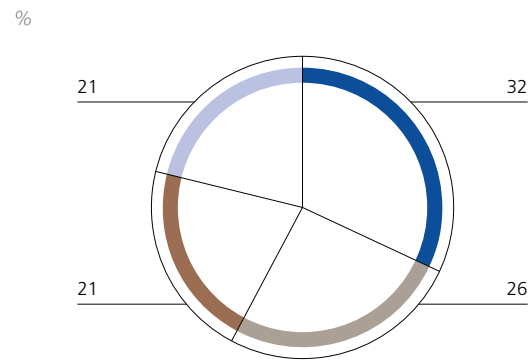
## Portfolio profile

PORTFOLIO VALUE BY VALUATION METHOD FOR INVESTMENTS



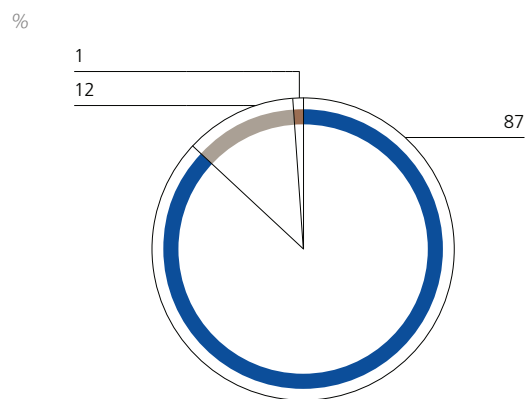
- Multiples method
- DCF
- Transaction price
- Other

PORTFOLIO VALUE BY NET DEBT/EBITDA OF PORTFOLIO COMPANIES



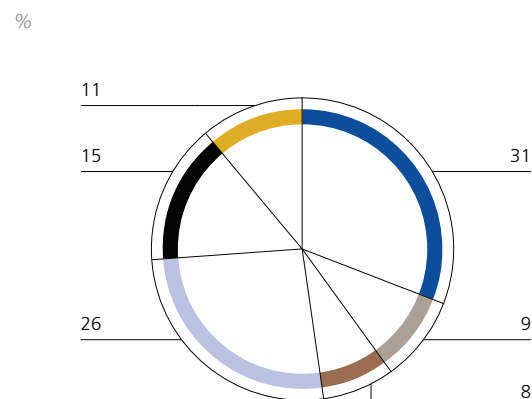
- <1.0
- 2.0 to <3.0
- 1.0 to <2.0
- ≥ 3.0

PORTFOLIO VALUE BY GEOGRAPHICAL DISSEMINATION OF INVESTMENTS



- Germany
- Europe (without Germany)
- Rest of world

PORTFOLIO VALUE BY SECTOR DISSEMINATION OF INVESTMENTS



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

## Business performance by segments

### SEGMENT INCOME STATEMENT PRIVATE EQUITY INVESTMENTS

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Net result of investment activity	36,194	20,985	3,721	8,149
Other income/expenses	(3,921)	(1,455)	(2,441)	(713)
<b>Net income before taxes</b>	<b>32,273</b>	<b>19,530</b>	<b>1,281</b>	<b>7,435</b>

Only the data on the half-yearly period has been subject to review.

Pre-tax segment net income of **PRIVATE EQUITY INVESTMENTS** increased by 1.3 million euros in the second quarter of 2015/2016, thereby reaching 32.3 million euros for the six-month period. The equivalent period the previous year had recorded net income of 19.5 million euros. The current amount mirrors both the profitable realisations as well as the good progress most portfolio companies have made, which led to a sizeable net result of investment activity. The comparably moderate rise in the second quarter reflects

the mixed trend in the valuation result: the net result of investment activity benefited from improved stock market multiples and was impacted by the development of a few individual investments. Total other income/expenses, which is the net amount of internal management remuneration, personnel costs, other operating income and expenses as well as net interest, moved negatively by 2.5 million euros year-on-year. This largely stems from significantly higher consultancy expenses compared with the previous year.

### SEGMENT PRIVATE EQUITY INVESTMENTS

T€	31 March 2016	30 Sept. 2015
Financial assets incl. loans and receivables	291,502	250,189
Financial resources	37,044	58,344
Current liabilities to co-investment vehicles	0	0
Bank liabilities	0	0
<b>Net asset value</b>	<b>328,546</b>	<b>308,534</b>
Financial resources	37,044	58,344
Credit line	50,000	0
<b>Available liquidity</b>	<b>87,044</b>	<b>58,344</b>
<b>Co-investment commitments</b>	<b>102,355</b>	<b>110,708</b>

## SEGMENT INCOME STATEMENT FUND INVESTMENT SERVICES

T€	1st half-year 2015/2016	1st half-year 2014/2015	2nd quarter 2015/2016	2nd quarter 2014/2015
Fee income from fund management and advisory services	10,087	10,892	4,934	5,322
Other income/expenses	(10,486)	(8,947)	(5,163)	(4,552)
<b>Net income before taxes</b>	<b>(399)</b>	<b>1,945</b>	<b>(228)</b>	<b>770</b>

Only the data on the half-yearly period has been subject to review.

The segment of **FUND INVESTMENT SERVICES** recorded pre-tax net income of -0.4 million euros, which compares with 1.9 million euros for the prior year. Fee income from fund management and advisory services decreased to 10.1 million euros, as expected: in the previous year, fees were received from DBG Fonds I, the management of which has meanwhile ended; management fees from DBAG Fund V declined largely due to the refinancing of an investment and repayment of the acquisition costs. Net expenses reflect higher personnel costs and lower other operating income than in the comparative quarter the previous year; the lower other operating income primarily stems from a decline in transfer pricing of transaction-related costs.

Assets under management or advice declined by 128.6 million euros in the six-month period. The key reasons were repayments to investors from the realisation of Spheros and the recapitalisation of the investment in Schülerhilfe, the dividend payment, as well as a capital call for a new investment, which was completed after the period end (Telio). Subsequent to the end of the period, the inflows from the Spheros realisation increased DBAG's financial resources by approximately 22.6 million euros, and the item "Portfolio companies at cost" rose by the investment of DBAG Fund VI in Telio (65.1 million euros).

## SEGMENT FUND INVESTMENT SERVICES

T€	31 March 2016	30 Sept. 2015
Portfolio companies at cost	626,998	715,849
Outstanding capital commitments to funds	282,731	301,162
Financial resources (of DBAG)	37,044	58,344
<b>Assets under management or advice</b>	<b>946,773</b>	<b>1,075,356</b>

## Significant events after the end of the period

In mid-April, the divestment of the Clyde Bergemann Power Group was completed. Apart from currency rate and interest effects, the transaction does not lead to an income contribution for the ongoing third quarter; the sales proceeds correspond to the valuation at the most recent reporting date.

April also marked the completion of the investment by DBAG Fund VI in Telio, and thus DBAG's co-investment. This increased the value of DBAG's portfolio, whereas concurrently the liquid assets of the co-investment vehicle declined.

The proceeds from the realisation of Spheros were received in April and have meanwhile been distributed to DBAG; these have increased the financial resources of DBAG by about 22.6 million euros net.

In April, we increased our investment in Formel D. Jointly with DBAG Fund V, we acquired the interests that had remained with the company founders at the outset of the investment. DBAG's co-investment rose by 1.8 million euros through the transaction, with DBAG now holding a 17.1 percent interest in the company's total capital.

## Opportunities and risks

With regard to opportunities and risks, we refer to the statements contained in the combined management report at 30 September 2015, which remain valid in principle.<sup>4</sup>

Our portfolio is broadly diversified. Many companies operate globally and are well poised in niche markets. These are good premises for revenue and earnings expansion in times of growth. However, many of these companies are not immune to cyclical and exchange rate swings; in that respect, global economic developments have an influence on our portfolio companies and, consequently, on the value of our financial assets. Still, the worldwide positioning of many portfolio companies mitigates exposure to this risk to a certain extent. Another risk-mitigating factor is that several companies have business models that are more resilient to cyclical and whose focus is on the German market.

Nonetheless, in our view, the **RISK** emerging from **ECONOMIC CYCLES** has increased in the past weeks. This can have significant financial effects for DBAG. At the beginning of the year, forecasts for the global economy were corrected, since, among other things, growth of the Chinese economy has slowed down and new geopolitical conflicts threaten to impede trading. In our opinion, this could result in a risk for the value development of our portfolio companies, at least for those that manufacture and globally market capital goods. Several portfolio companies are affected by the consequences of the spending restraint in a number of sectors, due to persistent low commodity prices; should prices rise, this could lead to revenue and earnings potential for these portfolio companies.

The price trend on the stock markets and the valuation ratios derived from it have been very volatile for nearly a year. This becomes evident not least in the very different contributions based on stock market effects to the result of valuation from quarter to quarter. Recently, valuation ratios have increased again – primarily because performance expectations on the part of analysts were reduced, but market prices tended to rise. Should these developments be reversed, this could weigh on the value of nearly all portfolio companies, based on our valuation procedure. Such short-term changes could materially impact the results of individual periods, but they are not decisive for the overall performance in the private equity business. For that reason, the results of single quarters or a half-yearly period cannot be extrapolated to a full financial year.

We are reliant on investment opportunities in sufficient quantity and quality to supplement our portfolio: value growth in the portfolio requires, among other things, commensurate investment activity. This also constitutes a prerequisite for further success in the fund investment services business, such as for raising a new fund. The **RISK** arising from an **INSUFFICIENT DEAL FLOW** has, in our view, increased in recent months; this stems above all from intensified competition in the M&A market. We address this risk by further improving our business processes.

<sup>4</sup> See pages 96ff. of the 2014/2015 Annual Report

The legal framework for fund investment services and the investment business has changed in the past years, as a result of the transposition of a European Directive (AIFMD) into German law. No stabilised administration practice has yet been formed of established business models in our sector for a final assessment. We are intensively monitoring this exposure to **RISK ARISING FROM THE REGULATORY FRAMEWORK**.

## Forecast

In the course of this financial year and consistent with our expectations, our portfolio companies have for the most part developed positively and have increased earnings. This accounts for the largest part of the portfolio's robust value growth; that value growth forms the basis of our net income. At 32.0 million euros, net income after six months has already surpassed the earnings forecast for the full financial year.

We adhere to the forecast for financial year 2015/2016 which we most recently concretised three months ago: as projected at the beginning of the financial year, we expect to achieve a significant increase on the previous year's comparable net income (25.2 million euros), based on the value development of the carried portfolio. Including the sales proceeds generated in the first quarter, which we had not planned, net income could probably reach 40 million euros. As noted before, this is under the assumption that valuation ratios on the stock market remain unchanged versus their level at 31 March 2016.

Our dividend policy remains unchanged. It provides as far as possible for a continual distribution, consisting of a base dividend and a surplus dividend. We expect that the retained profit of DBAG will enable the payment of such a base dividend for the current and for subsequent financial years. Surplus dividends are tied to particularly profitable realisations and an overall positive result of disposal in DBAG's HGB-formatted accounts, which are relevant for dividend payments.



CONSOLIDATED  
INTERIM  
FINANCIAL  
STATEMENTS

*at 31 March 2016*



## Consolidated statement of comprehensive income

for the period from 1 October 2015 to 31 March 2016

T€	1 Oct. 2015 to 31 March 2016	1. Nov. 2014 to 30 April 2015
Net result of investment activity	36,194	20,985
Fee income from fund management and advisory services	9,432	10,152
<b>Net result of fund services and investment activity</b>	<b>45,625</b>	<b>31,137</b>
Personnel costs	(7,765)	(6,252)
Other operating income	3,234	4,549
Other operating expenses	(9,010)	(8,202)
Interest income	45	327
Interest expenses	(255)	(84)
<b>Total other income/expenses</b>	<b>(13,751)</b>	<b>(9,661)</b>
<b>Net income before taxes</b>	<b>31,874</b>	<b>21,475</b>
Incomes taxes	171	(76)
<b>Net income after taxes</b>	<b>32,045</b>	<b>21,399</b>
Minority interest (gains)/losses	(18)	(17)
<b>Net income</b>	<b>32,028</b>	<b>21,382</b>
a) Items that will not be reclassified subsequently to profit or loss		
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	80	58
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met		
Unrealised gains/(losses) on available-for-sale securities	31	125
<b>Other comprehensive income</b>	<b>112</b>	<b>183</b>
<b>Total comprehensive income</b>	<b>32,139</b>	<b>21,564</b>
Earnings per share in € (diluted and basic) <sup>1</sup>	2.34	1.56

1 In compliance with IAS 33, earnings per share 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 2015 to 31 March 2016

### INFLOWS/(OUTFLOWS)

T€	1 Oct. 2015 to 31 March 2016	1 Nov. 2014 to 30 April 2015
Net income	32,028	21,382
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	(32,155)	(20,302)
(Gains)/losses from disposals of non-current assets	(1,157)	(581)
(Increase)/decrease in income tax assets	3,221	65
(Increase)/decrease in other assets (netted)	78	6,114
Increase/(decrease) pension provisions	(315)	(278)
Increase/(decrease) in tax provisions	0	(803)
Increase/(decrease) in other provisions	(1,612)	(7,710)
Increase/(decrease) in other liabilities (netted)	128	2,392
<b>Cash flows from operating activities<sup>1</sup></b>	<b>215</b>	<b>278</b>
Proceeds from disposals of property, plant and equipment and intangible assets	50	104
Purchase of property, plant and equipment and intangible assets	(648)	(739)
Proceeds from disposals of financial assets and loans and receivables	13,994	6,848
Acquisition of financial assets and loans and receivables	(21,206)	(67,152)
Proceeds from disposals of long- and short-term securities	8,785	81,194
Acquisition of long- and short-term securities	0	0
<b>Cash flows from investing activities</b>	<b>975</b>	<b>20,255</b>
Payments to shareholders (dividends)	(13,676)	(27,353)
<b>Cash flows from financing activities</b>	<b>(13,676)</b>	<b>(27,353)</b>
Change in cash funds from cash-relevant transactions	(12,486)	(6,820)
Cash funds at start of period	28,234	28,408
<b>Cash funds at end of period</b>	<b>15,748</b>	<b>21,588</b>

<sup>1</sup> Contained therein are received and paid income taxes of T€-3,461 (previous year: T€228) as well as received and paid interest and received dividends of T€-515 (previous year: T€487).

## Consolidated statement of financial position

at 31 March 2016

T€	31 March 2016	30 Sept. 2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	807	616
Property, plant and equipment	1,250	1,191
Financial assets	289,298	247,695
Loans and receivables	2,204	2,494
Long-term securities	21,297	26,370
Other non-current assets	214	214
<b>Total non-current assets</b>	<b>315,071</b>	<b>278,580</b>
<b>Current assets</b>		
Receivables	2,554	3,077
Short-term securities	0	3,741
Other financial instruments	1,500	2,134
Income tax assets	2,334	5,554
Cash and cash equivalents	15,748	28,234
Other current assets	6,511	5,844
<b>Total current assets</b>	<b>28,647</b>	<b>48,584</b>
<b>Total assets</b>	<b>343,718</b>	<b>327,164</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	48,533	48,533
Capital reserve	141,394	141,394
Retained earnings and other reserves	(4,093)	(4,204)
Consolidated retained profit	135,732	117,381
<b>Total shareholders' equity</b>	<b>321,567</b>	<b>303,104</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Minority interest	122	121
Provisions for pension obligations	8,383	8,697
Other provisions	79	121
<b>Total non-current liabilities</b>	<b>8,584</b>	<b>8,939</b>
<b>Current liabilities</b>		
Other current liabilities	1,097	1,082
Other provisions	12,469	14,039
<b>Total current liabilities</b>	<b>13,567</b>	<b>15,121</b>
<b>Total liabilities</b>	<b>22,150</b>	<b>24,060</b>
<b>Total shareholders' equity and liabilities</b>	<b>343,718</b>	<b>327,164</b>

## Consolidated statement of changes in equity

for the period from 1 October 2015 to 31 March 2016

<i>T€</i>	<b>1 Oct. 2015 to 31 March 2016</b>	1 Nov. 2014 to 30 April 2015
<b>Subscribed capital</b>		
<b>At start and end of period</b>	<b>48,533</b>	<b>48,533</b>
<b>Capital reserve</b>		
<b>At start and end of period</b>	<b>141,394</b>	<b>141,394</b>
<b>Retained earnings and other reserves</b>		
<b>Legal reserve</b>		
At start and end of period	403	403
<b>First adoption IFRS</b>		
At start and end of period	15,996	15,996
<b>Reserve for gains/losses on remeasurements of the defined benefit liability (asset)</b>		
At start of period	(21,006)	(21,273)
Change in the period	80	58
At end of period	(20,926)	(21,215)
<b>Change in unrealised gains/losses on available-for-sale securities</b>		
At start of period	403	258
Change in the period through other comprehensive income	116	138
Change in the period through profit or loss	(85)	(14)
At end of period	435	382
<b>At end of period</b>	<b>(4,093)</b>	<b>(4,434)</b>
<b>Retained profit</b>		
At start of period	117,381	117,715
Dividends	(13,676)	(27,353)
Net income	32,028	21,382
<b>At end of period</b>	<b>135,732</b>	<b>111,743</b>
	<b>321,567</b>	<b>297,237</b>

## Selected explanatory notes to the consolidated interim financial statements for the six months ended 31 March 2016

### General Information

#### 1. Basis of preparation

These consolidated interim financial statements of Deutsche Beteiligungs AG (DBAG) at 31 March 2016 have been prepared in accordance with § 37w (3) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and in conformity with the rules of International Accounting Standard 34 (IAS 34). It is consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Commission for use in the European Union. The compulsory interpretations of the International Financial Reporting Interpretations Committee (IFRIC) relevant to interim financial reporting have also been applied.

The consolidated interim financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity and these condensed notes to the consolidated interim financial statements (“selected explanatory notes”).

Deutsche Beteiligungs AG made use of the simplification of stock exchange rules (§51a BörsO FWB) and, for the first time, issued a quarterly statement on the first quarter instead of a quarterly financial report. For that reason and for the first time, the consolidated statement of comprehensive income and the consolidated statement of cash flows contained in the interim financial statements at 31 March 2016 do not present quarterly data.

Since 2014/2015 was a short financial year, the reporting period covered by the current interim financial statements relates to other months than those of the previous year’s half-yearly period. Comparability is therefore limited.

As compared with the annual financial statements at 30 September 2015, the presentation of the consolidated statement of cash flows in the interim financial statements has changed. Increase/(decrease) in pension provisions previously contained in line item “Increase/(decrease) in non-current liabilities” under cash flows from operating activities is now presented separately. The movements in other components of non-current liabilities are contained in other provisions or other liabilities (netted).

Due to the deconsolidation of DBG Advisors Kommanditaktionär GmbH & Co. KG, the comparative amounts for the previous year have been restated. In this context, we refer to the information in the consolidated financial statements at 30 September 2015. The restatement had an effect of T€228 on the previous year’s net income. In the consolidated statement of cash flows, the previous year’s amounts under cash flows from operating activities were adjusted by T€-1,593, and cash funds at the start of the period by T€-8,055 and at the end of the period by T€-9,648.

#### 2. Changes in accounting methods due to amended rules

In financial year 2015/2016, the following new standards and interpretations or amendments to standards and interpretations have become applicable for the first time (see pages 135f. of the 2014/2015 Annual Report):

- Annual improvements to IFRS “2010 to 2012 Cycle”
- Annual improvements to IFRS “2011 to 2013 Cycle”
- Amendments to IAS 19 “Employee Benefits”

The amendments have no impact on the consolidated interim financial statements at 31 March 2016.

### 3. Accounting and valuation policies

#### Fair value measurement of financial assets through profit or loss

Due to the operating activities of the DBAG Group as a financial investor, the consolidated financial statements are largely characterised by the measurement of financial assets at fair value through profit or loss. Financial assets chiefly comprise

- co-investment vehicles (subsidiaries that are no longer permitted to be consolidated, in compliance with IFRS 10)
- interests in associates (interests in portfolio companies with a proportion of the voting rights between 20 and 50 percent)
- other interests in portfolio companies, i.e. shares in portfolio companies with a proportion of the voting rights of less than 20 percent
- international fund investments

The co-investment vehicles are subsidiaries of DBAG through which DBAG co-invests in DBAG funds. Due to the exemption for investment entities in IFRS 10, these subsidiaries are no longer consolidated. Instead, they are required to be treated as financial instruments in terms of IAS 39 and measured at fair value through profit or loss.

As a private equity firm in terms of IAS 28, DBAG makes use of the option of measuring the interests in associates in conformity with the rules of IAS 39 at fair value through profit or loss. Thus, no associates are carried at equity.

For other interests in portfolio companies and international fund investments, use is made of the option of designating these at fair value through profit or loss upon initial recognition (fair value option in accordance with IAS 39.9).

#### Valuation procedures used in measuring fair value

The fair values for the various classes of assets are measured in accordance with consistent valuation procedures and on the basis of uniform input factors. Valuation guidelines have been adopted for the application of fair value accounting. DBAG employs valuation procedures that are commonly used by market participants in the private equity

industry to value portfolio companies. This industry standard is detailed in the recommendations of the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) in the December 2012 edition, which DBAG applies.<sup>4</sup>

The following procedures are used:

- the sum-of-the-parts procedure for the net asset value of unconsolidated subsidiaries, especially of co-investment vehicles
- the multiples methods for established portfolio companies
- the DCF procedure for strongly growing portfolio companies and for international fund investments

For the **SUM-OF-THE-PARTS METHOD**, individual asset and liability items are valued separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries. The portfolio companies are generally valued by the multiples or DCF method.

The interest of DBAG in the unconsolidated subsidiaries' net asset value is based on the partnership agreements for the profit distribution. In addition to DBAG, members of the investment team have committed to take an interest in the co-investment vehicles through which DBAG co-invests in the DBAG funds DBAG Fund IV, DBAG Fund V, DBAG Fund VI and DBAG Expansion Capital Fund. Under certain conditions (see Annual Report, pages 178ff.), this can result in a disproportionate share of the profits (carried interest) for the members of the investment team. As soon as the conditions that trigger carried interest payments are met, the interest in the net asset value of a co-investment vehicle is reduced accordingly.

For the **MULTIPLES** and **DCF METHODS** as well as further details on valuation procedures, we refer to the 2015/2016 Annual Report, pages 144.

<sup>4</sup> The revised IPEVG of December 2015 are applicable for financial years beginning on or after 1 January 2016. Since Deutsche Beteiligungs AG basically does not make use of early application of the IFRS either, the December 2012 edition of the IPEVG will continue to be applied until 30 September 2016. The effects from the application of the revised IPEVG are currently being reviewed.

The fair value measurement of **SECURITIES** is based on prices by dealers or price information systems (Reuters, Bloomberg, etc.). These are indicative prices, since they are not regularly based on observed transaction prices due to low market turnovers.

The same accounting and valuation methods have been applied in preparing the interim financial statements at 31 March 2016 as have been for the consolidated financial statements at 30 September 2015. We refer to pages 142 to 149 of the 2014/2015 Annual Report.

#### **4. Significant events and transactions**

Events and transactions that are significant for an understanding of the changes that have taken place in the Group's asset, financial and earnings position since the end of the preceding financial year are discussed in the interim management report on beginning on page 10 in section "Review of significant events and transactions".

#### **5. Seasonal and cyclical effects**

Seasonal and cyclical effects are mirrored in the valuation of financial assets at fair value through profit or loss. For further information we refer to the commentary in the interim management report on page 19f.

#### **6. Unusual items**

No unusual items have been recorded affecting assets, liabilities, equity, net income for the period, or cash flows, and which are unusual because of their nature, size, or incidence.

#### **7. Judgments in applying the accounting policies**

Application of the accounting policies requires making judgments which can materially influence the reported amounts in the financial statements. The consolidation as well as accounting and valuation methods applied that were based on judgments are detailed in the 2014/2015 Annual Report on pages 137 to 149. The amounts recognised in the financial statements are primarily influenced by the fair value of the co-investment vehicles. The fair value of the co-investment vehicles is significantly determined by the fair value of the portfolio companies.

#### **8. Future-oriented assumptions and other major sources of estimation uncertainty**

Preparation of the consolidated financial statements requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses. What future-oriented assumptions and estimations have in common is the uncertainty about the outcomes. The Board of Management takes decisions on assumptions and estimations after careful consideration of the most recently available reliable information and past experience. Assumptions and estimations also relate to issues over which the Board of Management has no influence, for instance, economic or financial market conditions. The actual outcomes can differ from the assumptions and estimations underlying these consolidated financial statements. In the event that new data and information become available or that changes take place, the assumptions and estimations are adjusted accordingly. The effect of a change in an assumption or estimation is recognised in the financial year that the change takes place and, if appropriate, in later financial years in the carrying amount of that item in the consolidated statement of financial position as well as in the consolidated statement of comprehensive income.

Due to assumptions about the future and other major sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities within the next financial year. We judge the materiality by means of the effects on net assets. We would consider an adjustment to the carrying amount in the range of three percent of total shareholders' equity as being material or when it serves to clarify the asset, financial and earnings position. Moreover, in our materiality judgements we consider the possible effects in relation to the financial data in these financial statements as well as qualitative aspects.

A significant risk exists in financial assets and other financial instruments the fair value of which was determined using inputs not based on observable market data (hierarchy Level 3, see note 14.2). These are contained in "Financial assets" in an amount of T€288,682 (previous year: T€247,343) and in "Other financial instruments" in an amount of T€1,500 (previous year T€2,134). They concern that part of financial assets and other financial instruments that is largely valued by the multiples method. The extent of possible effects in the event of an adaption of assumptions and estimations is not quantifiable. However, should the underlying multiples change by +/- 1, this would result ceteris paribus in an adjustment to the fair values recognised in the financial statements of +/- T€29,084 (previous year: T€28,077). This equates to nine percent of total shareholders' equity.

## Notes to the consolidated statement of comprehensive income and the consolidated statement of financial position

### 9. Net result of investment activity

T€	1st half-year 2015/2016	1st half-year 2014/2015
<b>Net result of valuation and disposal</b>		
Interests in co-investment vehicles	35,310	12,990
Interests in portfolio companies	(7,663)	5,621
International fund investments	6,382	2,568
Other financial assets	(228)	(408)
	<b>33,801</b>	<b>20,771</b>
<b>Current income</b>		
Interests in co-investment vehicles	2,328	201
Interests in portfolio companies	65	13
Other financial assets	0	0
	<b>2,393</b>	<b>214</b>
	<b>36,194</b>	<b>20,985</b>

The net result of valuation and disposal from interests in co-investment vehicles contains the result of disposal from the realisation of Spheros with a value movement (gross) of T€2,503.

The net result of valuation and disposal from interests in portfolio companies largely relates to Clyde Bergemann, the divestment of which was completed in the third quarter.

The net result of valuation and disposal from international fund investments mainly stems from an agreed sale of an investment by DBG Eastern Europe II.

Current income from co-investment vehicles and other financial assets relates exclusively to distributions. Current income from portfolio companies also includes interest on loans.

For further information on the net result of investment activity, we refer to the interim management report (see pages 10ff.).

### 10. Fee income from fund management and advisory services

T€	1st half-year 2015/2016	1st half-year 2014/2015
DBG Fonds I	0	353
DBG Fonds III	2	10
DBAG Fund IV	0	0
DBAG Fund V	2,208	2,671
DBAG ECF	165	137
Other	47	38
Management fee income	2,422	3,209
Advisory fee income (DBAG Fund VI)	7,010	6,943
	<b>9,432</b>	<b>10,152</b>

Management fee income stems from the management of private equity funds, alongside which Deutsche Beteiligungs AG co-invests.

Advisory fee income results from advisory services to the management company of DBAG Fund VI.

### 11. Financial assets

T€	31 March 2016	30 Sept. 2015
Interests in co-investment vehicles	250,572	206,347
Interests in portfolio companies	25,815	33,975
International fund investments	11,258	5,097
Other financial assets	1,653	2,276
	<b>289,298</b>	<b>247,695</b>

Financial assets are measured at fair value through profit or loss (see note 3).



This item exhibited the following movements in the reporting period:

T€	1 Oct. 2015	Additions	Disposals	Value movements	31 March 2016
Interests in co-investment vehicles	206,347	21,442	12,527	35,310	250,572
Interests in portfolio companies	33,975	0	375	(7,785)	25,815
International fund investments	5,097	0	0	6,161	11,258
Other financial assets	2,276	0	0	(623)	1,653
	<b>247,695</b>	<b>21,442</b>	<b>12,902</b>	<b>33,063</b>	<b>289,298</b>

T€	1 Nov. 2014	Additions	Disposals	Value movements	30 Sept. 2015
Interests in co-investment vehicles	119,741	90,034	22,016	18,588	206,347
Interests in portfolio companies	30,264	0	1,982	5,693	33,975
International fund investments	8,300	0	4,352	1,149	5,097
Other financial assets	5,125	55	25	(2,879)	2,276
	<b>163,430</b>	<b>90,089</b>	<b>28,375</b>	<b>22,551</b>	<b>247,695</b>

Additions chiefly relate to capital calls by the co-investment vehicles of DBAG Fund VI and DBAG ECF for the new investments in mageba AG and Telio Group (see interim management report, page 10).

Disposals under co-investment vehicles result from distributions following repayments of shareholder loans or bridge-over financings that had been extended to portfolio companies.

Movements in value are recorded under the caption "Net result of investment activity" in the consolidated statement of comprehensive income (see note 9).

For more information on income from financial assets, we refer to the interim management report (see pages 12ff.).

## 12. Loans and receivables

T€	1st half-year 2015/2016	2014/2015
At start of financial year	2,494	0
Additions	154	2,516
Disposals	0	0
Value movements	(444)	(22)
At end of financial year	<b>2,204</b>	<b>2,494</b>

The additions contain a loan to a portfolio company. The value movements result from discounting effects and currency rate changes.

## 13. Other financial commitments, contingent liabilities and trusteeships

**OTHER FINANCIAL COMMITMENTS** are detailed by call commitments and permanent debt obligations in the following nominal amounts:

T€	31 March 2016	30 Sept. 2015
Call commitments	3,393	3,406
Permanent debt obligations	3,958	4,353
	<b>7,351</b>	<b>7,759</b>

Possible call commitments relate to investments in funds which may draw down additional funding for investments and costs, as well as contractually agreed potential investments in portfolio companies.

**TRUST ASSETS** totalled T€203,405 at 31 March 2016 (at start of financial year: T€7,144). The greater part of trust assets, or T€197,051, comprises sales proceeds from the realisation of Spheros, which were distributed in April largely to the investors in the DBAG funds and the co-investment vehicle of DBAG. In addition, as in the past, trust assets of T€6,271 (previous year T€6,971) are attributable to interests in two portfolio companies that are held by subsidiaries for two managed funds. Trust liabilities exist in an equivalent amount. DBAG does not generate income from trustee activities.

## Other disclosures

### 14. Financial instruments

The key items in the statement of financial position of Deutscheeteiligungs AG containing financial instruments (financial assets and long- and short-term securities) are carried completely at fair value. Financial instruments carried at amortised cost are largely recognised in current assets or current liabilities. Their term is less than one year. For these instruments, we assume that the carrying amount reflects their fair value.

### 14.1 Classes of financial instruments

Classes of financial instruments according to IFRS 7 in the DBAG Group are designated in accordance with the categories defined in IAS 39. For financial assets that are measured at fair value through profit or loss, only such assets exist as were designated to this category upon initial recognition. These mainly relate to investments. Financial assets classified as held for trading or as held to maturity do not exist.

Financial instruments have been designated to the following categories:

#### VALUATION CATEGORY

T€	Carrying amount 31 March 2016	Fair value 31 March 2016	Carrying amount 30 Sept. 2015	Fair value 30 Sept. 2015
<b>Financial assets at fair value through profit or loss</b>				
Financial instruments <sup>1</sup>	289,298	289,298	247,695	247,695
thereof hybrid instruments <sup>1</sup>	0	0	0	0
thereof equity investments <sup>1</sup>	289,298	289,298	247,695	247,695
Other financial instruments <sup>1</sup>	1,500	1,500	2,134	2,134
	<b>290,798</b>	<b>290,798</b>	<b>249,829</b>	<b>249,829</b>
<b>Available-for-sale financial assets</b>				
Long-term securities	21,297	21,297	26,370	26,370
Short-term securities	0	0	3,741	3,741
	<b>21,297</b>	<b>21,297</b>	<b>30,111</b>	<b>30,111</b>
<b>Loans and receivables</b>				
Loans and receivables	2,204	2,204	2,494	2,494
Receivables	2,554	2,554	3,077	3,077
Cash and cash equivalents	15,748	15,748	28,234	28,234
Other current financial assets, if financial instruments <sup>2</sup>	5,013	5,013	4,919	4,919
	<b>25,519</b>	<b>25,519</b>	<b>38,724</b>	<b>38,724</b>
<b>Other financial liabilities</b>				
Minority interest	122	122	122	122

<sup>1</sup> Designated as at fair value through profit or loss on initial recognition

<sup>2</sup> Does not include prepaid expenses, value-added tax and other totalling T€1,498 (previous year: T€926)

No impairments to financial instruments designated as “loans and receivable” were recorded in the reporting period or in the previous year.

Financial instruments in items “Receivables” and “Other current assets” chiefly relate to portfolio companies and DBAG funds. Due to close relationships to obligors, due dates are negotiated in individual instances and mutually agreed. Quantitative data on past due financial instruments is therefore not disclosed. These financial instruments are mostly not hedged.

Impairments are recognised when there is objective evidence that the obligor will not be able to meet his payment obligations in the future (see note 3). An assessment of obligors’ credit quality is derived from a regular exchange of information with the obligors.

### 14.2 Hierarchy of financial instruments

All financial instruments are categorised in conformity with IFRS 13 according to the following three levels, irrespective of whether they are measured at fair value or not:

**LEVEL 1:** Use of prices in active markets for identical assets or liabilities.

**LEVEL 2:** Use of inputs that are observable, either directly (as prices) or indirectly (derived from prices).

**LEVEL 3:** Use of inputs that are not materially based on observable market data (unobservable inputs). The materiality of these inputs is judged on the basis of their influence on fair value measurement.

Hierarchy of **FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE** on a recurring basis:

#### ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 March 2016	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>				
Financial assets	289,298	264	352	288,682
Other financial instruments	1,500	0	0	1,500
	<b>290,798</b>	<b>264</b>	<b>352</b>	<b>290,182</b>
<b>Available-for-sale financial assets</b>				
Long-term securities	21,297	0	21,297	0
Short-term securities	0	0	0	0
	<b>21,297</b>	<b>0</b>	<b>21,297</b>	<b>0</b>
	<b>312,095</b>	<b>264</b>	<b>21,649</b>	<b>290,182</b>

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 30 Sept. 2015	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>				
Financial assets	247,695	0	352	247,343
Other financial instruments	2,134	0	0	2,134
	<b>249,829</b>	<b>0</b>	<b>352</b>	<b>249,477</b>
<b>Available-for-sale financial assets</b>				
Long-term securities	26,370	0	26,370	0
Short-term securities	3,741	0	3,741	0
	<b>30,111</b>	<b>0</b>	<b>30,111</b>	<b>0</b>
	<b>279,940</b>	<b>0</b>	<b>30,463</b>	<b>249,477</b>

One financial asset has been designated to Level 1 based on a signed purchase price agreement.

Level 2 financial assets pertain to an investment which is measured at a purchase price indication in an illiquid market.

Level 2 securities relate to German public sector bonds of highest credit ratings, the liquidity of which is limited due to their trading in the secondary market.

For all financial instruments recognised in the statement of financial position at fair value at 31 March 2016 and the last reporting date, fair value measurement is recurring.

Over that period of time, there were no assets or liabilities in the DBAG Group that were valued by non-recurring fair value measurement.

For the classes as in IFRS 13, the valuation categories according to IAS 39 have been defined for Level 1 and 2 financial instruments in the DBAG Group.

Level 3 financial instruments have been allocated to the following **CLASSES**:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Interests in co-investment vehicles	Interests in portfolio companies	International fund investments	Other	Total
<b>31 March 2016</b>					
Financial assets	250,572	25,199	11,258	1,653	288,682
Other financial instruments	0	1,500	0	0	1,500
	<b>250,572</b>	<b>26,699</b>	<b>11,258</b>	<b>1,653</b>	<b>290,182</b>
<b>30 Sept. 2015</b>					
Financial assets	206,347	33,623	5,097	2,276	247,343
Other financial instruments	0	2,134	0	0	2,134
	<b>206,347</b>	<b>35,757</b>	<b>5,097</b>	<b>2,276</b>	<b>249,477</b>

**RECONCILIATION** of Level 3 financial instruments in the first six months of 2015/2016:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	1 Oct. 2015	Additions	Disposals	Transfers	Gains/(losses) through profit or loss	31 March 2016
<b>Financial assets</b>						
Interests in co-investment vehicles	206,347	21,442	12,527	0	35,310	250,572
Interests in portfolio companies	33,623	0	375	(8,099)	50	25,199
International fund investments	5,097	0	0	0	6,161	11,258
Other	2,276	0	0	0	(623)	1,653
	<b>247,343</b>	<b>21,442</b>	<b>12,902</b>	<b>(8,099)</b>	<b>40,898</b>	<b>288,682</b>
<b>Other financial instruments</b>						
Interests in portfolio companies	2,134	31	816	0	151	1,500
	<b>249,477</b>	<b>21,473</b>	<b>13,718</b>	<b>(8,099)</b>	<b>41,049</b>	<b>290,182</b>

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	1 Nov. 2014	Additions	Disposals	Transfers	Gains/(losses) through profit or loss	30 Sept. 2015
<b>Financial assets</b>						
Interests in co-investment vehicles	119,741	90,034	22,016	0	18,588	206,347
Interests in portfolio companies	29,912	0	1,982	0	5,693	33,623
International fund investments	8,300	0	4,352	0	1,149	5,097
Other	5,125	55	25	0	(2,879)	2,276
	<b>163,078</b>	<b>90,089</b>	<b>28,375</b>	<b>0</b>	<b>22,551</b>	<b>247,343</b>
<b>Other financial instruments</b>						
Interests in portfolio companies	2,245	552	726	0	63	2,134
	<b>165,323</b>	<b>90,641</b>	<b>29,101</b>	<b>0</b>	<b>22,614</b>	<b>249,477</b>

The transfer dates between Levels 1 to 3 correspond to the date of the event or of the change in circumstances that caused the transfer.

There was one transfer in the amount of T€8,099 (previous year: T€0) from Level 3 to Level 1 in the reporting period in interests in portfolio companies. The basis for the transfer was a signed purchase agreement on the sale of an investment.

Of the gains through profit or loss totalling T€41,049 (previous year: T€22,614), T€40,898 (previous year: T€22,551)

were recognised in “Net result of investment activity” (thereof net result of disposal: T€0; previous year: T€0), and net result of valuation: T€40,898; previous year: T€22,551) relating to financial instruments held at the end of the reporting period) and T€151 in “Other operating income”.

For Level 3 financial instruments at fair value, **THE POSSIBLE RANGES FOR UNOBSERVABLE INPUTS** are as follows:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 March 2016	Valuation method	Unobservable inputs	Range
<b>Financial assets</b>				
Interests in co-investment vehicles	250,572	Sum-of-the-parts <sup>1</sup>	Average EBITDA/EBITA margin	5% to 25%
			Net debt <sup>2</sup> to EBITDA	-1 to 5
			Multiples discount	0% to 30%
Interests in portfolio companies	25,199	Multiples method	Average EBITDA/EBITA margin	5% to 10%
			Net debt <sup>2</sup> to EBITDA	1 to 4
			Multiples discount	n.a.
International fund investments	11,258	DCF	n.a.	n.a.
Other	1,653	Sum-of-the-parts	n.a.	n.a.
	<b>288,682</b>			
<b>Other financial instruments</b>				
Interests in portfolio companies	1,500	Multiples method	Average EBITDA/EBITA margin	6% to 10%
			Net debt <sup>2</sup> to EBITDA	1 to 2
			Multiples discount	0% to 15%
	<b>290,182</b>			

1 In the sum-of-the-parts method for interests in co-investment vehicles a significant share relates to the interests in portfolio companies. Insofar as the multiples method is used for the interests in portfolio companies, the same unobservable inputs are applied that are used in determining the fair value of “Interests in portfolio companies” (see commentary in note 3)

2 Net debt of portfolio company

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 30 Sept. 2015	Valuation method	Unobservable inputs	Range
<b>Financial assets</b>				
Interests in co-investment vehicles	206,347	Sum-of-the-parts <sup>1</sup>	Average EBITDA/EBITA margin	4% to 24%
			Net debt <sup>2</sup> to EBITDA	-1 to 4
			Multiples discount	0% to 15%
Interests in portfolio companies	33,623	Multiples method	Average EBITDA/EBITA margin	5% to 11%
			Net debt <sup>2</sup> to EBITDA	1 to 4
			Multiples discount	0% to 33%
International fund investments	5,097	DCF	n. a.	n. a.
Other	2,276	Sum-of-the-parts	n. a.	n. a.
	<b>247,343</b>			
<b>Other financial instruments</b>				
Interests in portfolio companies	2,134	Multiples method	Average EBITDA/EBITA margin	5% to 11%
			Net debt <sup>2</sup> to EBITDA	1 to 2
			Multiples discount	0% to 10%
	<b>249,477</b>			

1 See footnote 1 in preceding table

2 See footnote 2 in preceding table



By reasonable estimate, **CHANGES IN UNOBSERVABLE INPUTS** would have the following effects on fair value measurement of Level 3 financial instruments:

## ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 March 2016	Change in unobservable inputs		Change in fair value
<b>Financial assets<sup>1</sup></b>				
Interests in co-investment vehicles	250,572	EBITDA and EBITA	+/- 10%	25,116
		Net debt	+/- 10%	9,473
		Multiples discount	+/- 5 Percentage points	5,436
Interests in portfolio companies	25,199	EBITDA and EBITA	+/- 10%	2,385
		Net Debt	+/- 10%	236
		Multiples discount	+/- 5 Percentage points	n.a.
International fund investments	11,258		n.a.	n.a.
Other	1,653		n.a.	n.a.
	<b>288,682</b>			
<b>Other financial instruments</b>				
Interests in portfolio companies	1,500	EBITDA and EBITA	+/- 10%	33
		Net debt	+/- 10%	6
		Multiples discount	+/- 5 Percentage points	0
	<b>290,182</b>			

1 For financial assets acquired within the past 12 months, a change in unobservable inputs has no effect on the fair value, insofar as these were valued at their transaction price at the valuation date, in accordance with the IPEVG.

## ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 30 Sept. 2015	Change in unobservable inputs		Change in fair value
<b>Financial assets<sup>1</sup></b>				
Interests in co-investment vehicles	206,347	EBITDA and EBITA	+/- 10%	17,456
		Net Debt	+/- 10%	4,086
		Multiples discount	+/- 5 Percentage points	2,227
Interests in portfolio companies	33,623	EBITDA and EBITA	+/- 10%	6,095
		Net debt	+/- 10%	3,014
		Multiples discount	+/- 5 Percentage points	2,974
International fund investments	5,097		n.a.	n.a.
Other	2,276		n.a.	n.a.
	<b>247,343</b>			
<b>Other financial instruments</b>				
Interests in portfolio companies	2,134	EBITDA and EBITA	+/- 10%	115
		Net debt	+/- 10%	48
		Multiples discount	+/- 5 Percentage points	48
	<b>249,477</b>			

1 See footnote 1 in preceding table

The difference between the unobservable inputs EBITDA and EBITA is depreciation on property, plant and equipment. The key factors influencing income have an effect on both unobservable inputs; consequently, there is an inter-relationship between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

The sensitivity analysis for net debt and multiples discount considers the effects of a change in one input, with all other inputs remaining constant.

### 14.3 Net gains/losses on financial instruments recognised at fair value in the statement of financial position

Net gains and losses on financial instruments at fair value recognised in the statement of financial position comprise fair value movements through profit or loss, realised gains or losses on disposal of financial instruments, impairment losses, reversals through profit or loss and currency rate changes.

Contained in the consolidated statement of comprehensive income are the following **NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE IN THE STATEMENT OF FINANCIAL POSITION:**

#### NET GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

T€	1st half-year 2015/2016	Level 1	Level 2	Level 3
Net result of investment activity	36,572	(7,835)	251	44,156
Other operating income	151	0	0	151
	<b>36,723</b>	<b>(7,835)</b>	<b>251</b>	<b>44,307</b>

#### NET GAINS/(LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

T€	1st half-year 2015/2016	Level 1	Level 2	Level 3
Other operating income	67	0	67	0
<b>Total other income/expenses</b>	<b>67</b>	<b>0</b>	<b>67</b>	<b>0</b>
Unrealised gains/(losses) on available-for-sale securities	32	0	32	0
thereof, transfers from other comprehensive income to profit or loss	(85)	0	(85)	0
<b>Net result of valuation and disposal</b>	<b>117</b>	<b>0</b>	<b>117</b>	<b>0</b>
<b>Interest income</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>

## NET GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

T€	1st half-year 2014/2015	Level 1	Level 2	Level 3
Net result of investment activity	21,042	(6)	0	21,048
Other operating income	307	0	0	307
	<b>21,349</b>	<b>(6)</b>	<b>0</b>	<b>21,355</b>

## NET GAINS/(LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

T€	1st half-year 2014/2015	Level 1	Level 2	Level 3
Other operating income	667	0	667	0
Other operating expenses	(3)	0	(3)	0
<b>Total other income/expenses</b>	<b>664</b>	<b>0</b>	<b>664</b>	<b>0</b>
Unrealised gains/(losses) on available-for-sale securities	124	0	124	0
thereof, transfers from other comprehensive income to profit or loss	(14)	0	(14)	0
<b>Net result of valuation and disposal</b>	<b>138</b>	<b>0</b>	<b>138</b>	<b>0</b>
<b>Interest income</b>	<b>278</b>	<b>0</b>	<b>278</b>	<b>0</b>

Net gains/(losses) on financial assets at fair value through profit or loss result in their full amount from financial assets that were designated as at fair value through profit or loss on initial recognition.

Level 1 net gains/(losses) on financial assets of T€-7,835 results from a financial asset transferred from Level 3 (previous year: T€0).

### 15. Issuances, repurchases, and repayments of equity instruments and debt instruments

Equity or debt instruments were neither issued, repurchased, nor repaid by Deutsche Beteiligungs AG in the first six months of financial year 2015/2016.

## 16. Disclosures on segment reporting

The business policy of Deutsche Beteiligungs AG is geared to augmenting the enterprise value of DBAG over the long term through successful investments in portfolio companies in conjunction with sustainable income from management and advisory services to funds. The investments are always entered into as a co-investor alongside DBAG funds, either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

The complete Board of Management (as the “chief operating decision maker” in terms of the IFRS) manages the two business lines of investments and fund management and advisory services based on the operating result (segment net income). For that reason, the business lines of Private Equity Investments and Fund Investment Services are presented as reportable segments.

### SEGMENTAL ANALYSIS FOR THE 1ST HALF-YEAR OF 2015/2016

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 1st half-year 2015/2016
Net result of investment activity	36,194	0	0	36,194
Fee income from fund management and advisory services <sup>1</sup>	0	10,087	(655)	9,432
<b>Net result of fund services and investment activity</b>	<b>36,194</b>	<b>10,087</b>	<b>(655)</b>	<b>45,626</b>
Other income/expenses	(3,921)	(10,486)	655	(13,752)
<b>Net income before taxes (segment net income)</b>	<b>32,273</b>	<b>(399)</b>	<b>0</b>	<b>31,874</b>
Income taxes				171
<b>Net income after taxes</b>				<b>32,045</b>
Minority interest (gains)/losses				(18)
<b>Net income</b>				<b>32,028</b>
<b>Financial assets and loans and receivables</b>	<b>291,502</b>			
<b>Financial resources<sup>2</sup></b>	<b>37,044</b>			
<b>Assets under management or advice<sup>3</sup></b>		<b>946,773</b>		

1 A synthetic internal administration fee is calculated for the Investment segment and taken into account when determining segment net income. The fee is based on DBAG's co-investment interest.

2 Subsequent to the end of the period, the proceeds from the Spheros disposal increased the financial resources of DBAG by T€22,625. The financial resources serve DBAG for investments in financial assets and loans and receivables. They contain line items “Cash and cash equivalents”, “Long-term securities” and “Short-term securities”.

3 Subsequent to the end of the period, the proceeds from the Spheros disposal and the completion of the investment in Telio in DBAG Fund VI increased the assets under management or advice by T€87,737. Assets under management or advice comprise financial assets, loans and receivables and financial resources of DBAG as well as the investments and callable capital commitments to DBAG-managed and advised private equity funds. The investments and loans and receivables are recognised at cost.

## SEGMENTAL ANALYSIS FOR THE 1ST HALF-YEAR OF 2014/2015

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 1st half-year 2014/2015
Net result of investment activity	20,985	0	0	20,985
Fee income from fund management and advisory services <sup>1</sup>	0	10,892	(740)	10,152
<b>Net result of fund services and investment activity</b>	<b>20,985</b>	<b>10,892</b>	<b>(740)</b>	<b>31,137</b>
Other income/expenses	(1,455)	(8,947)	740	(9,661)
<b>Net income before taxes (segment net income)</b>	<b>19,530</b>	<b>1,945</b>	<b>0</b>	<b>21,475</b>
Income taxes				(76)
<b>Net income after taxes</b>				<b>21,399</b>
Minority interest (gains)/losses				(17)
<b>Net income</b>				<b>21,382</b>
<b>Financial assets and loans and receivables</b>	<b>250,189</b>			
<b>Financial resources<sup>2</sup></b>	<b>58,345</b>			
<b>Assets under management or advice<sup>3</sup></b>		<b>1,165,751</b>		

1 See commentary in footnote 1 in preceding table

2 See commentary in footnote 2 in preceding table

3 See commentary in footnote 3 in preceding table

## 17. Related party transactions

At 31 March 2016, the members of the Board of Management involved held the following numbers of shares in the Company: Torsten Grede 20,323; Dr Rolf Scheffels 10,290; Susanne Zeidler 4,000. Of the members of the Supervisory Board, Philipp Möller held 1,000 shares; and Wilken von Hodenberg 1,000 shares in Deutsche Beteiligungs AG.

Loans advanced to key management personnel totalled T€539 (previous year: T€200). In the six months to 31 March 2016, Deutsche Beteiligungs AG received interest in the amount of T€21 on these loans. No loans have been granted to members of the Board of Management.

Key management personnel and former key management personnel involved have neither made investments in, nor were there repayments from the investment activities of **DBAG FUND IV** attributable to them in the first six months of financial year 2015/2016.

Key management personnel and former key management personnel involved have neither made investments in, nor were there repayments from the investment activities of **DBAG FUND V** attributable to them in the first six months of financial year 2015/2016. Up to the publishing date of this report, key management personnel and former key management personnel involved have received repayments from investments of T€31,144 (active and former Board of Management members T€17,457; senior executives T€13,687).

In the first six months of financial year 2015/2016, key management personnel and former key management personnel involved have made the following investments in, and/

or have received the following repayments attributable to them from the investment activities of **DBAG EXPANSION CAPITAL FUND**:

T€	Investments in the period		Aggregate investment at reporting date		Repayments in the period	
	Management Board	Senior executives	Management Board	Senior executives	Management Board	Senior executives
<b>Period from 1 Oct. 2015 – 31 March 2016</b>						
DBG Advisors Expansion GmbH & Co. KG	32	113	201	746	0	0

In the first six months of financial year 2015/2016, key management personnel and former key management personnel involved have made the following investments

in, and/or have received the following repayments attributable to them from the investment activities of **DBAG FUND VI**:

T€	Investments in the period		Aggregate investment at reporting date		Repayments in the period	
	Management Board	Senior executives	Management Board	Senior executives	Management Board	Senior executives
<b>Period from 1 Oct. 2015 – 31 March 2016</b>						
DBG Advisors VI GmbH & Co. KG	107	152	2,055	2,966	68	103

Apart from these, there were no other related party transactions in the first six months of financial year 2015/2016 materially affecting the asset, financial or earnings position of the Group in this period.

### 18. Changes in the composition of the Group

There were no changes in the composition of the Deutsche Beteiligungs AG Group compared with the status at 30 September 2015.

### 19. Significant events after the end of the reporting period

After the end of the period, related parties received repayments from the investment activities of DBAG Fund V totalling T€31,144 (see note 17). For information on other significant events after the end of the period, we refer to the interim management report, page 21, on the completion of a divestment and an acquisition as well as the increase of an investment in a portfolio company.

## ADDITIONAL INFORMATION

### Statement of responsibility

We confirm to the best of our knowledge and consistent with the applicable reporting principles for interim financial reporting that the consolidated interim financial statements give a true and fair view of the asset, financial and earnings position of the Group and the interim management report presents a true and fair view of the business development and the position of the Group, including a discussion of the material opportunities and risks associated with the Group's expected development for the remaining part of the financial year.

Frankfurt am Main, 10 May 2016

The Board of Management



Torsten Grede



Dr Rolf Scheffels



Susanne Zeidler

## Review Report

We have reviewed the condensed interim consolidated financial statements of the Deutsche Beteiligungs AG – comprising consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of financial position, consolidated statement of changes in equity and selected explanatory notes – together with the interim management report of the Deutsche Beteiligungs AG, for the period from 1 October 2015 to 31 March 2016, that are part of the semi-annual financial report according to § 37 w WpHG [„Wertpapierhandelsgesetz“: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim management report in accordance with the requirements of the WpHG applicable to interim management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34,

“Interim Financial Reporting” as adopted by the EU, and that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim management reports.

Frankfurt am Main, 10 May 2016

KPMG AG  
Wirtschaftsprüfungsgesellschaft



Bertram  
Wirtschaftsprüfer  
(German Public Auditor)



Dr Faßhauer  
Wirtschaftsprüfer  
(German Public Auditor)



## Portfolio companies

Company	Core business	2015 Revenues €mn	Employees
Broetje-Automation GmbH	Developer and manufacturer of machines and plants for the automated assembly of aircraft	144	850
Cleanpart Group GmbH	Services for the semi-conductor industry, hospitals and other industries	46	360
DNS:NET Internet Service GmbH	Telecommunications and IT services based on high-quality fibre-optic infrastructure in Berlin and Brandenburg	11	70
FDG Group	Services for supermarkets mainly in France and increasingly in neighbouring countries	124 <sup>1</sup>	750
Formel D GmbH	Services for car manufacturers and their suppliers	212 <sup>1</sup>	5,500
Gienanth GmbH	Machine-moulded and hand-moulded castings for the automotive supplier industry and for the production of engine blocks	132 <sup>1</sup>	880
Grohmann Engineering GmbH	Developer and manufacturer of plants for industrial automation worldwide	124 <sup>1</sup>	790
Heytex Bramsche GmbH	Producer of textile print media and technical textiles	105	430
inexio KGaA	Telecommunications and IT services based on high-quality optic-fibre infrastructure in southwest Germany	45	150
Infiana Group GmbH	Developer, producer and finisher of plastic-based release liners and specialised films	206 <sup>1</sup>	800
JCK Holding GmbH Textil KG	Textile retail business, mainly for discounters in Germany	611 <sup>1</sup>	930
mageba AG	Provider of structural bearings, expansion joints and other engineering products and services for infrastructure and building sectors	88 (CHF) <sup>1</sup>	800
Novopress KG	Developer and manufacturer of tool systems for the sanitary, electronic and construction industries	n.a.	95
Oechsler AG	Developer and manufacturer of injection-moulded precision components with a focus on the automotive supplier industry	312 <sup>1</sup>	2,200
Pfautler Process Solutions Group	Manufacturer of glass-lined vessels and components for the chemical and pharmaceutical industries	231 (USD) <sup>2</sup>	1,500
Plant Systems & Services PSS GmbH	Industrial services for the energy and process industries in Germany and neighbouring countries	37	190
ProXES GmbH	Developer and manufacturer of machines and processing lines for the production of liquid and semi-liquid food products	104 <sup>1</sup>	420
Romaco GmbH	Developer and manufacturer of machines and plants for packaging tablets	126	500
Schülerhilfe GmbH	Provider of education and tutoring services in Germany	59	430
Silbitz Group GmbH	Provider of hand-moulded and automated machine-moulded processes for different materials on the basis of steel and iron	125 <sup>1</sup>	980
Telio Group (Transaction not yet completed)	Communications and media systems for correctional facilities	29 <sup>3</sup>	100
Unser Heimatbäcker GmbH	Bakery chain in northeast Germany	133	2,750

1 Preliminary 2 Forecast 3 Budget

At 10 May 2016

## Note

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

## Forward-looking statements

This interim report contains forward-looking statements related to the prospects and progress of Deutsche Beteiligungs AG. These statements reflect the current views of the management of Deutsche Beteiligungs AG and are based on projections, estimates and expectations. Our assumptions are subject to risks and uncertainties, and actual results may vary materially. Although we believe these forward-looking statements to be realistic, there can be no guarantee. As at 10 May 2016

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

## Financial calendar

### 12 MAY 2016

Report on period ended  
31 March 2016 (first half-year),  
Analysts' conference call

### 18/19 MAY 2016

Road show,  
London/Frankfurt am Main

### 7 JUNE 2016

LPEQ Investor Conference 2016,  
London

### 15 JUNE 2016

8<sup>th</sup> Dr Kalliwoda Capital Markets Conference,  
Warsaw

### 11 AUGUST 2016

Report on period ended  
30 June 2016 (nine months),  
Analysts' conference call

### 20 TO 22 SEPTEMBER 2016

Baader Investment Conference,  
Munich

### 21 TO 23 NOVEMBER 2016

2016 German Equity Forum,  
Frankfurt am Main

## **Information for shareholders**

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DBAN (Bloomberg)