Deutsche Beteiligungs AG

INTERIM REPORT

AT 31 JULY 2015
3RD QUARTER
2014/2015

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 (IFRS) AT A GLANCE

		1st to 3rd quarter 2014/2015	1st to 3rd quarter 2013/2014	**3rd quarter 2014/2015**	3rd quarter 2013/2014
New investment in the portfolio[1]	€mn	61.2	16.2	7.4	11.2
IFRS carrying amount of investments (31 July)[1]	€mn	255.5	226.0	–	–
Number of investments (31 July)		25	21	–	–
Managed and advised assets	€mn	1,120.5	1,237.8	–	–
Net segment income private equity investments	€mn	25.3	35.6	6.1	21.0
Net segment income fund management and advisory services	€mn	2.6	5.1	0.7	1.3
EBIT	€mn	27.9	40.7	6.8	22.3
Earnings before taxes (EBT)	€mn	28.3	39.6	6.7	21.4
Net income	€mn	118.8	109.4	–	–
Retained profit	€mn	303.4	300.6	–	–
Equity (31 July)	€mn	(0.7)	(2.6)	(2.6)	3.2
Cash flows from operating activities	€mn	(81.8)	(16.9)	(14.7)	(14.0)
Cash flows from portfolio investments	€mn	100.2	46.1	12.9	15.0
Cash flows from other investing activities	€mn	(27.4)	(16.4)	0.0	0.0
Cash flows from financing activities	€mn	(9.6)	10.2	(4.4)	4.2
Change in cash funds[2]					
Earnings per share[3]	€	2.07	2.90	0.49	1.57
Net asset value (equity) per share	€	22.18	21.98	–	–
Change in net asset value per share[4]	%	10.0	14.9	–	–
Employees (31 July, incl. apprentices)		60	53	–	–

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

2 Without changes in securities, which were reduced by €82.5mn in the first nine months (previous year: €32.0mn), thereof in the third quarter by €1.3mn (previous year: €12.0mn). These are recognised in cash flows from other investing activities

3 Relative to weighted number of shares outstanding in each period

4 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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FINANCIAL TARGETS REACHED AFTER THREE QUARTERS

NET INCOME: €28.3MN

MORE THAN €70 MN SPENT ON NEW INVESTMENTS AND PORTFOLIO COMPANIES' ADD-ON ACQUISITIONS, THEREOF €61.2 MN IN THE FIRST THREE QUARTERS

FORECAST ADAPTED TO HIGHER STOCK MARKET VOLATILITY

LETTER TO SHAREHOLDERS

Frankfurt/Main, 7 September 2015

Dear Shareholders,

Investment activity in the nine months of the current financial year has not been this strong since 2003/2004. We spent 46.2 million euros for interests in six new portfolio companies; another 15.0 million euros went to increase our interest in an older investee business and strengthen existing portfolio companies – in particular by add-on acquisitions. Those figures do not include a seventh new investment that was agreed in June 2015 and completed in the current fourth quarter, or the funding for a further add-on acquisition. All of these new investments in management buyouts and expansion financings for German "Mittelstand" companies sum to 71.7 million euros and constitute the basis for future value growth.

Consequently, the asset structure of Deutsche Beteiligungs AG has improved considerably. At the last annual reporting date more than 150 million euros, or 43 percent of total assets, had been invested at low risk, but earned low interest and diluted returns. The value of the portfolio has now reached 255.5 million euros and equates to more than three-quarters of total assets.

Net income was 28.3 million euros at the end of the nine-month period. The gain largely derives from value movements of the carried portfolio. Most of our investee businesses are meeting or exceeding their budgets and are generating higher revenues and earnings than in the previous year. Some three-quarters of the net result of valuation and disposal is based on the portfolio companies' improved earnings. Positive momentum also came from higher valuation multiples in the stock markets and favourable currency rate movements. In line with our valuation procedure, higher stock market multiples lead to value gains for the portfolio. In the third quarter, however, the impact of the stock markets turned slightly negative. Fund investment services, our second business segment in addition to the investment business, continued to deliver positive net income.

Third-quarter net income was 6.7 million euros, compared to 21.4 million euros in the same period last year. Last year's gain largely ensued from the investment in Homag Group AG, the realisation of which had been agreed in July 2014.

On a comparable basis – that is, without the effects of the Homag disposal – net income for the nine-month period exceeds that of the preceding financial year. Net asset value per share amounts to 22.18 euros, or two eurocents more than at the start of the financial year. Also, a dividend of 2.00 euros per share was returned to shareholders in March. Relative to the opening net asset value at the beginning of the financial year, less the dividend payment, this represents a gain of 10.0 percent. In 2013/2014 net asset value per share grew by 15.0 percent over the nine-month period. Approximately half of that gain can be ascribed to the Homag investment.

Looking at the first nine months of the financial year, our expectations have been exceeded. We previously announced that our focus in 2014/2015 would be on investments, and we have reached that goal. The portfolio companies are generally making good progress. Net income after the first three quarters exceeds the level expected for the full year. This improvement compared to the forecast, however, is partly attributable to what initially was an upbeat sentiment in the stock markets and positive effects from exchange rate movements. The past weeks, however, have shown that valuation ratios and currency parities can change rapidly and markedly to our disadvantage: stock market prices have clearly receded from the peak levels, and volatility has increased considerably.

After shareholders voted at the Annual Meeting to move the beginning of future financial years forward to 1 October, the current, shortened financial year will end in just a few weeks on 30 September. What contribution the fourth quarter, consisting of only two months, can deliver to net income of this truncated financial year depends on the closing rates in the stock market at the annual reporting date, for changes in stock market valuation ratios may temporarily have a significant influence on our net income. We determine the value of our investments by applying a multiple derived from the stock market to an earnings indicator of the company to be valued. Developments since the beginning of July and beyond the period end have confirmed our assessment that, following the strong stock market gains at the outset of the year, the risk of a setback has increased.

We remain very confident about the prospects of our portfolio companies. The closing rates at the annual reporting date, however, are not foreseeable. For a number of weeks now, the stock markets have been moving sideways and volatility is high. At present (7 September), stock market valuations have fallen below the level recorded at the last reporting date. Based on current valuation levels, it would not be possible to reach the net income originally forecast. We would only be able to achieve a net income at or in excess of the previous year's (comparable, that is, less disposal gains) income, if the markets were to rebound by 30 September to valuation levels recorded at the last reporting date. The stock markets' high volatility will probably remain in the coming weeks. Assuming that market prices do not fall below their current level to any significant extent, we expect net income for the shortened eleven-month financial year of between 20 and 25 million euros; this corresponds to a gain in net asset value per share of about seven to nine percent.

As we have frequently said in the past, assessing DBAG on the basis of individual quarters does not do justice to our business. As you know, our focus is on a sustainable development of the portfolio companies and the value appreciation associated with it.

Investing, developing and realising created value – that process demands a multi-year perspective. We remain confident in DBAG's ongoing development, over both the mid and the long term.

The Board of Management
of Deutsche Beteiligungs AG

Torsten Grede   Dr Rolf Scheffels   Susanne Zeidler

SHARES

SHARE PRICE MOVED SIDEWAYS WITH THE MARKET

Over the third quarter, DBAG shares exhibited a sideways movement along with the market. On 31 July 2015, they closed at 29.37 euros in Xetra trading, a gain of 7.54 euros on the closing rate at the end of the past financial year. Including the dividend of 2.00 euros per share paid on 25 March 2015, total return to shareholders was 43.2 percent in the nine months to 31 July 2015. DBAG shares thus outperformed the major benchmark indices: over the same period the Dax improved by 21.3 percent, the S-Dax by 34.5 percent, and the LPX Direct[1] advanced by 24.2 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 2010 to 7 September 2015; indexed to: 1 November 2010 = 100

With an average daily turnover on German stock exchanges of about 1.7 million euros and some 59,000 shares, the liquidity of DBAG shares in the nine-month period was nearly 1.8 times higher than in the comparative period of the preceding 2013/2014 financial year. The turnover, however, eased in the third quarter. Trading activity in July, for instance, was less than one-fifth the level reached in March, the strongest month of trading in which the dividend was paid. In addition to the established stock exchanges, a further 18,000 shares were traded on a daily average during the first nine months of 2014/2015 through banks' direct transactions and on new electronic trading platforms.[2]

Market capitalisation of the free-float ownership (as defined by Deutsche Börse AG) of DBAG shares reached 301.5 million euros at the end of the period. DBAG shares thus ranked 37th (31 October 2014: 40th) in the S-Dax. Measured by trading activity, DBAG shares ranked 24th (38th).

DBAG SHARE DATA

		3rd quarter 2014/2015	3rd quarter 2013/2014	3rd quarter 2012/2013	3rd quarter 2011/2012	3rd quarter 2010/2011
Closing rate start of quarter	*€*	29.59	19.38	18.59	16.99	19.99
Closing rate end of quarter	*€*	29.37	21.95	18.15	16.68	19.08
High (closing rate)	*€*	29.71	22.11	19.34	17.13	20.49
Low (closing rate)	*€*	26.45	19.23	18.15	14.32	18.48
Market capitalisation[a] – total	*€mn*	401.7	300.2	248.2	228.12	260.94
Average volume per trading day[b]	*No.*	29.951	29.435	15.205	11.723	12.875
Average turnover per trading day[b]	*€mn*	0.854	0.620	0.284	0.185	0.250

a At end of quarter b Stock exchange traded

1 The LPX Direct tracks the performance of 30 listed private equity companies which hold a portfolio of individual investments similar to that of DBAG
2 Source: Bloomberg

INTERIM REPORT

Interim report on the first three quarters of financial year 2014/2015

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 ("fund investment services") its investment focus is on German "Mittelstand" companies.

For years, Deutsche Beteiligungs AG has been pursuing 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 to 250 million euros. Measured by the number of transactions and investment value, this encompasses a comparatively small part of the overall private equity market. It can well be, therefore, that the trend in this segment develops differently from the overall private equity market in Germany.

This current financial year, we observed as many transactions in our segment of the buyout market as in the comparable period the previous year. Since some transactions are only announced with a certain delay, we can infer that business in the mid-market buyout segment in 2015 is at least in line with 2014 and significantly better than in 2013, where considerably fewer transactions were registered from January to July than this year.

The conditions for our business have basically not changed. Liquidity is high among all market participants – that applies to strategic buyers, with whom financial investors are competing, as well as to financial investors themselves. Acquisition financing is readily available at attractive terms and in ample amounts. These huge assets seeking investment stand in contrast to a limited supply of investment opportunities.

The underlying economic conditions have tended to weaken in the past months. The euro economy has continued to grow, but the dynamism has softened: in Germany and France, the two largest economies, the effects of lower demand from emerging markets and the clouded outlook in China are increasingly becoming evident. The positive effects arising from the euro devaluation and oil price decrease are losing their impact. At the same time, the prevailing encumbrances have remained, such as the uncertainty about developments in the Greek sovereign debt crisis and its effects on the eurozone, the currency policy in certain countries, the impediment in trade with Russia as well as other geopolitical trouble spots, or the persisting currency weakness in major emerging economies (Brazil, India). In view of these factors, growth forecasts for Germany, for example, were slightly lowered recently.

These conditions affect our portfolio companies to very different degrees and, in part, conversely. Overall, we consider the underlying conditions for our portfolio companies, which are mostly globally positioned and not dependent on individual geographical markets, as being satisfactory. Measured by the number of positive and negative reports from the portfolio, the prospects compared with the situation three months ago or, more so, at the beginning of the financial year, have been dampened somewhat.

STAFF

At the end of the quarterly period, DBAG employed a staff of 57 (without Board of Management members), plus three apprentices. One year ago, the staff numbered 50 and there were three apprentices. Over the past twelve months, we enlarged our investment team and fortified the support functions within the Company in light of increasing demands placed on risk management and compliance. We also expanded our marketing activities.

ECONOMIC POSITION OF THE GROUP

Since the start of the current financial year, we have had to apply IFRS 10 in our financial statements. This has led to a change in the group of consolidated companies[3]: whereas in the past the portfolio companies were recognised directly in financial assets by their valuation, the value of most portfolio companies is now merely reflected indirectly via the net asset value of the subsidiaries through which DBAG structures its co-investments alongside DBAG Fund V, DBAG Expansion Capital Fund and DBAG Fund VI ("investment vehicles"). This has a substantial impact on the presentation of the Group's asset, financial and earnings position.

In our opinion, the new accounting treatment creates less transparency than the previous accounting for those interested in the portfolio companies' development as a key value driver of our business. We will therefore continue to present the business performance in this interim management report as we have done in past financial years. The commentary in the "Annex to the management report" is to enable a reconciliation of the presentation in the consolidated statement of financial position, the consolidated statement of comprehensive income and the consolidated statement of cash flows. The following commentary relates to comparable previous year's amounts.

EARNINGS POSITION: FINANCIAL TARGETS REACHED AFTER THREE QUARTERS; NET INCOME AT 28.3 MILLION EUROS

Deutsche Beteiligungs AG recorded **NET INCOME** of 28.3 million euros in the first nine months of financial year 2014/2015. Of that amount, 6.7 million euros were attributable to the third quarter. Net income and other comprehensive income led to a change in net asset value per share from 22.16 euros at 31 October 2014 to 22.18 euros at 31 July 2015. Adjusted for the dividend of 2.00 euros per share, this represents an increase in net asset value per share of 10.0 percent.

In the comparative period the previous year, net income was 39.6 million euros, of which 21.4 million euros were recorded in the third quarter, and net asset value per share totalled 21.98 euros (corresponding to an increase of 15.0 percent for the nine-month period).

In the previous financial year, approximately half of the net income for the nine-month period came from the value gain of the investment in Homag Group AG, which was realised in July 2014. Adjusted for this effect, net income for the nine-month period increased year-on-year from 18.5 million euros to 28.3 million euros, or by more than 50 percent.

The income improvement stems primarily from the **NET RESULT OF INVESTMENT ACTIVITY** (29.1 million euros, after – on a comparable basis – 18.7 million euros), driven above all by the portfolio companies' good performance. Most investee businesses that have been in the portfolio for more than one year (which applies to 19 out of 25) delivered positive valuation contributions. It has meanwhile become apparent that most of these companies will achieve the improved revenues and earnings they budgeted for 2015; this tends to increase their valuation. Overall, the stock market impact over the first nine months was positive. The third-quarter net result of investment activity reached 8.4 million euros (comparable amount the previous year: 11.7 million euros). The prime influential factor here, too, was the net result of valuation: most portfolio companies continued to achieve higher earnings. Negative value contributions in singular cases were, for example, caused by the oil price decline (and the associated revenue and earnings losses) or reporting date-related slightly higher debt in connection with large-scale orders in the project business. In the third quarter, stock market effects weighed on the net result of valuation. Across all three quarters, valuations benefited from the strength of the US dollar.

Disposals of investments contributed 2.5 million euros towards the net result of investment activity in the nine-month period. The two international buyout funds, Harvest Partners IV and DBG Eastern Europe II, continued to divest their remaining holdings as planned. Interest payments from shareholder loans of 2.4 million euros (third quarter: 0.9 million euros) are contained in the net result of investment activity.

3 For details see page 31

Gains attributable to minority interest in the investment vehicles have reduced the net result of investment activity at 31 July 2015 by 22.5 million euros, of which 1.2 million euros were attributable to the third quarter. This relates to performance-linked profit-sharing entitlements on the part of selected current and former members of DBAG's investment team[4]. They are entitled to a disproportionate share of profits (carried interest) on future realisations of value gains achieved on the portfolio of DBAG Fund V, in the event that certain conditions are met.[5] Depending on the value movement of the portfolio of DBAG Fund V, it can increase or decrease: every future valuation movement changes the carry correspondingly. Carried-interest payments only fall due when investments are realised from the fund's portfolio.

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES amounted to 16.0 million euros for the nine-month period, or 0.9 million euros less than that of the same period in 2013/2014. There are two reasons for this. First, the computational base for fee income following the realisations in the past twelve months (mainly Homag Group AG) decreased. And second, fee income from the DBAG Expansion Capital Fund (ECF) was considerably lower than in the previous year's period. The remuneration for our services is now based on the invested capital, instead of the committed capital. In addition, we will receive fees on the basis of individual transactions in the future. For the near term, and as in the past two quarters, we will therefore only be generating minor current fee income from the management of DBAG ECF.

This financial year, fee income for management services to DBG Fonds I will be included in this item for the last time and will amount to nearly 1.4 million euros (the greater part of which, or 1.0 million euros, is performance-related; management fee income from DBG Fonds I totalled 1.8 million euros for the full 2013/2014 financial year). DBAG had managed the fund's portfolio in the past. In July, DBAG and the DBAG ECF acquired the fund. The fund's investments (JCK, Novopress) have now been added to the portfolio of DBAG and the DBAG ECF and broaden the basis for future value gains. Thus, for the time being managed assets and, consequently, the basis for generating management and advisory fee income have declined.

TOTAL OTHER INCOME/EXPENSES, or the net amount of personnel costs, other operating income and expenses and net interest, was -17.1 million euros, which is clearly less than the previous year's -20.8 million euros. The difference largely stems from lower personnel costs this year. 2013/2014 had included performance-linked remuneration of 4.4 million euros from the Homag divestment. Conversely to this contracting effect, however, the third quarter saw higher provisions for variable compensation due to this year's intense investment activity.

OTHER COMPREHENSIVE INCOME was -0.7 million euros (previous year: -0.6 million euros). This item includes gains and losses arising on remeasurements of net defined benefit liabilities (assets) (pensions), which is the difference between the actual and expected return on plan assets. Stock markets movements, particularly in the third quarter of 2014/2015, negatively affected plan assets (-0.8 million euros). Also recognised in this item are unrealised gains and losses on available-for-sale securities.

ASSET POSITION AND PORTFOLIO DEVELOPMENT: ASSET STRUCTURE CLEARLY IMPROVED AFTER HIGH LEVEL OF INVESTMENT ACTIVITY

Following sizeable investment in new portfolio companies and in the existing portfolio, the asset structure improved in comparison to the last annual reporting date. A significantly higher proportion of assets is now invested in the portfolio. Financial assets as well as loans and receivables increased from 48 percent to 77 percent of total assets. Liquid financial resources, which had amounted to 43 percent of total assets at 31 October 2014, accounted for 17 percent at 31 July.

At the end of the period, the portfolio of Deutsche Beteiligungs AG consisted of 25 investments, which are structured in various ways and constitute the substantial part of financial assets. In the first nine months of 2014/2015, the value of this portfolio grew by 102.4 million euros to 255.5 million euros.[6] The gain derives from valuation movements of 47.5 million euros, additions to the portfolio (new investment) of 61.2 million euros and disposals of 6.3 million euros. The disposals largely relate to realisations from the portfolios of international buyout funds.

4 Including members and former members of the Board of Management belonging to the investment team

5 See 2013/2014 Annual Report, page 182

6 For derivation of portfolio value from statement of financial position item "Financial assets" see information on the interim financial statements, page 18

New investment in the third quarter (14.3 million euros) primarily pertains to transactions alongside the DBAG Expansion Capital Fund. Novopress broadens the portfolio by a further expansion capital investment, and the investment in JCK Holding was increased significantly. The investment in an MBO was also raised: the ProXES Group used the capital increase to fund an acquisition. We reported on the transactions in the past months; details can be found on DBAG's website.

We measure the fair value of our investments at quarterly intervals. The principles and methods of valuation we employ are described in the condensed notes to the financial statements.[7] This valuation methodology entails fluctuations in the value of the portfolio companies – a portfolio company's proportionate amount of the total portfolio value can (perhaps only temporarily) be very small or even nil.

Among the 25 investments in the portfolio are a number of older commitments that are meanwhile of limited significance for the portfolio value – for instance, international buyout funds in the liquidation phase. Their value amounted to 2.0 percent of the total portfolio value; it declined in the reporting period, among other things, due to payouts arising on an exit from the portfolio as well as profit distributions from a fund. At 31 July 2015, the following 15 alphabetically ordered investments were the largest in the portfolio, measured by their IFRS value. They accounted for some 83 percent of the total portfolio value. An extended list of current investments is presented on DBAG's website.

Company	Cost *(€mn)*	Share held by DBAG *(%)*	Investment type	Sector
Broetje-Automation GmbH	5.6	16.7	MBO	Mechanical and plant engineering
Clyde Bergemann Group	11.7	15.7	MBO	Mechanical and plant engineering
FDG S.A.	2.2	15.5	MBO	Industrial services
Formel D GmbH	10.4	15.1	MBO	Industrial services
Grohmann GmbH	2.1	25.1	Expansion capital	Mechanical and plant engineering
Heytex GmbH	6.4	16.4	MBO	Industrial components
inexio KGaA	5.5	6.9	Expansion capital	Information technology, media and telecommunication
Infiana Group	12.4	15.4	MBO	Industrial components
JCK KG	8.8	9.5	Expansion capital	Consumer goods
Oechsler AG	11.1	8.4	Expansion capital	Automotive suppliers
ProXES Group	9.1	18.8	MBO	Mechanical and plant engineering
Romaco GmbH	11.2	18.7	MBO	Mechanical and plant engineering
Schülerhilfe GmbH	9.8	15.3	MBO	Education services
Spheros GmbH	13.9	15.7	MBO	Automotive suppliers
Unser Heimatbäcker GmbH	10.1	12.6	MBO	Consumer goods

Equity, totalling 303.3 million euros, was virtually unchanged compared to the last annual reporting date (303.1 million euros). The capital-to-assets ratio of 91.2 percent (31 October 2014: 88.2 percent) remained high. DBAG still has no liabilities to banks.

7 See condensed notes to the interim financial statements, page 39

FINANCIAL POSITION: FINANCIAL RESOURCES SIGNIFICANTLY REDUCED, AS PLANNED

In the nine months to 31 July 2015 the liquidity position declined as planned. Measured against the amount recorded at the start of the financial year, it decreased significantly by 91.9 million euros (thereof third quarter: 5.9 million euros) to 56.9 million euros. The liquidity position of Deutsche Beteiligungs AG at 31 July 2015 consisted of two components: cash totalling 26.8 million euros and interest-bearing securities of 30.1 million euros. The unconsolidated investment vehicles had another 5.0 million euros at their disposal at the reporting date; these financial resources are no longer recorded within cash funds in the accounts under the new IFRS accounting rules; instead, they are contained in the net asset value of these vehicles within financial assets.

Outflows were primarily spent on the agreed investments: DBAG Fund VI extended a capital call for 53.3 million euros, largely to finance the four new investments agreed since the beginning of the financial year. Growth capital of 18.8 million euros was invested alongside the DBAG ECF in Oechsler AG, Novopress GmbH and in additional interests in JCK KG. At the end of March, DBAG shareholders received a dividend payment totalling 27.4 million euros.

Inflows from investment activity reached 18.5 million euros over the nine-month period, of which 11.7 million euros were recorded in the third quarter. The greatest portion (9.7 million euros) stems from the repayment of bridge-over loans in connection with the acquisition of several MBOs in the past months. Further inflows (6.5 million euros) relate to distributions by international buyout funds that continued to divest their remaining investments, as planned.

SEGMENT REPORT

Since the beginning of the 2014/2015 financial year, we have been managing the two business segments of Deutsche Beteiligungs AG separately: the investment business ("Private Equity Investments") and fund management and advisory services ("Fund Investment Services").

The **SEGMENT OF PRIVATE EQUITY INVESTMENTS** achieved pre-tax net income of 25.3 million euros in the first nine months of 2014/2015, of which 6.1 million euros were attributable to the third quarter. The preceding financial year saw net income of 35.6 million euros for the nine-month period, of which 21.0 million euros were generated in the third quarter. The decline reflects the exceptionally high net result of disposal arising from the Homag transaction in the preceding financial year; adjusted for this effect, this segment achieved a considerable gain on the previous year's period. The increase derives from the broader basis following the investments made in 2012 and 2013, from which value gains are now being generated.

Total other income/expenses, which is the net amount of personnel costs, other operating income and expenses as well as net interest, improved by 5.2 million euros on the comparative period the previous year – the impact of the Homag transaction (performance-related remuneration, transaction costs) should be taken into account in this context as well.

The **SEGMENT OF FUND INVESTMENT SERVICES** recorded pre-tax net income of 2.6 million euros, of which 0.7 million euros were attributable to the third quarter. In the previous year's nine-month period, net income was 5.1 million euros (thereof third quarter: 1.3 million euros). The decrease mirrors two effects. First, fee income from fund investment services decreased, as scheduled, compared to the prior year (17.0 million euros, following 18.7 million euros), since managed assets declined subsequent to realisations from the portfoilio, and fee income from the DBAG Expansion Capital Fund was lower. Second, net expenses for screening and identifying investment opportunities were higher this financial year than last.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 26 August 2015, the investment in Silbitz Group GmbH was completed; DBAG invested 7.9 million euros in this portfolio company alongside the DBAG Fund VI. The investment in Pfaudler was increased by 2.6 million euros at the end of August; the company used the funding for its acquisition of Julius Montz GmbH. After the end of the period, DBAG recorded inflows of 8.7 million euros from the refinancing of Formel D GmbH.

OPPORTUNITIES AND RISKS

CONFIDENCE ABOUT PORTFOLIO COMPANIES' DEVELOPMENT; GREATER RISK EXPOSURE DUE TO VOLATILITY OF STOCK MARKET

Our portfolio is broadly diversified. Many companies operate worldwide and have outstanding positions in their niche markets. These are good premises for revenues and earnings in times of growth. However, many of these companies are not immune to cyclical and currency rate swings. In that respect, the global economic trend has an influence on our portfolio companies and, consequently, on the value of our financial assets. The global positioning of many of our portfolio companies, however, mitigates the exposure to risk to a certain extent. A compensating effect also comes from the fact that some companies have business models which exhibit greater cyclical resistance and are focused on the German market.

Negative effects on the portfolio value may ensue not only directly from the portfolio companies' earnings and debt positions. Changes in valuation ratios on the stock markets may also affect the portfolio value at short notice, because the value of unquoted investments is determined by applying a multiple derived from the stock market to an earnings indicator of a company to be valued. The trend in recent months, since the beginning of July and beyond the period end, has confirmed our assessment that, following the strong share price gains at the start of the year, the risk of a setback has become greater.

Following numerous investments in the past months, the proportion of portfolio value to financial resources has shifted in favour of the portfolio value. This increases the prospects for an increase in the return on net asset value, since the liquid financial resources are scarcely yielding returns. Our portfolio is broadly diversified; the value of each individual portfolio company does not exceed ten percent of equity. A fundamentally new risk exposure due to the shift is not perceivable. The Company's equity still significantly exceeds the portfolio value. Financial resources of 56.9 million euros remain invested largely in low-risk securities of sovereign issuers as well as – from case to case – in quickly accessible term deposits with banks whose credit standing we consider to be good, based on their ratings. These financial resources are required in order to fulfil the co-investment agreements with the DBAG funds (DBAG Fund VI, DBAG Expansion Capital Fund) at any time. Based on the co-investment commitments, outflows of up to 113 million euros can be expected for the current and next three financial years. Financial resources account for about one-fifth of equity. This dampens the risk arising from changes in stock market conditions and adverse effects from the world economy or from possible negative developments in individual portfolio companies.

The debt levels of our portfolio companies themselves are moderate, in our opinion. More than half of the portfolio value relates to companies whose current debt rate is less than twice their forecast EBITDA for the current year. In this context, it should be borne in mind that about 30 percent of that portfolio value applies to investments that have been in the portfolio for less than two years; for that reason, the redemption of acquisition financing has not yet progressed to any great degree in these cases.

We enter into our co-investments without there being an obligation to provide follow-on financing for portfolio companies. Nevertheless, this could become advisable in certain instances for a number of reasons, such as ensuring earnings opportunities or for reputational reasons. We cannot exclude that such follow-on financings may become necessary in the future.

Furthermore, the information on opportunities and risks contained in the combined management report at 31 October 2014 remains valid.[8] There continue to be no risks perceivable that would endanger the Company as a going concern.

8 See pages 108ff. of the 2013/2014 Annual Report

REPORT ON EXPECTED DEVELOPMENTS

HIGH STOCK MARKET VOLATILITY IMPAIRS FORECASTABILITY

Subsequent to the change in the annual reporting date, we adapted our budget to the shortened eleven-month financial year. On the basis of that budget and the value growth in the portfolio that had been achieved, we had expected to reach a net income for the truncated eleven-month period in line with that of the previous year. Our forecast does not consider disposal gains (comparative basis of the previous year: 47.8 million euros, less 24.7 million euros, or 23.1 million euros).

In the course of this financial year and in line with our expectations, our portfolio companies have generally progressed well and improved their earnings. This accounts for the larger part of the portfolio's strong value growth; that value growth is the basis for net income. At 28.3 million euros, net income has already exceeded the forecast level for the complete year after only nine months.

The portfolio's value gain, however, is also based to a considerable degree on the movement in stock market multiples; valuations also benefited from the strength of the US dollar. The market events in recent weeks have, however, shown that both effects can easily be reversed. In fact, the third-quarter results were already marginally impacted negatively by a deterioration in valuation ratios.

That trend has continued after the end of the period. At present (7 September), the multiples we use to valuate the portfolio have fallen by about five percent compared to their level at the reporting date on 31 July.

On that valuation level, it would not be possible to reach the net income originally forecast. On the other hand, in view of the strong market swings it cannot be excluded that the multiples at the end of the period on 30 September may again reach the levels recorded on the preceding valuation date. Net income after eleven months would then exceed the previous year's (comparable, that is, less disposal gains) income (twelve months).

We expect the stock markets' high volatility to persist in the coming weeks. Assuming that market prices do not fall below their current level to any significant extent, we expect net income for the shortened eleven-month financial year of between 20 and 25 million euros. This corresponds to a gain in net asset value per share of about seven to nine percent. In both scenarios, segment income by the Fund Investment Services business remains unchanged.

We intend to adhere to our dividend policy. It provides for the payment of a consistent dividend, if at all possible, even for financial years ending with negative net income or in which there were no disposals with a substantial capital gain. We expect that the retained profit of DBAG will enable the payment of such a base dividend for the current and subsequent financial years. As in the past, surplus dividends remain tied to particularly profitable realisations, and these cannot be planned.

INFORMATION ON THE PRESENTATION OF THE ASSET, FINANCIAL AND EARNINGS POSITION BASED ON THE NEW IFRS 10 "CONSOLIDATED FINANCIAL STATEMENTS"

In application of the new IFRS 10 "Consolidated Financial Statements", four subsidiaries through which DBAG invests in portfolio companies alongside the DBAG funds ("investment vehicles") must no longer be consolidated and will instead be carried at fair value (see condensed notes to the consolidated interim financial statements, note 2). This has a substantial impact on the presentation of the asset, financial and earnings position of the DBAG Group. Whereas the presentation of the consolidated financial statement is required to follow the new IFRS 10, we have depicted the asset, financial and earnings position in the interim management report by business and performance aspects as we have done in the past. The following is a reconciliation of the quarterly financial data in the consolidated statement of financial position, the consolidated statement of cash flows and the consolidated statement of comprehensive income to the commentary in the interim management report.

ASSET POSITION

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 JULY 2015

T€	
Financial assets	247,445
Loans and receivables	2,494
Other financial assets	5,276
Securities	26,308
Other non-current assets	2,226
Non-current assets	**283,750**
Receivables and other assets	11,037
Securities	3,778
Cash and cash equivalents	26,849
Other current assets	7,190
Current assets	**48,854**
Total assets	**332,604**
Shareholders' equity	**303,346**
Non-current liabilities	15,489
Current liabilities	13,769
Liabilities	**29,258**
Total shareholders' equity and liabilities	**332,604**

T€	
Interest in portfolio companies	146,287
Loans to and receivables from portfolio companies	63,210
Receivables from portfolio companies	14,398
Cash and cash equivalents	4,952
Other current assets	0
Minority interest	(23,048)
Provisions	(1,546)
Other liabilities	(359)
Net asset value of investment vehicles	**203,894**
Fair value of direct investments and international fund investments	43,551
	237,445
Loans and receivables direct investments	2,494

T€	
Portfolio value	255,542
Financial resources (DBAG Group)	61,887
(Net) asset value private equity investments	**317,429**

In addition to the fair value of direct investments and international fund investments, item "Financial assets" now contains the net asset value of the investment vehicles.

This net asset value consists of

- the fair value of the interests in the portfolio companies held through these investment vehicles (T€146,287),
- non-current loans to portfolio companies, which were previously recognised directly in the consolidated statement of financial position under non-current assets in line item "Loans and receivables" (T€63,210),
- short-term bridge-over loans to portfolio companies, which were previously recognised within current assets in line item "Receivables" (T€14,398),
- Cash and cash equivalents, which were previously recognised directly in the consolidated statement of financial position in line item "Cash and cash equivalents" (T€4,952)
- minority interest (T€23,048); this largely concerns carried interest to members of the investment team based on the performance of DBAG Fund V (carried interest),
- and other current assets, provisions and other liabilities, which were previously shown separately in the consolidated statement of financial position (net amount of T€1,904).

Through the recognition of these investment vehicles, there is a contraction in total assets of T€24,953 at 31 July 2015. Concurrently, the sum of T€19,350 shifts from current to non-current assets. The portfolio value and financial resources can no longer be derived directly from the consolidated statement of financial position.

FINANCIAL POSITION

CONSOLIDATED STATEMENT OF CASH FLOWS
INFLOWS/(OUTFLOWS)

T€	1 Nov. 2014 to 31 July 2015
Net income	28,331
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	(22,955)
(Gains)/losses from disposals of financial assets, property, plant and equipment and intangible assets	(2,496)
(Increase)/decrease in income tax assets	(225)
(Increase)/decrease in other assets (netted)	8,561
Increase/(decrease) in non-current liabilities	(4,253)
Increase/(decrease) in tax provisions	(802)
Increase/(decrease) in other provisions	(5,748)
Increase/(decrease) in other liabilities (netted)	(1,094)
Cash flows from operating activities	**(681)**
Proceeds from disposals of property, plant and equipment and intangible assets	115
Purchase of property, plant and equipment and intangible assets	(908)
Proceeds from disposals of financial assets and loans and receivables	18,532
Acquisition of financial assets and loans and receivables	(81,798)
Proceeds from disposals of long- and short-term securities	82,479
Acquisition of long- and short-term securities	0
Cash flows from investing activities	**18,420**
Payments to shareholders (dividends)	(27,353)
Cash flows from financing activities	**(27,353)**
Change in cash funds from cash-relevant transactions	(9,614)
Cash funds at start of period	36,463
Cash funds at end of period	**26,849**

This item previously showed the movements (accommodation or redemption) in short-term bridge-over loans relating to acquisitions. These movements are now a component of cash flows from investing activities.

Financial resources are recognised without the financial resources in the investment vehicles (at the end of the first-quarter period: T€4,952; see also information on the presentation of the asset position).

EARNINGS POSITION

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 NOVEMBER 2014 TO 31 JULY 2015

T€	
Net result of investment activity	29,078
Fee income from fund management and advisory services	15,960
Operating income	**45,038**
Personnel costs	(11,422)
Other operating income	5,345
Other operating expenses	-11,314
Net interest	265
Total other income/expenses	**(17,126)**
Net income before taxes	**27,912**
Income taxes	(49)
Net income after taxes	**27,863**
Minority interest (gains)/losses	468
Net income	**28,331**
Other comprehensive income	**(732)**
Comprehensive income	**27,599**

T€	
Net result of valuation portfolio companies	36,503
Current income portfolio	2,376
Current income other assets of investment vehicles	402
Net result of valuation other assets and liabilities of investment vehicles	(1,819)
Minority interest (gains)/losses	(22,496)
Net income from investment vehicles	**14,966**
Net result of valuation and disposal of direct investments and international fund investments	13,785
Current income loans and receivables direct investments	44
Net income from investment vehicles, direct investments and international fund investments	**28,795**
Current income other financial assets and loans and receivables	2,962
Net result of valuation other financial assets	(2,681)
	29,078

T€	
Net income portfolio	
Net result of valuation and disposal	50,288
Current income	2,420
	52,708

Item "Net result of investment activity" comprises net income from direct investments, international fund investments and other financial assets as well as net income from investment vehicles.

Net income from investment vehicles comprises

- the net result of valuation from fair value movements of those interests in portfolio companies that are held via the investment vehicles (T€36,503)
- current income from loans to portfolio companies (T€2,376), which was previously recognised in a separate line item "Current income from financial assets and loans and receivables",
- current income from other assets of the investment vehicles (short-term bridge-over financings for acquisitions), which was previously recognised in item "Interest income" (T€402),
- the net result of valuation from movements of other assets and liabilities of the investment vehicles, which was previously contained in item "Other operating income" or "Other operating expenses" (T€-1,819, net), and
- Minority interest (gains)/losses (T€-22,496); the greater part of this is attributable to carried interest for the members of the investment team in DBAG's investment vehicle with DBAG Fund V.

Since it is not permitted according to IFRS 10 to show the individual components of net income from investment vehicles, current income from financial assets and loans and receivables from portfolio companies is only visible to the extent that these relate to directly held investments, meaning those investments entered into prior to 2007.

Income contributions from disposals of those portfolio companies that are held through investment vehicles are no longer directly visible as the net result of disposal.

The net result of other financial assets largely contains distributions and corresponding distribution-related write-offs on a vehicle for an external fund investor.

CONSOLIDATED

INTERIM FINANCIAL STATEMENTS

at 31 July 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 November 2014 to 31 July 2015

T€	**1 Nov. 2014 to 31 July 2015**	1 Nov. 2013 to 31 July 2014
Net result of investment activity	29,078	44,644
Fee income from fund management and advisory services	15,960	16,851
Net result of fund services and investment activity	**45,038**	**61,495**
Personnel costs	(11,422)	(14,362)
Other operating income	5,345	5,659
Other operating expenses	(11,314)	(12,304)
Interest income	390	280
Interest expenses	(125)	(72)
Total other income/expenses	**(17,126)**	**(20,799)**
Net income before taxes	**27,912**	**40,696**
Income taxes	(49)	(399)
Net income after taxes	**27,863**	**40,297**
Minority interest (gains)/losses	468	(663)
Net income	**28,331**	**39,634**
a) Items that will not be reclassified subsequently to profit or loss		
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	(784)	(583)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met		
Unrealised gains/(losses) on available-for-sale securities	52	19
Other comprehensive income	**(732)**	**(564)**
Total comprehensive income	**27,599**	**39,070**
Earnings per share in € (diluted and basic) [1]	2.07	2.90

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 financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 May to 31 July 2015

T€	**1 May to 31 July 2015**	1 May to 31 July 2014
Net result of investment activity	8,355	27,383
Fee income from fund management and advisory services	5,808	5,843
Net result of fund services and investment activity	**14,163**	**33,226**
Personnel costs	(5,170)	(8,000)
Other operating income	797	2,982
Other operating expenses	(2,966)	(5,920)
Interest income	63	75
Interest expenses	(41)	(23)
Total other income/expenses	**(7,317)**	**(10,886)**
Net income before taxes	**6,846**	**22,340**
Income taxes	(6)	(394)
Net income after taxes	**6,840**	**21,946**
Minority interest (gains)/losses	(119)	(512)
Net income	**6,721**	**21,434**
a) Items that will not be reclassified subsequently to profit or loss		
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	(842)	(192)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met		
Unrealised gains/(losses) on available-for-sale securities	(72)	(2)
Other comprehensive income	**(914)**	**(194)**
Total comprehensive income	**5,807**	**21,240**
Earnings per share in € (diluted and basic) [1]	0.49	1.57

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 financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 November 2014 to 31 July 2015

INFLOWS/(OUTFLOWS)

T€	**1 Nov. 2014 to 31 July 2015**	1 Nov. 2013 to 31 July 2014
Net income	28,331	39,634
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[1]	(22,955)	(41,073)
(Gains)/losses from disposals of financial assets, property, plant and equipment and intangible assets	(2,496)	31
(Increase)/decrease in income tax assets	(225)	379
(Increase)/decrease in other assets (netted)	8,561	(3,433)
Increase/(decrease) in non-current liabilities	(4,253)	924
Increase/(decrease) in tax provisions	(802)	395
Increase/(decrease) in other provisions	(5,748)	4,078
Increase/(decrease) in other liabilities (netted)	(1,094)	(3,498)
Cash flows from operating activities[1]	**(681)**	**(2,563)**
Proceeds from disposals of property, plant and equipment and intangible assets	115	69
Purchase of property, plant and equipment and intangible assets	(908)	(423)
Proceeds from disposals of financial assets and loans and receivables	18,532	14,440
Acquisition of financial assets and loans and receivables	(81,798)	(16,892)
Proceeds from disposals of long- and short-term securities	82,479	53,000
Acquisition of long- and short-term securities	0	(21,017)
Cash flows from investing activities	**18,420**	**29,177**
Payments to shareholders (dividends)	(27,353)	(16,412)
Cash flows from financing activities	**(27,353)**	**(16,412)**
Change in cash funds from cash-relevant transactions	(9,614)	10,202
Cash funds at start of period	36,463	19,109
Cash funds at end of period	**26,849**	**29,311**

1 Contained therein are received and paid income taxes of T€680 (previous year: T€217) as well as received and paid interest and received dividends of T€3,231 (previous year: T€2,454).

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 May to 31 July 2015

INFLOWS/(OUTFLOWS)

T€	1 May to 31 July 2015	1 May to 31 July 2014
Net income	6,721	21,434
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[1]	(5,082)	(24,633)
(Gains)/losses from disposals of financial assets, property, plant and equipment and intangible assets	(1,915)	6
(Increase)/decrease in income tax assets	(96)	500
(Increase)/decrease in other assets (netted)	2,445	(3,030)
Increase/(decrease) in non-current liabilities	(2,949)	553
Increase/(decrease) in tax provisions	0	394
Increase/(decrease) in other provisions	1,918	8,050
Increase/(decrease) in other liabilities (netted)	(3,595)	(95)
Cash flows from operating activities[1]	**(2,553)**	**3,179**
Proceeds from disposals of property, plant and equipment and intangible assets	11	22
Purchase of property, plant and equipment and intangible assets	(169)	(158)
Proceeds from disposals of financial assets and loans and receivables	11,684	3,196
Acquisition of financial assets and loans and receivables	(14,646)	(14,025)
Proceeds from disposals of long- and short-term securities	1,286	27,997
Acquisition of long- and short-term securities	0	(16,015)
Cash flows from investing activities	**(1,834)**	**1,017**
Payments to shareholders (dividends)	0	0
Cash flows from financing activities	**0**	**0**
Change in cash funds from cash-relevant transactions	(4,387)	4,196
Cash funds at start of period	31,236	25,115
Cash funds at end of period	**26,849**	**29,311**

1 Contained therein are received and paid income taxes of T€96 (previous year: T€417) as well as received and paid interest and received dividends of T€334 (previous year: T€1,566).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 July 2015

T€	31 July 2015	31 Oct. 2014
ASSETS		
Non-current assets		
Intangible assets	548	151
Property, plant and equipment	1,257	1,310
Financial assets	252,722	166,225
Loans and receivables	2,494	0
Long-term securities	26,308	80,991
Other non-current assets	421	421
Total non-current assets	**283,750**	**249,098**
Current assets		
Receivables	2,624	2,430
Short-term securities	3,778	31,344
Other financial instruments	2,795	2,245
Income tax assets	5,618	5,393
Cash and cash equivalents	26,849	36,463
Other current assets	7,190	16,508
Total current assets	**48,854**	**94,383**
Total assets	**332,604**	**343,481**
LIABILITIES		
Equity		
Subscribed capital	48,533	48,533
Capital reserve	141,394	141,394
Retained earnings and other reserves	(5,348)	(4,616)
Consolidated retained profit	118,767	117,789
Total shareholders' equity	**303,346**	**303,100**
Liabilities		
Non-current liabilities		
Minority interest	5,445	10,062
Provisions for pension obligations	9,839	9,385
Other provisions	174	235
Deferred tax liabilities	31	60
Total non-current liabilities	**15.489**	**19,742**
Current liabilities		
Other current liabilities	1,378	1,700
Tax provisions	8	810
Other provisions	12,383	18,129
Total current liabilities	**13,769**	**20,639**
Total liabilities	**29,258**	**40,381**
Total shareholders' equity and liabilities	**332,604**	**343,481**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 November 2014 to 31 July 2015

T€	1 Nov. 2014 to 31 July 2015	1 Nov. 2013 to 31 July 2014
Subscribed capital		
At start and end of reporting period	**48,533**	**48,533**
Capital reserve		
At start and end of reporting period	**141,394**	**141,394**
Retained earnings and other reserves		
Legal reserve		
At start and end of reporting period	403	403
First adoption IFRS		
At start and end of reporting period	15,996	15,996
Reserve for gains/(losses) on remeasurements of the net defined benefit liability (asset)		
At start of reporting period	(21,273)	(14,578)
Change in reporting period	(784)	(583)
At end of reporting period	**(22,057)**	**(15,161)**
Change in unrealised gains/(losses) on available-for-sale securities		
At start of reporting period	258	(48)
Change in reporting period through other comprehensive income	75	(24)
Change in reporting period through profit or loss	(23)	43
At end of reporting period	**310**	**(29)**
At end of reporting period	**(5,348)**	**1,209**
Retained profit		
At start of reporting period	117,789	86,197
Dividends	(27,353)	(16,412)
Net income	28,331	39,634
At end of reporting period	**118,767**	**109,419**
Total	**303,346**	**300,555**

CONDENSED NOTES TO THE CONSOLIDATED

INTERIM FINANCIAL STATEMENTS

for the first nine months of financial year 2014/2015

GENERAL INFORMATION

1. BASIS OF PREPARATION

These interim financial statements of Deutsche Beteiligungs AG (DBAG) at 31 July 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted for use in the European Union. These interim financial statements also comply with IAS 34 "Interim Financial Reporting". The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) relevant to interim financial reporting have also been considered.

The 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 financial statements.

As compared with the period ended 31 October 2014, the presentation of the interim financial statements has changed due to the first-time adoption of IFRS 10. The comparative amounts have been adapted in accordance with the changed presentation. In the preceding financial year, the item "Loans and receivables" had exclusively related to loans to portfolio companies that were extended by subsidiaries that are no longer to be consolidated (investment vehicles), in compliance with the new consolidation rules of IFRS 10. The preceding year's amount is therefore T€0. The interests in non-consolidated subsidiaries are now included in item "Financial assets" at their net asset value. Loans extended by these subsidiaries are a constituent of the net asset value of the subsidiaries in question and are therefore indirectly contained in "Financial assets". Correspondingly, current income from loans and receivables has been deleted in the statement of comprehensive income. It is now a constituent of the new item "Net result of investment activity", which comprises the net result of valuation and disposal as well as current income. The current interim financial statements contain a loan to a directly held portfolio company in item "Loans and receivables".

In applying IFRS 10 for the first time, the classes of financial instruments were also adapted as in IFRS 13. Since the investment vehicles as a whole are allocable to Level 3, they are presented as an own class in addition to the interests in portfolio companies and international fund investments within the scope of IFRS 13 disclosures.

With the exception of the accounting treatment adopted in the current year for the first time due to changed rules, the accounting policies in the notes to the consolidated financial statements for financial year 2013/2014 apply accordingly.

2. CHANGES IN ACCOUNTING METHODS DUE TO AMENDED RULES

In financial year 2014/2015, the following new standards and interpretations or amendments to standards and interpretations have become applicable for the first time (see pages 139ff. of the Annual Report):

- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosure of Interests in Other Entities"
- Amendment to IFRS 27 "Separate Financial Statements"
- Amendment to IAS 28 "Investments in Associates and Joint Ventures"
- Amendment to IAS 32 "Financial Instruments: Presentation"
- IFRIC 21 "Levies"

The amendments to IAS 27 and IAS 32 as well as IFRIC 21 are irrelevant for DBAG. IFRS 12 has no impact on the interim financial report at 31 July 2015.

IFRS 10 "Consolidated Financial Statements"

The new standard IFRS 10 "Consolidated Financial Statements" replaces group accounting-related sections of IAS 27 "Consolidated and Separate Financial Statements" and the rules of SIC-12 "Consolidation – Special Purpose Entities". It standardises the basis for consolidation by redefining control. This applies to all entities, including special purpose entities. The principle of control as in IFRS 10 comprises three elements:

- power to direct the relevant activities
- variability of returns
- link between returns and power.

It follows that parent-subsidiary relations may be based on voting rights or result from contractual arrangements.

Based on IFRS 10, certain subsidiaries of investment entities are exempt from full consolidation. An investment entity is basically required to value its interests in subsidiaries at fair value through profit or loss in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". Consolidation is only required for those subsidiaries of investment entities that operate as service providers in respect of the investment activities of investment entities.

Consolidation decisions were taken and investment entities identified in conformity with the rules of IFRS 10 at the beginning of financial year 2014/2015 based on corporate structures.

Deutsche Beteiligungs AG, as the parent company, meets the definition of an investment entity. This ensues from the business activity of Deutsche Beteiligungs AG: it raises closed end private equity funds ("DBAG funds") for investments in equity or equity-like instruments primarily in unlisted companies; using its own assets, it enters into participations via investment vehicles as a co-investor alongside the DBAG funds. It generates income from management and advisory services to funds as well as from appreciating the value of companies in which it is invested. The investments (financial assets) are measured and assessed at fair value at each reporting date.

Four subsidiaries of Deutsche Beteiligungs AG do not provide services within the scope of the investment activity. These entities are investment vehicles for co-investments of DBAG relating to DBAG Fund IV, DBAG Fund V, DBAG Expansion Capital Fund and DBAG Fund VI:

- DBG Fourth Equity Team GmbH & Co. KGaA,
- DBAG Fund V Konzern GmbH & Co. KG,
- DBAG Expansion Capital Fund Konzern GmbH & Co. KG and
- DBAG Fund VI Konzern (Guernsey) L.P.

In application of the rules of IFRS 10, these subsidiaries are no longer consolidated. Instead their interests are measured at fair value through profit or loss and recognised within financial assets in accordance with IAS 39 in the interim financial statements at 31 July 2015.

The fair value of these four subsidiaries at 31 October 2014 corresponds to the net asset value of these entities in the consolidated financial statements of Deutsche Beteiligungs AG. The assets of these four subsidiaries largely consist of the interests in the portfolio companies, which in the past have already been recognised at fair value in the consolidated accounts.

All other subsidiaries provide services in respect of the investment activity of Deutsche Beteiligungs AG and are therefore fully consolidated.

Based on the new control concept of IFRS 10, the following two entities qualify as subsidiaries and have been consolidated for the first time:

- DBG Management GP (Guernsey) Ltd.
- DBG Fund VI GP (Guernsey) LP

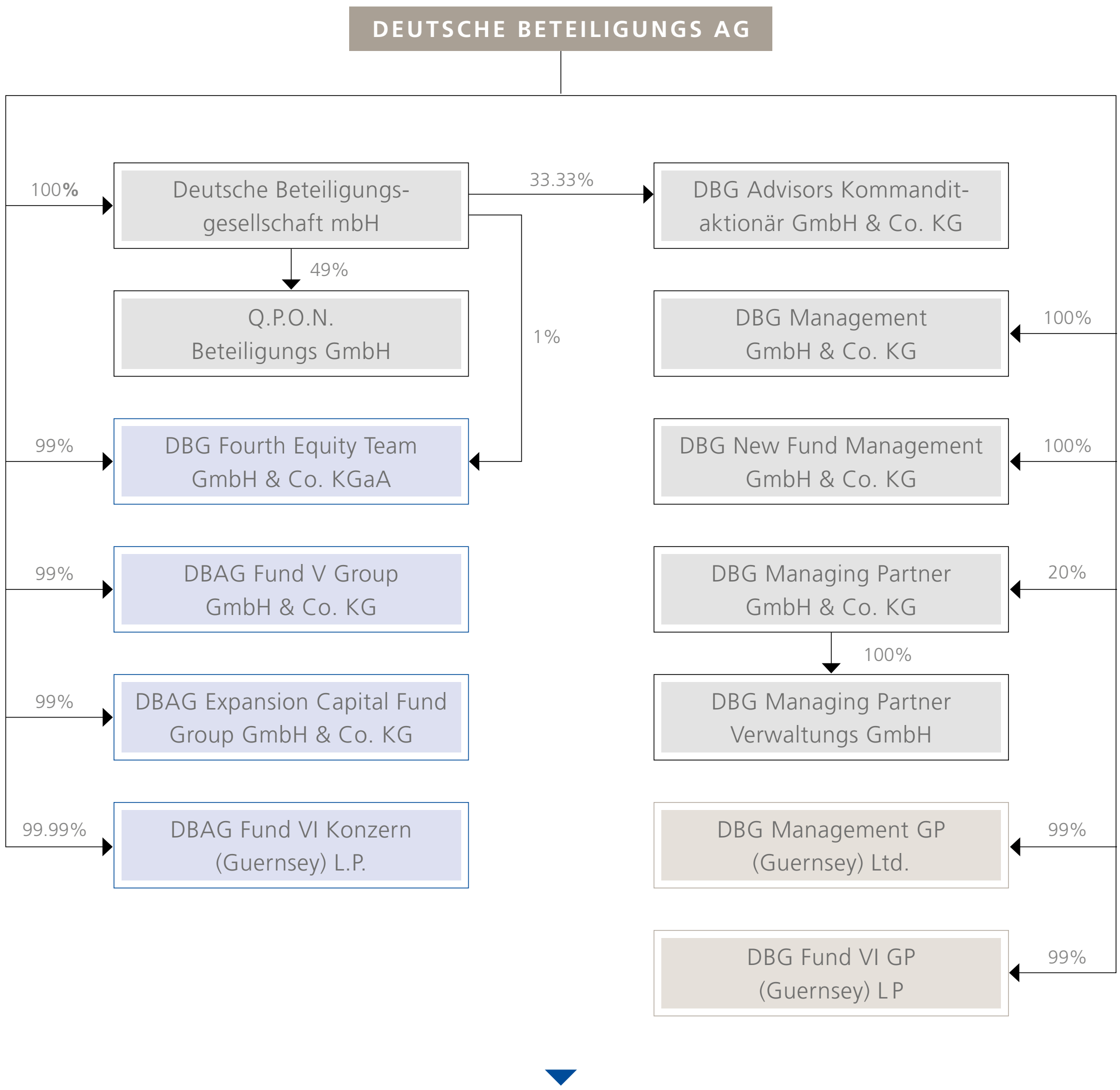
These entities act as the manager or investment manager for DBAG Fund VI and therefore provide services in respect of the investment activity of Deutsche Beteiligungs AG. Deutsche Beteiligungs AG initiated the entities within the scope of DBAG Fund VI and related parties are the sole voting partners at the partners' meeting.

The initial consolidation of these two entities had no material impact on the Group's equity.

The following overview depicts the group of consolidated companies of Deutsche Beteiligungs AG at 31 July 2015 and the changes to it as a result of the application of IFRS 10:

GROUP OF CONSOLIDATED COMPANIES

at 31 July 2015



The percentages relate to the proportionate share of equity

Entities previously fully consolidated based on IAS 27 that remain fully consolidated upon application of IFRS 10, since these provide services in respect of the investment activity of Deutsche Beteiligungs AG

Investment vehicles no longer consolidated based on IFRS 10 and which are recognised at fair value

Initially consolidation based on IFRS 10

The fair value of subsidiaries that are no longer consolidated due to the classification of Deutsche Beteiligungs AG as an investment entity amounted to T€119,741 at the initial application date of IFRS 10 (previous year: T€97,107). Since the initial application date was the opening balance on 1 November 2014, there were no effects on the consolidated statement of comprehensive income. The effect on net asset value amounted to T€-516.

The application effects of IFRS 10 to items of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidate statement of financial position and the consolidated statement of changes in equity as well as the change in earnings per share for the previous year are shown on the following tables.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 November 2013 to 31 July 2014

T€	1 Nov. 2013 to 31 July 2014 prior to IFRS 10 adoption	Application effects IFRS 10	**1 Nov. 2013 to 31 July 2014 after IFRS 10 adoption**
Net result of investment activity [1]	46,450	(1,806)	44,644
Fee income from fund management and advisory services [2]	16,510	341	16,851
Net result of fund services and investment activity	**62,960**	**(1,465)**	**61,495**
Personnel costs	(14,349)	(13)	(14,362)
Other operating income [2]	6,830	(1,171)	5,659
Other operating expenses [3]	(14,915)	2,611	(12,304)
Interest income	343	(63)	280
Interest expenses	(72)	0	(72)
Total other income/expenses	**(22,163)**	**1,364**	**(20,799)**
Net income before taxes	**40,797**	**(101)**	**40,696**
Income taxes	(406)	7	(399)
Net income after taxes	**40,391**	**(94)**	**40,297**
Minority interest (gains)/losses	(822)	159	(663)
Net income	**39,569**	**65**	**39,634**
a) Items that will not be reclassified subsequently to profit or loss			
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	(583)	0	(583)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Unrealised gains/(losses) on available-for-sale securities	19	0	19
Other comprehensive income	**(564)**	**0**	**(564)**
Total comprehensive income	**39,005**	**65**	**39,070**
Earnings per share in € (diluted and basic) [4]	2.89		2.90

1 The net result of investment activity contains the net result of valuation and disposal of financial assets as well as loans and receivables of T€42,719 (1st to 3rd quarter 2013/2014 adopted: T€41,649) and current income from financial assets and loans and receivables of T€3,731 (1st to 3rd quarter 2013/2014 adopted: T€2,995).

2 Fee income from management and advisory services of T€16,510 (1st to 3rd quarter 2013/2014 adopted: T€16,851) has been recognised separately in the consolidated statement of comprehensive income since 31 October 2014. This position was previously contained in "Other operating income", which is now reduced by the respective amounts. Separate disclosure is in consideration of the significance of the contribution of fee income from fund management and advisory services.

3 Due to its subordinate significance for the consolidated statement of comprehensive income, "Depreciation and amortisation on property, plant and equipment and intangible assets" of T€315 (1st to 3rd quarter 2013/2014 adopted: T€316) have been included in "Other operating expenses" since 31 October 2014. Item "Other operating expenses" increased by the respective amounts.

4 Earnings per share, determined in accordance with IAS 33, are based on net income divided by the average number of DBAG shares outstanding in the financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 May to 31 July 2014

T€	1 May to 31 July 2014 prior to IFRS 10 adoption	Application effects IFRS 10	**1 May to 31 July 2014 after IFRS 10 adoption**
Net result of investment activity[1]	27,640	(257)	27,383
Fee income from fund management and advisory services[2]	5,730	113	5,843
Net result of fund services and investment activity	**33,370**	**(144)**	**33,226**
Personnel costs	(7,995)	(5)	(8,000)
Other operating income[2]	4,170	(1,188)	2,982
Other operating expenses[3]	(7,128)	1,208	(5,920)
Interest income	103	(28)	75
Interest expenses	(23)	0	(23)
Total other income/expenses	**(10,873)**	**(13)**	**(10,886)**
Net income before taxes	**22,497**	**(157)**	**22,340**
Income taxes	(401)	7	(394)
Net income after taxes	**22,096**	**(150)**	**21,946**
Minority interest (gains)/losses	(588)	76	(512)
Net income	**21,508**	**(74)**	**21,434**
a) Items that will not be reclassified subsequently to profit or loss			
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	(192)	0	(192)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Unrealised gains/(losses) on available-for-sale securities	(2)	0	(2)
Other comprehensive income	**(194)**	**0**	**(194)**
Total comprehensive income	**21,314**	**(74)**	**21,240**
Earnings per share in € (diluted and basic)[4]	1.57		1.57

1 The net result of investment activity contains the net result of valuation and disposal of financial assets as well as loans and receivables of T€24,972 (3rd quarter 2013/2014 adopted: T€24,811) and current income from financial assets and loans and receivables of T€2,668 (3rd quarter 2013/2014 adopted: T€2,572).

2 Fee income from management and advisory services of T€5,730 (3rd quarter 2013/2014 adopted: T€5,843) has been recognised separately in the consolidated statement of comprehensive income since 31 October 2014. This position was previously contained in "Other operating income", which is now reduced by the respective amounts. Separate disclosure is in consideration of the significance of the contribution of fee income from fund management and advisory services.

3 Due to its subordinate significance for the consolidated statement of comprehensive income, "Depreciation and amortisation on property, plant and equipment and intangible assets" of T€-105 (3rd quarter 2013/2014 adopted: T€-105) have been included in "Other operating expenses" since 31 October 2014. Item "Other operating expenses" increased by the respective amounts.

4 Earnings per share, determined in accordance with IAS 33, are based on net income divided by the average number of DBAG shares outstanding in the financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 November 2013 to 31 July 2014

INFLOWS/(OUTFLOWS)

T€	1 Nov. 2013 to 31 July 2014 prior to IFRS 10 adoption	Application effects IFRS 10	**1 Nov. 2013 to 31 July 2014 after IFRS 10 adoption**
Net income	39,569	65	39,634
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 [1]	(42,935)	1,862	(41,073)
(Gains)/losses from disposals of financial assets, property, plant and equipment and intangible assets	31	0	31
(Increase)/decrease in income tax assets	339	40	379
(Increase)/decrease in other assets (netted)	4,132	(7,565)	(3,433)
Increase/(decrease) in non-current liabilities	1,077	(153)	924
Increase/(decrease) in tax provisions	395	0	395
Increase/(decrease) in other provisions	3,400	678	4,078
Increase/(decrease) in other liabilities (netted)	(952)	(2,546)	(3,498)
Cash flows from operating activities	**5,056**	**(7,619)**	**(2,563)**
Proceeds from disposals of property, plant and equipment and intangible assets	69	0	69
Purchase of property, plant and equipment and intangible assets	(423)	0	(423)
Proceeds from disposals of financial assets and loans and receivables	8,054	6,386	14,440
Acquisition of financial assets and loans and receivables	(16,211)	(681)	(16,892)
Proceeds from disposals of long- and short-term securities [1]	53,000	0	53,000
Acquisition of long- and short-term securities [1]	(21,017)	0	(21,017)
Cash flows from investing activities	**23,472**	**5,705**	**29,177**
Payments to shareholders (dividends)	(16,412)	0	(16,412)
Cash flows from financing activities	**(16,412)**	**0**	**(16,412)**
Change in cash funds from cash-relevant transactions	12,116	(1,914)	10,202
Cash funds at start of period	19,793	(684)	19,109
Cash funds at end of period	**31,909**	**(2,598)**	**29,311**

1 Since 31 October 2014, cash-relevant changes in long- and short-term securities have been presented by the direct method. This, consequently, reduced cash flows from investing activities by T€267 (1st to 3rd quarter 2013/2014 adopted: by T€267). Cash flows from operating activities increased by corresponding amounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 May to 31 July 2014

INFLOWS/(OUTFLOWS)

T€	1 May to 31 July 2014 prior to IFRS 10 adoption	Application effects IFRS 10	**1 May to 31 July 2014 after IFRS 10 adoption**
Net income	21,508	(74)	21,434
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 [1]	(24,793)	160	(24,633)
(Gains)/losses from disposals of financial assets, property, plant and equipment and intangible assets	6	0	6
(Increase)/decrease in income tax assets	465	35	500
(Increase)/decrease in other assets (netted)	(5,563)	2,533	(3,030)
Increase/(decrease) in non-current liabilities	610	(57)	553
Increase/(decrease) in tax provisions	394	0	394
Increase/(decrease) in other provisions	7,373	677	8,050
Increase/(decrease) in other liabilities (netted)	(79)	(16)	(95)
Cash flows from operating activities	**(79)**	**3,258**	**3,179**
Proceeds from disposals of property, plant and equipment and intangible assets	22	0	22
Purchase of property, plant and equipment and intangible assets	(163)	5	(158)
Proceeds from disposals of financial assets and loans and receivables	4,926	(1,730)	3,196
Acquisition of financial assets and loans and receivables	(11,195)	(2,830)	(14,025)
Proceeds from disposals of long- and short-term securities [1]	27,997	0	27,997
Acquisition of long- and short-term securities [1]	(16,015)	0	(16,015)
Cash flows from investing activities	**5,572**	**(4,555)**	**1,017**
Payments to shareholders (dividends)	0	0	0
Cash flows from financing activities	**0**	**0**	**0**
Change in cash funds from cash-relevant transactions	5,493	(1,297)	4,196
Cash funds at start of period	26,416	(1,301)	25,115
Cash funds at end of period	**31,909**	**(2,598)**	**29,311**

1 Since 31 October 2014, cash-relevant changes in long- and short-term securities have been presented by the direct method. This, consequently, reduced cash flows from investing activities by T€74 (3rd quarter 2013/2014 adopted: by T€74). Cash flows from operating activities increased by corresponding amounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 October 2014

T€	31 Oct. 2014 prior to IFRS 10 adoption	Application effects IFRS 10	**31 Oct. 2014 after IFRS 10 adoption**
ASSETS			
Non-current assets			
Intangible assets	151	0	151
Property, plant and equipment	1,304	6	1,310
Financial assets	135,047	31,178	166,225
Loans and receivables	25,947	(25,947)	0
Long-term securities	80,991	0	80,991
Other non-current assets	421	0	421
Total non-current assets	**243,861**	**5,237**	**249,098**
Current assets			
Receivables	7,400	(4,970)	2,430
Short-term securities	31,344	0	31,344
Other financial instruments	2,245	0	2,245
Income tax assets	5,435	(42)	5,393
Cash and cash equivalents	38,318	(1,855)	36,463
Other current assets	18,486	(1,978)	16,508
Total current assets	**103,228**	**(8,845)**	**94,383**
Total assets	**347,089**	**(3,608)**	**343,481**
LIABILITIES			
Shareholders' equity			
Subscribed capital	48,533	0	48,533
Capital reserve	141,394	0	141,394
Retained earnings and other reserves	(4,616)	0	(4,616)
Consolidated retained profit	118,077	(288)	117,789
Total shareholders' equity	**303,388**	**(288)**	**303,100**
Liabilities			
Non-current liabilities			
Minority interest	10,414	(352)	10,062
Provisions for pension obligations	9,385	0	9,385
Other provisions	235	0	235
Deferred tax liabilities	60	0	60
Total non-current liabilities	**20,094**	**(352)**	**19,742**
Current liabilities			
Other current liabilities	2,908	(1,208)	1,700
Tax provisions	2,232	(1,422)	810
Other provisions	18,467	(338)	18,129
Total current liabilities	**23,607**	**(2,968)**	**20,639**
Total liabilities	**43,701**	**(3,320)**	**40,381**
Total shareholders' equity and liabilities	**347,089**	**(3,608)**	**343,481**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 1 November 2013

T€	1 Nov. 2013 prior to IFRS 10 adoption	Application effects IFRS 10	**1 Nov. 2013 after IFRS 10 adoption**
ASSETS			
Non-current assets			
Intangible assets	34	0	34
Property, plant and equipment	1,273	8	1,281
Financial assets	166,752	28,061	194,813
Loans and receivables	14,110	(14,110)	0
Long-term securities	50,514	0	50,514
Other non-current assets	867	0	867
Total non-current assets	**233,550**	**13,959**	**247,509**
Current assets			
Receivables	11,980	(9,314)	2,666
Short-term securities	28,028	0	28,028
Other financial instruments	2,401	0	2,401
Income tax assets	3,452	(1)	3,451
Cash and cash equivalents	19,793	(684)	19,109
Other current assets	11,448	(4,993)	6,455
Total current assets	**77,102**	**(14,992)**	**62,110**
Total assets	**310,652**	**(1,033)**	**309,619**
LIABILITIES			
Shareholders' equity			
Subscribed capital	48,533	0	48,533
Capital reserve	141,394	0	141,394
Retained earnings and other reserves	1,773	0	1,773
Consolidated retained profit	86,713	(516)	86,197
Total shareholders' equity	**278,413**	**(516)**	**277,897**
Liabilities			
Non-current liabilities			
Minority interest	10,146	(139)	10,007
Provisions for pension obligations	3,419	0	3,419
Other provisions	218	0	218
Deferred tax liabilities	61	0	61
Total non-current liabilities	**13,844**	**(139)**	**13,705**
Current liabilities			
Other current liabilities	2,468	2,254	4,722
Tax provisions	1,838	(1,422)	416
Other provisions	14,089	(1,210)	12,879
Total current liabilities	**18,395**	**(378)**	**18,017**
Total liabilities	**32,239**	**(517)**	**31,722**
Total shareholders' equity and liabilities	**310,652**	**(1,033)**	**309,619**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

at 31 July 2014

T€	1 Nov. 2013 to 31 July 2014 prior to IFRS 10 adoption	Application effects IFRS 10	**1 Nov. 2013 to 31 July 2014 after IFRS 10 adoption**
Subscribed capital			
At start of reporting period	**48,533**	**0**	**48,533**
Capital reserve			
At start and end of reporting period	**141,394**	**0**	**141,394**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period	403	0	403
First-time adoption IFRS			
At start and end of reporting period	15,996	0	15,996
Reserve for gains/(losses) on remeasurements of the defined benefit liability (asset)			
At start of reporting period	(14,578)	0	(14,578)
Change in reporting period	(583)	0	(583)
At end of reporting period	**(15,161)**	**0**	**(15,161)**
Change in unrealised gains/(losses) on available-for-sale securities			
At start of reporting period	(48)	0	(48)
Change in reporting period through other comprehensive income	(24)	0	(24)
Change in reporting period through profit or loss	43	0	43
At end of reporting period	**(29)**	**0**	**(29)**
At end of reporting period	**1,209**	**0**	**1,209**
Retained profit			
At start of reporting period	86,713	(516)	86,197
Dividends	(16,412)	0	(16,412)
Net income	39,569	65	39,634
At end of reporting period	**109,870**	**(451)**	**109,419**
Total	**301,006**	**(451)**	**300,555**

IFRS 11 “Joint Arrangements” and amendments to IAS 28 “Investments in Associates and Joint Ventures”

IFRS 11 revises the accounting for joint arrangements. It supersedes IAS 31 “Interests in Joint Ventures”. The previous option of proportionately consolidating jointly controlled entities has been eliminated. IFRS 11 requires using the equity method for consolidating jointly controlled entities. Application of the equity method is geared to the rules of IAS 28 “Investments in Associates and Joint Ventures”.

Reclassification from proportionate consolidation to the equity method at 1 November 2014 concerns the jointly controlled company Q.P.O.N. Beteiligungs GmbH. Based on the size of this jointly controlled company, the change in the accounting did not have a material effect on the consolidated financial statements of Deutsche Beteiligungs AG.

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:

- investment vehicles (subsidiaries that are no longer permitted to be consolidated according to 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. interests in portfolio companies with a proportion of the voting rights of less than 20 percent
- international fund investments

The investment vehicles are subsidiaries of DBAG through which DBAG co-invests in DBAG funds. Due to the exemption in IFRS 10 for investment entities, these subsidiaries must no longer be consolidated. Instead, they are 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 (interests in closed-end private equity funds), 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).

Measurement procedures used in determining fair value

The fair values for the various categories of assets are measured in accordance with consistent valuation procedures and on the basis of uniform input factors. Fair value accounting for financial assets and other financial instruments is based on DBAG’s valuation guidelines. 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) dated December 2012.[1]

The following procedures are applied:

- the sum-of-the-parts procedure for the net asset value of investment vehicles
- the multiples methods for interests in established companies
- the DCF procedure for interests in strongly growing companies and for international fund investments

In the **SUM-OF-THE-PARTS METHOD**, individual asset and liability items are valuated separately and then aggregated to the net asset value of the investment vehicle. To that end, interests in portfolio companies are generally valuated by the multiples or DCF method. Other assets and liabilities are valuated at amortised cost.

1 See http://www.privateequityvaluation.com/ (Edition December 2012)

The interest of DBAG in the investment vehicles' 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 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 2013/2014 Annual Report page 182ff.), this can result in a disproportionate share of the profits (carried interest) for the members of the investment team. As soon as the conditions are met, the interest in the net asset value of an investment vehicle is reduced accordingly.

For the **MULTIPLES METHOD** and the **DCF METHOD** as well as further details, we refer to the 2013/2014 Annual Report page 146ff.

The fair value measurement of **LONG- AND SHORT-TERM SECURITIES** is based on indicative prices by dealers or price information systems (Reuters, Bloomberg, etc.), which, due to lower market turnovers, are generally not founded on observed transaction prices.

With the exception of the changes described here, the same accounting and valuation methods have been applied in preparing the interim financial statements at 31 July 2015 as have been for the consolidated financial statements at 31 October 2014. We refer to pages 146 to 153 of the 2013/2014 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 page 11f. in the commentary on the earnings position.

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 discussion in the interim management report on page 11 ff.

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

The preparation of the consolidated financial statements in conformity with the IFRS requires the Board of Management to make accounting judgments. These judgments can materially influence the reported amounts in the financial statements. The accounting, valuation and consolidation methods applied that were based on judgments are detailed in the preceding sections 2 and 3. The amounts recognised in the financial statements were most significantly influenced by the decision to measure financial assets in accordance with IAS 39 at fair value through profit or loss (see 2013/2014 Annual Report, page 146, "Fair value measurement of financial assets through profit or loss" in section 6). Judgmental considerations to that effect were not required due to compulsory application of IFRS 10. Through the first-time adoption of IFRS 10, investment vehicles are recognised at fair value. The fair value of investment vehicles is significantly determined by the fair value of the portfolio companies, which have already been carried at fair value in the financial statements in the past.

8. FUTURE-ORIENTED ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the consolidated financial statements in accordance with the IFRS 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 on 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 finance 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 effects 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.

The IFRS require the disclosure of which assets and liabilities have a significant risk of resulting in a material adjustment to the carrying amounts within the next financial year, due to assumptions about the future and other major sources of estimation uncertainty. We judge the materiality, among other things, by means of the effects on equity. We would consider an adjustment to the carrying amount in the range of three percent of total shareholders' equity or when its serves the clarity of the asset, financial and earnings position as being material. Moreover, in our materiality judgements we consider the possible effects in relation to the financial data in these interim accounts 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 13.2). These are contained in "Financial assets" in an amount of T€252,370 (previous year: T€165,873) and in "Other financial instruments" in an amount of T€2,795 (previous year T€2,245). It concerns 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 in the fair values recognised in the financial statements of +/- T€24,281 (previous year: T€17,186). This equates to six 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€	3rd quarter 2014/2015	3rd quarter 2013/2014	1st to 3rd quarter 2014/2015	1st to 3rd quarter 2013/2014
Net result of valuation and disposal				
Interests in investment vehicles	1,574	8,215	14,564	16,279
Interests in portfolio companies	4,806	16,672	10,427	25,164
International fund investments	790	(841)	3,358	(407)
Other financial assets	159	765	(2,679)	613
	7,329	24,811	25,670	41,649
Current income				
Interests in investment vehicles	201	502	402	502
Interests in portfolio companies	825	2,070	838	2,070
Other financial assets	0	0	2,168	423
	1,026	2,572	3,408	2,995
	8,355	**27,383**	**29,078**	**44,644**

In the third quarter of the comparative year, the high net result of valuation and disposal derives in an amount of T€15,664 from the agreement on the Homag disinvestment.

For further information on the net result of investment activity we refer to the interim management report (see pages 11).

10. FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES

T€	3rd quarter 2014/2015	3rd quarter 2013/2014	1st to 3rd quarter 2014/2015	1st to 3rd quarter 2013/2014
DBG Fonds I	1,094	980	1,447	1,314
DBG Fonds III	5	5	15	15
DBAG Fund IV	0	120	0	358
DBAG Fund V	1,227	1,276	3,898	3,802
DBAG ECF	(46)	(66)	91	862
Other	0	0	38	29
Management fee income	2,280	2,315	5,489	6,380
Management fee income Advisory fee income (DBAG Fund VI)	3,528	3,528	10,471	10,471
	5,808	**5,843**	**15,960**	**16,851**

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.

The reasons for the decline in fee income from management and advisory services relate in particular to the prolongation of the investment period of the DBAG Expansion Capital Fund agreed with the investors. Moreover, the fee agreement for management services to DBAG Fund IV ended in September 2014.

For further information on fee income from fund management and advisory services, we refer to the interim management report (see pages 12).

11. FINANCIAL ASSETS

T€	31 July 2015	31 Oct. 2014
Interests in investment vehicles	203,895	119,741
Interests in portfolio companies	38,428	30,264
International fund investments	5,123	8,300
Other financial assets	5,276	7,920
	252,722	**166,225**

Other financial assets contains entities that are mainly attributable to third parties.

This item exhibited the following movements in the reporting period:

T€	1 Nov. 2014	Additions	Disposals	Value movements	31 July 2015
Interests in investment vehicles	119,741	79,283	9,693	14,564	203,895
Interests in portfolio companies	30,264	0	1,982	10,146	38,428
International fund investments	8,300	0	4,292	1,115	5,123
Other financial assets	7,920	53	25	(2,672)	5,276
	166,225	**79,336**	**15,992**	**23,153**	**252,722**

Additions relate to capital calls by the investment vehicles for investments in portfolio companies (see interim report page 12 ff.).

Disposals under investment vehicles result from distributions following repayments of shareholder loans or bridge financings that were 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 further information on income from financial assets, we refer to the interim management report (see pages 11 f.).

12. OTHER FINANCIAL COMMITMENTS, TRUSTEESHIPS

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

T€	31 July 2015	31 Oct. 2014
Call commitments	3,426	3,304
Permanent debt obligations	4,410	5,052
	7,836	**8,356**

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€9,675 at 31 July 2015 (at start of financial year: T€13,776). Trust liabilities exist in an equivalent amount.

OTHER DISCLOSURES

13. DISCLOSURES ON FINANCIAL INSTRUMENTS

13.1 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 the 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 July 2015**	**Fair value 31 July 2015**	Carrying amount 31 Oct. 2014	Fair value 31 Oct. 2014
Financial assets at fair value through profit or loss				
Financial instruments [1]	252,722	252,722	166,225	166,225
thereof hybrid instruments [1]	0	0	0	0
thereof equity investments [1]	252,722	252,722	166,225	166,225
Other financial instruments [1]	2,795	2,795	2,245	2,245
	255,517	**255,517**	**168,470**	**168,470**
Available-for-sale financial assets				
Long-term securities	26,308	26,308	80,991	80,991
Short-term securities	3,778	3,778	31,344	31,344
	30,086	**30,086**	**112,335**	**112,335**
Loans and receivables				
Loans and receivables	2,494	2,494	0	0
Receivables	2,624	2,624	2,430	2,430
Cash and cash equivalents	26,849	26,849	36,463	36,463
Other current financial assets, if financial instruments [2]	6,378	6,378	14,883	14,883
	38,345	**38,345**	**53,776**	**53,776**
Other financial liabilities				
Minority interest	5,445	5,445	10,062	10,062
Other current liabilities [3]	1,378	1,378	1,700	1,700
	6,823	**6,823**	**11,762**	**11,762**

1 Designated as at fair value through profit or loss on initial recognition
2 Does not include prepaid expenses, value-added tax and other totalling T€812 (previous year: T€1,625)

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.

13.2 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.

13.2.1 Hierarchy of financial instruments measured at fair value on a recurring basis:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 July 2015	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets	252,722	0	352	252,370
Other financial instruments	2,795	0	0	2,795
	255,517	**0**	**352**	**255,165**
Available-for-sale financial assets				
Long-term securities	26,308	0	26,308	0
Short-term securities	3,778	0	3,778	0
	30,086	**0**	**30,086**	**0**
	285,603	**0**	**30,438**	**255,165**

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 Oct. 2014	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets	166,225	0	352	165,873
Other financial instruments	2,245	0	0	2,245
	168,470	**0**	**352**	**168,118**
Available-for-sale financial assets				
Long-term securities	80,991	0	80,991	0
Short-term securities	31,344	0	31,344	0
	112,335	**0**	**112,335**	**0**
	280,805	**0**	**112,687**	**168,118**

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 as well as of issuers with 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 July 2015 and the preceding financial year, 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 categories:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Interests in investment vehicles	Interests in portfolio companies	International fund investments	Other	**Total**
31 July 2015					
Financial assets	203,895	38,076	5,123	5,276	252,370
Other financial instruments	0	2,795	0	0	2,795
	203,895	**40,871**	**5,123**	**5,276**	**255,165**

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Interests in investment vehicles	Interests in portfolio companies	International fund investments	Other	**Total**
31 Oct. 2014					
Financial assets	119,741	29,912	8,300	7,920	165,873
Other financial instruments	0	2,245	0	0	2,245
	119,741	**32,157**	**8,300**	**7,920**	**168,118**

Reconciliation of Level 3 financial instruments in the 1st to 3rd quarter of 2014/2015:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	1 Nov. 2014	Additions	Disposals	Transfers	Gains/(losses) through profit or loss	**31 July 2015**
Financial assets						
Interests in investment vehicles	119,741	79,283	9,693	0	14,564	203,895
Interests in portfolio companies	29,912	0	1,982	0	10,146	38,076
International fund investments	8,300	0	4,292	0	1,115	5,123
Other	7,920	53	25	0	(2,672)	5,276
	165,873	**79,336**	**15,992**	**0**	**23,153**	**252,370**
Other financial instruments						
Interests in portfolio companies	2,245	552	174	0	172	2,795
	2,245	**552**	**174**	**0**	**172**	**2,795**
	168,118	**79,888**	**16,166**	**0**	**23,325**	**255,165**

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 were no transfers between Levels in the reporting period.

Of the gains through profit or loss totalling T€23,325, T€23,153 were recognised in "Net result of investment activity" (thereof net result of disposal: T€0, and net result of valuation: T€23,153 relating to financial instruments held at the end of the reporting period) and T€172 in "Other operating income".

"Minority interest" relates to third-party minority shareholders in consolidated companies. Since the measurement of "minority interest" largely corresponds to the proportionate Level 3 assets at fair value, these have also been designated to Level 3 at their fair value of T€5,445 (previous year: T€10,062).

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 July 2015**	Valuation method	Unobservable inputs	Range
Financial assets				
Interests in investment vehicles	203,895	Net asset value[1]	Average EBITDA / EBITA margin	4% to 24%
			Net debt[2] to EBITDA	-1 to 4
			Multiples discount	0% to 15%
Interests in portfolio companies	38,076	Multiples method	Average EBITDA / EBITA margin	5% to 11%
			Net debt[2] to EBITDA	1 to 4
			Multiples discount	n. a.
International fund investments	5,123	DCF	n. a.	n. a.
Other	5,276	Net asset value	n. a.	n. a.
	252,370			
Other financial Instruments				
Interests in portfolio companies	2,795	Multiples method	Average EBITDA / EBITA margin	7% to 10%
			Net debt[2] to EBITDA	-1 to 2
			Multiples discount	0% to 15%
	2,795			
	255,165			

1 The net asset value of investment vehicles is largely determined by the fair value of the interests in portfolio companies as well as by other assets and liabilities. 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

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 July 2015	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment vehicles	203,895	EBITDA and EBITA	+/- 10%	16,906
		Net debt	+/- 10%	4,455
		Multiples discount	+/- 5 percentage points	3,751
Interests in portfolio companies	38,076	EBITDA and EBITA	+/- 10%	5,840
		Net debt	+/- 10%	2,419
		Multiples discount	+/- 5 percentage points	n. a.
International fund investments	5,123		n. a.	n. a.
Other	5,276		n. a.	n. a.
	252,370			
Other financial Instruments				
Interests in portfolio companies	2,795	EBITDA and EBITA	+/- 10%	135
		Net debt	+/- 10%	45
		Multiples discount	+/- 5 percentage points	65
	2,795			
	255,165			

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 are valued at their transaction price at the valuation date, in accordance with the IPEVG.

The difference between the unobservable inputs EBITDA and EBITA is depreciation on property, plant and equipment and intangible assets. The key factors influencing income have an effect on both unobservable inputs; consequently, there is an interrelationship 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.

13.3 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€	3rd quarter 2014/2015	Level 1	Level 2	Level 3
Net result of investment activity	8,355	0	0	8,355
Other operating income	46	0	0	46
	8,401	**0**	**0**	**8,401**

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

T€	3rd quarter 2014/2015	Level 1	Level 2	Level 3
Unrealised gains/(losses) on available-for-sale securities	(72)	0	(72)	0
thereof, transfers from other comprehensive income to profit or loss	(9)	0	(9)	0
Net result of valuation and disposal	**(63)**	**0**	**(63)**	**0**
Interest income	**34**	**0**	**34**	**0**

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

T€	3rd quarter 2013/2014	Level 1	Level 2	Level 3
Net result of investment activity	27,383	14,696	0	12,687
Other operating income	2	0	0	2
Other operating expenses	(979)	(979)	0	0
	26,406	**13,717**	**0**	**12,689**

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

T€	3rd quarter 2013/2014	Level 1	Level 2	Level 3
Unrealised gains/(losses) on available-for-sale securities	(2)	0	(2)	0
thereof, transfers from other comprehensive income to profit or loss	(16)	0	(16)	0
Net result of valuation and disposal	**14**	**0**	**14**	**0**
Interest income	**50**	**0**	**50**	**0**

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

T€	1st to 3rd quarter 2014/2015	Level 1	Level 2	Level 3
Net result of investment activity	29,078	0	0	29,078
Other operating income	353	0	0	353
	29,431	**0**	**0**	**29,431**

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

T€	1st to 3rd quarter 2014/2015	Level 1	Level 2	Level 3
Other operating income	667	0	667	0
Other operating expenses	(3)	0	(3)	0
Total other income/expenses	**664**	**0**	**664**	**0**
Unrealised gains/(losses) on available-for-sale securities	52	0	52	0
thereof, transfers from other comprehensive income to profit or loss	(23)	0	(23)	0
Net result of valuation and disposal	**75**	**0**	**75**	**0**
Interest income	**312**	**0**	**312**	**0**

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

T€	1st to 3rd quarter 2013/2014	Level 1	Level 2	Level 3
Net result of investment activity	44,644	23,674	0	20,970
Other operating income	136	0	0	136
Other operating expenses	(979)	(979)	0	0
	43,801	**22,695**	**0**	**21,106**

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

T€	1st to 3rd quarter 2013/2014	Level 1	Level 2	Level 3
Unrealised gains/(losses) on available-for-sale securities	19	0	19	0
thereof, transfers from other comprehensive income to profit or loss	43	0	43	0
Net result of valuation and disposal	**(24)**	**0**	**(24)**	**0**
Interest income	**135**	**0**	**135**	**0**

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.

The net result of liabilities to minority interest is disclosed in line item “Minority interest (gains)/losses” in the consolidated statement of comprehensive income. It is completely allocated to Level 3 and amounts to T€468 for the reporting year (previous year: T€-663).

14. ISSUANCES, REPURCHASES, AND REPAYMENTS OF EQUITY INSTRUMENTS AND DEBT INSTRUMENTS

Equity or debt instruments were neither issued, repurchased, nor repaid in the first nine months of financial year 2014/2015.

15. SEGMENT INFORMATION

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 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) decided at the beginning of the current financial year to expand the internal reporting in order to separately manage the two business lines of DBAG previously described. The reorganisation also entails disclosure of an operating result (net segment income) for each of the business lines of investments and fund management and advisory services. For that reason, the business lines of Private Equity Investments and Fund Investment Services have been presented as reportable segments since issuance of the interim financial report on the first quarter of financial year 2014/2015.

SEGMENTAL ANALYSIS FOR THE 3RD QUARTER OF 2014/2015

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 3rd quarter 2014/2015
Net result of investment activity	8,355	0	0	8,355
Fee income from fund management and advisory services[1]	0	6,088	(280)	5,808
Net result of fund services and investment activity	**8,355**	**6,088**	**(280)**	**14,163**
Other income/expenses	(2,242)	(5,355)	280	(7,317)
Net income before taxes (net segment income)	**6,113**	**733**	**0**	**6,846**
Income taxes				(6)
Net income after taxes				**6,840**
Minority interest (gains)/losses				(119)
Net income				**6,721**
Financial assets and loans and receivables	255,216			
Financial resources[2]	56,935			
Managed assets[3]		1,120,454		

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

2 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 Managed assets comprise financial assets, loans and receivables and financial resources of DBAG as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENTAL ANALYSIS FOR THE 3RD QUARTER OF 2013/2014

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 3rd quarter 2013/2014
Net result of investment activity	27,383	0	0	27,383
Fee income from fund management and advisory services[1]	0	6,314	(471)	5,843
Net result of fund services and investment activity	**27,383**	**6,314**	**(471)**	**33,226**
Other income/expenses	(6,387)	(4,970)	471	(10,886)
Net income before taxes (net segment income)	**20,996**	**1,344**	**0**	**22,340**
Income taxes				(394)
Net income after taxes				**21,946**
Minority interest (gains)/losses				(512)
Consolidated net income				**21,434**
Financial assets and loans and receivables	239,406			
Financial resources[2]	75,603			
Managed assets[3]		1,237,817		

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

SEGMENTAL ANALYSIS FOR THE FIRST NINE MONTHS OF 2014/2015

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 1st to 3rd quarter 2014/2015
Net result of investment activity	29,078	0	0	29,078
Fee income from fund management and advisory services [1]	0	16,980	(1,020)	15,960
Net result of fund services and investment activity	**29,078**	**16,980**	**(1,020)**	**45,038**
Other income/expenses	(3,803)	(14,343)	1,020	(17,126)
Net income before taxes (net segment income)	**25,275**	**2,637**	**0**	**27,912**
Income taxes				(49)
Net income after taxes				**27,863**
Minority interest (gains)/losses				468
Consolidated net income				**28,331**
Financial assets and loans and receivables	255,216			
Financial resources [2]	56,935			
Managed assets [3]		1,120,454		

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

2 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 Managed assets comprise financial assets, loans and receivables and financial resources of DBAG as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENTAL ANALYSIS FOR THE FIRST NINE MONTHS OF 2013/2014

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 1st to 3rd quarter 2013/2014
Net result of investment activity	44,644	0	0	44,644
Fee income from fund management and advisory services [1]	0	18,734	(1,883)	16,851
Net result of fund services and investment activity	**44,644**	**18,734**	**(1,883)**	**61,495**
Other income/expenses	(9,050)	(13,632)	1,883	(20,799)
Net income before taxes (net segment income)	**35,594**	**5,102**	**0**	**40,696**
Income taxes				(399)
Net income after taxes				**40,297**
Minority interest (gains)/losses				(663)
Consolidated net income				**39,634**
Financial assets and loans and receivables	239,406			
Financial resources [2]	75,603			
Managed assets [3]		1,237,817		

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

16. RELATED PARTY TRANSACTIONS

At 31 July 2015, the members of the Board of Management held the following numbers of shares in the Company: Torsten Grede 20,323; Dr Rolf Scheffels 10,290; Susanne Zeidler 2,000. Of the members of the Supervisory Board, Roland Frobel held 2,000 shares; Philipp Möller 1,000 shares; and Wilken von Hodenberg 1,000 shares in Deutsche Beteiligungs AG.

Key management personnel and former key management personnel received the following repayments from parties related to **DBAG FUND IV** in the first nine months of financial year 2014/2015:

	Investments in the period		Aggregate investment at reporting date		Repayments in the period	
T€	Management Board	Senior executives	Management Board	Senior executives	Management Board	Senior executives
Period from 1 Nov. 2014 – 31 July 2015						
DBG Advisors IV GmbH & Co. KG	0	0	430	0	588	0
DBG Advisors Kommanditaktionär GmbH & Co. KG	0	0	84	0	971	0
DBG Investment Team GmbH & Co. KG	0	0	325	740	1,258	2,731
Total 1st to 3rd quarter 2014/2015	**0**	**0**	**839**	**740**	**2,817**	**2,731**

Key management personnel and former key management personnel have made the following investments in, and received the following repayments from parties related to **DBAG FUND V** in the first nine months of financial year 2014/2015:

	Investments in the period		Aggregate investment at reporting date		Repayments in the period	
T€	Management Board	Senior executives	Management Board	Senior executives	Management Board	Senior executives
Period from 1 Nov. 2014 – 31 July 2015						
DBG Advisors Expansion GmbH & Co. KG	107	75	3,335	2,474	3	2

Key management personnel and former key management personnel have made investments in, and received the following repayments from parties related to the **DBAG EXPANSION CAPITAL FUND** in the first nine months of financial year 2014/2015:

	Investments in the period		Aggregate investment at reporting date		Repayments in the period	
T€	Management Board	Senior executives	Management Board	Senior executives	Management Board	Senior executives
Period from 1 Nov. 2014 – 31 July 2015						
DBG Advisors Expansion GmbH & Co. KG	108	364	170	637	0	0

Key management personnel and former key management personnel have made the following investments in, and received the following repayments from parties related to **DBAG FUND VI** the first nine months of financial year 2014/2015:

	Investments in the period		Aggregate investment at reporting date		Repayments in the period	
T€	Management Board	Senior executives	Management Board	Senior executives	Management Board	Senior executives
Period from 1 Nov. 2014 – 31 July 2015						
DBG Advisors VI GmbH & Co. KG	1,358	1,963	1,888	2,727	205	296

Apart from these, there were no related party transactions in the first nine months of financial year 2014/2015 materially affecting the asset, financial or earnings position of the Group in this period.

17. 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 31 October 2014.

18. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

We refer to the interim management report on the investment in Silbitz GmbH, the increase of the investment in Pfaudler and the refinancing of Formel D in section "Significant events after the end of the period" on page 15. With regard to the adaption of management fees for the DBAG ECF, we refer to the commentary on the earnings position (section "Fee income from fund management and advisory services") on page 12 of this report.

Frankfurt/Main, 7 September 2015

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

OTHER INFORMATION

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 7 September 2015

Incorporated in the Commercial Register
at the District Court in Frankfurt/Main
Handelsregister B 52 491

FINANCIAL CALENDAR

14 SEPTEMBER 2015
Report on the
third quarter 2014/2015
Analysts' conference call

25 NOVEMBER 2015
2015 German Equity Forum
Analysts' conference
Frankfurt/Main

10 DECEMBER 2015
Annual press conference 2014/2015
Frankfurt/Main

11 FEBRUARY 2016
Report on the
first quarter 2015/2016
Analysts' conference call

25 FEBRUARY 2016
Annual Meeting 2016
Frankfurt/Main

12 MAY 2016
Report on the
second quarter 2015/2016
Analysts' conference call

11 AUGUST 2016
Report on the
third quarter 2015/2016
Analysts' conference call

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