Deutsche Beteiligungs AG

CAPITALISING STRENGTHS. CREATING OPPORTUNITIES.

BUILDING VALUE WITH AN ATTRACTIVE PORTFOLIO AND FUND INVESTMENT SERVICES.

ANNUAL REPORT
2014/2015

CONTENTS

ANNUAL REPORT 2014/2015

This symbol refers to a term that is defined in the glossary on pages 194 to 197.

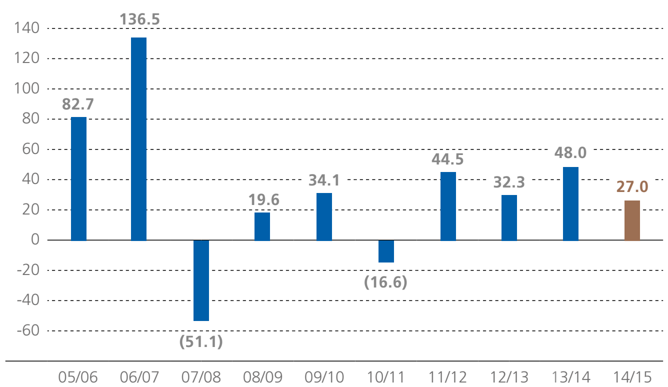
NET INCOME
reaches
27.0
MILLION EUROS

RETURN ON NET ASSET VALUE
per share
10.0
PERCENT

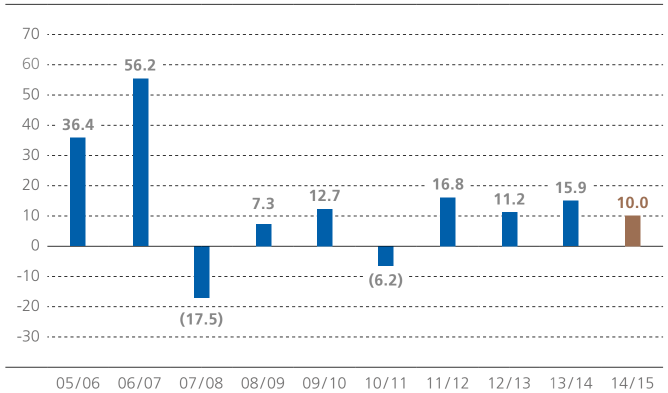
TOTAL RETURN TO SHAREHOLDERS
per share
20.9
PERCENT

LONG-TERM PERFORMANCE

CONSOLIDATED NET INCOME *(€mn)*



RETURN ON NET ASSET VALUE PER SHARE *(%)*



PERFORMANCE OF DBAG SHARES AND BENCHMARK INDICES
(1 November 2005 to 30 September 2015, indexed to 1 November 2005 = 100)

(TRUNCATED) 2014/2015 FINANCIAL YEAR

Net income of 27.0 million euros (eleven months; previous year: 48.0 million euros) largely reflects the value growth of 15 portfolio companies with which we started the truncated financial year. The Private Equity Investments business line contributed 24.9 million euros towards pre-tax net income (previous year: 40.4 million euros) and the Fund Investment Services segment 2.2 million euros (previous year: 8.0 million euros).
In the previous year, very profitable divestments to strategic investors had led to exceptionally high net income.

More information on net income on page 65

NET INCOME
reaches
27.0
MILLION EUROS

Net asset value remained nearly unchanged; at 30 September 2015, it was 22.16 euros – after a dividend payment of 2.00 euros in March. This equates to a gain of 2.00 euros, or a return of 10.0 percent after eleven months.
Thus, we once more clearly exceeded the cost of equity in the shortened 2014/2015 financial year. Over the past ten-year period we generated an average return on net asset value per share of 14.3 percent.

More information on the historical return trend on page 80

RETURN ON NET ASSET VALUE
per share
10.0
PERCENT

In the truncated financial year 2014/2015, the price of DBAG shares rose to 24.90 euros, up from 21.83 euros. Including the dividend of 2.00 euros paid in March 2015, total return to shareholders was 20.9 percent.
DBAG shares did not quite reach the performance of the S-Dax – the benchmark index for German companies of a comparable size – but clearly outperformed the Dax as well as the LPX Direct, the benchmark index for directly investing private equity firms.
Over a ten-year period, DBAG shares generated an average total return for our shareholders of 14.8 percent annually – superior performance, considering the benchmark indices returned only half as much.

More information on DBAG shares on page 26

TOTAL RETURN TO SHAREHOLDERS
per share
20.9
PERCENT

OUR MISSION STATEMENT

Stock exchange-listed Deutsche Beteiligungs AG invests in well-positioned mid-sized companies with potential for growth.

For many years, we have focused on industrial business models in selected sectors. With our experience, expertise and equity, we support our portfolio companies in implementing their sustainable, value-creating corporate strategies.

Our entrepreneurial approach to investing has made us a sought-after investment partner in the German-speaking world. We have achieved superior performance over many years – for our portfolio companies as well as for our shareholders and investors.


MEMBERS OF THE BOARD OF MANAGEMENT
From left to right:
DR ROLF SCHEFFELS, TORSTEN GREDE (Spokesman), SUSANNE ZEIDLER

Frankfurt am Main, 9 December 2015

Dear Shareholders,

Our business model is distinguished by many unique features. One of the most significant is that no two years are alike. Whereas the focus in 2013/2014 was on highly profitable realisations, the reporting year was characterised by new investments. We expanded our portfolio by adding seven new investee businesses, all of them members of Germany's "Mittelstand". New investment reached its highest level in more than ten years, providing an excellent foundation for future value growth. Between investing and disinvesting, developing our portfolio companies is a mainstay of our business. Net income of 27.0 million euros and a gain in net asset value per share of 10.0 percent this past financial year are once more proof that we were successful in that.

If you compare the financial data in this Annual Report with that of the preceding year, in some instances you will find figures that are different from those published previously. We had to adapt our accounting to a new reporting standard, which made it necessary to partially restate the comparative year's amounts.

Two other reasons make it difficult to compare this year with 2013/2014: DBAG's financial year now ends on 30 September. This aligns our reporting dates more closely to the stock market standard. 2014/2015 was therefore a truncated financial year of only eleven months. A more significant factor is, however, the change in the scheme that entitles investment team members to participate in the investment performance, which was adopted almost ten years ago. The new scheme has now taken effect in the financial statements for the first time.

Why is this so? Every investment decision taken by Deutsche Beteiligungs AG requires a private co-investment by those involved in that decision. This, too, is a particularity of our business model and is commonplace in the private equity industry. It serves to align the interests of the investors – in this case, your interests as shareholders – with those of the investment team. By investing their own money, members of the investment team participate in the success (or failure) of the investments. If certain conditions are met, they are entitled to a disproportionate share of the proceeds when an investment is realised. This carried interest is determined based on the total performance of DBAG's co-investments alongside the relevant DBAG funds.

DBAG has entered into eleven investments alongside DBAG Fund V. Four of these have been realised in recent years – very profitably in a number of cases. The other seven are making very good progress. Invested in the period from June 2010 to May 2013, they have demonstrated very satisfactory value growth and are now a core part of the portfolio. Their value rose by 50 percent in 2014/2015 alone. DBAG's share of future proceeds from these investments must therefore be reduced by the carried interest to which the investment team members are entitled. The carried interest reflects the aggregate performance of DBAG Fund V since the start of its investment activity and includes the gains on the four investments sold to date. Its payment will extend over a number of years, correspondent with the realisation of the individual investments' value appreciation.

The carried interest entitlement is accounted for within the net result of investment activity. This item largely derives from the net result of valuation, which reflects the portfolio companies' value appreciation. The improved sentiment in the stock markets over the past year delivered a positive contribution. Once again, however, the key reason for this year's very favourable valuation movement was the companies' improved earnings power. The companies increased their earnings by an average of 8.5 percent. Reflected in that figure are only those investee businesses that were in the portfolio at the beginning of the financial year.

The earnings growth is also the result of change processes within our portfolio companies – processes that range from optimising production procedures and expanding sales organisations to revising product portfolios. We encourage our portfolio companies to invest in their businesses. This includes add-on acquisitions, which make it possible to quickly close gaps in their sales landscape or add complementary products to the portfolio. In the past financial year, six portfolio companies strengthened their position through add-on acquisitions of smaller companies, the same number as in the preceding year. We support these developments – with further capital, if needed.

Of the new investment that took place this financial year, some nine million euros were attributable to capital increases used to finance such add-on acquisitions. The greatest share of that investment, however, can be ascribed to the new portfolio companies that we are presenting to you in this Annual Report. After the five management buyouts and the investments in family-run businesses, both funds alongside which we invest have been invested to about half.

We provide equity for numerous financing situations in the mid-market. This differentiates us from many competitors. Through co-investments alongside the funds, we structure the acquisition of companies or invest in minority stakes in growing businesses. DBAG's excellent market position shows that this has met with broad approval. We have improved our offering yet again. The fund for expansion financings now enables us to enter into investments which allow for holding periods that are longer than what was previously possible. This flexibility enhances the attractiveness of our offering, but, because it is tied to a new fee scheme, will for the time being come at the expense of net income from fund investment services.

Irrespective of the slight decline this past truncated financial year, income from fund investment services is stable and readily predictable. Its growth in recent years proves how greatly our services are appreciated by other investors. That growth is reason enough for us to increase the base dividend by ten eurocents. Surplus dividends are contingent upon the portfolio generating sizeable returns. Although there were no major exits in financial year 2014/2015, there is, however, a retained profit from the profitable realisations in recent years of 67.1 million euros.

For the 2014/2015 financial year, in which DBAG looked back on 50 years of DBAG and 30 years as a listed company, the Supervisory Board and the Board of Management propose using the profit earned in the past for a distribution which, in effect, would double the base dividend. In total, a dividend of 1.00 euro per share is slated for distribution, subject to shareholders' approval at the Annual Meeting.

In 2015, we commemorated the Company's foundation in September 1965 and the stock market launch of DBAG shares in December 1985. Two success stories.

We are also confident about the future, for three reasons in particular. First, our product is needed. Private equity plays a key role in development processes at companies – in generational transitions, in realignments at large corporations and in financing growth. In that environment, DBAG is perceived as a preferred partner by Germany's "Mittelstand".

Second, we have demonstrated how strong our business model is and how much value it can create. Private equity frequently achieves a superior return compared to other equity investments. Few people carry out more extensive analyses before they commit their capital than do the investment managers of a private equity company. Clearly, in-depth analysis at the outset lays the foundation for a successful investment. Corporate governance can take effect detached from the quarterly rhythm of the stock market. This, too, augments performance.

And third, we are confident that we will be able to continue building value in the future and earn more in our business than the cost of our equity. In 2014/2015 yet again, we further developed our work processes and invested in our investment team and market presence. This will enable us to complement our portfolio with promising companies on an ongoing basis.

In the near term – that is, in the current 2015/2016 financial year – the existing portfolio will determine our performance. Following the high level of new investment over the past twelve months, our portfolio has increased significantly. The platform for creating value is now broader than it was a year ago. The maturity of the investments has also grown. Overall, our portfolio is in prime condition. We are well aware of the quality of the companies in which we have invested. We have therefore forecast net income to significantly exceed that of the past financial year. As always, our forecast implies a stable environment. That also holds true for the stock market, whose valuation ratios have an influence on our income. It also applies to the economy in general, since even a large well-balanced portfolio is not immune to cyclical effects.

Torsten Grede | Dr Rolf Scheffels | Susanne Zeidler

BOARD OF MANAGEMENT

TORSTEN GREDE

Spokesman

Strategy and Business Development, Corporate Communication, Compliance, ESG, Investment Business, Investor Relations (fund investors)

Born 1964. Spokesman of the Board of Management since March 2013; Member of the Board of Management since January 2001; appointed until December 2018.

Torsten Grede studied business administration in Cologne and St. Gallen, following a traineeship in banking. After earning his degree, he started his career in 1990 at Deutsche Beteiligungs AG; he now has more than 20 years of experience in private equity. Torsten Grede was named Senior Vice President in 1995 and was initially appointed to the Board of Management in 2001.

DR ROLF SCHEFFELS

Investment Business, Investment Team Development

Born 1966. Member of the Board of Management since 2004; appointed until February 2021.

After completing a traineeship as an industrial administrator at Braun AG, Dr Rolf Scheffels studied business administration at the Goethe University in Frankfurt am Main, where he received his degree. His career began in 1992 with the audit firm C&L Deutsche Revision AG, Frankfurt am Main. In 1996, Dr Rolf Scheffels earned his doctorate (Dr. rer. pol.) at the Goethe University. He joined Deutsche Beteiligungs AG in 1997. Dr Rolf Scheffels was named Senior Vice President in 2000 and was initially appointed to the Board of Management in 2004.

SUSANNE ZEIDLER

Chief Financial Officer

Finance and Accounting, Legal and Fiscal, Investor Relations (stock market), Investment Controlling, Internal Audit, Personnel, IT and Organisation

Born 1961. Member of the Board of Management since November 2012; appointed until October 2020.

Susanne Zeidler studied business administration at the University of Münster. She began her professional career in 1987 with an audit partnership that specialised in mid-sized companies. She moved into the area of corporate finance at KPMG AG Wirtschaftsprüfungsgesellschaft in 1990, where she was responsible, until 1999, for valuations of mid-sized and listed companies operating in various industries. After becoming a partner in 2000, Susanne Zeidler led the internal audit review and other back office activities at the audit firm's Frankfurt office. Beginning in 2005, she built the firm's activities with foundations and other non-profit organisations. In 2011, she joined a worldwide charity organisation, where she served as director of Aid to the Church in Need at its international headquarters.

OUR BUSINESS BY KEY PERFORMANCE INDICATORS

Deutsche Beteiligungs AG invests private equity in Germany's "Mittelstand".

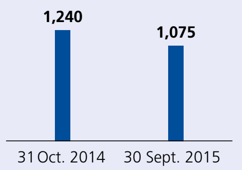
To that end, we raise closed-end private equity funds. The DBAG funds bundle the assets of institutional investors and enter into investments in "Mittelstand" companies. These investments are structured as majority takeovers (management buyouts) or as minority investments to finance growth in family-owned businesses. We advise the DBAG funds in selecting, developing and, ultimately, divesting their portfolio companies or their interest. Employing our shareholders' assets, we enter into investments as a co-investor alongside these private equity funds.

Both lines of business contribute to increasing the value of DBAG: our objective in the **Private Equity Investments** business line is to build the portfolio value over the long term; for **Fund Investment Services**, assets under management and fee income are targeted for long-term growth.

FUND INVESTMENT SERVICES

ASSETS UNDER MANAGEMENT

€mn



RATIONALE

Assets under management (AuM) forms the basis on which fee income from fund management and advisory services is generated. We measure it as the sum of the assets invested by DBAG funds and DBAG, outstanding capital commitments to the funds and the financial resources of DBAG.

DEVELOPMENTS IN 2014/2015

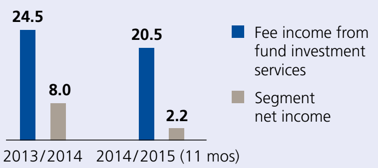
- Decrease of 13.3 percent in 2014/2015 based only to a small degree on portfolio returns: about 40 million euros were distributed to fund investors, among other things from the refinancing of a portfolio company.
- Size of DBAG ECF was reduced by about 30 million euros (agreement with fund investors).
- Dividend payment in March 2015 (27.4 million euros) and current expenses reduced financial resources.
- Advisory and management expenses reduced capital commitments.
- The portfolio of DBAG Fonds I was sold.

OUTLOOK

The portfolio has matured. Demand for well-poised companies with leading market positions is strong and the environment for divestments positive. Disposals from the portfolio would cause a decline in AuM. An increase in AuM can only be expected when a new fund is raised.

FUND INVESTMENT SERVICES

€mn



RATIONALE

Fee income from fund management and advisory services is readily forecastable. It is stable, but does not develop consistently. The basis for fee income declines along with exits; it only increases again when a new fund is raised. Net income from fund investment services contains two expense items which unlisted private equity companies also incur: expenses for the investment team and for the investment process. Net income may temporarily be negative – for instance, because it may be necessary to invest in the investment team.

DEVELOPMENTS IN 2014/2015

- The year-on-year comparison is distorted, since the last financial year comprised only eleven months.
- Following realisations in 2013/2014 (Homag Group AG, Dr. Vogler), the basis on which fee income is generated was reduced (DBG Fonds I, DBAG Fund IV, DBAG Fund V).
- Fees for DBAG ECF were adapted to investment progress and therefore declined significantly.
- Due to strong investment activity, variable remuneration was higher this year than last.

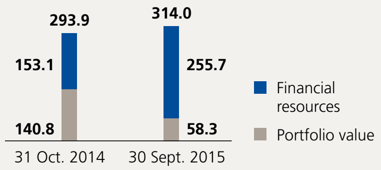
OUTLOOK

In recent years, we invested in expanding our investment team and improving our business processes. This expenditure initially increased the cost basis, before paying off in higher income, which we expect once the next buyout fund has been raised.

PRIVATE EQUITY INVESTMENTS

NET ASSET VALUE

€mn



RATIONALE

Net asset value: the sum of the portfolio's fair value at the valuation date and financial resources, less bank liabilities. DBAG had no bank liabilities – neither this year, nor last. Dividend payments to shareholders reduce net asset value.

DEVELOPMENTS IN 2014/2015

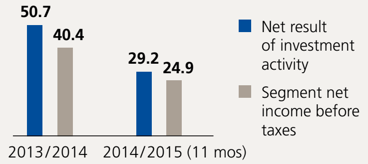
- Net asset value rose in truncated 2014/2015 by 6.9 percent to 314 million euros, despite a dividend payment of 27.4 million euros.
- Adjusted for the dividend payment, net asset value increased by 17.8 percent.
- The composition of net asset value has changed significantly, with the portfolio value accounting for only 52 percent at 31 October 2014, compared to 81 percent at 30 September 2015.
- The rise is attributable to new investment of 71.4 million euros and (net) value growth of the carried portfolio of 31.2 million euros.

OUTLOOK

For the current and the two financial years thereafter, we expect net asset value to grow by an average of ten percent. This implies a continuation of the dividend policy. Net asset value could be negatively impacted by a drastic fall in inputs for the portfolio valuation, such as a decrease in valuation ratios in the stock market or the portfolio companies' earnings situation in the wake of a serious cyclical downturn.

PRIVATE EQUITY INVESTMENTS

€mn



RATIONALE

The net result of investment activity mirrors the income contribution from the portfolio; it is also the key influential factor for net income and the basis for segment net income of Private Equity Investments. Segment net income contains the material and personnel costs of DBAG's stock market listing – comparable to an investment trust – and general administration expenses.

DEVELOPMENTS IN 2014/2015

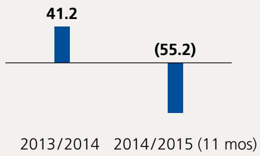
- In the truncated financial year, the net result of investment activity and segment net income of Private Equity Investments were clearly up on the previous year, when the previous year's amounts are adjusted for the profitable realisation of a large investment (Homag Group AG, 24.7 million euros).
- Results are based on the good progress the portfolio companies made. Nearly all portfolio companies that have been in the portfolio for longer than a year delivered positive value contributions.
- Overall, the contribution from the stock market was positive; the strength of the US dollar also benefited valuations.
- The net result of investment activity was charged with 23.5 million euros for carried interest entitlements of the investment team for the performance of the co-investments alongside DBAG Fund V.

OUTLOOK

For the current and the two financial years thereafter, we expect the net result of investment activity and net income before taxes for the segment of Private Equity Investments to be significantly higher, based, among other things, on a higher degree of investment.

CASH FLOWS PORTFOLIO

€mn



RATIONALE

A characteristic of the private equity business is the small number of transactions involving significant amounts: we enter into an average of four to six investments annually and exit an equal number. These transactions occur irregularly; in some years, investments may dominate, in others disinvestments. This gives rise to irregular cash flows.

DEVELOPMENTS IN 2014/2015

- 2014/2015 was a year of new investment: together with DBAG Fund VI, we invested in five new MBOs and provided funding for capital increases in existing portfolio companies (43.8 million euros). In addition, we co-invested alongside DBAG ECF (18.8 million euros for new engagements).
- Six companies in the portfolio strengthened their market positions by making add-on acquisitions. In two cases, we provided further equity. 8.9 million euros were channelled into these and other existing investments.
- Inflows (totalling 16.2 million euros) resulted from, among other things, one refinancing as well as realisations from the portfolios of the two international buyout funds.

OUTLOOK

We want to maintain our investment pace in 2015/2016 and the two financial years thereafter. Now that the portfolio has matured, we anticipate – unlike in the past financial year – recording increased returns from the portfolio and, for the medium term, clearly positive cash flows from investment activity.

OUR PORTFOLIO

REVENUES

10.3

PERCENT GROWTH

The 15 companies that were in our portfolio at the beginning of the financial year increased their revenues by 10.3 percent. This was calculated by comparing the companies' expected revenues for 2015 (or their financial year ending in 2015) with revenues generated in 2014. Part of the growth in revenues can be attributed to the acquisition of smaller companies that strengthen our portfolio companies.

EARNINGS

8.5

PERCENT GROWTH

The companies in the portfolio improved their earnings by 8.5 percent on average within a year. The indicator used is EBITDA (earnings before interest, tax, depreciation on tangible assets and amortisation of intangible assets). This was calculated by comparing the companies' expected EBITDA for 2015 (or their financial year ending in 2015) with their EBITDA in 2014. The 15 companies that were in our portfolio at the beginning of the financial year were included in the calculation. The influence of the acquisition of smaller companies was not corrected.

DEBT

2.1

TIMES EBITDA

Our portfolio companies have debts amounting to less than 2.1 times their EBITDA on average. One company with no net liabilities was not considered in the calculation. The remaining 21 companies were included in the calculation for the average figure weighted by their share of the portfolio value. The calculation is based on the companies' expected EBITDA and their net debt for 2015 (or their financial year ending in 2015).

VALUATION

8.0

TIMES EBITDA

Our portfolio companies' valuation is based on 8.0 times their earnings on average, or to be more precise, 8.0 times their expected EBITDA for 2015 (or their financial year ending in 2015). Two companies which we valuate using the DCF method due to their strong growth were not included. The remaining 20 companies were included in the calculation for the average figure weighted by their share of the portfolio value.

OUR PORTFOLIO

22

active investments

Oechsler manufactures injection-moulded precision parts and electromechanical components.

At Formel D, the focus is on quality-related services.

» OUR PORTFOLIO COMPANIES ARE GROWING THEIR REVENUES AND EARNINGS AT AN ABOVE-AVERAGE RATE. «

Germany's "Mittelstand" comprising small and mid-sized companies is considered the real driver of the German economy. These companies are mostly family-owned. Investors can nevertheless participate in this success model by investing in a DBAG share – indeed in an entire portfolio of 22 companies.

This opens the door to the private equity asset class for private investors and institutions that are looking for an alternative to closed funds. The managers and partners of our portfolio companies can count on DBAG in two ways: we provide their company with bespoke equity solutions, thus giving them scope to implement their business ideas and value-adding concepts. In addition, thanks to our industry know-how and experience, we are sought after as a partner for supporting growth strategies and change processes.

Our portfolio clearly shows what we mean by this. Take Formel D: by introducing a new leadership culture and corporate governance geared to the capital markets, the service provider for the automotive industry has accelerated its growth (page 14). Heytex, a producer of technical textiles, is penetrating the American market, which was previously relatively inaccessible, by acquiring a company there. Oechsler sees growth opportunities for its international business and plans to win new customers. DBAG uses its in-depth understanding of automotive business models to support it in this (page 19).

In the past financial year, our portfolio companies have developed extremely well. Their average growth in revenues and earnings far exceeds general economic trends. That does not mean that in individual cases, earnings did not remain below the previous year's level or fell short of expectations, for example due to delays in the project business or the fact that unexpected changes in the market affected incoming orders. In a portfolio with 22 companies, progress is rarely uniform. What matters is the big picture: the ratios used to measure the companies' success are good. This is because our portfolio investments are growing and becoming more profitable. They are improving their market position and their strategic position to secure existing jobs and create new ones.

These impressive growth figures show the great potential of the companies that our investment team first inspected and reviewed. The 23 members of this team together combine more than 200 years of experience of investments in mid-sized German companies. We use this experience to support the development of our portfolio companies.

The table shows 22 companies that make up the active portfolio of Deutsche Beteiligungs AG as at the balance sheet date of 30 September 2015. In addition, the portfolio comprises two investments in older international buyout funds with an investment period that expired more than five years ago. More information on the current portfolio can be found online at www.dbag.de/portfolio.

On the following pages, we present 16 of these portfolio companies in alphabetical order. They have been selected according to their topicality (including six of the seven new companies in the portfolio) and their size, measured by the value of the investment on the effective date. The 16 companies presented account for a good 80 percent of the portfolio value.

Company	Revenues 2015 *€mn*	Employees	Core business
Broetje-Automation GmbH, Wiefelstede (Germany)	144[1] (FY 2014/2015)	770	Developer and manufacturer of machines and plants for the automated assembly of aircraft
Cleanpart Group GmbH, Asperg (Germany)	45[2]	330	Services for the semi-conductor industry, hospitals and other industries
Clyde-Bergemann Group, Wesel (Germany)/ Glasgow (UK)/ Delaware (USA)	537 (*US-$*; FY 2014/2015)	1,700	Developer and manufacturer of components for power plants as well as a global service business
DNS:NET Internet Service GmbH, Berlin (Germany)	11[2]	50	Telecommunications and IT services based on high-quality fibre-optic infrastructure in Berlin and Brandenburg
FDG-Gruppe, Orly (France)	128[2]	750	Services for supermarkets mainly in France and increasingly in neighbouring countries
Formel D GmbH, Troisdorf (Germany)	200[2]	5,500	Services for car manufacturers and their suppliers
Gienanth GmbH, Eisenberg (Germany)	138[2]	900	Machine-moulded and hand-moulded castings for the automotive supplier industry and for the production of engine blocks
Grohmann Engineering GmbH, Prüm (Germany)	115[2]	790	Developer and manufacturer of plants for industrial automation
Heytex Bramsche GmbH, Bramsche (Germany)	103[2]	330	Producer of textile print media and technical textiles
Inexio KGaA, Saarlouis (Germany)	46[1] (FY 2014/2015)	170	Telecommunications and IT services based on high-quality optic-fibre infrastructure in Southwest Germany
Infiana Group GmbH, Forchheim (Germany)	208[2]	900	Developer, producer and finisher of plastic-based release liners and specialised films
JCK Holding GmbH Textil KG, Quakenbrück (Germany)	604[2]	920	Textile retail business, mainly for discounters in Germany
Novopress KG, Neuss (Germany)	n.a.	90	Developer and manufacturer of tool systems for the sanitary, electronic and construction industries
Oechsler AG, Ansbach (Germany)	310[2]	2,200	Developer and manufacturer of injection-moulded precision components with a focus on the automotive supplier industry
Pfaudler Process Solutions Group, Schwetzingen (Germany)	208[3] (*US-$*; FY 2014/2015)	1,500	Manufacturer of glass-lined vessels and components for the chemical and pharmaceutical industries
Plant Systems & Services PSS GmbH, Bochum (Germany)	36[2]	190	Industrial services for the energy and process industries in Germany and neighbouring countries
ProXES GmbH, Hameln (Germany)	103[2, 4]	420	Developer and manufacturer of machines and processing lines for the production of liquid and semi-liquid food products
Romaco GmbH, Karlsruhe (Germany)	126[1] (FY 2014/2015)	500	Developer and manufacturer of machines and plants for packaging tablets
Schülerhilfe GmbH, Gelsenkirchen (Germany)	59[2]	380	Provider of education and tutoring services in Germany
Silbitz Group GmbH, Silbitz (Germany)	140[2]	980	Provider of hand-moulded and automated machine-moulded processes for different materials on the basis of steel and iron
Spheros GmbH, Gilching (Germany)	245[2]	1,050	Developer and manufacturer of air conditioning units, heating systems, water pumps and roof hatches for buses
Unser Heimatbäcker GmbH, Pasewalk (Germany)	137[2]	2,750	Bakery chain in Northeast Germany

1 Preliminary 2 Expected 3 Pro forma figures 4 Incl. Terlet

BROETJE-AUTOMATION GMBH

Wiefelstede (Germany), www.broetje-automation.de

€5.6MN	INVESTMENT DBAG
13.3%	EQUITY SHARE DBAG
53.2%	EQUITY SHARE DBAG FUND V
MBO	TYPE OF INVESTMENT
MARCH 2012	INITIAL INVESTMENT
770	EMPLOYEES

MACHINES AND PLANTS FOR AIRCRAFT ASSEMBLY

Broetje-Automation GmbH and its subsidiaries develop and produce machines and plants used in the production of large aircraft for commercial airlines. As a key product category, the company makes riveting machines and lines used to automatically rivet, join and assemble large aircraft components, such as the fuselage, wings or cockpits made of metal or carbon fibre. The company also plans and designs turnkey production steps in aircraft factories, not only delivering the machines and lines, but also assuming other tasks such as project management and procurement of other components. Its services include providing replacement parts, maintenance and training, as well as optimising existing production lines.

The company is a leading strategic supplier to major aircraft manufacturers worldwide. It gains new clients as more air aircraft manufacturers in emerging countries enter the market.

Broetje-Automation is represented worldwide with subsidiaries in the US and China as well as several sales and service centres in America, Asia, Russia and Europe.

POTENTIAL FOR DEVELOPMENT

Broetje-Automation is a company with an outstanding reputation, extensive technological expertise and a good market position. Based on the large number of lines installed worldwide, the company plans to expand its service business, which was explicitly promoted as a growth area with the founding of Broetje-Automation Services GmbH in 2012. A further aim is to strengthen the company's market position by expanding its technology and acquiring a more international customer base.

Accompanied by DBAG, the company has already made four acquisitions. Most recently, it took over the aircraft assembly technology section of the Dürr Group in 2015. This is a decisive step for Broetje-Automation on its way to becoming a full-range supplier. Previously, the market for aircraft assembly technology was dominated by suppliers that only covered individual process steps or were active in the market as pure integrators.

2014/2015 FINANCIAL YEAR

In the 2014/2015 financial year (30 September), an order intake above target was achieved. Revenues and earnings were significantly higher than in the previous year. Due to the integration of the aircraft assembly technology acquired by Dürr, revenues increased by about 40 million euros. The integration of the aircraft assembly technology acquired from Dürr was successfully completed, revenues thus increased by about 40 million euros.

OUTLOOK AND OBJECTIVES

In the first quarter of 2015/2016, Broetje-Automation is moving its activities from its two previous sites in North Germany and merging them in a new location. This will further improve the company's business processes. The aim is to strengthen the company's market position in the US and Asia. Furthermore, the company plans to push the expansion of its service business. As a result, revenues and earnings are expected to be up on the previous year's figures.

CLEANPART GROUP GMBH

Asperg (Germany), www.cleanpart.de

€7.6MN
INVESTMENT DBAG

14.3%
EQUITY SHARE DBAG

61.2%
EQUITY SHARE DBAG FUND VI

MBO
TYPE OF INVESTMENT

APRIL 2015
INITIAL INVESTMENT

330
EMPLOYEES

REVENUES *in €mn*

41	2013
42	2014
45	2015 (EXP.)

INDUSTRIAL SERVICES FOR THE SEMICONDUCTOR INDUSTRY

Cleanpart provides engineering services to the semi-conductor industry and other industries. Cleanpart services process-critical components in machines that are primarily used in the production of modules for the semi-conductor industry, such as logic chips, memory chips, etc. As these components become contaminated and wear out, they have to be regularly decontaminated, cleaned, coated and replaced to ensure that they meet the extreme purity and performance requirements that apply for the production processes of chip manufacturers. This also ensures that the components have a longer service life. Cleanpart uses chemical, mechanical and thermal procedures for cleaning the components before coating them again and packaging them for further use, usually under cleanroom conditions.

The components are serviced at the company's own facilities, which are located near major customers in Germany and France as well as the US. Cleanpart generates around three quarters of its revenues in the semi-conductor industry. The company also serves customers in other sectors, such as the medical technology and photovoltaic industries. In addition, Cleanpart is active in the healthcare industry, where it cleans and sterilises surgical instruments.

Thanks to its strong technological position, the company is one of the leading providers in Europe and the US.

POTENTIAL FOR DEVELOPMENT

The group should grow strategically with the aim of developing a broader product and service portfolio for the semi-conductor industry. It should also expand its business into industries other than the semi-conductor industry, such as the healthcare sector. The company is expected to develop through organic growth and acquisitions.

2015 FINANCIAL YEAR

In the first half of 2015, Cleanpart's business developed better than planned. However, due to a major customer unexpectedly underusing its capacity in the second half of 2015, sales were below target. This was largely compensated by Cleanpart's performance in the first half of the year, which was above target, and the fact that sales with other customers were higher than expected in the second half of the year. The company's business in the hospital sector developed as planned.

OUTLOOK AND OBJECTIVES

In 2016, the implementation of the measures agreed on at the start of the investment will be driven forward. In addition to improving efficiency at all locations, expanding the product portfolio and winning new customers are essential for the company's operational development in the coming year.

CLYDE BERGEMANN GROUP

Wesel (Germany), www.cbpg.com

€11.7MN
INVESTMENT DBAG

15.7%
EQUITY SHARE DBAG

31.5%
EQUITY SHARE DBAG FUND IV

MBO
TYPE OF INVESTMENT

MAY 2005
INITIAL INVESTMENT

1,700
EMPLOYEES

REVENUES *in US$mn*

2012/2013	447
2013/2014	545
2014/2015	537

COMPONENTS FOR POWER PLANTS

The companies in the Clyde Bergemann Group develop and produce components for energy-related production processes. These products guarantee the efficient and safe operation of power plants, industrial and waste incinerating lines as well as petrochemical plants and contribute to more efficient energy generation with lower emissions. They are also used in pulp and paper plants, in the cement/mineral industry and in marine boilers. In addition, the company maintains and services these products.

The Clyde Bergemann Group operates globally and has developed ground-breaking technologies that have made it a market leader in its key business segments: products that increase the efficiency of power plant boilers and the efficient handling of fly and floor ash account for more than two thirds of revenues.

POTENTIAL FOR DEVELOPMENT

Clyde Bergemann has been part of DBAG's portfolio since 2005. By that time, the group had built up an international presence and had seven production sites in six countries on three continents. Our goal was to expand the product portfolio to cover environmental protection and further grow the company's international reach through organic growth as well as acquisitions.

Since entering into this investment, the company's revenues have increased by more than ten percent annually on average, partly thanks to a total of seven acquisitions. DBAG and DBAG Fund IV enabled these acquisitions by providing additional equity. The three American companies and the Australian company in particular allow Clyde Bergemann to offer its customers a wider range of products and services as well as giving it access to new regional markets, such as Australia. Clyde Bergemann has founded companies in India, China, Indonesia and Turkey to further consolidate its sales and service network.

In past years, however, a change in attitude towards coal-fired power generation has had a negative impact in key markets such as Germany, and, more recently, the US. The restructuring effort in connection with this exit from fossil-fuel energy has put a strain on Clyde Bergemann. The change in the payment profile of orders in the US caused a build-up of the capital tied up in the company, so that the encouraging diversification of the business did not bring about a corresponding increase in value.

2014/2015 FINANCIAL YEAR

Despite a solid order intake, revenues and earnings in 2014/2015 were slightly down on the previous year. This development is mainly due to efforts to restructure the company: it sold a subsidiary in Germany and revised the focus of other units that contributed negatively in 2014/2015.

OUTLOOK AND OBJECTIVES

The general outlook for 2015/2016 (28 February) is positive, especially in Asia. In the US, however, the market conditions are changing significantly. Earnings will mainly come from newly launched products (Asia), the development of the spare parts business (America) and strategic repositioning (Europe).

FDG GROUP

Orly (France), www.fdg.fr

€2.2MN
INVESTMENT DBAG

15.5%
EQUITY SHARE DBAG

61.9%
EQUITY SHARE DBAG FUND V

MBO
TYPE OF INVESTMENT

JUNE 2010
INITIAL INVESTMENT

750
EMPLOYEES

REVENUES *in €mn*

SERVICES FOR RETAIL

The FDG Group provides services to retail as a so-called category manager. The group supplies supermarkets primarily in France with individual categories of goods that are not core products at these stores, for example haberdashery (from sewing thread to shoe soles), household utensils, personal hygiene products (barrettes and hairbrushes) and DIY products (small tools) to collectible sticker albums. FDG controls the supply chain, packages the products and manages the logistics to the stores – its core competence. The company stocks the agreed sales areas in supermarkets and drug stores with different products, as agreed with the stores. Most of its products are marketed under FDG's own brands, but also as licensed products or proprietary supermarket brands ("private labels").

POTENTIAL FOR DEVELOPMENT

The objective at the start of the investment was to boost productivity by merging functions that had previously been separate. At the same time, the FDG Group, which is number two in the French market measured by revenues, was to grow both organically (new products and more customers) and through acquisitions (product lines, brands, sales networks). The company's strong market position in France provides a good basis for this. DBAG supports FDG's management in implementing its growth strategy and accompanies it in increasing the group's efficiency.

FDG has made good progress in past years. The closer integration of the group, which was initially highly decentralised, contributed significantly to improving efficiency. FDG has also grown non-organically in recent years with the acquisition of two smaller companies.

2015 FINANCIAL YEAR

FDG generates most of its revenues in France, where consumer confidence continues to be low. This slowed down FDG's growth again in 2015. Nevertheless, revenues and earnings should be slightly higher than in the previous year.

OUTLOOK AND OBJECTIVES

FDG plans to continue implementing its corporate strategy consistently in 2016. This includes improving operational efficiency and further implementing its growth strategy, among others. Accordingly, revenues and earnings should be up on the previous year's figures.

FORMEL D GMBH

Troisdorf (Germany), www.formeld.com

€1.7MN
INVESTMENT DBAG

15.7%
EQUITY SHARE DBAG

32.6%
EQUITY SHARE DBAG FUND V

MBO
TYPE OF INVESTMENT

MAY 2013
INITIAL INVESTMENT

5,500
EMPLOYEES

REVENUES *in €mn*

2013	2014	2015 (EXP.)
137	166	200

SERVICES FOR THE AUTOMOTIVE INDUSTRY

Formel D offers services to the automotive industry and its suppliers that cover the entire product creation process, from vehicle development and production to customer service. The company advises its customers and provides them with specialised employees as well as integrated technical solutions. The focus is on services related to quality.

The value chain in the automotive industry has become more permeable. Formel D makes use of the opportunities that arise from the greater integration of the individual steps of the value chain. In doing so, it serves the specific needs of the automotive industry, which is under pressure to improve quality and productivity despite the growing complexity of vehicles (e.g. due to more electronics), an increasing number of models and shorter product lifecycles. This enables Formel D to detach itself to a certain extent from the volatility of the economy. In the context of ongoing globalisation, every new factory a carmaker opens presents Formel D with an opportunity to enter new markets and capture additional growth potential. Here, the company benefits from being one of the few global service providers in its segment.

POTENTIAL FOR DEVELOPMENT

Formel D already has an international presence with more than 80 production sites in 22 countries. Nevertheless, it intends to continue expanding to other countries, such as the US and China. It aims to base its revenue and earnings growth on new services. As a precondition for further growth, the formerly family-run company intends to transform its leadership culture towards corporate governance geared to the capital markets.

By strengthening its sales organisations in the US and China, Formel D is pushing its international expansion. It has made its sales division more customer and solution-oriented overall. A new reporting system provides detailed information regularly throughout the year as a basis for the company's value-based management.

2015 FINANCIAL YEAR

The company was able to benefit from positive developments, especially in its key markets of Germany, the US and China. Overall, revenues and earnings were up on the previous year.

Thanks to the company's positive development since the start of the investment, it was able to refinance its debt in September 2015; DBAG and DBAG Fund V had acquired it in 2013 using equity capital only.

OUTLOOK AND OBJECTIVES

The company is continuing to work on implementing the measures agreed on at the start of the investment. These include, for example, expanding existing customer relationships, acquiring new customers and building a global organisation, primarily in the key regions of Germany, the US and China. The 2016 budget provides for higher revenues and a growth in earnings. This is subject to a stable market environment and growth in almost all countries.

GIENANTH GMBH

Eisenberg (Germany) www.gienanth.com

€6.9MN
INVESTMENT DBAG

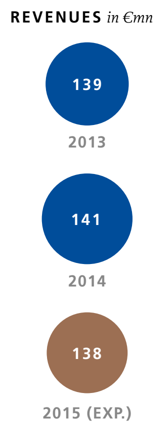
16.0%
EQUITY SHARE DBAG

68.3%
EQUITY SHARE DBAG FUND VI

MBO
TYPE OF INVESTMENT

MARCH 2015
INITIAL INVESTMENT

900
EMPLOYEES



IRON FOUNDRY

Gienanth probably has the longest tradition of any company in the portfolio: at one of its two sites in Germany, it has been casting iron since 1735, while the other goes back to a hammer mill in 1449. Today, Gienanth is an important partner for the automotive industry and other sectors worldwide. As the fourth largest customer market for iron castings worldwide, Germany is a key target market for Gienanth. Accordingly, the company generates about 40 percent of its revenues there.

Gienanth produces clutch and brake components in a machine-moulded casting process. It also produces hand-moulded castings of highly sophisticated engine blocks (cylinder crankcases) for large-size diesel and gas engines. The cylinder crankcases are used in engines installed in generators for decentralised energy supply, and as energy supply or power units on ships, in locomotives and other large-scale vehicles. Gienanth is the leading provider worldwide for crankcases of this kind. The company also leads the market for machine-moulded castings, its second line of business. Gienanth manufactures high-strength cast parts that are subject to extreme wear on a large scale, primarily for the automotive and commercial vehicle industries; in the area of clutch components, it accounts for more than 25 percent of the global market.

POTENTIAL FOR DEVELOPMENT

Gienanth boasts outstanding technological and process expertise, particularly in hand-moulded castings. The company has a good competitive position and long-standing stable customer relationships. Gienanth should grow on this basis, possibly through the acquisition of further foundries. In doing so, it can benefit from our experience: DBAG has been involved in this sector intensively and has invested in foundries in the past. We basically expect the global market to grow both in automotive parts and large-scale engine blocks.

2015 FINANCIAL YEAR

In the first year of the investment, the company developed below target. Demand, above all for crankcases for large engine blocks, declined unexpectedly. This was mainly due to the drop in the oil price and the crises in the Middle East, Africa and the Ukraine, as well as economic weakness in Brazil and China, which attenuated demand. In particular the oil industry itself, a key buyer of such engines, curbed investment considerably. Revenues and earnings were therefore below expectations and down on the previous year's values.

OUTLOOK AND OBJECTIVES

Management is confident that the company will continue to benefit from the call-off figures from the automotive industry in 2016, which are still high. The company intends to grow further and develop its portfolio through acquisitions and investments in plants. Plans to improve operational processes should also boost profitability.

GROHMANN ENGINEERING GMBH

Prüm (Germany), www.grohmann.com

€2.1MN
INVESTMENT DBAG

25.1%
EQUITY SHARE DBAG

EXPANSION CAPITAL INVESTMENT
TYPE OF INVESTMENT

DECEMBER 1996
INITIAL INVESTMENT

790
EMPLOYEES

REVENUES *in €mn*

2013	94
2014	93
2015 (EXP.)	115

PLANTS FOR INDUSTRIAL AUTOMATION

Grohmann Engineering develops and produces plants for automated manufacturing of sophisticated products and markets them worldwide. The plants are used in the semiconductor, electronics and automotive industries as well as the biotechnology and medical technology sectors, among others. The company works hand in hand with its customers and suppliers to pioneer key technologies, such as those required in the industrial production and assembly of lithium ion batteries or the industrial production of fuel cells.

The company benefits from the current trend towards process optimisation for the highly efficient mass production of technically sophisticated products or individual components of such products. The aim is to improve quality and safety standards, reduce material and manufacturing costs, enhance product variability and shorten throughput times. Grohmann supplies the necessary machines and plants to achieve this. Standard machines are rarely used, and the cost of developing new machines is often high.

POTENTIAL FOR DEVELOPMENT

Our investment in Grohmann stems from an expansion capital investment made in the 1990s. Since Deutsche Beteiligungs AG entered into the investment (none of DBAG's funds have a stake in the company), the company's revenues have grown by around six percent a year on average. Its customers' industries have changed: lower order volumes from the telecommunications industry, for example, have been offset by business with customers in the biotechnology and medical technology industries. In recent years, Grohmann has benefitted from a focus on production processes in the information, communications and automotive industries.

Currently, the family-owned company has set its sights on the growth opportunities offered by the electromobility sector: Grohmann Engineering is considered the technology leader in plants for the industrial production of battery cells and modules.

2015 FINANCIAL YEAR

Grohmann started the year with a good order backlog, especially from the automotive industry, and an ambitious budget. Incoming orders in the first half of the year were slow, but accelerated significantly in the third quarter of the year and will exceed the budget. Overall, the company expects revenues to be up on the previous year and earnings to be slightly below last year's values in 2015.

OUTLOOK AND OBJECTIVES

Based on the high number of incoming orders in 2015, the company expects to continue its successful development in 2016. It aims to secure growth by permanently expanding its technological know-how and tapping new areas of application.

INEXIO INFORMATIONSTECHNOLOGIE UND TELEKOMMUNIKATION KGAA

Saarlouis (Germany), www.inexio.net

€5.5MN
INVESTMENT DBAG

6.9%
EQUITY SHARE DBAG

9.6%
EQUITY SHARE DBAG EXPANSION CAPITAL FUND

EXPANSION CAPITAL INVESTMENT
TYPE OF INVESTMENT

MAY 2013
INITIAL INVESTMENT

170
EMPLOYEES

BROADBAND CONNECTIONS AND IT SERVICES

Inexio Informationstechnologie und Telekommunikation KGaA invests in the development and expansion of a powerful telecommunications infrastructure in the greater region of Rhineland-Palatinate/Saarland, as well as in Bavaria and Baden-Württemberg. Inexio has a proprietary and steadily growing fibre-optic and municipal network covering more than 5,000 kilometres as well as five company-owned data centres. The company offers the entire spectrum of telecommunications and IT, from carrier services to assuming all telecommunications, IT and data centre services. Although the company's original focus was on business customers, these have now been surpassed by revenues from high-speed Internet connections for private customers at an annual rate of just under 70 percent.

POTENTIAL FOR DEVELOPMENT

Inexio is continuously growing its customer base by investing in fast fibre-optic networks, i.e. in an increasingly popular infrastructure with long-term availability, to secure attractive sources of future revenue that are also predictable. The barriers to enter the market in which Inexio operates are traditionally high. Inexio has a highly motivated and experienced management team. Thanks to the company's structures and capacities, it can take advantage of current market opportunities.

A further key success factor is Inexio's speed in expanding its own network. Especially in rural areas, the first to invest invariably gets access to the customers. The capital invested by DBAG and the fund allows Inexio to maintain the pace at which it invests and to accelerate growth by acquiring further companies.

In each of the past two years, Inexio has acquired a smaller company with a network and customers in Bavaria and continued its regional expansion.

2014/2015 FINANCIAL YEAR

In the 2014/2015 financial year (30 September), Inexio's sustainable and profitable customer business developed very positively. The company achieved its forecast growth. Customer contracts increased to more than 50,000 and are growing by more than 1,000 per month. Inexio gained new business customers in all of its newly acquired network areas. Revenues and earnings were again significantly up on the previous year.

OUTLOOK AND OBJECTIVES

Inexio plans to continue growing its infrastructure and customer numbers in 2015/2016. Revenues and earnings should also grow accordingly and again exceed the previous year's figures.

INFIANA GROUP GMBH

Forchheim (Germany), www.infiana.com

€12.4MN	INVESTMENT DBAG
17.4%	EQUITY SHARE DBAG
74.1%	EQUITY SHARE DBAG FUND VI
MBO	TYPE OF INVESTMENT
DECEMBER 2014	INITIAL INVESTMENT
900	EMPLOYEES

RELEASE LINERS AND SPECIALTY FILMS

Infiana Group develops and produces specialty films for the consumer goods market and for industry. The films are used for packaging and as components for hygiene and health products, as release liners and surface films for technical applications, for example in the construction industry, and as release liners for technical adhesive tapes and special labels. The group's revenues are split roughly evenly between these three areas of application. Thanks to its highly flexible production, it has a large product portfolio.

Infiana has a global presence: besides its headquarters in Germany, the company maintains further production sites in the US, Thailand and Brazil. Its production structure is geared to its customers, which include globally active consumer goods manufacturers that also produce worldwide. Infiana is second in the processing segment in Europe and leads the market in the US. It is also among the leading providers in Asia and South America.

Infiana is considered a particularly innovative company. It invests around seven percent of revenues in research and development. The company develops innovative film solutions in close cooperation with its customers, resulting in individual products: three quarters of its products are customised. The company sees this as a competitive edge that it intends to strengthen further in future.

POTENTIAL FOR DEVELOPMENT

As well as new products, growth drivers include the increasing propensity to consume in emerging countries and continuing demand in the construction industry. In addition, the company intends to invest in capacity and in the development of film solutions for new areas of application. Since gaining independence, the conditions for this are better than ever: DBAG and DBAG Fund VI acquired the company from a corporation that no longer saw Infiana as part of it its core business. Further potential can be captured from better utilising existing production capacities.

2015 FINANCIAL YEAR

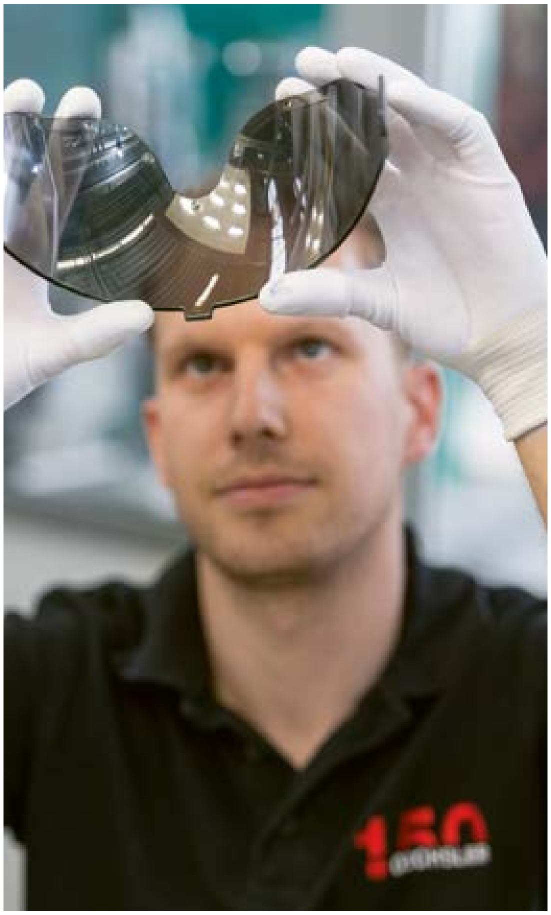
In the first year of the investment, the company developed as forecast. Infiana expects significant growth in revenues in 2015 and a distinct rise in earnings, despite fluctuating raw material prices. Positive volume growth in the core regions is supported by an appreciation of the US dollar.

OUTLOOK AND OBJECTIVES

The company intends to push ahead with the strategy for organic growth agreed on at the start of the investment: investments are planned in extrusion and coating capacities to expand production in the US and Germany. In addition, Infiana will rigorously pursue its aim of developing additional areas of application. Furthermore, management is determined to expand the company's international position through acquisitions, especially abroad.

OECHSLER AG

Ansbach (Germany), www.oechsler.com



€11.1MN
INVESTMENT DBAG

8.4%
EQUITY SHARE DBAG

11.6%
EQUITY SHARE DBAG EXPANSION CAPITAL FUND

EXPANSION CAPITAL INVESTMENT
TYPE OF INVESTMENT

MARCH 2015
INITIAL INVESTMENT

2,200
EMPLOYEES

REVENUES *in €mn*

Year	Revenues
2013	251
2014	278
2015 (EXP.)	310

PLASTICS ENGINEERING FOR THE AUTOMOTIVE INDUSTRY

Oechsler, a company with a history of more than 150 years, manufactures injection-moulded precision plastic parts and electromechanical components. The company serves a large customer base in various industries. Oechsler develops, manufactures and assembles actuators and other mechatronic components. It generates around 80 percent of revenues with automotive suppliers. A key product is an electronic parking brake that combines mechanical and electronic components with injection-moulded plastic parts. Further products include housing components for remote keys and headlight modules for the automotive industry as well as injection-moulded ceramic parts. High-tech sole elements for manufacturers of sports shoes and visors for firemen's helmets are examples of technical plastic products that Oechsler delivers to other sectors. The product portfolio also comprises various high-precision components for medical devices.

The mainly family-owned business has grown strongly in recent years. In the past five years, the group's revenues have doubled to just under 280 million euros. Oechsler maintains five production sites on three continents (Europe, Asia, North America); in Germany, it has some 1,270 employees.

POTENTIAL FOR DEVELOPMENT

Oechsler sees growth opportunities for its successfully established international business and aims to win new customers both in Germany and abroad. DBAG will support the company in doing so based on its in-depth knowledge of business models in the automotive industry and of global market structures gained from investing in more than ten companies in the automotive supplier industry since 1990.

2015 FINANCIAL YEAR

In the first year of its investment, the company grew significantly faster than forecast. It boosted its revenues and earnings among others by producing larger quantities of the company's core product. Its business in other product areas also developed positively.

OUTLOOK AND OBJECTIVES

Based on its excellent performance, Oechsler aims to increase its production capacities in 2016. It also intends to grow its revenues and earnings further and will press ahead with the measures to optimise production and processes agreed on at the start of the investment.

PFAUDLER PROCESS SOLUTIONS GROUP

Schwetzingen (Germany), www.pfaudler.de

€11.4MN
INVESTMENT DBAG

17.6%
EQUITY SHARE DBAG

74.9%
EQUITY SHARE DBAG FUND VI

MBO
TYPE OF INVESTMENT

DECEMBER 2014
INITIAL INVESTMENT

1,500
EMPLOYEES

REVENUES *in US-$mn*

2012/2013	217
2013/2014	222[1]
2014/2015	208[1]

1 Pro forma figures

MECHANICAL ENGINEERING COMPANY FOR THE PROCESSING INDUSTRY

The companies in the Pfaudler Group manufacture glass-lined vessels and other glass-lined components for the chemical and pharmaceutical industries at nine locations in seven countries (Germany, Italy, the UK, the US, Brazil, China and India) on four continents. Pfaudler also provides spare parts and repair services as well as planning and constructing complete production lines. The vessels and other components are used as reactors for chemical processes and as storage tanks, columns and piping in chemical facilities. Pfaudler is one of the few manufacturers that can engineer and produce process-critical equipment that sets high quality standards for glass lining based on its own knowledge and experience. Thanks to the company's many years of experience in preparing the frit for glass lining and its employees' know-how, it has competitive edge, because key steps of the process are done manually. At the same time, these advantages create high market entrance barriers for potential competitors. Pfaudler accounts for some 25 percent of the market volume.

POTENTIAL FOR DEVELOPMENT

Pfaudler is a high-quality supplier in a global niche market. It has supplied countless components over the past decades, providing it with a solid foundation for its services and spare parts business, which the company aims to expand. Shortly after the start of investment, Pfaudler grew its product portfolio by acquiring a majority interest in Julius Montz GmbH. Like Pfaudler, Montz designs, develops and manufactures plant components for use in the chemical and pharmaceutical industries and is specialised in distillation technology, which can be used to break down or clean different liquids and gases. Montz holds a leading position in the market for bioethanol, for example by developing state-of-the-art methods to manufacture bioethanol from cellulose. Montz and Pfaudler have a large number of customers in common, which they previously supplied separately with different but complementary technologies. By acquiring Montz, the Pfaudler Group can now offer its customers a broader product portfolio.

2014/2015 FINANCIAL YEAR

Due to the changed and more difficult competitive environment, especially in Europe, pressure on prices, and consequently on costs, has increased. Revenues and earnings were therefore slightly below the previous year's figures.

OUTLOOK AND OBJECTIVES

By investing in optimising operations, in the company's core competence of glass lining technology, in research and development and in sales, Pfaudler should grow profitably in 2015/2016. This also involves changes at the company's locations: a global competence centre for glass lining is being planned at its German site in Schwetzingen; at the same time, all key coating activities in Europe will be based there.

PROXES GMBH

Hameln (Germany), www.proxes-group.com

€8.3MN	INVESTMENT DBAG
18.7%	EQUITY SHARE DBAG
74.8%	EQUITY SHARE DBAG FUND V
MBO	TYPE OF INVESTMENT
JUNE 2013	INITIAL INVESTMENT
420	EMPLOYEES

REVENUES *in €mn*

Year	Revenues
2013	42[1]
2014	79[2]
2015 (EXP.)	103[3]

1 Stephan Machinery only 2 Incl. FrymaKoruma 3 Incl. Terlet

MACHINES AND PROCESS LINES FOR THE FOOD INDUSTRY

Stephan Machinery GmbH and FrymaKoruma GmbH, both manufacturers of machines and process lines primarily for the food industry, cooperate under the umbrella organisation ProXES GmbH, which was formed in 2014. The two companies have experience in a wide range of applications and system expertise, i.e. they have an engineering department with plant construction know-how, which allows them to build integrated production systems. This sets ProXES apart from most of its competitors.

Stephan Machinery mainly produces machines and lines used for the thermal processing of liquid and semi-liquid food products such as sauces, processed cheese, soups or baby food. FrymaKoruma, on the other hand, makes machines for the cold processing of food, cosmetics and pharmaceutical products. As the food industry, the company's main sales market, is largely non-cyclical, we expect business to be less volatile for ProXES compared to other mechanical engineering companies.

Both Stephan Machinery and FrymaKoruma are leading companies in their respective market niche. Stephan Machinery's customers include relevant globally active consumer goods companies. FrymaKoruma has supplied machines to 180 countries from its headquarters in Rheinfelden (Switzerland), of which currently more than 23,000 are in use and provide a broad foundation for its spare parts business.

POTENTIAL FOR DEVELOPMENT

The idea is that other mechanical engineering companies will cooperate under the ProXES umbrella in future. They should hold a leading market position, offer complete production lines or key components, and – like Stephan Machinery and FrymaKoruma – be considered technology and innovation leaders in the processing segment. The companies will then be able to operate a common international sales and service network, collaborate in research and development and utilise the economies of scale in other areas as well.

The ProXES group was joined by Terlet NV in 2015. This Dutch company produces machines and components that are also used in the food industry and aim at achieving an effective heat exchange in food processing methods, which are designed to be as gentle as possible.

2015 FINANCIAL YEAR

Overall, the group developed as planned. Revenues and earnings are up on last year's figures as expected. By acquiring Terlet, the group has taken the next step to further develop the company and boost its value. As a result, the group's revenues will increase to more than 100 million euros.

OUTLOOK AND OBJECTIVES

Top priority is given to successfully integrating the three companies and capturing potential offered by forming the group. The incorporation of FrymaKoruma's business into ProXES GmbH yielded first results in 2015. Overall, the new group has been well received by customers. Now that the group is established, the focus will be shifted to improving operations. At the same time, the company will further expand its technological competence through innovations.

ROMACO GMBH

Karlsruhe (Germany), www.romaco.com

€9.9MN	INVESTMENT DBAG
18.6%	EQUITY SHARE DBAG
74.3 %	EQUITY SHARE DBAG FUND V
MBO	TYPE OF INVESTMENT
APRIL 2011	INITIAL INVESTMENT
500	EMPLOYEES

REVENUES *in €mn*

2012/2013	103
2013/2014	112
2014/2015 (PREL.)	126[1]

1 Incl. Innojet

MACHINES AND PLANTS FOR PACKAGING TECHNOLOGY

Romaco is a leading global specialised supplier of processing and packaging technology. Divided into two business areas, "Tableting" and "Packaging", the company develops system solutions for the pharmaceutical, cosmetics and chemical industries. Romaco focuses on serving the segment of flexible machinery, which can be retrofitted quickly and easily to produce a range of different products. Machines such as these are required above all by manufacturers of generic drugs, whose business is growing fast. The company's product range includes primary and secondary packaging, sterile liquid and powder filling solutions, and tablet compression technology.

By investing in Romaco, DBAG is participating in one of the most attractive and fast growing segments in the mechanical engineering sector in Germany. Romaco benefits from growth drivers in the pharmaceutical market – a growing global population, an aging population in industrialised nations, and rising prosperity in emerging countries. The many machines that the company has delivered worldwide in the past provide an excellent foundation for a sound service business.

POTENTIAL FOR DEVELOPMENT

The strategic goal at the start of the investment was to develop Romaco into a so-called full liner in tablet production and packaging. The aim was to enable the company to offer its customers integrated system solutions for the entire tablet production process. Romaco intended to improve its regional market coverage by investing in its sales organisation. In addition, the company planned to expand its service business.

In the meantime, key steps have been taken to implement this strategic goal: by acquiring IMA Kilian in November 2013, the company gained another important process step in tablet production. On the other hand, Romaco sold its group company FrymaKoruma, a manufacturer of machines for food production, to ProXES GmbH. The revenues generated by this disposal have now gone towards further implementing the full-liner strategy: at the beginning of 2015, Romaco acquired the mechanical engineering company Innojet Herbert Hüttlin. The new company Romaco Innojet GmbH adds machines for granulating and coating solids to the group's product range. Romaco is now able to offer all the necessary machines to manufacture and package tablets worldwide.

2014/2015 FINANCIAL YEAR

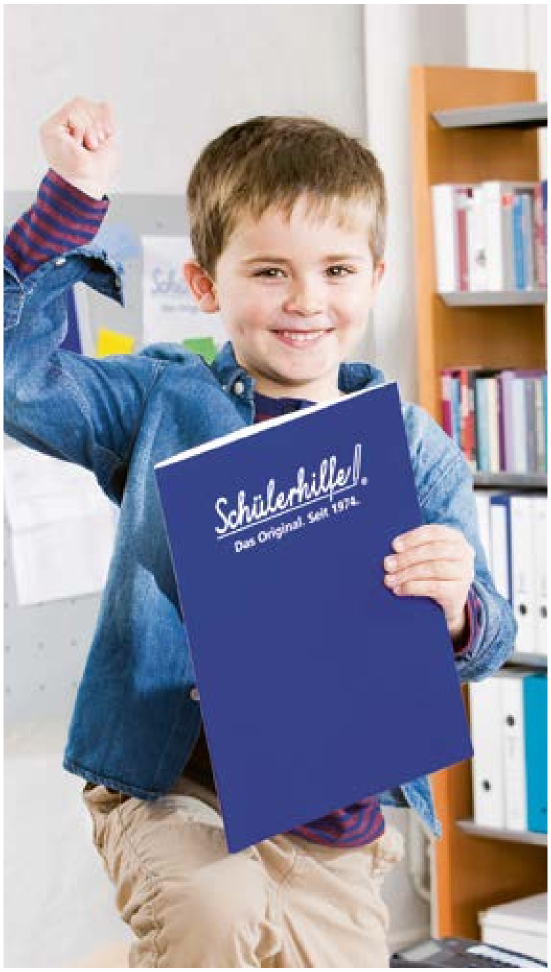
Romaco made good progress in 2014/2015. All the relevant variables improved considerably compared to the previous year. Revenues and earnings in particular were significantly up year-on-year. Investments to set up own sales locations in strategically important regions have already produced visible results.

OUTLOOK AND OBJECTIVES

The acquisition of Innojet has now completed the process chain. Now that the group is well established, the focus will be shifted to capturing synergies in sales. At the same time, management will be able to concentrate again on operational improvements. The group's budget envisages continued revenue growth and a corresponding increase in EBITDA.

SCHÜLERHILFE GMBH

Gelsenkirchen (Germany), www.schuelerhilfe.de



€9.8MN
INVESTMENT DBAG

15.3%
EQUITY SHARE DBAG

65.4%
EQUITY SHARE DBAG FUND VI

MBO
TYPE OF INVESTMENT

OCTOBER 2013
INITIAL INVESTMENT

380
EMPLOYEES

REVENUES *in €mn*

EDUCATION AND TUTORING SERVICES

Schülerhilfe GmbH is the largest provider of supplementary educational and tutoring services in Germany and Austria. The company teaches more than 100,000 customers, mainly students aged between six and 18, at 1,068 learning centres. Schülerhilfe GmbH operates slightly more than one third of the centres itself, while the others are run by independent franchisees. Based on the number of locations, Schülerhilfe is Germany's third-largest franchise system.

As the market leader, the company is widely known and is frequently evaluated positively in tests. Schülerhilfe is led by an entrepreneurial and experienced management team. It has good prospects: Schülerhilfe benefits from the increasing institutionalisation of the tutoring market and the resulting consolidation of the industry. At the same time (school) education is growing in importance. The company's business model is neither capital-intensive nor cyclical: it generates a stable payment flow, and every new pupil at an existing centre improves the company's average profit contribution.

POTENTIAL FOR DEVELOPMENT

Schülerhilfe aims to grow faster than the market. To this end, it intends to optimise the marketing instruments it uses, for example. It plans to generate growth above all from existing business by increasing the number of pupils per centre on the one hand and revenues per pupil on the other. The company also plans to extend its product range, by offering services to adults and a form of learning that combines the advantages of classroom teaching and e-learning.

2015 FINANCIAL YEAR

In 2015, Schülerhilfe launched its electronic platform, adding e-learning to its range of services. In addition, it improved and broadened its sales platform. The company further increased its brand awareness through more television advertising. Revenues and income at the company's own centres were up on the previous year as expected. The franchising business also developed positively. The company reduced its debt burden as planned.

OUTLOOK AND OBJECTIVES

In 2016, Schülerhilfe plans to make its e-learning platform better known and established in the market. It also intends to widen its range of services to support adults. The 2016 budget provides for both higher revenues and greater profitability.

SILBITZ GROUP GMBH

Silbitz (Germany), www.silbitz-group.com

€7.7MN	INVESTMENT DBAG
18.8%	EQUITY SHARE DBAG
80.0%	EQUITY SHARE DBAG FUND VI
MBO	TYPE OF INVESTMENT
AUGUST 2015	INITIAL INVESTMENT
980	EMPLOYEES

REVENUES *in €mn*

FOUNDRY GROUP

Silbitz Group operates three foundries, each with its own product range. At its headquarters in Silbitz (Thuringia, Germany), various materials on the basis of iron and steel are cast in hand-moulded and automated machine-moulded processes; this allows the company to react flexibly to changes in its customer markets. The complex moulded parts produced here are mainly used in engine construction and energy technology. In Zeitz (Saxony-Anhalt, Germany), the company hand-moulds products mainly for wind power plants, rotor hubs and machine carriers – usually in small quantities but with heavy unit weights of up to 45 tonnes. In this way, the company accounts for the energy transition and the ongoing high willingness to invest in wind power plants. At its third production site in Košice (Slovakia), the company uses a range of processes to cast various materials to make highly customised products.

In addition to wind energy technology, Silbitz products are used in drive engineering (planet carriers, bearing housings) and engine construction (pistons, cylinder covers, e.g. for marine and train engines). Its customers include market leaders in their respective sectors. Silbitz supplies its products above all to customers in Germany, Austria and Switzerland as well as Scandinavia.

POTENTIAL FOR DEVELOPMENT

The Silbitz Group is currently the second foundry in the portfolio in addition to the iron foundry Gienanth. Both companies can benefit from DBAG's experience in this sector. DBAG has been deeply involved in the sector in past years and has invested in foundries.

The Silbitz Group should continue to develop independently. Expanding its business with existing customers should contribute towards this. Thanks to its capacity reserves, it can grow without additional investments. Non-organic growth through acquisitions of other foundries is also an option.

2015 FINANCIAL YEAR

In 2015, the company developed as forecast. Management expects revenues and income to exceed the previous year's figures.

OUTLOOK AND OBJECTIVES

The Silbitz Group is the youngest company in DBAG's portfolio. Accordingly, the focus in 2016 will again be on further promoting the measures specified in the management plan. These include investing in the expansion of its melting capacity in the Zeitz plant so that even larger moulded parts can be produced there. Management expects continued high demand from the wind energy sector and anticipates higher revenues overall than in 2015.

SPHEROS GMBH

Gilching (Germany), www.spheros.com

€13.9MN	INVESTMENT DBAG
15.7%	EQUITY SHARE DBAG
63.0%	EQUITY SHARE DBAG FUND V
MBO	TYPE OF INVESTMENT
MARCH 2012	INITIAL INVESTMENT
1,050	EMPLOYEES

REVENUES *in €mn*

Year	Revenues
2013	190
2014	197
2015 (EXP.)	245

AIR CONDITIONING FOR BUSES

Spheros develops and produces air conditioning systems, engine-independent heating systems, water pumps and roof hatches for buses. The company's core competence is air management in buses: in recent years, it has added the development, industrialisation (purchasing components and configuring them) and integration of entire electronics systems in buses. The company offers premium, standard and basic products, enabling it to cover demand in both mature western markets and fast-growing emerging countries.

Spheros is an international company with six production sites on three continents. It is the global market leader in its largest business segment, the development and assembly of customised bus air control systems. The world market for buses is growing in structural terms, driven by several trends, such as urbanisation, the mobility needs of a growing middle class and the general growth of the population.

POTENTIAL FOR DEVELOPMENT

Spheros aims to grow faster than the market. To this end, it intends to further drive international expansion through local partnerships, by growing its export business and establishing further subsidiaries abroad. The company plans to extend its existing competences to other areas. It aims to further strengthen its electronics expertise and tap the market for refrigerated trucks in the Middle East. In addition, it intends to develop more products for use in buses.

Spheros took another important step towards driving international expansion at the beginning of 2015 by acquiring ACC Climate Control Inc., a manufacturer of air management systems in the US. ACC will form the backbone of Spheros' business in America. Both companies together will be among the market leaders. They complement each other and offer considerable potential for additional growth and synergies. Prior to that, the company stepped up its business in South America: after founding a subsidiary in Brazil, Spheros is now building up its spare parts business on the continent. Under its industrial management, a joint venture in Brazil has produced electrical and electronic components for buses since 2013.

2015 FINANCIAL YEAR

Revenues and earnings developed as expected in 2015 and were significantly up on the previous year. Business in Europe developed especially well. In South America and in particular Brazil, the company felt the effects of the weak economy; the profit contribution from business in Brazil was marred by currency losses. The company reduced its debts as planned.

OUTLOOK AND OBJECTIVES

In 2016, Spheros intends to considerably expand its air management business in the US. To this end, ACC and Spheros will relocate to shared premises. The company expects to earn higher revenues from its business with school buses and emergency vehicles in particular. As a result, Spheros plans to increase its revenues and thus its earnings.

SHARES

Private equity – an attractive asset class

Private equity is a highly attractive investment option that, compared with other equity investments, especially stock investments, frequently stands out by generating superior returns. Listed private equity companies provide access to this appealing class for the price of a share, which can be bought or sold on a daily basis and in keeping with internationally recognised transparency standards. That makes it possible to avoid the typical disadvantages of closed-end funds, such as the requirement to invest a substantial minimum amount or commit capital for ten years or more. In addition, investors purchase shares in a diversified portfolio of companies in which they would otherwise not be able to invest.

One distinguishing feature of DBAG's business model is that, in addition to investing in a diversified portfolio, it also offers access to a continual stream of income generated by investment services that are provided to private equity funds. The size of the DBAG funds that we have raised has increased significantly in the past decade, going from a little less than 350 million euros to about one billion euros at the most recent reporting date – almost tripling within ten years.

Capital market communication

More information on our current investor relations activities www.dbag.de

In 2014/2015 we again used diverse communication channels for our ongoing dialogue with investors and financial analysts – in particular, intensive personal meetings, press and analysts' conferences, webcasts and selected stock market conferences. We presented DBAG shares to investors on twelve days in the eleven months of this truncated financial year, the same number as in the preceding full financial year. Finally, our philosophy of fostering an open dialogue with our investors and analysts is underscored by our membership in various associations.

More information in our membership page 31

The market views our efforts positively: in October 2015, our capital market communications were recognised by the Leipzig Graduate School of Management and "manager magazin" as the best among the 50 companies included in the S-Dax. Of the 160 stocks listed in the Dax, M-Dax, S-Dax and Tec-Dax, we were the only S-Dax company to rank among the top ten.

Share performance and analysts' recommendations

DBAG shares: Very satisfactory performance

PERFORMANCE OF DBAG SHARES AND BENCHMARK INDICES

(1 November 2005 – 30 September 2015, indexed to 1 November 2005 = 100)

While DBAG shares moved within a narrow range of their benchmark indices in the first four weeks of the financial year, they broke away at the end of November, recording above-average gains up to the time when the 2015 Annual Meeting took place. At their peak of nearly 34.00 euros in mid-March, DBAG shares had gained 55 percent compared with the opening amount at the outset of the financial year. The price uptrend was driven by a stream of positive news: we reported on five new investments in five months and thereby directed attention to the contribution delivered by the investment business in increasing the net asset value of DBAG. At the beginning of 2015, we augmented transparency for the stock market by publishing the income contribution generated by our fund investment services, thereby preparing the ground for this part of our business to be considered in the assessment of our shares.

Various factors weighed on the international financial markets in the second half of the financial year, including geopolitical conflicts, weaker cyclical signs from China and, towards the end of the financial year, the unfavourable news from the automobile industry. Like the benchmark indices, DBAG shares tended to be volatile from April to September, with a slight downtrend. In total, however, over the truncated financial year DBAG shares recorded a considerable gain, outperforming both the LPX Direct and the Dax. Very satisfactory returns have also been delivered to shareholders over more extended periods of time. Over the past ten years, for example, the average annual total return, consisting of the share price movement and dividends, was 14.8 percent, or more than double that of the S-Dax. In comparison to other key benchmark indices, DBAG shares exhibited the following performance:

PERFORMANCE OF DBAG PORTFOLIO OVER ONE, FIVE AND TEN YEARS

	DBAG shares	Dax	S-Dax	LPX Direct[1]
1 year (11 months) (truncated financial year 2014/2015)	20.9	3.6	24.7	12.5
3 years[2] (financial years 2012/2013 to 2014/2015)	16.3	9.9	18.5	15.1
5 years[2] (financial years 2010/2011 to 2014/2015)	9.8	8.0	12.2	11.0
10 years[2] (financial years 2005/2006 to 2014/2015)	14.8	7.0	7.4	3.5

1 Index of 30 listed international private equity companies which like DBAG, make direct investments
2 Calculation based on 2.92, 4.92 and 9.92 years, since 2014 /2015 was a short eleven-month year

Share price liquidity: Trading volume rose again

In sum, the liquidity of DBAG shares continued to improve over the past financial year, although there was a clear decrease towards the end of the period. The greater liquidity not only allows more institutional investors to invest in the Company, it also facilitates an alignment of supply and demand. In addition, it dampens the impact of individual trading orders on the share price. Both factors are conducive to rising valuation levels over the medium term.

In Xetra trading alone, approximately 8.4 million DBAG shares were traded over the eleven-month period of 2014/2015. On German stock exchanges as a whole, the trading volume climbed from 7.2 million shares in the twelve months of the preceding year to 12.1 million shares this past truncated financial year, with the daily average turnovers rising from 28,760 to 52,655 shares. According to the Bloomberg information system, another 3.6 million shares (2013/2014: 2.4 million shares) were traded over the counter, i.e. directly between buyers and sellers. Shares in float ownership had an on- and off-board turnover rate of 1.53 (2013/2014: 1.00)[1].

Research: Hold recommendations predominate

The analysts monitoring our shares quickly accepted the segment reporting we introduced this past financial year, which includes a separate analysis of the income contribution generated by our fund investment services. The new format was rapidly integrated into analysts’ valuation models, after which they raised their upside targets for our shares.

1 Calculated with a free-float share of 75 percent

Following the very satisfactory price movement of DBAG shares this past financial year, hold recommendations currently predominate. The following table shows the current recommendations by analysts who regularly monitor our shares. DBAG shares are also tracked by other analysts who exclusively assess listed private equity firms and comparable companies.

ANALYSTS' RATINGS FOR DEUTSCHE BETEILIGUNGS AG

HSBC Global Research	September 2015	"Hold"
J.P. Morgan Cazenove	September 2015	"Underweight"
Oddo Seydler Bank AG	September 2015	"Neutral"
Solventis Wertpapierhandelsbank Research	March 2015	"Hold"
Warburg Research (M.M.Warburg)	September 2015	"Hold"

Analysts' recommendations are regularly documented on our website in the section Investor Relations/ Research as soon as they come to our attention.

Recommended appropriation of profit

Distribution of a higher base dividend in addition to a surplus dividend

The shareholders of Deutsche Beteiligungs AG are meant to participate in the Company's performance through regular dividends, if at all possible – that is one of our key financial objectives. In keeping with that objective, our dividend policy of more than ten years consists of two components: a base dividend and a surplus dividend, with the latter disbursed when realisation proceeds are particularly high and liquidity sufficient.

Overview of dividend policy management report, objectives and strategy, page 50

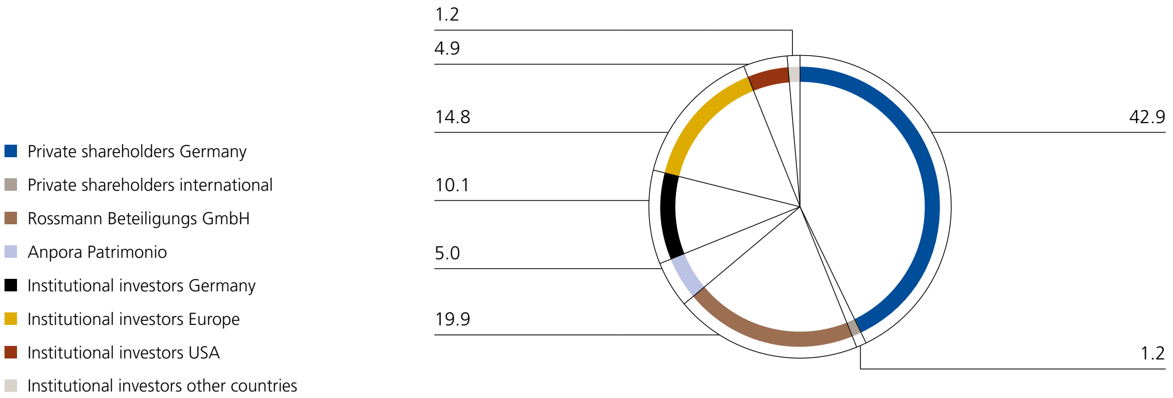
Despite a slight decline in the past truncated financial year, fee income from fund investment services is stable and readily forecastable. Its growth in recent years is indicative of how greatly our services are appreciated by other investors. That growth is reason enough for us to increase the base dividend by ten eurocents to 0.50 euros per share.

Surplus dividends are contingent upon appreciable returns from the portfolio. As previously announced, our focus in the past financial year was on adding new investments to the portfolio. In financial year 2014/2015, there were no major exits. However, the profitable realisations in recent years have led to a retained profit in the accounts of 67.1 million euros. For financial year 2014/2015, in which DBAG looked back on 50 years of DBAG and 30 years as a listed company, the Board of Management and the Supervisory Board recommend paying a surplus dividend of 0.50 euros per share. Subject to shareholders' approval at the Annual Meeting, the total dividend will amount to 1.00 euro per share.

Shareholder profile

SHAREHOLDER PROFILE (AS AT 30 SEPTEMBER 2015)

%



Private individuals still form the largest group of DBAG shareholders. Their proportion again rose slightly in the past financial year. At 15 September 2015, the most recent disclosure date of the share register, nearly 13,000 private individuals were registered, holding approximately 44 percent of the shares. Three shareholders own more than five percent of the shares in DBAG: Rossmann Beteiligungs GmbH announced on 2 April 2015 that it was invested in DBAG on that day with 2,725,200 shares (19.9 percent). According to our information, Anpora Patrimonio, a family office sited in Spain, continued to hold 684,000 shares (5.0 percent). Based on a voting rights notification dated 20 May 2015, JP Morgan Asset Management (UK) Ltd. held 714,702 shares, which equates to 5.2 percent. Institutional investors held approximately 31 percent of DBAG shares – considerably more than a year ago. Since most institutional investors – both German and international – are not listed directly in share registers but through nominee shareholders (banks, brokerages), we obtain further information on our shareholder profile through disclosures that take place several times each year. According to the voting rights notifications we have received, 75.0 percent of DBAG shares were in free-float ownership, as defined by Deutsche Börse, at 30 September 2015.

SHARE PROFILE

ISIN	DE000A1TNUT7
Symbol	DBAGn (Reuters) / DBAN (Bloomberg)
Listings	Frankfurt (Xetra and trading floor), Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart
Market segment	Regulated Market (Prime Standard)
Index affiliation (selection)	S-Dax (rank 37[1]); Classic All Share; C-Dax; Prime All Share; Deutsche Börse sector indices: DAXsector All Financial Services, DAXsubsector Private Equity & Venture Capital, LPX Direct, LPX Europe, LPX50; Stoxx Private Equity 20
Designated sponsors	Oddo Seydler Bank AG, M.M.Warburg & CO (AG & Co.) KGaA
Share capital	48,533,334.20 euros
Number of shares issued	13,676,359
thereof outstanding	13,676,359
First traded	19 December 1985

1 At 30 September 2015, measured by market capitalisation (liquidity measure ranking: 29)

SHARE DATA

		2014/2015	2013/2014	2012/2013
Closing rate[1]	€	24.90	21.83	19.36
Financial year high[1]	€	33.94	22.82	21.93
Financial year low[1]	€	21.96	18.50	17.27
Financial year average rate[1]	€	27.88	21.05	19.25
Annual performance[2]	%	20.9	19.5	7.6
Market capitalisation[1,3]	€mn	340.5	298.6	264.8
thereof in free float[4]	€mn	255.4	208.9	180.6
Average daily trading value[5]	€mn	1.532	0.608	0.476
Base dividend per share[6]	€	0.50	0.40	0.40
Surplus dividend per share[6]	€	0.50	1.60	0.80
Distribution sum[6]	€mn	13.7	27.4	16.4
Dividend yield[7]	%	5.0	10.4	6.6
Earnings per share	€	1.98	3.51	2.36
NAV per share[3]	€	22.16	22.16	20.36
Price/NAV per share[3]		1.12	0.99	0.95

1 Xetra closing rate
2 Adjusted for dividends
3 At end of period
4 As defined by Deutsche Börse AG
5 According to Deutsche Börse AG data
6 2014/2015 recommended
7 Relative to NAV per share at start of financial year (less dividend paid for previous year)

DBAG is a member of:

Deutsches Aktieninstitut

www.dai.de

www.bvkap.de

www.dirk.org

www.investeurope.eu

www.lpeq.com

ANDREW RICHARDS
Chairman of the Supervisory Board

This past financial year, DBAG looked back on 50 years in the private equity business and 30 years as a listed company. The review again impressively showed the success with which the Company has worked for its shareowners and other stakeholder groups.

REPORT OF THE SUPERVISORY BOARD

This past financial year, we again consistently and conscientiously discharged the duty of overseeing the managerial activities of the Board of Management required of us by law, the Articles of Association and the rules of procedure. The Board of Management regularly provided the Supervisory Board with comprehensive and prompt information, both in writing and verbally, about the Company's course of business, its asset, financial and earnings position, the competitive environment and the prospects, as well as the risk management and compliance systems installed at DBAG. We discussed these issues in depth. Any divergences from the planned course of business were elucidated and substantiated by the Board of Management. The Board of Management also reported on strategic and major operational decisions as well as on the business policies it intends to pursue.

In the truncated 2014/2015 financial year (1 November 2014 to 30 September 2015), the Supervisory Board held twelve meetings, seven of which were telephone conferences. Most of the telephone conferences served informational purposes on imminent investment projects. In several instances, the Supervisory Board met without the attendance of the Board of Management.

An integral part of all our Board meetings were detailed reports on current developments in individual portfolio companies. We received comprehensive quarterly reports in writing on those issues from the Board of Management. We were informed promptly and comprehensively about investments that were not performing as expected.

At our first regular meeting on **27 NOVEMBER 2014**, we dealt with the strategy of DBAG and discussed opportunities to sustainably augment the company value. We received reports about the investment progress in the expansion financing and buyout businesses. The Board of Management's report on the preliminary results for the preceding 2013/2014 financial year and the potential for a dividend payment constituted the basis for our joint dividend recommendation. The 2014/2015 budget was also presented. We took note of the report on the investment strategy of the contractual trust arrangement, through which the assets designated to cover pension obligations are administered. We approved the recommendation on changing the start of DBAG's financial year to 1 October. At the November meeting, we were involved in, and contributed to the Corporate Governance Statement (§ 289a of the German Commercial Code – HGB) and submitted the Declaration of Conformity as well as the joint report by the Board of Management and the Supervisory Board on the corporate governance practised at DBAG.

On **13 JANUARY 2015**, based on a recommendation by the Executive Committee, we voted to reappoint Ms Zeidler to the Board of Management until 31 October 2020 and to agree a new service contract with her.

At our regular meeting on **20 JANUARY 2015**, the auditors reported on the results of their audit of the separate financial statements and the consolidated financial statements at 31 October 2014. We adopted the separate financial statements of Deutsche Beteiligungs AG and approved the consolidated financial statements. We approved the agenda for the 2015 Annual Meeting. We also dealt with the competitive situation of DBAG.

At our meeting following the Annual Meeting on **24 MARCH 2015**, we discussed, among other things, the stock market's response to the introduction of segment reporting after the reorganisation of the Company's reporting lines. The Board of Management reported in depth on the progress of negotiations with investors in the DBAG Expansion Capital Fund (ECF) concerning an adaption of the agreements to changed market conditions.

At our meeting on **11 JUNE 2015**, we dealt with the investments that were entered into in the financial year and took note of the progress of the compliance system and ESG issues. We agreed to again review the efficacy of our work practices on the Supervisory Board in the past financial year.

On **9 JULY 2015**, we took up the discussion we started at a preceding meeting regarding the targets for the proportion of women on the Supervisory Board and the Board of Management and specified that there should be at least one female member both on the Supervisory Board and on the Board of Management. These targets are required to be achieved by 30 June 2017. We also made preparations for the nomination of candidates for the upcoming 2016 elections of all members to the Supervisory Board and spoke with a possible female candidate. We also voted to raise the age limit for Supervisory Board members to 72 years of age and specified the regular limit to the term of office on the Supervisory Board.

We discussed the results of the efficacy review in a telephone conference on **10 SEPTEMBER 2015**. We ascertained that there was no need to modify the work practices on the Supervisory Board or between the Supervisory Board and the Board of Management. At this meeting, again based on a recommendation by the Executive Committee, we voted to reappoint Dr Scheffel to the Board of Management until 28 October 2021 and to agree a new service contract with him.

Between meetings, the Board of Management's Spokesman promptly informed the Chairman of the Supervisory Board about significant business issues, after which the complete Supervisory Board was briefed accordingly. We were involved in all material decisions. We granted our approval to the Board of Management's recommendation to adapt the agreements with the investors in the DBAG ECF; there were no other transactions requiring our consent in financial year 2014/2015.

This past financial year, all members of the Supervisory Board attended three physical-presence meetings, one member was absent from one meeting, and two (other) members were absent from another meeting. At each of two of the seven conference call meetings, one member was unable to attend. The meetings of the Executive Committee were attended by all of its members. The Audit Committee also met in the presence of all of its members, with one exception.

Corporate governance

As previously mentioned, we regularly evaluate the efficacy of our work on the Supervisory Board. We also follow the changes in corporate governance practices taking place in Germany on an ongoing basis. Management's report on the Company's corporate governance is also presented on behalf of the Supervisory Board; we publish that report in the Annual Report (pages 38 to 41), which is also accessible at the Company's website together with the Corporate Governance Statement. The Board of Management and the Supervisory Board jointly submitted an updated Declaration of Conformity in November 2015 based on the German Corporate Governance Code as amended on 5 May 2015 (§ 161 German Stock Corporation Act – AktG), which is permanently accessible to any interested party at the Company's website.

In accordance with the recommendations of the Code, every Supervisory Board member is required to disclose to the Supervisory Board any conflict of interest that may possibly arise. There was no notice of a conflict-of-interest issue this past financial year.

To disseminate its responsibilities and increase efficiency, the Supervisory Board formed an Executive Committee, which also performs the functions of a Nominations Committee, as well as an Audit Committee.

Work of the Executive Committee (also acts as Nominations Committee)

The Executive Committee convened twice this past financial year: at its meeting on 14 November 2014, it determined the short-term performance-related and the long-term remuneration component for the members of the Board of Management for financial year 2013/2014. The Supervisory Board approved the recommendation following an in-depth discussion during a telephone conference on 18 November 2014. The Executive Committee of the Supervisory Board convened on 2 and 9 July 2015 in its capacity as a Nominations Committee. We discussed the procedure for nominating candidates for the upcoming regular elections to the Supervisory Board in February 2016.

Work of the Audit Committee

In five meetings held during the truncated reporting year, the Audit Committee addressed issues concerning the separate and consolidated financial statements, the half-yearly financial report and the quarterly financial reports, all of which were discussed with the Board of Management prior to their publication. Additionally, the Committee discussed miscellaneous accounting issues, such as the introduction of segment reporting. We monitored the accounting process as well as the effectiveness of the internal control and auditing system. From our point of view, there were no grounds for objections to the Company's current practice.

We reviewed the required independence and objectivity of the Company's auditors and the additional services the auditors provide. We also discussed the assignment of the audit to the auditors, the determination of the audit's focal points and audit fees.

We continue to comply in multiple ways with the requirements under §§ 100 (5), 107 (4) German Stock Corporation Act (AktG), which stipulate that at least one independent member of the Supervisory Board or Audit Committee must have expert knowledge of accounting or auditing. The Chairman of the Audit Committee in particular has profound knowledge of, and experience in the application of accounting principles and internal control processes.

The Chairmen of the Committees regularly reported to the Supervisory Board on the work of their Committees.

Separate and consolidated financial statements endorsed

Prior to recommending KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), Frankfurt am Main, for election as auditors for the truncated 2014/2015 financial year (1 November 2014 to 30 September 2015) to shareholders at the Annual Meeting, the Supervisory Board requested and received an independency statement from KPMG. Subsequent to the 2015 Annual Meeting, at which our recommendation was adopted, the Audit Committee commissioned KPMG with the audit. The auditors were required to immediately report all major findings and occurrences to us that might come to light during the audit. At a meeting of the Audit Committee on 10 September 2015, the auditors presented their audit plan.

KPMG audited the separate financial statements of Deutsche Beteiligungs AG for the truncated 2014/2015 financial year and management's combined report on Deutsche Beteiligungs AG and the Group, including the underlying accounting, and endorsed them with an unqualified certificate. The same applies to the consolidated financial statements for the truncated 2014/2015 financial year. The consolidated financial statements were drawn up in conformity with the International Financial Reporting Standards (IFRS). The auditors confirmed that the consolidated financial statements comply with the IFRS, as adopted by the European Union, and the additional requirements of German commercial law pursuant to § 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB) and that the consolidated financial statements in their entirety present a true and fair view of the position of the Group as well as the opportunities and risks involved in its future development.

The Supervisory Board received the audited and certified financial statements of Deutsche Beteiligungs AG for the year ended 30 September 2015 and the combined management report on the state of Deutsche Beteiligungs AG and the Group in due time, reviewed them in conjunction with the report of the Audit Committee Chairman and the auditors, and discussed these documents in detail with the Board of Management in the presence of the auditors. The same applies to the consolidated financial statements as well as to the recommendation for the appropriation of profits.

The auditors explained the findings gathered within the scope of the pre-audit at our meeting on 11 November 2015. At our meeting of 9 December 2015 as well as the meeting of the Audit Committee on the same day, the auditors reported on the results of their audit. There were no grounds for objections. The auditors also reported on the services they rendered in addition to performing the audit. The auditors provided detailed answers to our inquiries. After its own in-depth review of all documents, the Supervisory Board found no grounds for objection. We approved the results of the audit. On 9 December 2015, we followed the Audit Committee's recommendation and approved the consolidated financial statements and adopted the separate financial statements of Deutsche Beteiligungs AG.

The Supervisory Board reviewed the Board of Management's recommendation on the appropriation of the retained profit. After its review, the Supervisory Board agreed to the Board of Management's recommendation to distribute the sum of 13.7 million euros to shareholders and carry forward the residual retained profit of 53.4 million euros to new account.

This past financial year, DBAG looked back on 50 years in the private equity business and 30 years as a listed company. The review again impressively showed the success with which the Company has worked for its shareowners and other stakeholder groups. We wish to express our greatest appreciation to all those who again contributed to DBAG's success story in 2014/2015. Our thanks to the Board of Management and the staff of Deutsche Beteiligungs AG for their outstanding performance and commitment this past financial year.

Frankfurt am Main, 9 December 2015

Andrew Richards

Chairman of the Supervisory Board

CORPORATE GOVERNANCE

Corporate governance refers to the way a company is responsibly managed and controlled. The Supervisory Board and the Board of Management acknowledge and endorse the principles of good corporate governance. We have therefore set out the central values and guiding principles for DBAG in a Code of Conduct. Our intention is to give every member of our staff a set of fundamental rules and to communicate to our business partners and investors that our dealings are firmly rooted in ethical principles and that we will always interact fairly in good partnership. Our guiding principles also encompass the avoidance of conflicts of interest and acknowledgement of our social responsibility. We act politically neutrally, but support social projects and commit to fair competition.

Code of Conduct, Corporate Governance Statement and Corporate Governance Report www.dbag.de/ corporate-governance

Our Corporate Governance Statement sets out the basic principles behind the conduct of our business; it is published on the Internet and is accessible there together with this report.

Consistent with the recommendation of the German Corporate Governance Code, the following is a combined report by the Supervisory Board and the Board of Management on the corporate governance practised at Deutsche Beteiligungs AG. Further information can be found in the Corporate Governance Statement and the Report of the Supervisory Board (page 32ff.); that information is an integral part of our combined Corporate Governance Report. We will refer to other sections of this Annual Report on particular issues, if appropriate.

Compliance: Employees, transaction process, portfolio companies

Compliance by the management and staff with all legal requirements applicable to Deutsche Beteiligungs AG and its subsidiaries and with all internal rules has long been a Company objective and an integral part of our corporate culture. However, as a private equity firm, that objective extends not just to our own Company. DBAG also endorses the installation and ongoing development of compliance schemes at current and future portfolio companies. The compliance system of DBAG therefore consists of three components:

- compliance for DBAG staff
- compliance in the transaction process
- compliance at portfolio companies

A compliance manager oversees adherence by **DBAG STAFF** to the Code of Conduct and the rules set out in the compliance guideline. He is independent in his role and reports directly to the Spokesman of the Board of Management. The compliance guideline, for example, sets out the rules for receiving and giving gifts, for hospitality and invitations to events.

DBAG acts as a responsible investor. Compliance aspects have therefore also been integrated into the **TRANSACTION PROCESS**, specifically in the due diligence process and in purchase agreements. An examination of compliance issues is required as an integral part of every due diligence process to ensure that potential portfolio companies also fulfil DBAG's values. The basis for this is a questionnaire which, depending on the situation, can be integrated into the due diligence process in collaboration with the legal consultant for the transaction or with the assistance of a specialised compliance adviser, who may be commissioned additionally, if required. To minimise the liability risk for DBAG in compliance issues, warranty clauses to that effect will be included in every purchase agreement for a portfolio company.

DBAG employees who hold offices on a supervisory board or an advisory council at a **PORTFOLIO COMPANY** or act on behalf of a shareowner of a portfolio company are required to firmly endorse the introduction or ongoing development of a compliance system within the portfolio company. The DBAG Compliance Standard for Portfolio Companies serves as guidance. At present, nearly all portfolio companies have introduced a compliance system or are in the process of developing and launching a compliance system.

Composition of the Supervisory Board: Operability is key objective

The German Corporate Governance Code recommends that the Supervisory Board specify concrete objectives regarding its composition and report on these and on their implementation.

The key objective is the Supervisory Board's operability; this objective is best addressed when the majority of its members are independent and not exposed to conflicts of interest, and when its members are broadly experienced in the multifaceted operations of DBAG and have expert knowledge of applicable accounting principles. The Supervisory Board is also of the opinion that the majority – or four – of its members should be independent, and the Chairman of the Supervisory Board should be one of them.

The current composition of the Supervisory Board reflects this objective.

The members of the Supervisory Board do not have business or personal relationships to the Company or its Boards, or to a controlling shareholder or a company with which that shareholder is affiliated, which could constitute a significant and not merely temporary conflict of interest. Should, contrary to expectations, conflicts of interest arise in individual instances, these are disclosed and dealt with appropriately by the Supervisory Board. The members of the Supervisory Board bring with them a wide range of professional and personal experience, including management responsibility abroad or in international companies in Germany. The age limit of 72, moreover, means that the Company can benefit as much as possible from these skills on the one hand; on the other hand, it is conducive to introducing changes in the Board's composition. The latter also benefits from the newly introduced regular limitation of the term of office for Supervisory Board members for a maximum of three full terms, in addition to any partial term of office, insofar as that election to the Supervisory Board took place at a different time to the regularly recurring general elections. For a report on the specified target for the proportion of female members on the Supervisory Board, we refer to our Corporate Governance Statement.

Independence of corporate bodies: No conflicts of interest

Conflicts of interest on the part of members of the Board of Management and the Supervisory Board requiring immediate disclosure to the Supervisory Board did not come to our attention.

Principle of equal treatment: Timely information to all interested parties

More information on stock market activities page 26

The principle of directing information on an event promptly and simultaneously to all interested parties ranks high in our communication policy. All major reports, announcements and presentations are accessible on the Internet synchronously with the respective event. The key presentations we prepare for meetings with investors are also available on our website. Any interested individual can take note of the dates and locations of road shows and investors' conferences that we attend.

Our complete Annual Meeting is webcast live on the Internet. Shareholders may elect to exercise their voting rights personally or through a proxy of their choice or through a proxy appointed by the Company who is bound by their directives. Postal voting is also possible. All documents and information on the Annual Meeting are accessible in German and in English at our website.

Remuneration for Board of Management: Linked to corporate performance

Details on the remuneration for the members of the Board of Management and the Supervisory Board Remuneration report, page 89ff.

The remuneration paid to the Board of Management is composed of fixed and performance-related components, most of which have a long-term incentive. We issue an individualised statement of emoluments paid to the members of the Board of Management. Shareholders at the 2011 Annual Meeting approved the remuneration scheme with a vote of approximately 92 percent.

The remuneration paid to Supervisory Board members is solely composed of a fixed fee.

Strict rules on share ownership

Trading periods www.dbag.de/trading-periods

Apart from participating in the annual employee stock ownership plan (see page 82), members of the staff and the corporate bodies may only purchase shares in Deutsche Beteiligungs AG within a limited frame. Shares may only be purchased and sold during specified periods of time. These periods largely begin subsequent to publication of the Annual Report and interim reports and to the Annual Meeting. They are announced on the website of Deutsche Beteiligungs AG.

Based on the nature of the business operations of Deutsche Beteiligungs AG, there are further rules that apply to trading in securities for DBAG staff. Irrespective of the trading restrictions for shares in Deutsche Beteiligungs AG, it is not permitted for members of the staff to deal in shares of portfolio companies of Deutsche Beteiligungs AG, or of companies undergoing the due diligence process or whose portfolio contains companies in which Deutsche Beteiligungs AG is considering an investment.

Reportable securities transactions ("directors' dealings")

The members of the Board of Management and the Supervisory Board of DBAG as well as related parties are required to report transactions in DBAG shares (§ 15a WpHG – German Securities Trading Act).

Reporting individual	Corporate body	Date of transaction	Transaction	Number of shares	Price €
Wilken von Hodenberg	Supervisory Board	19 March 2015	Sale	29,000	32.72
Susanne Zeidler	Board of Management	23 Sept. 2015	Purchase	1,000	27.00
		30 Sept. 2015	Purchase	1,000	25.00

The members of the Board of Management held a total of 34,613 no-par value shares as at 30 September 2015, or less than one percent of the subscribed capital of Deutsche Beteiligungs AG.

The members of the Supervisory Board held a total of 4,000 no-par value shares as at 30 September 2015, or less than one percent of the subscribed capital of Deutsche Beteiligungs AG.

Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG)

The Board of Management and the Supervisory Board declare that, since issuance of the last Declaration of Conformity, Deutsche Beteiligungs AG has complied with the recommendations of the German Corporate Governance Code as amended on 24 June 2014 and as amended on 5 May 2015 from the time of their validity in their entirety and will continue to follow all of the recommendations in the Code.

There was only one temporary exception to the above: the Code as amended on 5 May 2015, which became effective on 12 June 2015, introduced a recommendation in clause 5.4.1 to specify a regular limit on the term of office for members of the Supervisory Board. On 10 September 2015, the Supervisory Board specified a regular limit to that effect. Since that date, we have also complied with this new recommendation.

We have, moreover, followed all of the suggestions in the Code and will continue to do so in the future.

Frankfurt am Main, November 2015

Deutsche Beteiligungs AG

The Board of Management The Supervisory Board

COMBINED MANAGEMENT REPORT

on Deutsche Beteiligungs AG and the Deutsche Beteiligungs AG Group for financial year 2014/2015

COMBINED MANAGEMENT REPORT

Business overview

Deutsche Beteiligungs AG (DBAG) ended the truncated 2014/2015 financial year after eleven months posting net income of 27.0 million euros. Unlike the preceding year, there were no larger realisations in 2014/2015. The net result of investment activity was primarily driven by the value growth of the carried portfolio, which made very satisfactory progress. For the first time in three years, the fall in interest rate levels did not weigh on comprehensive income; it reached 27.4 million euros, resulting in a return on net asset value per share – our key performance mark – of 10.0 percent.

2014/2015 was a year of strong investment: totalling 71.4 million euros, it reached its highest level in ten years. Approximately three quarters of the portfolio value are attributable to investments that were entered into in the past five years. They constitute excellent prospects for value growth and profitable realisations in the coming years.

The segment of Private Equity Investments achieved pre-tax income of 24.9 million euros in 2014/2015, more than in the year before on a comparable basis. Fund Investment Services earned 2.2 million euros before taxes, or clearly less than in the previous year.

The data reported for this year is only of limited comparability with that of the previous year: 2014/2015 was a shortened eleven-month financial year. Moreover, there was a change in the accounting rules, which additionally impedes a year-on-year comparison.

Since there were no appreciable capital gains on disposal in 2014/2015, the Group's parent company posted a (HGB-formatted) profit for the year of only 2.2 million euros. Including the profit carried forward from the previous year and the dividend paid in March 2015, the retained profit amounted to 67.1 million euros. From that amount, a dividend of 1.00 euro per share, or a total of 13.7 million euros, has been recommended for payment to shareholders.

The Group and underlying conditions

Structure and business activity

Positioning: Listed private equity company

Deutsche Beteiligungs AG (DBAG) is a publicly listed private equity company domiciled in Frankfurt am Main. It raises closed-end private equity funds ("DBAG funds") for investment in equity or equity-like financial instruments predominantly in non-quoted companies. Employing its own assets, it enters into investments as a co-investor alongside these private equity funds. Its investment focus as a co-investor and fund manager ("fund investment services") is on German "Mittelstand" companies.

List of subsidiaries and associates: Notes to the consolidated financial statements page 190

DBAG shares have been listed on the Frankfurt Stock Exchange since 1985. They are traded in the Prime Standard, the market segment with the highest transparency level, and are, among other things, a constituent of the S-Dax (national) as well as the LPX Direct and LPX Europe (international) indices. A stock market listing is exceptional for a private equity company: through the purchase of shares, it provides a unique opportunity for shareholders to profit both from fee income for fund investment services as well as from earnings generated by a portfolio of unquoted companies.

www.dbag.de/corporate-governance/

Deutsche Beteiligungs AG is recognised as a special investment company as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG) and is therefore exempt from municipal trade tax. It is also registered as a capital management company in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB). The Group structure is presented in the notes to the consolidated financial statements on pages 137 to 142.

Business model: Raising closed-end private equity funds and co-investing alongside these funds

Deutsche Beteiligungs AG invests alongside the DBAG funds in German "Mittelstand" companies. Its roots reach back to 1965, when Deutsche Beteiligungs GmbH (DBG), its predecessor firm, was founded. Since then, initially DBG and, since its founding in 1984, DBAG have entered into equity investments in more than 300 companies, from the outset (also) through funds. At first, these funds exclusively bundled assets from its partnership or shareholder base; raised in 2002, the DBAG Fund IV was the first fund to which investors outside the group of shareholders committed capital.

DBAG funds are structured as closed-end private equity funds and invest on their own account. They bundle the assets of German and international institutions. These institutional investors – pension funds, funds of funds, banks, foundations, insurance companies or family offices – generally do not themselves hold direct investments in our target market.

Fund details: Notes to the consolidated financial statements page 178

DBAG and DBAG funds invest on the same terms in the same investee businesses and in the same instruments. To that end, DBAG has concluded co-investment agreements with the DBAG funds; these provide for a fixed investment ratio over the entire life of a fund. The monitoring of investments and their disinvestment also take place in parallel.

Fund	Target	Start of investment period ("vintage")	End of investment period	Size	Thereof DBAG	Investment ratio fund : DBAG
DBAG Fund IV	Buyouts	September 2002	February 2007	€322mn	€94mn	1:3.43 (29%)
DBAG Fund V	Buyouts	February 2007	February 2013	€539mn	€105mn	1:5.14 (19%)
DBAG Expansion Capital Fund	Expansion financings	May 2011	May 2017	€212mn[1]	€100mn	1:2.10 (47%)
DBAG Fund VI	Buyouts	February 2013	February 2018	€700mn[2]	€133mn	1:5.33 (19%)

1 The size of the fund was reduced in 2014/2015, see page 64.
2 Without the shares of an entity through which the members of the investment team invest ("carry entity")

Risk arising from co-investment agreements page 103

In the current and the coming three financial years, the co-investment agreements could trigger outflows of 111 million euros[1] for DBAG, insofar as DBAG does not make use of its right to refrain from a co-investment.

At the end of the reporting period, DBAG had financial resources of 58.3 million euros available for investment. To fulfil its investment commitments, DBAG will also be able to avail of proceeds from future disinvestments or raise loans. A capital increase, moreover, would be possible, if appropriate.

Business activity: Management and advisory services to DBAG funds ("investment services") and co-investments in industrial and services companies

Investment services to DBAG funds as a source of income

Fee income from fund investment services page 113

Raising capital for DBAG funds is advantageous both for DBAG and its shareholders as well as for the investors in the funds. DBAG earns fee income for management or advisory services to the funds. These fees are a recurring and readily forecastable source of income. The funds' assets create a substantially larger capital base, which enables investing in larger companies without reducing the diversity of the portfolio. As a special investment company, DBAG is not permitted to take majority positions itself; structuring management buyouts together with the DBAG funds is, however, possible. The fund investors can, in turn, be assured of a strong alignment of interest that ensues from their fund adviser's co-investment activity alongside the fund.

Consolidated DBAG group of companies: Notes to the consolidated financial statements page 138

Deutsche Beteiligungs AG provides management or advisory services to DBAG funds through two Group companies, both of which do not employ a staff of their own. Their business is discharged by DBAG or its staff.

1 Of that amount, six million euros are attributable to funds the investment period of which has ended.

DBG New Fund Management *manages* DBAG Fund IV (fully invested), whereas DBAG Fund V (also fully invested) and the DBAG Expansion Capital Fund (DBAG ECF) are managed by DBG Managing Partner. This means that it takes decisions on the acquisition and disposal of investments. DBAG Fund VI has its own management company with its place of business in Guernsey, Channel Islands; it is therefore exclusively *advised* by DBG Managing Partner.

The range of services provided by the management or advisory entities is broad: they seek, assess and structure investment opportunities, negotiate investment agreements, compile investment memoranda for all funds (and, for DBAG Fund IV, DBAG Fund V and DBAG Expansion Capital Fund, take investment decisions), support the portfolio companies during the holding period and realise the funds' portfolios. This range of services is referred to as "investment services to funds", or "investment services" for short.

The fees charged to funds for these investment services are in line with the industry standard: the amount is volume-related. For buyout funds, fees during the investment phase are based on the capital committed by the fund investors (DBAG Fund VI). After that, they are measured by the historical cost of the recoverable investments remaining in the respective fund's portfolio (DBAG Fund V, Fonds III).[2] Since June 2015, new terms apply to the DBAG ECF that provide for a longer holding period of expansion capital investments. In the future, investors will commit an amount every two years, which we will be able to draw down for expansion financings. Thus, the fund's term will recommence every two years, allowing us to provide investments with a term of up to ten years. This flexibility enhances the attractiveness of our offering. Fees were also adapted. For the fund's remaining investment period, fees will be based on the invested capital.[3] Beginning in June 2017, fees will additionally be charged based on individual transactions.[4]

It follows from the fee methodology that fee income will decline with every exit from the portfolio. An increase can only be achieved when a new fund is raised.

Realisation of value creation on investments a major source of income

Within the scope of its activity for DBAG funds, Deutsche Beteiligungs AG seeks investments in healthy companies with good prospects for development and (co-)invests in these companies. It backs these companies for a period of usually four to seven years as a financial investor in a focused-partnership role. It pursues the objective of appreciating the value of the portfolio companies. Deutsche Beteiligungs AG realises that value upon a portfolio company's ultimate disinvestment. The portfolio companies continue their development under a different constellation, for example, alongside an industrial partner, a new financial investor or as a quoted company.

Investment criteria page 52

2 DBAG Fund V is still invested in seven companies. DBAG Fund IV still holds one investment; however, based on the agreements with the fund investors, fees are no longer payable after a period of twelve years starting from the beginning of the fund's term. DBG Fonds III is of subordinate importance for the fund advisory business of DBAG.

3 Fees were originally based on capital commitments during the investment phase.

4 See "Business review of the Group / Fee income from fund investment services", page 69, for details on the new terms of DBAG ECF

The modes and specific structuring of investments are geared to individual financing situations. These could be

- a generational transition in a family-owned business,
- split-offs of peripheral activities from large corporations,
- a sale from the portfolio of another financial investor,
- a capital requirement to fund a company's growth.

Depending on the individual situation, an investment can involve equity or equity-like instruments and taking either majority or minority positions.

A generational transition, for example, will usually be structured as a management buyout (MBO). In an MBO, financial investors acquire a *control interest*; the respective management team will also take an equity stake. Split-offs of peripheral activities from large corporations or a sale from the portfolio of another financial investor ("secondary buyout") are also usually structured as majority takeovers. Growth financings are made by way of a *minority interest* or by providing equity-like funding for businesses in the hands of families wishing to retain control over their companies.

Our investment performance is based, first and foremost, on proven private equity business processes. These include

- access to and assessment of transaction opportunities,
- an in-depth due-diligence process prior to making an investment,
- supporting the portfolio companies' managements in implementing their corporate concepts by taking offices on advisory councils and supervisory boards,
- a disinvestment process that is well-timed and well-structured.

Portfolio profile: MBOs and expansion financings predominate

Details on the portfolio page 74ff.

The largest part of DBAG's portfolio[5], or 74 percent, is attributable to co-investments in 15 management buyouts. In addition, there were seven expansion capital investments in the portfolio (24 percent of portfolio value) at the end of the period. Investments in two international buyout funds now account for two percent of the portfolio value; they consist of older investments that are gradually being liquidated through the sale of the underlying portfolio companies.

Our track record confirms the success of our investment activity: since 1997, DBAG has financed 36 MBOs together with DBG Fonds III, DBAG Fund IV, DBAG Fund V and DBAG Fund VI. Of

5 All disclosures concerning the composition of the portfolio (also referred to as portfolio value) relate to the value of the investments held directly and indirectly through co-investment vehicles totalling 255.7 million euros; see also page 74/75.

these investments, 21 have been realised completely or for the most part up to the end of the reporting year. Based on the realisations and the value of the current investments in the portfolio, these MBOs have generated 2.1 x the invested capital.[6]

Expansion capital investments are also attractive. These investments differ from MBOs in that, among other things, the companies' debt level is mostly lower. The holding period for a minority expansion capital investment is usually longer. The rate of return is therefore generally lower than that of MBOs, whereas earnings in absolute terms are comparable.

Organisational position: Large investment team

Deutsche Beteiligungs AG is relatively small in size, and hierarchical structures are lean. The Board of Management consists of three members, and the number of staff in the DBAG Group totals 62. The largest entity is a team of 21 investment professionals.[7] This team has a broad skill set combined with multifaceted experience in the investment business. A project team of two to four individuals is generally responsible for each transaction and is always supported by a member of the Board of Management.

Two of the three Board of Management members are intensively involved in transaction activities, meaning identifying transaction opportunities as well as supporting and, ultimately, disinvesting the portfolio companies. These two Board of Management members are also members of the investment team. The support functions for the investment process, the administrative activities at DBAG and the responsibility for investor relations are bundled under the Chief Financial Officer.

All staff are employed by Deutsche Beteiligungs AG and are located at the Company's headquarters. This is conducive to communication and creates short decision-taking lines. DBAG is able to completely cover the entire investment process with its own resources. Efficient, well-attuned processes make it possible to quickly implement investment decisions as well as to regularly valuate the portfolio on a timely basis.

Balance sheet management: Long-term financing via the stock market

DBAG currently finances itself for the long-term exclusively through the stock market. Its balance sheet structure attests to the special nature of the private equity business with investments and realisations that are not schedulable. The Company maintains sufficient liquidity in order to take advantage of investment opportunities and meet co-investment commitments alongside the funds at any time. Loans are only taken up in exceptional cases and only to serve short-term liquidity requirements. For longer planning horizons, we manage the amount of equity capital via distributions, share repurchases (as in 2005, 2006 and 2007), or capital increases (2004).

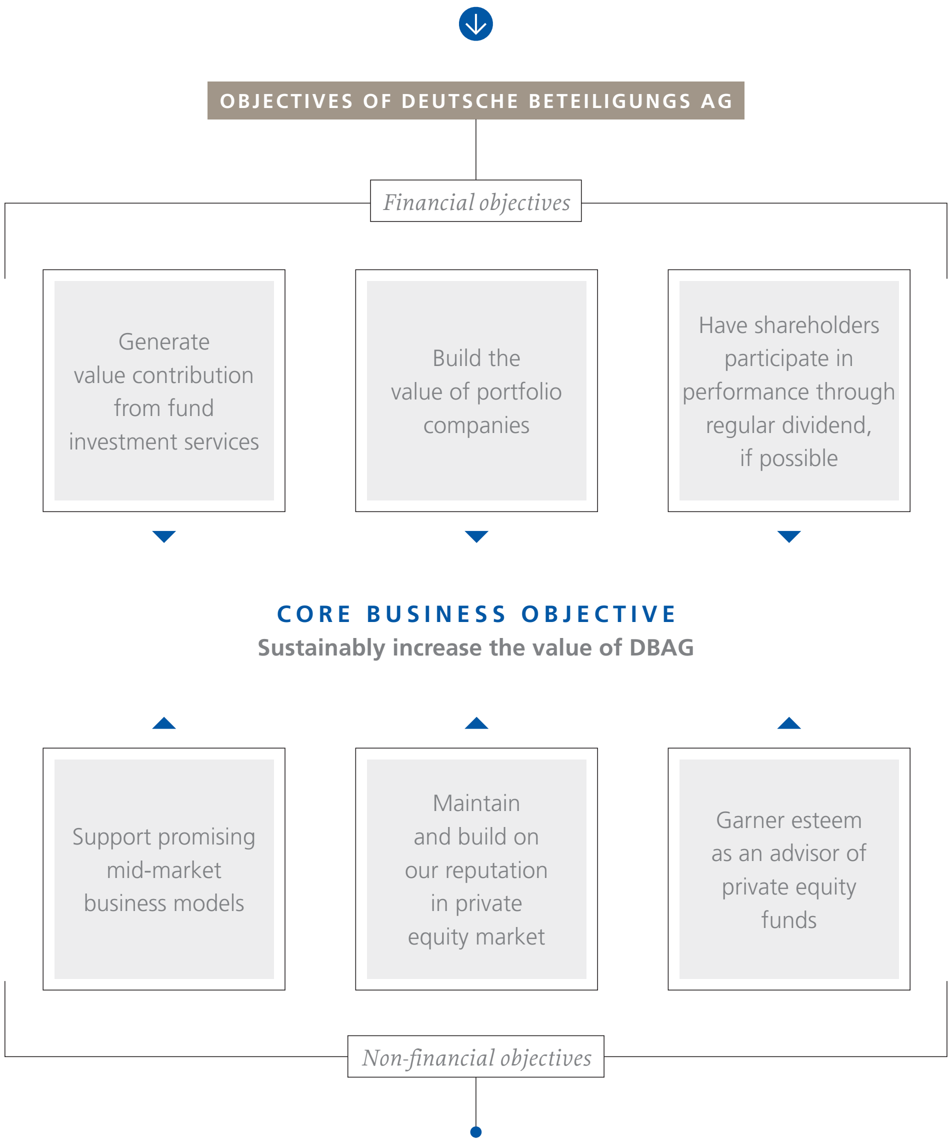
Co-investment commitments page 46

6 Considers 36 buyouts structured up to 30 September 2015
7 Without the members of the Board of Management

Objectives and strategy

Objective: To sustainably increase the value of DBAG through growth in both lines of business

The core **BUSINESS OBJECTIVE** is to sustainably increase the value of Deutsche Beteiligungs AG. We achieve this by generating a value contribution from both lines of business – from fund investment services and, by building the value of the portfolio companies, from DBAG's co-investment activity. Both objectives interact: since DBAG co-invests alongside its managed or advised funds, the performance of its investment activity also contributes towards the success of its fund services business, because a track record of excellent performance is crucial when raising new funds.



The value of DBAG is determined, first and foremost, by the value of its portfolio companies, with the Private Equity Investments business line delivering the greatest value contribution. In its role as a financial investor in a focused partnership, DBAG grows that value by supporting the portfolio companies during a phase of strategic development. DBAG is invested in its portfolio companies over the medium to long term, usually four to seven years. Value is built over that period. That value is mostly realised when the investment is exited; for expansion financings, this occasionally takes place during the holding period by way of current distributions. Investment decisions are founded on assumptions concerning the holding period and realisable value gains upon an investment's ultimate disposal. Based on these assumptions, the targeted average annual internal rate of return (IRR) is approximately 20 percent for expansion financings and 25 percent for MBOs.

Fund Investment Services also contributes to the value of DBAG. The performance of this business line requires an appreciable, preferably increasing level of managed and/or advised assets over the medium term; it is measured by sustainable growth in fee income for these services and by the surplus from fee income over the relevant expenses.

As is common in the private equity sector, the measure for our performance is a period of ten years. That is appropriate, since fee income from fund management and advisory services does not develop consistently. Rather, it is significantly influenced by new funds that are raised, which occurs roughly every five years. Support for portfolio companies in their development is limited in time; our portfolio is therefore subject to constant change, for instance, in its vintage profile. This, and the influence of external factors on value growth could entail strong fluctuations in performance from year to year. Only when viewed over a time span of sufficient length is it possible to assess whether we have reached the core financial objective of our business activities. We measure an individual year's performance contribution by comparing it to a ten-year average. On average over this ten-year period, we aim to increase the net asset value per share by an amount that significantly exceeds the cost of equity.

Details on the return on net asset value per share page 80

We intend to have our shareholders participate in that value appreciation by paying regular dividends (base dividends) and – in instances of particularly profitable realisations – by surplus dividends as well. This dividend model is consistent with the irregular cash inflows of our business. The total return to shareholders therefore derives from the gain in the Company's value in terms of net asset value per share, plus dividends paid.

Besides its financial targets, Deutsche Beteiligungs AG also pursues a set of **NON-FINANCIAL OBJECTIVES**. We aim to support the development of promising mid-market business models and therefore give our portfolio companies the leeway they need to successfully pursue their strategic development – with our equity as well as with our experience, knowledge and network. Our portfolio companies should remain well poised beyond DBAG's investment period. We believe that the value of our investments at the time of their disposal will be particularly high, if the prospects for their further progress are favourable after we exit them.

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Our stance on sustainability issues as an aspect of corporate governance page 57

A key aspect of an investment is to appropriately consider the interests of all stakeholders involved. By successfully supporting our portfolio companies, we want to substantiate the confidence we have gained in the market and among investors over nearly five decades and thereby maintain and underpin our good reputation. We are convinced that this also involves adhering to ESG (Environmental, Social and Governance) principles, which include compliance with our business policies.

Financial and non-financial performance indicators page 80

The assets of the DBAG funds constitute a substantial part of DBAG's investment base. The funds are organised as closed-end funds; regularly raising successor funds is therefore a requirement. These efforts will only succeed if investors in current funds achieve commensurate returns and we are perceived to be reliable and trustworthy. We therefore attach great importance to open, responsible interaction with the partners in DBAG funds.

Strategy: Investments in German "Mittelstand" companies with potential for development

Broad spectrum of investment criteria

Deutsche Beteiligungs AG and its advised funds invest in companies with promising potential for development. That potential should enable the companies to augment their value, for example, by enhancing their strategic positioning, improving operational processes or by earnings growth. Such companies are, for instance, characterised by leadership positions in their (possibly small) markets, seasoned managements, strong innovative capacity and future-viable products.

Many such companies can be found in Germany's "Mittelstand", for example, in mechanical and plant engineering, among automotive suppliers and industrial support services providers as well as among industrial component manufacturers. DBAG's investment team is experienced in these sectors: about 80 percent of all transactions in the past 15 years stem from these industries. It follows that the investment team has in-depth expertise in these sectors. Based on this expertise, even complex transactions are conceivable, such as spin-offs from large corporations or acquisitions out of conglomerates or acquisitions of companies with operating challenges. In recent decades, other industries, such as telecommunication or services, have increasingly gained in significance. There are companies with impressive development potential operating in such sectors that also meet DBAG's investment criteria. Geographically, we concentrate our investments on companies domiciled in German-speaking countries.

We consider a broad range of criteria when taking our investment decisions. We principally examine whether the products and services of potential investee businesses address the needs arising from changing economic and societal conditions. Our particular focus is on the following trends:

- efficient generation and utilisation of energy,
- stewardship of natural resources,
- the challenges of climate change,
- growing mobility,
- efforts to increase productivity and
- progressive industrialisation in emerging countries.

We concentrate on mid-market companies, meaning that portfolio companies typically generate annual revenues of between 50 million and 500 million euros. Depending on the earnings situation, the debt-free enterprise value of such companies will generally range from 50 million to 250 million euros. This magnitude basically applies irrespective of the type of investment. Investments in smaller companies may also be considered, if there is potential for significant growth. Nor do we exclude larger transactions. If appropriate, we structure such investments together with other investors who pursue a similar investment strategy.

We endeavour to achieve a diversified portfolio. That way, we reduce the impact in the event of a failure of individual portfolio companies and increase the probability of sharing in numerous growth opportunities. We may invest in companies operating in the same industry, but we take care that these companies serve different niche markets or operate in different geographical regions. Most of our portfolio companies operate internationally. This applies to the markets they serve and, increasingly, to their production sites.

Many of our portfolio companies produce capital goods. The demand for these products is generally subject to stronger cyclical swings than the demand for consumer goods. When we enter into such investments, we see to it that, among other things, finance structures are resilient. Co-investments in companies whose performance is more strongly linked to consumer demand mitigate the effects of cyclical business models on the value of the portfolio.

Deutsche Beteiligungs AG invests in established companies with a proven business model. This approach excludes investments in early-stage companies. Moreover, we attach importance to the companies being led by seasoned and dedicated managements who are able to realise the objectives that were mutually agreed.

Investment performance is prerequisite for growth in fund advisory business

Investors' assets are only available for a limited period of time. Beyond that, once invested, the capital committed by investors – unlike assets from the balance sheet of DBAG – cannot be invested another time: following a realisation, the capital is returned to investors. To ensure continuity in the fund advisory business, new funds must therefore be raised at regular intervals.

Our aim is to have a successor fund exceed the size of its predecessor. That way, total managed and advised assets will grow on a several-year average and with that the basis for fee income from investment services to funds.

Capital commitments to a (successor) fund are significantly influenced by the performance of a current fund. Thus, a prerequisite for increasing managed and advised assets is, among other things, an excellent track record. Investors also value our investment team's experience, size and network.

Steering and control

Key performance mark: Return on capital employed

Our business policy is geared to appreciating the value of DBAG over the long term by successful investments in portfolio companies and a successful fund advisory business. It follows from the nature of our business and its accounting methodology that the Company's value may decrease in individual years, since it is largely determined by the fair value of the portfolio companies at the end of a reporting period; that value is, however, subject to influences beyond DBAG's control, such as those from the stock market. The Company's value is understood to have increased over the long term when, on an average of, for example, ten years, the return on the capital employed per share exceeds the cost of equity. The key performance mark is the return on the capital employed.

We determine it from the net asset value per share at the end of the financial year with the opening net asset value, less dividends, at the start of the financial year.

We derive the cost of equity (rEK) based on the capital asset pricing model (CAPM) from a risk-free base rate (rf) and a risk premium for the entrepreneurial risk (ß). The risk premium is determined by also considering a risk premium for the stock market (rM) as well as DBAG's individual risk. The cost of equity is then derived as follows: **rEK = rf + ß * rM.**

We derive the risk-free base rate from a zero bond interest rate with a residual term of 30 years, based on the yield curve at the reporting date. At 30 September 2015, this value was 1.5 percent (previous year: 2.0 percent).

The market premium used was an unchanged 7.0 percent.

For the individual risk measure we use an unchanged adjusted ß (beta) of 0.5. This value is based on a levered beta factor for DBAG against the C-Dax for five years of 0.48 (at 30 September 2015), which we consider appropriate due to the long-term nature of the business model.

The cost of equity for DBAG thus derived as at the reporting date is 5.0 percent for eleven months (previous year: 5.5 percent). This calculatory result is strongly influenced by the extremely low interest rate level and the low risk position of DBAG in view of its capital structure.

Return on net asset value per share page 80

Controlling: Regular assessment of portfolio companies and of investment performance of DBAG funds

Medium-term performance of portfolio is key measure

The intrinsic value of our shares is determined to a significant degree by the value of the investment portfolio and its development. Valuations may fluctuate strongly at short notice. The reasons are the portfolio companies' susceptibility to industry-related cycles and valuation ratios in the stock markets. Short-term changes therefore ordinarily do not convey a true picture of the success of an investment. We will frequently only know whether a private equity investment can be termed successful after a number of years, upon its disposal. We therefore measure our performance by the average return on capital employed over a longer horizon, and not by the results of a single financial year.

Because of the particularities of our activity, we do not steer our business by traditional annual indicators such as operating margins or EBIT. The key influential parameter at Group level is the medium-term development of the portfolio value, which is influenced by the investment progress, the value growth of individual investments as well as their realisation. We measure the development of the portfolio value on an annual basis by the net result of investment activity and net income before taxes which we achieve in our business line of Private Equity Investments.

At portfolio company level, traditional indicators, on the other hand, play a direct role: when taking our decision to invest, we clearly define performance targets based on the business plans developed by the portfolio companies' managements – such as for revenues, profitability and debt. During the time of our investment, we valuate our portfolio companies at quarterly intervals using their current financial metrics (EBITDA, EBITA and net debt). On that basis, we closely follow the business trend in each portfolio company in a year-over-year and current budget comparison. We also consider other indicators, such as order intake and orders on hand.

The members of the Board of Management and DBAG investment professionals regularly inform themselves about developments at our portfolio companies through their work on advisory councils and supervisory bodies.

Assessment of fund investment services by indicators commonly used in the private equity industry

Successful investment activity is a prerequisite for successful fund investment services, our second business line. Managed assets – and, consequently, income from fund investment services – will only exhibit growth if successor funds are larger than existing funds. A new fund can, in turn, only be raised, if predecessor funds have proven successful; the success of a fund derives from its absolute capital growth as well as from its investment pace. We work with the indicators commonly applied in the private equity industry: portfolio value or distributions to paid-in capital and the return on paid-in capital (internal rate of return method). Net income before taxes generated by Fund Investment Services is significantly determined by fee income, as well as by the cost of identifying investment opportunities, of supporting the portfolio companies and their ultimate disinvestment.

Ensuring performance: Board of Management members directly involved in all relevant operating processes

Members of the Board of Management are also involved in the core processes of DBAG's business (i.e. investment management and advisory services). Within the scope of fund investment services, they engage in particular in processes associated with generating investment opportunities (deal flow) and with analysing (due diligence) or negotiating acquisitions and disinvestments. Additionally, they discuss key issues at weekly meetings with those members of the investment team who are involved in transactions or in supporting the portfolio companies. The members of the Board of Management take joint decisions on co-investments that DBAG enters into jointly with the DBAG funds.

Opportunity and risk management page 96

A key instrument in ensuring performance is the risk management system. It addresses exposure to both operational risk and to risk inherent in the portfolio companies' development. The insight gained from the risk management system is discussed on a continual basis at the meetings on the state of the portfolio companies.

Sustainability

Deutsche Beteiligungs AG has committed to sustainable corporate governance and meets high ESG standards. We take our guidance from our firm belief that development can only be termed sustainable when it meets the needs of the present without compromising the ability of future generations to meet their own needs.[8] For us as a private equity company, this commitment encompasses both the integration of the Principles of Responsible Investment in our investment process as well as corporate governance issues. Through our engagement on advisory councils and supervisory boards, our efforts are also directed towards helping our portfolio companies pursue sustainable corporate governance goals. We have set out our sustainability principles in an ESG guideline.

At DBAG, our focus regarding sustainability is on the following issues:

- environment: minimisation of greenhouse gas emissions and high levels of resource efficiency;
- employment and social affairs: we acknowledge that our employees are our most important resource;
- corporate governance: we commit to the highest standards in corporate governance.

In practice, this means that we consciously reduce business travel to a necessary minimum and, instead, use alternative forms of communication to the extent possible. Our offices comply with the most modern environmental standards in respect of ventilation and air conditioning, heating and lighting. We report in detail on greenhouse gas emissions on an annual basis within the scope of the Carbon Disclosure Project.

The protection of our employees' health and the maintenance of a discrimination-free workplace are key priority issues for us. In relation to the size of our Company, our engagement in training and education is very much above average.

The Board of Management and the Supervisory Board have always committed to responsible, transparent and sustainable value creation. Since its introduction, we have consistently followed nearly all of the recommendations and suggestions of the German Corporate Governance Code and have therefore subjected ourselves to the rules of good fiduciary corporate governance and surveillance. In respect of the currently valid Code, DBAG declared that there are no discrepancies.

Further regulatory information and commentary page 89

In our ESG guidelines, we have set out that all potential investments must also be analysed by ESG criteria. Investments in certain sectors and companies, in particular the armament industry, are excluded from the outset. Moreover, we do not engage in unfriendly takeovers. In the due-diligence process, we examine opportunities and risks linked to compliance or non-compliance with ESG criteria. For the investment process itself, there are special compliance rules in effect, that is, for our conduct in transaction situations. For example, we review compliance aspects at potential portfolio companies and solicit a contractual confirmation.

8 As defined in the United Nations report dated 1987 "Report of the World Commission on Environment and Development" ("Brundtland Report")

Increasing DBAG's value depends on the extent to which we succeed in augmenting the value of our portfolio companies. Ways to achieve this could extend to a company investing in research and development and strengthening its competitiveness through innovation. That, however, also implies a motivated staff and a high degree of acceptance among customers and suppliers. In short, the company must act in conformity with its social environment. We therefore attach great significance to our portfolio companies respecting social and ethical principles and minimising negative effects on nature. We are convinced that companies that uphold high ESG standards are managed better, are exposed to lower business risks and, ultimately, create more value.

Since every portfolio company is influenced by very individual internal and external factors, the ESG criteria listed below may vary as to their relevance. Due to the allocation of roles between our portfolio companies and DBAG, we exert a *direct* influence only in respect of selecting an investment. During the holding period, we have an *indirect* influence by taking offices on advisory councils and supervisory boards. We focus on the following ESG criteria:

- environment: minimisation and professional management of negative effects on nature,
- employment and social affairs: furtherance of good work conditions, high social standards and a positive contribution to society,
- corporate governance and business ethics: maintenance of best-possible standards and promotion of good business practices.

Business review of the Group

Macroeconomic and sector-related underlying conditions

Real economy: Weakness of emerging markets weighs on global economy

Overall, dynamism in the world economy slowed noticeably in the past financial year. The reduced growth in 2015 is largely due to economic setbacks, some of them considerable, experienced by a number of emerging countries. Having persisted since 2013, the weakness in developing and emerging markets intensified in some cases in 2015. In addition to price decreases for commodities that are crucial to these countries, China's diminishing boom and the economic sanctions against Russia also dampened economic growth.

Over the course of the year, these developments spilled over into the economies of a number of industrialised nations. Consequently, market observers – not least, the International Monetary Fund in its autumn 2015 outlook[9] – downgraded their projections for several developed countries. Nevertheless, economic experts continue to expect a revival compared to 2014 for industrialised countries and regions, especially for the US and the eurozone. Low interest rates and the decrease in commodity prices, which had a positive impact there, have driven capital spending, production and consumption.

Business has clearly picked up – from a low level – in the eurozone. Austerity measures, particularly in southern European countries such as Spain and Italy, are having a positive effect. The German economy remains the growth engine in the eurozone, and economic experts have unanimously forecast stable growth for the country. Although the German government and the International Monetary Fund have adjusted their projections slightly downward, they expect the economy to remain robust.

Financial markets: Low interest-rate policy continued

There was no fundamental change in the financial markets in 2015. Both the European Central Bank and the US Federal Reserve Bank continued to drive their low interest-rate policy. The interest-rate turnaround in the United States that many had anticipated did not take place, despite the smaller volumes of government securities purchased by the Federal Reserve Bank. Nevertheless, the – in part, historically – low interest rate levels did not lead to a perceptible revival in lending in Europe. The reason was the weakness of the banking system in key European countries, which persisted in the reporting year. This particularly impacts mid-market businesses, whereas larger companies can frequently resort to refinancing options by directly accessing the capital markets. Extensive use was made of this last year.

9 World Economic Outlook, International Monetary Fund, New York, October 2015

These factors affect our portfolio very differently, and, in part, conversely. Overall, the underlying conditions for our portfolio companies, most of which are globally positioned and not dependent on individual geographic markets, were satisfactory this past financial year.

Currency rates: In sum, negative impact on performance

Exchange rate swings affect our business both directly and indirectly: a part of the investments we entered into are denominated in US dollars (IFRS value at 30 September 2015: 24.0 million euros; previous year: 19.4 million euros). Changes in exchange rates are therefore directly reflected in the net result of valuation. The value of the US dollar against the euro increased by 12.2 percent between the two reporting dates. The investments denominated in US dollars (primarily Clyde Bergemann, Pfaudler Process Solutions Group, Harvest Partners IV) benefited from that, gaining 2.0 million euros in value. In the preceding financial year, currency rates also resulted in a positive effect of 1.5 million euros.

However, as in the preceding financial year, we also recorded negative effects, which arose from the currency weakness in major emerging markets. Some portfolio companies operate production facilities in Brazil and Turkey. Income generated there led to lower profit contributions on a euro basis, due to devaluation of the local currencies. Beyond that, weaker local currencies dampen the demand for capital goods (in Russia) that are manufactured at the portfolio companies' German sites. The revaluation of the Swiss franc, on the other hand, increased the cost basis for a portfolio company that manufactures there.

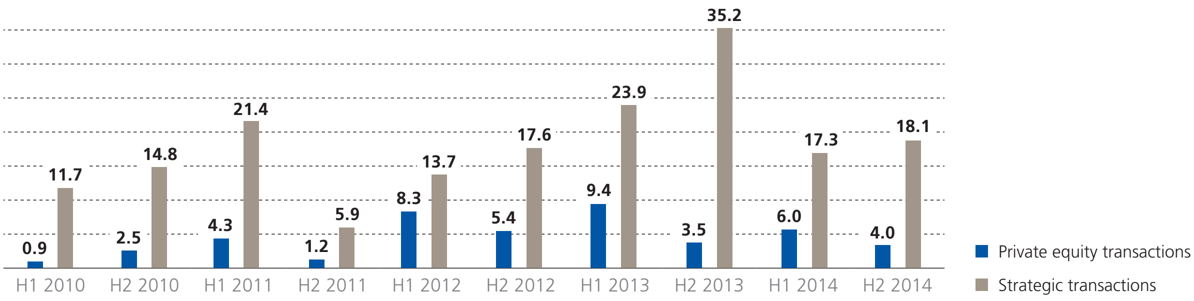
Private equity market: Unchanged

For years, DBAG has pursued a highly focused investment strategy in respect of business models, company size and sectors. We focus on the mid-market segment in German-speaking regions, that is, on transactions with a (corporate) value of 50 million to 250 million euros. Measured by the number of transactions and investment value, this encompasses a rather small section of the private equity market. It is therefore very possible for this segment to develop differently than the private equity market in Germany as a whole.[10] When a company is put up for sale, the vendor will frequently not yet know whether the new owner will be a strategic buyer or a financial investor. For that reason, we not only consider the market for private equity transactions, but the M&A market as a whole.

10 Private equity transactions are not recorded separately in the official statistics. Information on market trends is therefore largely derived from reports by industry associations or by market participants, which revert to data provided by members or generally accessible information. Source: BVK data – "Der deutsche Beteiligungsmarkt im 1. Halbjahr 2015", Tab. 1, page 6; Bundesverband deutscher Kapitalbeteiligungsgesellschaften / German Private Equity and Venture Capital Association (BVK), Berlin, October 2015

M&A MARKET GERMANY – TRANSACTION VALUE

€bn



Following a high in 2013, the M&A market, as well as our segment of the buyout market, normalised again in 2014.[11] Up to mid-2015, we identified as many transactions in our preferred segment as we did over the same period the previous year. Since some transactions are made public with a certain delay, we can deduce that business in our segment in 2015 will at least match that of 2014.

The major underlying conditions for our business have remained unchanged in the reporting year. Liquidity among all market participants is high: This applies, for instance, to strategic buyers who compete with financial investors. German companies possess substantial cash reserves; international companies from the US dollar area also benefit from the relative strength of the US dollar. Financial investors themselves have considerable assets available, as documented by the assessments of sector associations. Acquisition finance is readily available at attractive terms and in an ample amount. These huge assets seeking investment stand in contrast to a limited supply of investment opportunities. This tends to lead to higher valuations, meaning higher purchase prices.

Business and portfolio review

Portfolio movement: New investment reached highest level

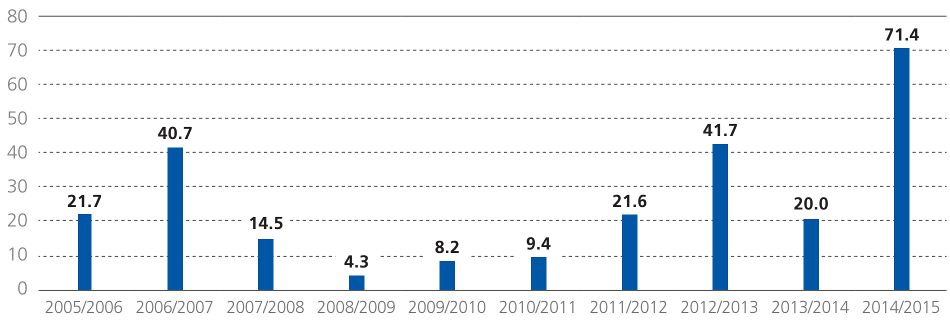
In the truncated 2014/2015 financial year, DBAG invested as much as rarely before in a single financial year. At 71.4 million euros, new investment reached its highest level in the past ten financial years. This, however, is neither a sign for a change in the investment strategy, nor for different market conditions. Rather, it reflects the long-term nature of our business: the team had already worked intensively in the preceding 2013/2014 financial year on three of the transactions agreed in the first quarter of 2014/2015; this also applies to one of the expansion capital investments. Whether a transaction is agreed shortly before or shortly after a reporting date is usually due to circumstances on which we have no influence. To realistically assess our

11 Source: "Der Transaktionsmarkt in Deutschland 2014", Ernst & Young, February 2015

investment activity, it is therefore more appropriate to view an extended period rather than only one year. Following the investment restraint in the years of the financial crisis, DBAG has significantly increased its investment activity in the past four years.

INVESTMENT IN THE PORTFOLIO

€mn



In 2014/2015, DBAG initiated investment decisions on more than 303 million euros in its role as a fund manager and advisor. These assets were channelled into five new management buyouts alongside the DBAG Fund VI and two new expansion financings together with the DBAG ECF. Moreover, existing investments were increased, for instance, to finance smaller add-on acquisitions.

Detailed information on the new portfolio companies at www.dbag.de/portfolio

Since the end of December 2014, DBAG has been invested in Infiana Group GmbH and in Pfaudler Process Solutions Group. **INFIANA GROUP** develops and manufactures specialised films for the consumer market and for industry. Like many other portfolio companies, Infiana is globally positioned. Its production structure reflects geographical proximity to its customers, which include globally present consumer goods manufacturers who themselves manufacture worldwide. Infiana ranks second in Europe in its market segments and holds the leadership position in the US. The group aims, among other things, to further internationalise the business. Infiana also expects to grow through product innovations as well as through greater demand for its products, driven by rising global prosperity.

PFAUDLER, the second MBO in the financial year, also holds a leading position in its market. The company is a manufacturer of glass-lined reactors and other glass-lined components for the chemical and pharmaceutical industries. Pfaudler has a share of about 25 percent of the global market. The investment is aimed, among other things, at expanding the services and spare parts business and complementing the product portfolio through add-on acquisitions. The potential for growing capital expenditure in Asia is another factor in favour of the investment in Pfaudler.

GIENANTH GMBH has been in the portfolio of DBAG and DBAG Fund VI since March 2015. Gienanth operates two iron foundries in Germany. The company is a global leader in hand-moulded castings, particularly when it comes to casting engine blocks (cylinder crankcases) for large-size diesel and gas engines. Gienanth also has a leadership position in machine-moulded castings, its second line of business: the company primarily manufactures clutch and brake components for the automotive and commercial vehicle industry and boasts a share in these products of more than a quarter worldwide. Based on its excellent competitive position, Gienanth is slated to continue to grow, also by way of complementary acquisitions of other foundries, if appropriate.

CLEANPART GROUP GMBH (MBO, start of investment in April 2015) is an engineering services provider to the semi-conductor and related industries. Cleanpart cleans and coats process-critical machine components that are primarily used in wafer production. The components are serviced at facilities located near major customers in Europe and the US. In addition to the semi-conductor industry, Cleanpart also serves customers in the biomedical and solar sectors. Because of its strong technological position, the company is a leading provider in Europe and the US. The company plans to expand its business in industries other than the semi-conductor industry, such as the healthcare sector. In addition to organic growth, add-on acquisitions are also planned to drive Cleanpart's development.

SILBITZ GROUP GMBH is the fifth MBO in 2014/2015. Silbitz operates three iron foundries with different production ranges. Various materials on an iron and steel basis can be cast in hand-moulded and automated machine-moulded processes, enabling a high degree of flexibility. Silbitz' castings, some of which are highly complex, are used in engine construction and in energy technology. The company is participating in the energy transition and the ongoing readiness to invest in wind energy technology. The Silbitz Group is to continue to develop autonomously, for example, by expanding the business with existing clients. Inorganic growth through add-on acquisitions of other foundries is also an option.

The investment in **OECHSLER AG** (March 2015) is the fourth expansion capital investment alongside DBAG ECF. Oechsler manufactures injection-moulded precision parts and electro-mechanical components, serving a large customer base in various industries. It generates some 80 percent of revenues with automotive suppliers. Oechsler, the majority of which is in family ownership, has grown strongly in recent years. The company aims to realise the growth opportunities available to its well-established global business and to win new customers in the German and international markets.

The investment in **NOVOPRESS GMBH PRESSEN UND PRESSWERKZEUGE & CO. KG** (June 2015) broadened the portfolio by a further expansion capital investment. Novopress is a strongly growing tool systems manufacturer with an excellent market position in Europe. Heating and plumbing contractors use electromechanical, hydraulic and manual Novopress tools for connecting pipes. Based on its leading market position in Europe, Novopress intends to further expand its business in pipe connecting technology and intensify its international sales organisation, for example, in North America.

DBAG invested a total of 57.1 million euros from its balance sheet for these seven new portfolio companies. The remaining amount invested (14.3 million euros) was channelled into existing investee businesses. In a joint transaction with DBAG ECF, we increased our holding in **JCK HOLDING GMBH TEXTIL KG** and acquired a further interest in **INEXIO KGAA**. We provided further funding to **PFAUDLER** and **PROXES GMBH** to finance smaller add-on acquisitions, through which – in line with the original investment agreement – both companies will be able to broaden their product ranges.

Following this recent significantly accelerated investment activity, the portfolio of DBAG has grown considerably larger: it now contains 24 active investments (including the two international buyout funds) (previous year: 17). It has also become more mature: although more than one third of the investments have been in the portfolio for less than two years, the nine portfolio companies that have been held for more than two and less than five years (six investments by DBAG Fund V, three by DBAG ECF) meanwhile account for 44 percent of the portfolio value (previous year: four companies and 28 percent).

VINTAGE PROFILE OF PORTFOLIO

	Number of investments	Cost (€mn)	IFRS value (€mn)	IFRS value (%)
< 2 years	9	80.1	82.0	32
2 – 5 years	9	57.9	111.1	44
> 5 years	6	25.7	56.8	22
Other[1]		6.7	5.7	2
	24	**170.4**	**255.7**	

1 Value of remaining parts of exited investments (retentions for representations and warranties, etc.)

Capital commitments: Expansion capital fund with flexible offering

In 2011, we raised a fund for minority investments in family-owned businesses in the form of growth capital (DBAG Expansion Capital Fund) and in 2012 a fund for buyouts (DBAG Fund VI). About half of both funds had been invested at the reporting date. Thus, the funds still have sufficient assets, and there was no need for fundraising activity last year.

This past financial year, we modified the size and terms of DBAG ECF, adapting this product to the particularities of making minority investments. The fund initially invested at a slower pace than expected; we therefore prolonged the investment period until May 2017. In return, several investors used the opportunity to reduce their original investment commitment. The fund's size thus fell from 142 million euros to 112 million euros.[12] As the investment period progressed, it also became evident that the fund's fixed term was disadvantageous in negotiations for new investment decisions, because that was also shortening the possible term of an engagement. In the future – starting in May 2016 – investors will commit an amount every two years, which we can draw down for growth financings. Consequently, the fund's term will recommence every two years, allowing us to provide financings over a term of sufficient length. The investors will be bound to their capital commitment for two years only. In addition, as has been the case since January 2015, fees charged during the investment period will be based on the invested capital[13] and, starting in June 2017, there will be one-off fees for new investments. This modification enhances the attractiveness of DBAG ECF for potential portfolio companies and for the fund's investors, and is thereby an important advance for a product that is strategically significant to DBAG.

12 Added to that is an unchanged co-investment by DBAG of 100 million euros.
13 Fees were originally based on capital commitments during the investment phase

Total managed and advised assets[14] amounted to 1.1 billion euros at the reporting date, of which 163 million euros[15] were attributable to the invested assets from the DBAG balance sheet and 58.3 million euros to the financial resources of DBAG.

Comparability with the previous year

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: whereas in the past the portfolio companies were recognised directly in financial assets by their valuation, the value of most portfolio companies is now only reflected indirectly via the net asset value of the subsidiaries through which DBAG structures its co-investments alongside DBAG Fund V, DBAG ECF and DBAG Fund VI ("co-investment vehicles"). This has an 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 have therefore presented the business performance in this Annual Report as we have done in the 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.

Annex to management report page 116ff.

The following commentary relates to the prior year's amounts determined on a comparable basis: since the previously reported financial data for 2013/2014 was not presented based on IFRS 10, it differs in comparison to the figures shown here. When comparing the current data with that of the previous year, it should also be kept in mind that 2014/2015 was a truncated eleven-month year. Not least, the previous year's result was significantly influenced by a sizeable net result of disposal from the realisation of a large investment (Homag Group AG). The net effect (after performance-related income components) from successful disposals on the preceding year's net income amounts to 24.7 million euros.

Earnings position

Overall assessment: Net income clearly exceeds previous year's level on comparable basis

At 27.0 million euros, net income for the truncated 2014/2015 financial year fell short of the previous year's 48.0 million euros; however, on a comparable basis, net income exceeded the prior year's amount of 23.3 million euros. As last financial year, the gain largely stems from a very satisfactory net result of investment activity, which reached 29.2 million euros, following 50.7 million euros in the prior year.

14 Sum of invested capital of DBAG funds and of DBAG as well as outstanding capital commitments
15 At cost

The net expense ratio, that is, the sum of net income from fund management and advisory services and total other income/expenses adjusted for special effects[16] as a percentage of average net assets, was 1.4 percent, and, as expected, exceeds the previous year's 0.3 percent. Other income/expenses largely comprises the expenses for the management of our portfolio and for management and advisory services to DBAG funds.

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

T€	2014/2015	2013/2014
	11 months	12 months
Net result of investment activity	29,203	50,702
Fee income from fund management and advisory services	19,207	22,201
Net result of fund services and investment activity	**48,410**	**72,903**
Personnel costs	(14,842)	(16,551)
Other operating income	6,514	9,769
Other operating expenses	(13,301)	(17,905)
Net interest	293	195
Other income/expenses	**(21,336)**	**(24,492)**
Net income before taxes	**27,074**	**48,411**
Taxes	(23)	(411)
Net income after taxes	**27,051**	**48,000**
Minority interest	(32)	(35)
Net income	**27,019**	**47,965**
Other comprehensive income	412	(6,389)
Total comprehensive income	**27,431**	**41,576**

Net result of investment activity: Greatest contribution from value growth of carried portfolio

The net result of investment activity, which was 29.2 million euros (previous year: 50.7 million euros), is the largest constituent of the net result of fund services and investment activity, which reached 48.4 million euros following 72.9 million euros in the previous year. It largely reflects the value growth of the portfolio companies, which are chiefly held in co-investment vehicles. It is also composed of the gains on disposals of investments, current income from the portfolio as well as the net amount of expenses and income of the co-investment vehicles. It, moreover, includes the profit-sharing entitlements attributable to minority partners in co-investment vehicles, which is charged to income.

16 Remuneration components linked to performance

NET RESULT OF INVESTMENT ACTIVITY

T€	2014/2015	2013/2014
	11 months	12 months
Result of valuation and disposal portfolio, gross	49,943	50,508
Minority interest co-investment vehicles	(23,506)	(234)
Result of valuation and disposal portfolio, net	**26,437**	**50,274**
Current income portfolio	3,484	3,852
Net result portfolio	**29,920**	**54,126**
Net result other assets and liabilities of co-investment vehicles	(1,280)	(3,434)
Net result other financial assets	562	10
Net result of investment activity	**29,203**	**50,702**

The **GROSS RESULT OF VALUATION AND DISPOSAL** of the portfolio reached 49.9 million euros after eleven months, which is nearly in line with that of 2013/2014. Unlike the prior year, when more than half of that item was attributable to the realisation of a highly profitable investment, the 2014/2015 gross result of valuation and disposal was primarily driven by the carried portfolio's very good progress: the portfolio companies gained 47.4 million euros in value, whereas disposals generated 2.5 million euros.

RESULT OF VALUATION AND DISPOSAL PORTFOLIO (BY SOURCES; GROSS)

€mn	2014/2015	2013/2014
	11 months	12 months
Valuation of unquoted investments (multiples method)		
Change in earnings	39.3	8.0
Change in multiples	11.6	8.2
Change in debt	(6.8)	2.4
Change in currency rates	2.0	1.1
Net result of disposal	2.5	27.2
Other	1.3	3.6
	49.9	**50.5**

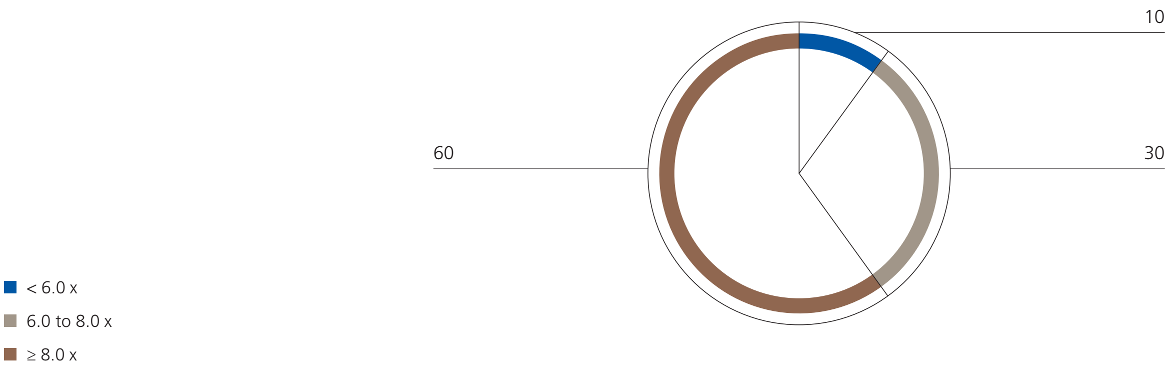
RESULT OF VALUATION AND DISPOSAL PORTFOLIO (BY COMPONENTS; GROSS)

€mn	2014/2015	2013/2014
	11 months	12 months
Positive valuation movements	59.9	27.7
Negative valuation movements	(12.5)	(6.0)
Net result of disposal	2.5	27.2
Other	0.0	1.6
	49.9	**50.5**

Nearly all investee businesses that have been in the portfolio for more than one year (which applies to 17 out of 24) delivered positive value contributions. At the valuation date, it had become apparent that earnings for 2015 (or, in instances of reporting dates of less than a year, for 2014/2015 financial years that have ended) would surpass those of the prior year. When in singular cases 2015 revenues and earnings fell short of the previous year's or budgeted levels, market influences were responsible which we do not consider as being permanent or which would endanger the strategic positioning of the portfolio company in question. Some portfolio companies recorded an increase in debt, which, for instance, was reporting date-related in connection with large-scale orders in the project business, or ensued from financing smaller acquisitions.

PORTFOLIO VALUE BY UNDERLYING EBITDA MULTIPLES

%



The contribution derived from the stock market to valuations was positive, but receded in the course of the financial year. Our valuations benefited from the strength of the US dollar, despite the fact that movements in other currency parities negatively affected the value of a few portfolio companies.

Disposals of investments contributed 2.5 million euros towards the net result of investment activity: the two international buyout funds, Harvest Partners IV and DBG Eastern Europe II, continued to divest their remaining holdings as planned. Furthermore, a representations and warranty retention from a former disposal was reversed.

GAINS ATTRIBUTABLE TO MINORITY INTEREST OF THE CO-INVESTMENT VEHICLES reduced the net result of investment activity at 30 September 2015 by 23.5 million euros (previous year: 0.2 million euros). This relates to carried interest entitlements of selected current and former members of DBAG's investment team arising from private investments in the co-investment vehicles of DBAG Fund V. 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 (realisation of DBAG's invested capital plus a minimum return of eight percent annually). 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.

DBAG entered into eleven investments alongside the DBAG Fund V. Four of these have been realised – highly profitably in a number of cases; the other seven are making very good progress. Their value increased by more than a third in 2014/2015. It can meanwhile be assumed that the performance requirements which trigger carried interest payments have been met. Carried interest entitlements by current and former members of the DBAG investment team reflect the aggregate performance of DBAG Fund V to date since the start of its investment activity in February 2007; corresponding to the realisation of value gains on individual investments, carried interest payments will extend over a number of years.

This system is commonplace in the private equity sector: it requires a personal investment and ensures that the interests of the investment team coincide with those of shareholders and investors. We have described this scheme in the Annual Report in past years.[17]

After accounting for minority interest, a net result of valuation and disposal of 26.4 million euros remains; this exceeds that of the prior year by more than 1.3 million euros.

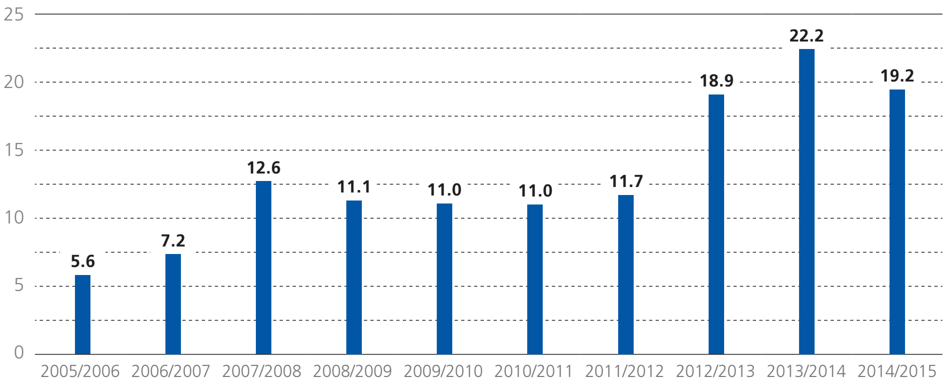
CURRENT INCOME from the portfolio is largely composed of interest payments on shareholder loans.

Fee income from fund management and advisory services: Down on the previous year, as expected

Fee income from fund management and advisory services depends on the size of DBAG funds. Fees decline along with every exit from a fund's portfolio, when its investment period has ended. An increase in fee income can only be expected when a new fund is raised, if the size of that follow-on fund is greater than the current investing fund.

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES

€mn



Fee income from fund management and advisory services amounted to 19.2 million euros, or 3.0 million euros less than in the previous year. There are three reasons for this. First, the reporting period is shorter by one month. Second, the computational base for fee income decreased, following realisations from the portfolio (mainly Homag Group AG). And third, fee income from the DBAG ECF is considerably lower than in the previous year. The fees for our services are now based on the invested capital instead of the committed capital. Starting in June 2017, fees will additionally become due based on individual transactions. For the near term – as in the truncated 2014/2015 financial year – we will be generating only minor current fee income from the management of DBAG ECF.

17 page 182 of the 2013/2014 Annual Report and page 178 of this Annual Report

Fee income from fund management and advisory services page 46

In 2014/2015 for the last time, this item includes fee income for management services to DBG Fonds I of nearly 1.5 million euros (the greater part of which, or 1.0 million euros, is performance-related; management fee income from DBG Fonds I in 2013/2014: 1.8 million euros). DBAG had managed the fund's portfolio in the past. In July 2015, DBAG and the DBAG ECF acquired the fund. The fund's investments (JCK, Novopress) have now been added to the portfolios of DBAG and DBAG ECF, thereby broadening the basis for future value gains.

Total other income/expenses: Expense positions down significantly

Determination of variable remuneration pages 82 and 89ff.

TOTAL OTHER INCOME/EXPENSES, or the net amount of personnel costs, other operating income and expenses and net interest, of -21.3 million euros was clearly below the previous year's -24.5 million euros. The difference largely stems from lower **PERSONNEL COSTS** this year. They totalled 14.8 million euros, following 16.6 million euros in the preceding year. Variable performance-linked remuneration was higher in 2013/2014.

OTHER OPERATING INCOME declined after receiving lower reimbursements for screening investment opportunities; DBAG, in its management and advisory capacity, can charge these costs to DBAG funds. Proportionate to their investment ratio, DBAG funds carry a part of the expenses for screening those investments that do not terminate in a transaction. Reimbursed costs decreased by 3.6 million euros on the prior year to 4.1 million euros. This corresponds approximately to the decrease in reimbursable expenses for screening investment opportunities (4.0 million euros, following 8.0 million euros the previous year), which constitutes the largest position in **OTHER OPERATING EXPENSES**.

OTHER COMPREHENSIVE INCOME improved by 6.8 million euros to 0.4 million euros. In 2013/2014 and in preceding years, it was heavily impacted by allocations to pension provisions due to lower discount rates. In 2014/2015, a slight interest gain was again recorded for the first time.

TEN-YEAR SUMMARY OF EARNINGS

€mn	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014[1]	**2014/2015**
										11 months
Net result of investment activity[2]	114.4	165.0	(53.4)	31.8	53.2	(4.5)	51.3	41.0	50.7	29.2
Fee income from fund management and advisory services									22.2	19.2
Other income/expenses[3]	(23.5)	(9.3)	(1.9)	(9.4)	(15.5)	(15.4)	(4.0)	(7.3)	(24.5)	(21.3)
EBIT	89.1	150.8	(60.5)	20.4	36.8	(23.0)	46.2	33.6	48.2	26.8
EBT	90.9	155.6	(55.3)	22.4	37.6	(19.9)	47.0	33.8	48.4	27.1
Net income	82.7	136.5	(51.1)	19.6	34.1	(16.6)	44.5	32.3	48.0	27.0
Other comprehensive income[4]				(2.3)	(3.3)	0.7	(6.2)	(3.7)	(6.4)	0.4
Total comprehensive income				17.3	30.8	(15.9)	38.3	28.6	41.6	27.4
Retained profit	57.2	118.2	29.2	52.6	73.1	37.3	70.8	86.7	117.7	117.4
Return on NAV per share *(%)*	36.4	56.2	(17.5)	7.3	12.7	(6.2)	16.8	11.2	15.9	10.0

1 Data adjusted based on new accounting rules
2 Net result of valuation and disposal as well as current income from financial assets
3 Net amount of other income and expense items; up to and including FY 2007/2008 "Other comprehensive income", starting FY 2012/2013 incl. income from fund investment services
4 Since FY 2009/2010, actuarial gains/losses on pension obligations/plan assets are taken directly to equity through "Other comprehensive income"

Financial position

Overall assessment: Despite sizeable outflows, financial position remains sound

Balance sheet management page 49

In the wake of our considerable co-investment activity in the reporting year, the Group's liquidity position declined, as planned, by more than half. Nevertheless, the financial position, in our view, remains sound. The financial resources (cash and interest-bearing securities) are sufficient to finance the investment projects planned for the current financial year. They have been invested in safe vehicles that additionally allow us to access the funds at short notice, should they be needed to finance investment projects. In the current financial market environment, however, they generate low returns.

Particularities in assessing the financial position: Irregular cash flows

Major cash flows in our operations commonly stem from a small number of investments and disinvestments. This gives rise to irregular and difficult-to-predict cash flows.

In 2014/2015, the liquidity position declined compared with the beginning of the financial year by 82.4 million euros to 58.3 million euros. Of the financial resources, 30.1 million euros consist of securities of German issuers with a credit rating based on Standard & Poor's of A or better. They are available for future investment. The unconsolidated co-investment vehicles had another 4.3 million euros at their disposal at the reporting date; these financial resources, however, are no longer shown directly in the consolidated statement of financial position, based on the new accounting rules.

Outstanding co-investment commitments alongside DBAG Fund VI and DBAG ECF amounted to approximately 105 million euros at 30 September 2015. Viewed over the remaining investment periods of the two investing funds DBAG Fund VI and DBAG ECF, the average funding requirement is about 50 million euros annually.

Cash flows: Strong cash outflows from investment activities

Investment activities in 2014/2015 led to net outflows of 61.6 million euros (previous year: net inflows of 67.9 million euros). These derive from payments for investments in the portfolio netted against proceeds from disposals of investments.

OUTFLOWS were primarily spent on **INVESTING ACTIVITY** (92.5 million euros; previous year: 22.7 million euros): outflows for co-investments alongside DBAG Fund VI totalled 43.8 million euros. Growth capital of 18.8 million euros was invested alongside the DBAG ECF in Oechsler AG, Novopress KG and in additional interests in JCK KG. Inflows from investment activity reached 30.9 million euros (previous year: 90.6 million euros). A significant portion (10.9 million euros) stems from the repayment of bridge-over loans, mainly in connection with the acquisition of several MBOs. A total of 12.1 million euros came from the refinancing and recapitalisation of existing investments. Further inflows (6.6 million euros) relate to distributions by international buyout funds that continued to divest their remaining investments, as planned. The reduction in the securities portfolio led to inflows of 82.5 million euros. In total, cash flows from investing activities reached 19.9 million euros (previous year: 33.4 million euros).

CASH FLOWS FROM FINANCING ACTIVITIES amounted to 27.4 million euros. As in the previous year (16.4 million euros), they relate exclusively to the dividend payment.

CASH FLOWS FROM OPERATING ACTIVITIES (7.2 million euros; previous year: 0.0 million euros) contains income taxes received and paid of 0.6 million euros (previous year: -2.0 million euros) as well as received and paid interest and profit distributions amounting to 3.3 million euros (previous year: 2.7 million euros).

TEN-YEAR SUMMARY OF FINANCIAL DATA

€mn	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	**2014/2015 11 months**
Cash flows from operating activities	(4.1)	(2.6)	3.0	(3.5)	(12.8)	0.9	(9.6)	(12.0)	0.0	7.2
Cash flows from investing activities[1]	168.8	65.0	3.8	19.6	(44.4)	33.1	(18.2)	18.7	67.9	(61.6)
Cash flows from financing activities	(40.7)	(71.4)	(57.3)	(5.5)	(13.7)	(19.1)	(10.9)	(16.4)	(16.4)	(27.4)
Change in financial resources[2]	124.0	(9.0)	(50.5)	10.6	(70.9)	14.9	(38.8)	(9.8)	50.9	(82.3)

1 Adjusted for cash flows from additions to and disposals of securities; as of FY 2012/2013 also adjusted for cash flows from additions to and disposals of property, plant and equipment
2 Financial resources: cash and short- and long-term securities; without financial resources in co-investment vehicles

Asset position

Overall assessment: Assets slightly lower despite positive value movement of portfolio

The assets of the Group totalling 327.2 million euros (previous year: 332.6 million euros) largely consist of the investment portfolio as well as cash and securities. The dividend payment of 27.4 million euros exceeded the net value appreciation of the investment portfolio (26.4 million euros). With liquid or near-liquid assets of 58.3 million euros, more than 18 percent of total assets are available to meet co-investment commitments to DBAG funds.

ABRIDGED STATEMENT OF FINANCIAL POSITION

T€	**30 Sept. 2015**	31 Oct. 2014
Financial assets and loans and receivables	250,189	163,430
Long-term securities	26,370	80,991
Other non-current assets	2,021	1,882
Non-current assets	**278,580**	**246,303**
Receivables and other assets	10,765	10,038
Short-term securities	3,741	31,344
Cash and cash equivalents	28,234	28,408
Other current assets	5,844	16,508
Current assets	**48,584**	**86,298**
Total assets	**327,164**	**332,601**
Equity	303,104	303,026
Non-current liabilities	8,939	9,733
Current liabilities	15,121	19,842
Total liabilities	**327,164**	**332,601**

Asset structure: Clearly improved following high level of investment

Following the high level of investment in new and existing portfolio companies, the asset structure improved significantly in comparison to the last annual reporting date. A significantly higher proportion of assets is now invested in the portfolio. **NON-CURRENT ASSETS** – which predominantly consist of financial assets, loans and receivables as well as long-term securities – totalled 278.6 million euros (previous year: 246.3 million euros) and comprised 85 percent of total assets (previous year: 74 percent). Financial assets increased from 163.4 million euros to 247.7 million euros. **LONG-TERM SECURITIES**, on the other hand, decreased by

54.6 million euros to 26.4 million euros. **OTHER NON-CURRENT ASSETS** (2.0 million euros; previous year: 1.9 million euros) largely contained property, plant and equipment and tax credits at the reporting date.

The investments and the dividend payment were also financed through the sale or maturity of **SHORT-TERM SECURITIES**; this item declined from 31.3 million euros to 3.7 million euros. That, concurrently, represents the major change in **CURRENT ASSETS**, which totalled 48.6 million euros at the reporting date, clearly below those of the previous year (86.3 million euros). Cash and cash equivalents (28.2 million euros; previous year: 28.4 million euros) declined slightly. **OTHER CURRENT ASSETS** were 5.8 million euros, compared with 16.5 million euros the year before; one of the reasons for the decline was significantly lower receivables from DBAG funds arising from reimbursable expenses and from advisory services.

Portfolio value: Significant increase after new investment and value growth

FINANCIAL ASSETS INCL. LOANS AND RECEIVABLES

T€	**30 Sept. 2015**	**31 Oct. 2014**
Portfolio value (incl. loans and receivables)		
gross	255,683	153,065
Minority interest of co-investment vehicles	(23,968)	(433)
net	231,715	152,632
Other assets/liabilities of co-Investment vehicles	16,198	5,674
Other financial assets	2,276	5,124
Financial assets incl. loans and receivables	**250,189**	**163,430**

At 30 September 2015, the portfolio of DBAG consisted of investments in 22 companies and two international private equity funds.[18] The investments are held directly and indirectly through co-investment vehicles. The value of these investments, including loans to and receivables from the portfolio companies, was 255.7 million euros at 30 September 2015; contained therein are entities with a value of 9.0 million euros, or 3.5 percent (commonplace in the sector), through which representation and warranty retentions are (largely) settled ("Other investments") and which are no longer expected to deliver appreciable value contributions.

Compared with the opening value at the beginning of the financial year, the value of the investment portfolio increased by 102.6 million euros gross in 2014/2015, despite disposals, partial disposals and repayments from fund investments of 16.2 million euros. In addition to new investment of 71.4 million euros, the value gain of the carried portfolio of 47.4 million euros also contributed significantly. Conversely, minority interest in co-investment vehicles accounted for a charge of 24.0 million euros.

18 At the reporting date on 30 September 2015, we reclassified two investments previously carried in "Portfolio companies" to "Other investments"; these concern one international buyout fund and one entity from the disposal of an MBO more than 15 years ago which still holds two real estate properties.

Portfolio profile: 15 investments account for 82 percent of portfolio value

We measure our investments at fair value on a quarterly basis. This 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. Valuation movements are recognised in the consolidated statement of comprehensive income.

Valuation methodology page 142ff.

At 30 September 2015, the portfolio contained 15 management buyouts, seven investments with the purpose of financing growth and two investments in international buyout funds that are currently in the liquidation phase and which for their part only hold one and three remaining investments, respectively. These 24 investments ("portfolio") accounted for 96.5 percent of the portfolio value (IFRS)[19] at the reporting date. At 30 September 2015, the following 15 investments were the largest in the portfolio, accounting for about 82 percent of the portfolio value.

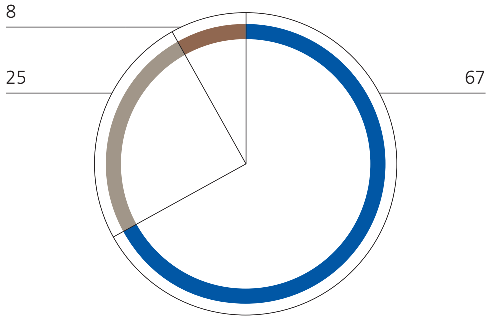
Company	Cost *€mn*	Equity share DBAG %	Investment type	Sector
Broetje-Automation GmbH	5.6	13.3	MBO	Mechanical and plant engineering
Clyde Bergemann Group	11.7	15.7	MBO	Mechanical and plant engineering
FDG Group	2.2	15.5	MBO	Industrial services
Formel D GmbH	1.7	15.7	MBO	Automotive supplier
Grohmann Engineering GmbH	2.1	25.1	Expansion capital	Mechanical and plant engineering
inexio KGaA	5.5	6.9	Expansion capital	Information technology, media, telecommunications
Infiana Group GmbH	12.4	17.4	MBO	Industrial components
JCK Holding GmbH Textil KG	8.8	9.5	Expansion capital	Consumer goods
Oechsler AG	11.1	8.4	Expansion capital	Automotive supplier
Pfaudler Process Solutions Group	11.4	17.6	MBO	Mechanical and plant engineering
ProXES GmbH	8.3	18.7	MBO	Mechanical and plant engineering
Romaco GmbH	9.9	18.6	MBO	Mechanical and plant engineering
Schülerhilfe GmbH	9.8	15.3	MBO	Services
Spheros GmbH	13.9	15.7	MBO	Automotive supplier
Unser Heimatbäcker GmbH	10.1	12.6	MBO	Consumer goods

Based on the valuations at the reporting date, the portfolio is structured as follows. The data is based on the previously mentioned portfolio. The breakdown of equity by the portfolio companies' net debt is also based on that portfolio; however, investments in international buyout funds as well as investments in entities through which retentions for representations and warranties arising from exited investments are held were omitted (2015 net debt and 2015 EBITDA, for reporting dates during the year forecast for 2015/2016, or for 2014/2015 budget years, based on portfolio companies' forecasts at 30 June 2015).

19 See page 74; the investments are alphabetically ordered regardless of their valuation

PORTFOLIO VALUE BY VALUATION METHOD FOR INVESTMENTS

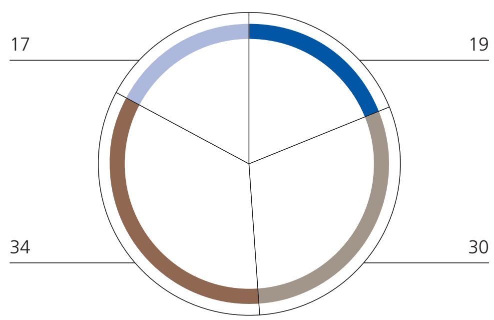
%



■ Multiples method ■ DCF
■ Transaction price

PORTFOLIO VALUE BY NET DEBT/EBITDA OF PORTFOLIO COMPANIES

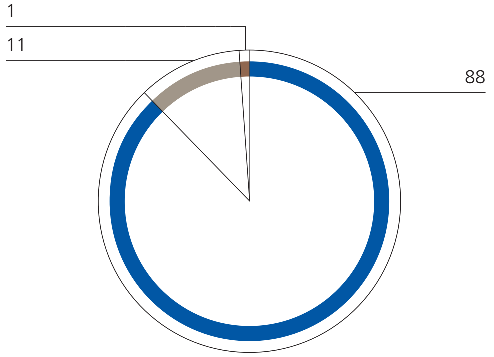
%



■ < 1.0 ■ 2.0 to < 3.0
■ 1.0 to < 2.0 ■ > 3.0

PORTFOLIO VALUE BY GEOGRAPHICAL DISSEMINATION OF INVESTMENTS

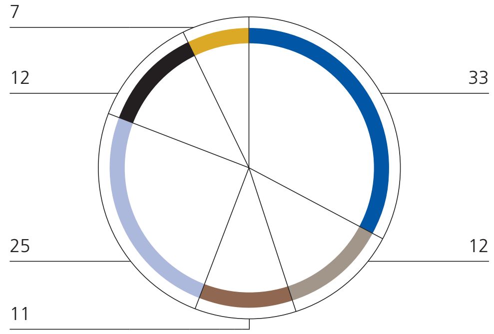
%



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

PORTFOLIO VALUE BY SECTOR DISSEMINATION OF INVESTMENTS

%



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

Capital structure: No liabilities to banks

In the truncated 2014/2015 financial year, the DBAG Group financed its activities from its financial resources – cash and interest-bearing securities – backed by a very high **CAPITAL-TO-ASSETS RATIO** of 92.7 percent (previous year: 91.1 percent). At 30 September 2015, the Group recorded equity capital of 303.1 million euros. One year ago, it had totalled 303.0 million euros; of that amount, dividends of 27.4 million euros were paid to shareholders. The equity capital at 30 September 2015 contained unrealised gains of 0.4 million euros on available-for-sale securities.

NON-CURRENT LIABILITIES, totalling 8.9 million euros at 30 September 2015, were down on the previous year's 9.7 million euros. This item primarily contains provisions for pension obligations (8.7 million euros; previous year: 9.4 million euros). The present value of pension obligations exceeds the fair value of plan assets by that amount. Unlike in financial years up to 2011/2012, we again chose not to balance the current underfunding by an allocation to plan assets. We want to maintain the availability of the required funds in the event of rising interest rates and then avoid possible overfunding. At 30 September 2015, the underfunding had already decreased slightly due to a rise in the reference interest rate.

CURRENT LIABILITIES amounted to 15.1 million euros at the reporting date (previous year: 19.8 million euros). Provisions for performance-linked remuneration not yet paid totalled 10.8 million euros (previous year: 12.6 million euros). As in the past, the Group had no liabilities to banks.

Financial resources: Significantly lower following new investment

The Group had financial resources of 58.3 million euros at 30 September 2015, which have decreased significantly year-on-year as planned. They consisted of two components: cash in the amount of 28.2 million euros and another 30.1 million euros recognised within current assets in line item **SHORT-TERM SECURITIES** (3.7 million euros) and within non-current assets in line item **LONG-TERM SECURITIES** (26.4 million euros). To improve interest income without changing the risk position, we invested liquid funds in fixed-income bonds with maturities of between two and three years. These bonds typically provide a high degree of liquidity and low price risk; a part of these bonds had a term of less than one year at the end of the period.

TEN-YEAR SUMMARY OF FINANCIAL POSITION

€mn	31 Oct. 2006	31 Oct. 2007	31 Oct. 2008	31 Oct. 2009	31 Oct. 2010	31 Oct. 2011	31 Oct. 2012	31 Oct. 2013	31 Oct. 2014[1]	**30 Sept. 2015[1]**
Financial assets	121.5	209.6	138.3	137.2	129.9	93.5	150.7	166.8	163.4	247.7
Securities/cash	164.7	155.8	105.2	124.0	140.7	155.6	105.8	98.3	140.7	58.3
Other assets	33.8	29.1	28.7	27.0	45.5	30.8	42.5	45.6	28.5	21.2
Equity	289.0	353.6	244.8	256.8	273.9	238.9	266.2	278.4	303.0	303.1
Liabilities/provisions	31.1	40.8	27.4	31.5	42.2	41.0	32.8	32.3	29.6	24.1
Total assets	320.1	394.4	272.3	288.3	316.1	279.9	299.0	310.7	332.6	327.2

1 IFRS 10 was first adopted as per 30 September 2015; a comparison with financial years 2012/2013 and earlier is therefore biased.
The data as at 31 October 2014 was restated compared with the previous year's presentation.

Comparison of actual and projected business performance

All targets reached or exceeded

The forecast issued in January 2015 was based on a full financial year, not on an eleven-month truncated year. For that reason, a projected/actual comparison is only meaningful to a limited extent. With that limitation, we reached or exceeded all targets.

Net income for the eleven-month period exceeded the corridor defined for the full financial year. The key performance indicator – the return on net asset value per share – significantly surpassed the forecast; that also applies to the net result of investment activity. Fee income from fund management and advisory services did not quite reach the targeted corridor – this is reflective of the shortened financial year. The net expense ratio therefore deteriorated as expected, but remained within the projected range. Financial resources declined, as planned.

SUMMARY OF ASSESSMENT BY BOARD OF MANAGEMENT ON THE ECONOMIC TREND AND ACHIEVEMENT OF OBJECTIVES (PROJECTED/ACTUAL COMPARISON)[1]

	Actual 2013/2014	**Projected 2014/2015**	**Actual 2014/2015**
	12 months	**12 months**	**11 months**
Net income	€48.0mn, thereof income contribution from disposals (largely Homag Group AG) €24.7mn; comparable basis: €23.3mn	On comparable basis slightly in excess of prior year	€27.0mn
Return on net asset value per share	15.9% with assumed cost of equity of 8.0%	To reach cost of equity	10.0% with cost of equity of 5.0% p.a., equating to 4.6% for eleven months
Net result of investment activity	€50.7mn, thereof contribution from disposals (largely Homag Group AG) €28.9mn; comparable basis: €21.8mn	Without considering disposal gains moderately in excess of prior year	€29.2mn
Net expense ratio	0.3%	Significantly in excess of prior year, but less than 2%	1.4%
Fee income from fund management and advisory services	€22.2mn	Slightly below prior year	€19.2mn
Financial resources	€140.7mn	Significantly lower	€58.3mn

1 For a definition of the terms "slight", "moderate" and "significant", see page 110.

Business performance by segments

Since the beginning of the 2014/2015 financial year, we have been reporting on the two segments, the investment business (Private Equity Investments) and fund management and advisory services (Fund Investment Services). This further enhances the transparency of our reporting, thereby facilitating the stock market in assessing DBAG shares.

Segment of Private Equity Investments: Net income on comparable basis significantly in excess of previous year

NET INCOME SEGMENT OF PRIVATE EQUITY INVESTMENTS

€mn	**2014/2015**	2013/2014
	11 months	12 months
Net result of investment activity	29.2	50.7
Other income/expenses	(4.3)	(10.3)
Net income before taxes	**24.9**	**40.4**

The pre-tax net income for the segment of **PRIVATE EQUITY INVESTMENTS** declined to 24.9 million euros in 2014/2015, compared with 40.4 million euros in the preceding year. The decline reflects the exceptionally high net result of disposal that arose from the Homag transaction the year before; 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 entered into in 2012 and 2013, from which value gains are now being generated. Total other income/expenses, which is the net amount of internal management remuneration, personnel costs, other operating income and expenses as well as net interest, improved by 6.0 million euros on the previous year – the Homag transaction had a considerable effect here as well (performance-related remuneration, transaction costs).

Segment of Fund Investment Services: Clearly down on previous year

NET INCOME SEGMENT OF FUND INVESTMENT SERVICES

€mn	**2014/2015**	2013/2014
	11 months	12 months
Fee income from fund management and advisory services	20.5	24.5
Other income/expenses	(18.3)	(16.4)
Net income before taxes	**2.2**	**8.0**

THE SEGMENT OF FUND INVESTMENT SERVICES recorded pre-tax net income of 2.2 million euros, which compares with 8.0 million euros for the prior year. In addition to the shorter eleven-month period, the decrease mirrors two effects: first, fee income from fund investment services

Determination of variable remuneration pages 82 and 89ff.

decreased as expected (20.5 million euros, following 24.5 million euros), since fee income from DBAG ECF was lower and managed assets declined following realisations from the portfolio; second, personnel costs were higher this financial year than last.

Financial and non-financial performance indicators

Return significantly exceeds cost of equity: Net asset value per share rose by 10.0 percent in truncated 2014/2015 financial year

The return on net asset value per share is our core performance indicator. It discloses, by way of the movement in financial assets and the net result of fund investment services, to what extent the portfolio companies' performance contributed to a change in net asset value. This past financial year, net asset value, at 22.16 euros, remained nearly unchanged; however, a dividend of 2.00 euros per share was paid. Comprehensive income, which is relevant in determining the return, amounted to 27.4 million euros. The total return on net asset value after eleven months thus reached 10.0 percent and significantly exceeded the cost of equity of 4.6 percent (for the truncated eleven-month financial year; corresponds to 5.0 percent on an annual basis).

Our business is strongly influenced by irregular transactions (investments in portfolio companies and their disinvestment). It is also significantly determined by external factors beyond our control (e.g. cyclical trends or stock market conditions). Changes in valuation ratios may temporarily obliterate the value gains achieved by the portfolio companies through higher margins or an improved strategic positioning. Management and advisory fee income only encompasses a comparatively small portion of the net result of fund services and investment activity that is recurrent and readily forecastable. For that reason, we assess our performance based on the average return on net asset value per share over a longer horizon. Over the past ten-year period (2005/2006 to 2014/2015), we achieved an average return on net asset value after taxes of 14.3 percent. This is almost seven percentage points in excess of the average cost of equity, which, according to our computation for that period, was about 7.5 percent.

Performance: Aggregate total return of 206 percent since 31 October 2005

Taking dividends and surplus dividends into account, DBAG recorded an aggregate total return of 206 percent based on net asset value per share in the period of nearly ten years from 31 October 2005 to the end of the past truncated financial year; this equates to an average annual total return of 12.0 percent over this ten-year period.[20] Total return is a key indicator for the performance of listed private equity companies and allows a comparison with other equity investments over longer periods of time, for example, with the performance of stock indices or stock funds.

20 The calculation implies a reinvestment of dividends and surplus dividends in net asset value per share in each case at the end of the second quarter of a financial year (formerly 30 April); the dividend has so far usually been paid at the end of March.

People: Low fluctuation, long years of service

Personal performance and a team-based work environment are key characteristics of our corporate culture. We attach great importance to treating each other and our business partners with respect. In our daily work, we emphasise a high level of professionalism and stable processes. In doing so, we utilise our lean structures and short decision-taking routes. This has the advantage that the members of the Board of Management are in regular contact with most employees and learn, for instance, about the extent of the staff's satisfaction not by indicators, but in everyday interaction. This past financial year, 86 percent of staff participated in an employee survey. More than 90 percent are very satisfied or satisfied with the latitude they have for their daily routine; 90 percent also stated that they are very satisfied or satisfied with the work climate in the Company.

The private equity business involves managing heavy workloads. Assignments within our organisation call for a high degree of identification with the role. We endorse this by fostering a culture of direct communication, lean reporting lines and team-based project organisation. We also delegate responsibility early on.

We attach particular importance to nurturing a corporate culture in which loyalty to the Company can prosper. One measure for this is the staff's years of service to the Company: investment managers and senior executives have been with DBAG for an average of more than nine years (previous year: eight years). Staff fluctuation at Deutsche Beteiligungs AG is low: it averaged approximately five percent over the past ten years. In 2014/2015, two employees left the Company, which corresponds to a rate of about three percent.[21]

	Number of staff	Number of departures	Fluctuation rate %
Financial year 2014/2015	62	2	3.2
Average over financial years 2005/2006 to 2014/2015	51	3	5.3

Our performance thrives on the professional and personal skills of our people at all levels and in all areas of the Company. The members of our investment team need to identify the right businesses for an investment; they need to recognise the potential and support the managements of these businesses in tapping that potential. Ultimately, they need to conduct the process of profitably realising the investment. In addition to excellent management skills and sector knowledge, this calls for keen leadership and motivation qualities, communication skills and social competency.

We regularly strive to develop these competencies in our staff. This past year again, more than half of the staff participated in further education and training programmes. In selecting the right programmes, we endeavour to match the training with personal development needs.

21 The representation does not include apprentices, employees with a fixed-term work contract and retiring employees.

Staff profile: Higher share of female employees

At 30 September 2015, Deutsche Beteiligungs AG employed a staff of 31 female und 25 male employees (without the members of the Board of Management), or a total of 56, which is five more than at last year's closing date. The share of female employees increased from the previous year's 51 percent to 55 percent. Our personnel recruitment and development is aimed at fostering talent; it is oriented around their qualification, independent of an applicant or employee's gender. In sum, two thirds of the new employees hired over the past three financial years were women; this also applies to the new members on the investment team.

	30 Sept. 2015	31 Oct. 2014
Number of employees (without Board of Management)	62	56
thereof, full-time	51	46
thereof, part-time	5	5
thereof, apprentices	6	5

Additionally, six apprentices are currently qualifying for their future professions; this represents an apprenticeship quota of nearly ten percent. The staff's average age is 39 years (previous year: 38 years). Not included in these figures are the three female employees and one male employee on parental leave at the reporting date.

During the reporting year, we offered ten students (previous year: also ten) an internship for a period of several months, allowing them to gain insight into the responsibilities of an investment manager. We prefer to award the internship to students who are about to complete their studies. We use this instrument to present DBAG as an interesting employer. Through our consistent business model, our corporate culture of collaborative interaction and our attractive working conditions, we again succeeded in attracting highly qualified people.

Employee compensation: Variable components scheme refined

The compensation system at Deutsche Beteiligungs AG is geared to endorsing performance and – in addition to a motivating work environment – offering a financial incentive to attract and retain key staff, while also driving DBAG's performance. In the past financial year, we refined this system.

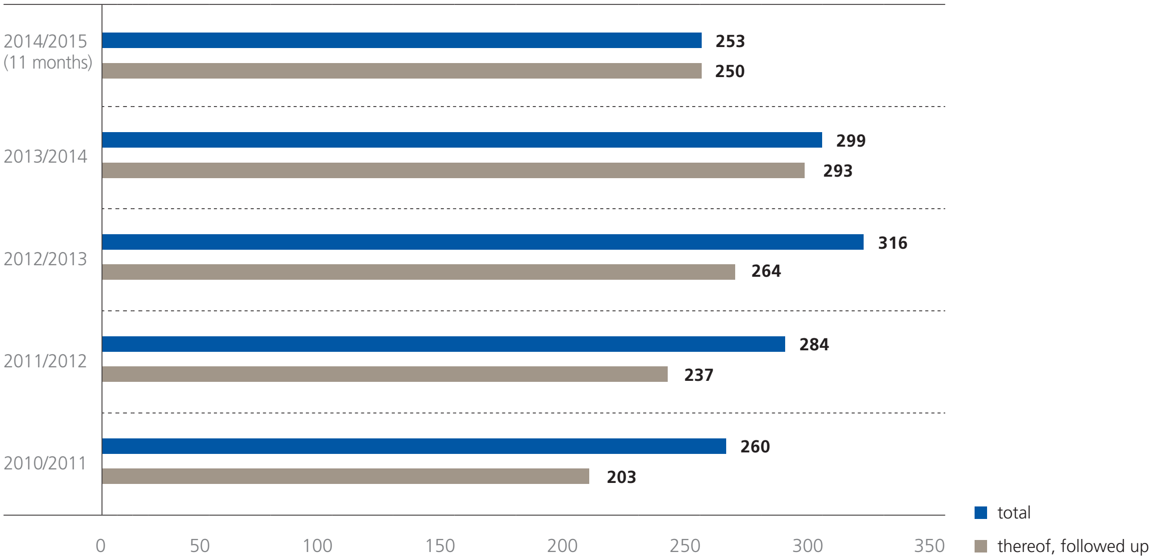
The variable income components for key members of the investment team will now be oriented more strongly around personal contributions to the long-term performance of DBAG. Our performance depends on entering into new investments, good portfolio performance and profitable realisations. This could mean that – as for 2014/2015 – variable remuneration may increase even though net income turns out lower than that of the prior year. The seven new investments entered into in 2014/2015 constitute the basis for future value growth. In 2014/2015 for the first time, the variable components are oriented more strongly around these three factors. The variable components for the other members of the investment team as well as other staff also reward personal performance. They are also geared to a smaller extent to the Company's performance.

As a listed company, DBAG offers active employees an employee share purchase plan. In the reporting year, 79 percent of the staff took advantage of the offer (previous year: 69 percent).

Transaction opportunities: High proportion of proprietary deal flow

In addition to participating in auctions, our network assists us in originating transaction opportunities through a proprietary deal flow. In 2014/2015, nearly 20 percent of all transaction opportunities originated that way – either the owners of companies addressed us or we addressed companies directly. The comparative year saw a higher proportion of almost 30 percent.

TRANSACTION OPPORTUNITIES



In 2014/2015, we screened 253 investment opportunities; 184 related to potential MBOs and 69 concerned expansion financings. This represents a marginal decline compared with the previous year's 299 opportunities, which, however, is put into perspective by the shortened eleven-month year. The proportion of transaction opportunities that were initially followed up declined from 84 to 77 percent.

The share of potential investments operating in our core sectors, which primarily include mechanical and plant engineering, automotive suppliers, industrial services and the production of industrial components, is still almost 50 percent.

Financial review of Deutsche Beteiligungs AG (commentary based on the German Commercial Code – HGB)

The management report on Deutsche Beteiligungs AG and the Group management report for the truncated 2014/2015 financial year are presented combined, in conformity with § 315 (3) HGB in connection with § 298 (3) HGB. The presentation of the economic position of DBAG is based on an abridged balance sheet and an abridged profit and loss account derived from the balance sheet and profit and loss account as prescribed by HGB. The complete annual financial statements of DBAG based on HGB are published in the "Bundesanzeiger" (Federal Gazette), together with the consolidated financial statements.

When comparing the current data with that of the preceding year, it should be kept in mind that the 2014/2015 financial year was a short eleven-month financial year. The previous year's profit was significantly influenced by a high capital gain on the disposal of a large investment (Homag Group AG). The net effect (after considering performance-related remuneration) from the previous year's disposals amounted to 54.5 million euros. A year-on-year comparison is therefore limited.

Earnings position

Overall assessment: Balanced result through gains on smaller disposals and current income from portfolio companies

In 2014/2015, DBAG recorded a profit for the year after eleven months of 2.2 million euros, or 63.2 million euros below that of the preceding 2013/2014 financial year (65.4 million euros); for that year, a total dividend of 2.00 euros per share was paid in March 2015, which consisted of a base dividend of 0.40 euros per share and a surplus dividend of 1.60 euros per share. Whereas in the preceding year an exceptionally large investment (Homag Group AG) was very profitably divested, no investments in portfolio companies were ended by way of a sale in 2014/2015. Fee income from fund management and advisory services remained nearly stable and formed the basis of this year's slightly positive result.

Net result of fund services and investment activity: Significantly lower following very profitable prior year

Overall, the net result of fund services and investment activity, totalling 24.6 million euros, was clearly lower than that of the exceptionally profitable preceding year (90.6 million euros); no appreciable disposals of investments took place in 2014/2015, which normally determine the **NET RESULT OF VALUATION AND DISPOSAL**.

ABRIDGED PROFIT AND LOSS ACCOUNT OF DEUTSCHE BETEILIGUNGS AG (BASED ON HGB)

T€	**2014/2015**	2013/2014
	11 months	12 months
Net result of valuation and disposal[1]	(16,979)	58,590
Current income from financial assets	22,390	11,963
Fee income from fund management and advisory services	19,199	20,093
Net result of fund services and investment activity	**24,610**	**90,646**
Personnel expenses	(14,882)	(16,434)
Other operating income (without write-ups)	2,687	4,002
Other operating expenses	(7,821)	(10,812)
Depreciation and amortisation on intangible assets and property, plant and equipment	(506)	(416)
Income from other securities and loans within financial assets	943	473
Other interest and similar income	263	191
Interest and similar expenses	(3,076)	(1,810)
Total other income/expenses	**(22,392)**	**(24,806)**
Result of ordinary activity	2,218	65,840
Income taxes	0	(405)
Other taxes	(19)	(7)
Profit for the year	**2,199**	**65,428**

1 The net result of valuation and disposal is composed of profit-and-loss items "Income from disposals of investments" of €3.6mn (previous year: €58.6mn) and write-ups in the financial year of €0.0mn (previous year: €0.3mn) that are recognised in item "Other operating income". "Losses on disposals of investments" and "Write-downs on financial assets" in the amount of €20.6mn (previous year: €0.4mn) were deducted.

It is determined by gains or losses from disposals of investments as well as write-downs netted against write-ups on investments contained in the portfolio at the reporting date. Write-downs and write-ups are performed at the lower of cost or market and the applicable procedure for reversals of impairment losses. The upper ceiling for write-ups is the historical cost. The net result of valuation and disposal of -17.0 million euros (previous year: 58.6 million euros) contains gains on disposals of 3.6 million euros stemming from divestments from the portfolios of international buyout funds as well as from successful transactions of former financial years. However, it largely reflects the write-down on an associate, after this entity distributed 20.0 million euros to the parent company for liquidity management reasons.

This distribution of 20.0 million euros determined the **CURRENT INCOME FROM FINANCIAL ASSETS** of 22.4 million euros, which is 10.4 million euros in excess of the prior year's 12.0 million euros. This distribution, which is typical of the business, stems from retentions on disinvestments of previous periods, but primarily also from the maturity of securities in which free liquidity had previously been invested. Also recognised herein are profit distributions and interest income from portfolio companies totalling 2.4 million euros (previous year: 2.5 million euros).

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES of 19.2 million euros (previous year: 20.1 million euros) comprises the fees earned for the eleven-month period. DBG Fonds I contributed 1.5 million euros towards this item for the last time.

Other income/expenses: Lower due to reduced personnel costs

The net amount of Other income/expenses of -22.4 million euros was somewhat less than the previous year's -24.8 million euros.

Contained herein are **PERSONNEL COSTS** of 14.9 million euros. They decreased by 1.6 million euros, because variable emoluments linked to the performance of individual transactions were considerably lower; the shortened financial year also had an effect.

OTHER OPERATING INCOME without write-ups declined from 4.0 million euros to 2.7 million euros. Now that consultancy costs in connection with screening investment opportunities are charged by the management company directly to the funds, these income and expense items will decrease at DBAG.

OTHER OPERATING EXPENSES amounted to 7.8 million euros in the financial year, or 3.0 million euros below those of the prior year (10.8 million euros). The largest position in other operating expenses are the external expenditures for screening investment opportunities (partly chargeable to the DBAG funds); these costs decreased from 2.7 million euros (2013/2014) to 1.4 million euros (2014/2015), due to the change described.

The **FINANCIAL RESULT** was negative (-1.9 million euros; previous year: -1.1 million euros); it again was considerably lower than that of the preceding year. Slightly higher income from interest and securities of 1.2 million euros (previous year: 0.7 million euros) is due to a larger securities position on an annual average and the moderate rise in interest rate levels. However, the interest rate used to calculate pension obligations in the HGB format declined again, namely from 4.62 percent to 4.07 percent.[22] Interest expenses therefore rose by 1.3 million euros to 3.1 million euros.

Profit of 2.2 million euros for the year

Deutsche Beteiligungs AG posted an annual profit of 2.2 million euros for financial year 2014/2015, following 65.4 million euros in the preceding year. The Company's return on equity was 0.9 percent, compared with the prior year's 23.2 percent. Including the profit carried forward from the previous year and the dividend payment, the retained profit amounted to 67.1 million euros.

Asset position

Asset structure changed following high level of investment

The major asset positions of Deutsche Beteiligungs AG are the **DIRECTLY HELD INVESTMENTS** that are shown in "Investments", in addition to **EQUITY SHARES IN ASSOCIATES**, which, for their part, hold further investments: until 2006, DBAG primarily held investments directly; since then, these are held indirectly as a result of the structure of DBAG funds. Also, non-current

22 It is determined by the Deutsche Bundesbank and considers the average interest rate trend over the past seven years. In deviation from that, the interest rate of 2.08 percent (previous year: 1.78 percent) used in the consolidated financial statements is based on the annual interest rate movement in corporate bonds.

assets include investment securities; these securities constitute significant parts of the financial resources of DBAG. Together with cash and cash equivalents, these resources are available for future investment.

Interests in associates rose by 48.1 million euros, up from 128.0 million euros to 176.1 million euros in financial year 2014/2015. The increase is due to extensive investment in seven new portfolio companies and financial support for existing investments for add-on acquisitions. Conversely, the distribution-related write-down on the interest held in an associate accounted for a charge of 20.0 million euros.

The value of directly held investments declined significantly to 17.7 million euros (previous year: 19.9 million euros). Investments are made indirectly, write-ups are capped at acquisition cost, and there were no impairment losses to be recognised.

Investment securities were used to finance investments and therefore decreased in the financial year in net terms by 67.4 million euros to 29.7 million euros.

ABRIDGED BALANCE SHEET OF DEUTSCHE BETEILIGUNGS AG (BASED ON HGB)

T€	**30 Sept. 2015**	31 Oct. 2014
Equity shares in associates	176,073	128,013
Investments	17,700	19,900
Loans to portfolio companies	2,516	0
Long-term securities	29,707	97,073
Other non-current assets	1,801	1,455
Non-current assets	**227,797**	**246,441**
Receivables and other assets	28,718	27,309
Cash and cash equivalents	15,629	23,302
Current assets	**44,347**	**50,611**
Prepaid expenses	**291**	**344**
Miscellaneous assets	**0**	**1,908**
Assets	**272,435**	**299,304**
Subscribed capital	48,533	48,533
Capital reserve	141,394	141,394
Retained earnings	403	403
Retained profit	67,123	92,276
Equity	**257,453**	**282,606**
Provisions	**14,366**	**16,481**
Liabilities	**616**	**217**
Liabilities	**272,435**	**299,304**

Current assets: Decreased due to lower cash position

Current assets declined in the past financial year: at 30 September 2015, they amounted to 44.3 million euros, or 6.3 million euros less than those of the previous year. Cash and cash equivalents accounted for approximately one-third of current assets at the reporting date; another constituent under this item was a receivable from a portfolio company arising from non-distributed profit entitlements.

Provisions: Lower than in the previous year

Provisions amounted to 14.4 million euros, or 2.1 million euros less than those of the previous year (16.5 million euros). Provisions were chiefly made to cover performance-related income components; 6.0 million euros thereof are attributable to the reporting year, and 4.8 million euros were made over the last eight financial years, but are still subject to a payout stop. Pension provisions of 1.1 million euros were made for the first time; in the preceding year, the fair value of plan assets had still exceeded pension obligations.

Financial position

Particularities in assessing financial position: Cash flow characterised by irregular outflows

The **FINANCIAL RESOURCES** reported at the end of the period of 45.3 million euros (investment securities of 29.7 million euros and cash and cash equivalents of 15.6 million euros) are available to meet investment commitments. Based on the investment progress planned for the coming three to four years, DBAG will have an average liquidity requirement of some 50 million euros annually; the actual requirement may fluctuate strongly.

Capital structure: No liabilities to banks

In financial year 2014/2015, DBAG financed its activities from its available financial resources. At 30 September 2015, the Company reported equity of 257.5 million euros, which compares with 282.6 million euros at 31 October 2014; of that amount, a dividend of 27.4 million euros was paid to shareholders in March 2015. The **CAPITAL-TO-ASSETS RATIO** of 94.5 percent (previous year: 94.4 percent) remained very high.

Comparison of actual and projected business performance

Profit for the year: Business trend confirms forecast

In 2013/2014, the profit for the year of 65.4 million euros largely derived from a highly profitable disposal. Whether such a disposal would be possible in 2014/2015 was not foreseeable at the beginning of the financial year. For that reason, we had forecast that the profit for the year would clearly “fall short of that posted for the past financial year” of 2013/2014. This financial year’s result confirms that forecast.

Significant events after the end of the period

In October 2015, a loan agreement on the recapitalisation of the investment in Schülerhilfe GmbH was concluded. The company has made very good progress since the start of the investment. The annual profits were largely used to repay the original acquisition financing; thus, the recapitalisation can now be used to optimise the company's capital structure. DBAG will record inflows of 8.8 million euros from this transaction, which equates to 90 percent of the amount originally invested in October 2013 of 9.8 million euros.

Additional statutory information and commentary

Remuneration report

Management remuneration: Geared to assignment, personal and company performance

The Supervisory Board decides on the remuneration framework and all remuneration components for the members of the Board of Management. Shareholders at the 2011 Annual Meeting approved the system. Total remuneration for the members of the Board of Management consists of the following components:

- a fixed annual salary,
- a one-year variable remuneration,
- a multi-year variable remuneration,
- fringe benefits and,
- where applicable, pension benefits.

Criteria for the appropriateness of remuneration levels are, in particular, the responsibilities of the respective Board of Management member, his/her personal performance, and the financial position, performance and prospects of DBAG. To that end, the structure and level of schemes common to the private equity industry, which are required to attract and retain qualified key personnel, are considered.

Insofar as the members of the Board of Management receive emoluments for offices held in other companies, these are transferred to DBAG. A severance pay cap is provided for in the service contracts of all Board of Management members. The D&O (directors' and officers') liability insurance which the Company has taken out contains a deductible for the Board of Management members. No advances or loans have been granted to Board of Management members.

NON PERFORMANCE-LINKED REMUNERATION consists of a fixed base salary paid on a monthly basis and fringe benefits. Fringe benefits largely pertain to the amounts based on applicable tax rules for the use of a company car.

ONE-YEAR VARIABLE REMUNERATION is linked to the personal performance of the Board of Management members over the past financial year and can reach a maximum of half the fixed base salary. Personal performance is determined by the Supervisory Board at its equitable discretion.

MULTI-YEAR VARIABLE REMUNERATION is based on the Company's performance over the reference period. The reference period comprises the reporting year and the two prior financial years. The Supervisory Board determines the Company's performance based on the return on net asset value. Eligibility for this component starts when the return reaches a minimum of the cost of equity on average over a three-year period; the maximum amount is reached at 20 percent.

In its meeting on 20 October 2015, the Executive Committee of the Supervisory Board discussed the amount of both variable remuneration components for the truncated 2014/2015 financial year and recommended them to the Supervisory Board. The Supervisory Board approved the recommendation and fixed the variable remuneration for the three members of the Board of Management at a total of T€1,020. Of that amount, T€720 are attributable to one-year variable remuneration and represent the maximum amount possible for each member of the Board of Management. The multi-year variable remuneration was fixed uniformly at approximately 42 percent of the maximum amount possible and totals T€300.

Allowing the investment team to share in the long-term performance of investments is standard in the private equity industry. To that end, the focus is commonly not on the performance of a single investment. Rather, the profit effects of a pool of investments made over a specific investment period are considered. This procedure therefore also reflects downside developments. For that reason, the remuneration for the Board of Management members who are concurrently members of the investment team consists of further variable components. These allow the Board of Management members to participate in the investment performance of DBAG and therefore have a long-term incentive effect. In the past years, the design of these variable components was adapted in conformity with the changed practice in the private equity sector. Currently, there are two models in place that are orientated around the relevant investment period:

- The profit-sharing scheme for investments entered into up to the year 2000 is geared to the return on net asset value of DBAG. Profit-sharing awards are only granted if the return on net asset value for the reporting year exceeds the mark of 15 percent before taxes and bonuses. The computation base of net asset value relates exclusively to investments included in this variable component, which chiefly consists of the investment in Grohmann GmbH. The future significance of this variable income component is therefore comparatively low. For current members of the Board of Management who concurrently are members on the investment team, follow-on income components of T€28 (previous year: T€ 1.006) fell due in 2014/2015 from a disinvestment in August 2007 upon completion of the tax assessment on this transaction. Only those current and former Board of Management members who joined DBAG prior to August 2000 receive this remuneration component.

- The scheme installed for investments made from 2001 to 2006 is common practice in the private equity industry. Profit-sharing awards are granted beginning at a minimum return on the investments of eight percent annually after calculatory costs of two percent. They are exclusively paid from realised profits. The entitlement of current Board of Management members under this profit sharing scheme totals T€176 for the truncated 2014/2015 financial year; the basis for this are disposals from the portfolios of the two international buyout funds, Harvest Partners IV and DBG Eastern Europe II. The previous year's amount was T€372. Two thirds of these entitlements are paid after the close of the respective financial year. Entitlement to the remaining one third is subject to a final review after the disinvestment phase of all investments involved has been completed, and is paid out in the amount of the remaining final entitlement.

Performance-related components of this kind will no longer be awarded for co-investments entered into since 2007, i.e., the commencement of the investment period of DBAG Fund V, nor for those that will be made in the future. The members of the Board of Management who are also members of the investment team have since then been sharing in the performance of these investments through a private co-investment. This is detailed in note 39 to the consolidated financial statements "Information based on IAS 24, Carried interest investments by key management staff".

PENSION COMMITMENTS to members of the Board of Management are based on two models. Commitments to Board of Management members initially appointed to the Board up to 1 January 2001 provide for defined annual pension benefits. Members appointed later to the Board participate in a contribution plan. This plan is also applicable to other staff of Deutsche Beteiligungs AG; it has been closed to employees exempt from collective agreements and members of the corporate bodies since the beginning of financial year 2004/2005. Board of Management members appointed for the first time to the Board since then do not receive pension benefits.

Pension arrangements for Torsten Grede provide for defined annual pension benefits; they amount to T€87. At 30 September 2015, the present value of this pension obligation was T€1,475 (31 October 2014: T€1,522). Dr Rolf Scheffels participates in a contribution plan: for each year of service, a one-time pension contribution is paid that is measured by a percentage of the total compensation paid for that year. The annual retirement benefit component amounts to 0.75 percent of total compensation, and six percent on those parts of the emoluments exceeding the income threshold set by the state pension plan, each multiplied by an age factor that decreases with increasing age. The annual contribution for Board of Management members is based solely on the fixed salary. The accrued pension capital for Dr Scheffels is capped at a contribution that corresponds to an annual pension entitlement of T€87. At 30 September 2015, the cap did not have an effect. The present value of pension commitments to Dr Scheffels at 30 September 2015 amounted to T€1,183 (previous year: T€1,154).

The **REMUNERATION** for Board of Management members in the truncated 2014/2015 financial year totalled T€2,808 (previous year: T€4,108); of that amount, T€107 are attributable to pension expenses (previous year: T€116).

Remuneration granted	Torsten Grede Spokesman of the Board of Management				Dr Rolf Scheffels Member of the Board of Management				Susanne Zeidler Chief Financial Officer			
T€	2013/2014	2014/2015			2013/2014	2014/2015			2013/2014	2014/2015		
	12 mos	11 mos	min. 11 mos	max. 11 mos	12 mos	11 mos	min. 11 mos	max. 11 mos	12 mos	11 mos	min. 11 mos	max. 11 mos
Fixed salary (not linked to performance)	560	513	513	513	560	513	513	513	300	413	413	413
Fringe benefits	12	11	11	11	12	12	12	12	16	15	15	15
Total	**572**	**524**	**524**	**524**	**572**	**525**	**525**	**525**	**316**	**427**	**427**	**427**
Performance-linked component (one-year variable remuneration)	280	257	0	257	280	257	0	257	150	206	0	206
Component with long-term incentive effects (multi-year variable remuneration)												
Bonus for Company's long-term performance	175	107	0	257	175	107	0	257	94	86	0	206
Profit-sharing up to 2000	503	14	0	770	503	14	0	770	0	0	0	0
Profit-sharing 2001 to 2006	232	110	0	770	140	66	0	770	0	0	0	0
Total	**1,762**	**1,012**	**524**	**2,577**	**1,670**	**969**	**525**	**2,578**	**560**	**720**	**427**	**840**
Pension service costs	62	57	57	57	54	50	50	50	0	0	0	0
Total remuneration	**1,824**	**1,069**	**582**	**2,635**	**1,724**	**1,019**	**576**	**2,629**	**560**	**720**	**427**	**840**

Follow-on remuneration to former Board of Management members arising from performance-linked profit-sharing schemes for older investments (investments entered into up to 31 December 2000 and from 2001 to 2006) amount to T€193 (previous year: T€1,479).

In 2014/2015, the following disbursals were paid out to the members of the Board of Management:

Remuneration disbursed	Torsten Grede Spokesman of the Board of Management		Dr Rolf Scheffels Member of the Board of Management		Susanne Zeidler Chief Financial Officer	
T€	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Fixed salary (not linked to performance)	513	560	513	560	413	300
Fringe benefits	11	12	12	12	15	16
Total	**524**	**572**	**525**	**572**	**427**	**316**
Performance-linked component (one-year variable remuneration)	257	280	257	280	206	150
Component with long-term incentive effects (multi-year variable remuneration)						
Bonus for Company's long-term performance	175	37	175	0	94	0
Profit-sharing up to 2000	503	0	503	0	0	0
Profit-sharing 2001 to 2006	155	152	93	91	0	0
Other	0	0	0	0	0	0
Total	**1,614**	**1,040**	**1,553**	**944**	**727**	**466**
Pension service costs	57	62	50	54	0	0
Total remuneration	**1,671**	**1,102**	**1,603**	**998**	**727**	**466**

This past financial year, the sum of T€843 (previous year: T€842) was paid to former Board of Management members or their surviving dependents. The present value of pension obligations to former Board of Management members or surviving dependents totalled T€22,074 at the end of the reporting period (previous year: T€23,266).

More information in the notes to the consolidated financial statements page 161

Supervisory Board compensation: Two components

The remuneration for members of the Supervisory Board is determined by shareholders at the Annual Meeting. It is based on a resolution passed at the Annual Meeting on 26 March 2013 and consists of two components: an annual fixed fee of T€50 and bonuses for the chairmanship, vice chairmanship and committee membership. The Chairman of the Supervisory Board receives a maximum of twice the fixed fee, irrespective of his membership on various committees. The Vice Chairman of the Supervisory Board and the Chairman of the Audit Committee receive a maximum of one and a half times the fixed fee. Membership on the Executive Committee is compensated by one quarter of the fixed fee.

Remuneration paid to members of the Supervisory Board totalled T€355 in the truncated 2014/2015 financial year (previous year: T€388).

T€	Fixed fee	Bonus	**Total**
Andrew Richards (Chairman)	46	46	92
Roland Frobel	46		46
Wilken von Hodenberg	46		46
Philipp Möller	46	11	57
Dr Hendrik Otto	46		46
Gerhard Roggemann (Vice Chairman)	46	23	69
Total	**275**	**80**	**355**

In the truncated 2014/2015 financial year, members of the Supervisory Board did not receive fees for consultancy services.

The arrangements for the remuneration of the Supervisory Board are presented on the Internet at www.dbag.de/corporate-governance.

Takeover-related disclosures (§ 289 (4) and § 315 (4) German Commercial Code – Handelsgesetzbuch "HGB")

The share capital of Deutsche Beteiligungs AG amounted to 48,533,334.20 euros at the end of the reporting period on 30 September 2015. It is denominated into 13,676,359 no-par value registered shares. Arithmetically, the capital attributable to each share is approximately 3.55 euros. Various classes of shares do not exist. All shares carry the same rights and obligations. Except for any possible own shares on which the Company is not entitled to exercise rights, each no-par value share carries one vote. The right to vote begins when the shares are paid in full. Rights and obligations attached to the shares ensue from the statutory provisions, in particular §§ 12, 53ff., 118ff., and 186 German Stock Corporation Act (AktG).

In April 2015, the Company was notified in accordance with § 21 German Securities Trading Act (WpHG) that 19.93 percent of the voting rights were held directly by Rossmann Beteiligungs GmbH, Burgwedel, Germany. A decontrol agreement has existed between DBAG and Rossmann Beteiligungs GmbH since March 2013. According to the agreement, Rossmann Beteiligungs GmbH undertakes to exercise, for resolutions concerning the election or dismissal of Supervisory Board members, the voting rights attached to shares in DBAG attributable to the Rossmann group as a whole, now and in the future, within a scope of no more than 45 percent of the voting capital present at an Annual Meeting. The agreement is valid for a term of five years. The Board of Management knows of no other restrictions relating to voting rights or the vesting of shares.

In accordance with the Articles of Association of DBAG, the Board of Management consists of at least two individuals. Its actual number of members is determined by the Supervisory Board, which, pursuant to § 84 (1) German Stock Corporation Act (Aktiengesetz – AktG), appoints the members of the Board of Management for a maximum period of five years. A reappointment or prolongation for a maximum period of five years is admissible. A simple majority of the votes cast is required for appointments of members to the Board of Management. In the event of an equality of votes, the Chairman has the casting vote (§ 11 (4) of the Articles of Association). In accordance with the Articles of Association, the Supervisory Board may exempt all or individual members of the Board of Management, in general or in individual cases, from the restrictions in § 181 German Civil Code (Bürgerliches Gesetzbuch – BGB). To date, no use has been made of these provisions. Based on § 84 (3) AktG, the revocation of an appointment is only admissible for reasonable cause.

Amendments to the Articles of Association may be adopted pursuant to the provisions of §§ 179, 133 AktG and to § 5 (3) and (4) and § 17 of the Articles of Association. The Articles of Association of DBAG make use of the option to deviate from the required majority as stipulated by law and provide for basically adopting resolutions at the Annual Meeting by a simple majority of votes and, insofar as a majority of the share capital is required, by a simple majority of the share capital, except where the law or the Articles of Association determine otherwise. The Supervisory Board may adopt amendments to the Articles of Association that relate merely to the wording.

At the Annual Meeting on 23 March 2011, the Board of Management was authorised, in accordance with § 71 (1) No. 8 AktG, to purchase own shares of up to ten percent of the share capital up to and including 22 March 2016. The Board of Management may choose to acquire shares via the stock exchange or via a tender offer to all shareholders or an invitation to submit such a tender.

The Board of Management is authorised, subject to consent by the Supervisory Board, to resell own shares, for example, as consideration in conjunction with corporate acquisitions or mergers or acquisitions of investments in enterprises under suspension of shareholders' subscription rights in other ways than via the stock exchange or by a public offer to all shareholders.

Pursuant to the resolution adopted at the Annual Meeting on 24 March 2015, the Board of Management was authorised, with the consent of the Supervisory Board, to raise the share capital until 23 March 2020 by up to a total of €12,133,330.89 (Authorised Capital 2015) through one or several issues of new registered no-par shares in exchange for cash and/or non-cash contributions. Shareholders shall principally be granted subscription rights. The Board of Management is, however, authorised to exclude shareholders' subscription rights in certain instances and within a certain capital range.

In conjunction with the authorisation adopted at the Annual Meeting on 24 March 2015 concerning the issuance of warrant-linked bonds and/or convertible bonds for a total of up to 110,000,000.00 euros until 23 March 2020 with the option of excluding shareholders' subscription rights in certain instances and within a certain capital range, the share capital of the Company may be conditionally raised by up to €12,133,330.89 euros through the issuance of 3,419,089 new registered shares (Conditional Capital 2015/I). The conditional capital increase will only be executed insofar as holders or creditors of warrant-linked bonds and/or convertible bonds exercise their option or conversion rights, or fulfil their conversion obligation or, to the extent that the Company exercises its right of choice to service the entitlements by delivering shares in the Company instead of a cash settlement.

These authorisations are detailed in the respective resolutions passed at the Annual Meetings mentioned above. In the truncated reporting year, the Board of Management did not make use of the authorisations.

The members of the Board of Management do not have a special right to terminate their service contracts in the event of a change of control at Deutsche Beteiligungs AG. In this event, they are also not entitled to severance payments based on compensation agreements.

Corporate Governance Statement (§ 289a German Commercial Code – HGB)

The Corporate Governance Statement pursuant to § 289a HGB is permanently accessible at our website in section Investor Relations under Corporate Governance (www.dbag.de/management-declaration). It contains the Declaration of Conformity to the German Corporate Governance Code in accordance with § 161 AktG, information on corporate governance practices and the responsibilities and processes of the Board of Management and the Supervisory Board.

Opportunities and risks

Opportunity and risk management system

Objective: Optimise the reward/risk profile

The business policy of Deutsche Beteiligungs AG is targeted at increasing the value of DBAG by making profitable investments in portfolio companies. In other words: we take advantage of opportunities to invest in promising companies. To exploit these opportunities, it is crucial to have an effective opportunity management system in place, for instance, through ongoing market observation and structured analysis of identified and feasible potential investments.

Our risk management system has the objective of providing a comprehensive overview of the Group's risk profile. Events involving material negative financial effects for the Group in particular must be recognised promptly so that we can define and take counteraction to avoid, mitigate or manage these risks.

The management of opportunities and risks is our daily routine: we understand it as an integrated continual entrepreneurial process. The objective is to optimise the reward-risk profile. Risk that endangers the continuity of the company must be avoided.

Strategy: Appropriately monitor all phases of investment activity

The purpose of the risk management system is to identify, analyse, control and monitor risk exposure. In that context, the individuals responsible develop recommendations on the design of risk management processes, on an appropriate estimation of business-specific opportunities and risk and on utilising these opportunities.

Key risks and opportunities in our business relate to the four phases involved in our activities: the identification, acquisition, holding and disposal of investments. The management of opportunities and risks therefore considers detailed information from the operating business of the investment team in the analysis. Optimising the opportunity/risk profile begins when screening potential investments and extends to applying suitable instruments in monitoring and supporting our portfolio companies – the core of our operational business.

Structure: Responsibility for risk management system lies with Chief Financial Officer

The basis of the risk management system is a risk management manual, which, from our point of view, depicts and analyses exposure to all major risks. We document the specified action to control and monitor these risks. This is firmly embedded in the Group's workflows and achieved through organisational directives and the definition of processes. Additionally, there are numerous instruments and measures that we employ to monitor and manage specific entrepreneurial opportunities and risks. Risk management is the direct responsibility of the Board of Management; a risk manager has been appointed who reports directly to the CFO.

Processes: Board of Management regularly assesses opportunities and risks

The monitoring, adaptation and optimisation of the risk management framework are the responsibility of a risk manager, who reports to the responsible Board of Management member. The results of ongoing risk surveillance are presented to the complete Board of Management in a quarterly risk management report. Significant risks that emerge unexpectedly – for instance, from certain portfolio companies – must be reported immediately.

The Board of Management is directly involved in an appropriate evaluation of risks and opportunities and how they are addressed. It regularly reviews whether assessments have changed and which action is to be taken in response. Basically, a member of the Board of Management, who concurrently is a member of the investment team, is assigned to every portfolio company. This ensures that the entire Board of Management gains direct and prompt knowledge of any new developments in respect of opportunities and risks.

The Board of Management comprehensively informs the Supervisory Board on at least a quarterly basis about the Company's risk exposure and that of its investee businesses. In the event of an unexpected and material change in the exposure to risk, the Board of Management informs the Supervisory Board immediately.

Investment strategy aligned to objectives

Deutsche Beteiligungs AG basically invests only in established companies with proven business models. Our investee businesses should have a leadership position in their – possibly very small – market.

Co-investments in the form of expansion financings can generate a part of the earnings that are achievable from these investments as dividends or interest during the holding period. By contrast, the main part of the profit from MBOs is generally realised at the end of the holding period. The majority shareowner in an MBO is able to exert greater control. Based on our estimation and experience, expansion capital investments tend to have a lower risk profile than MBOs, since these target companies generally have lower levels of debt. Correspondingly, we expect somewhat lower returns on these investments.

The development of individual investee businesses directly affects the performance of the Company. Should an individual portfolio company exhibit a negative business trend and its value be impaired, such developments must not put the Company itself at risk. We therefore principally limit the amount invested in any one investment. The acquisition cost should not exceed ten percent of the Company's equity at the time of the investment. An asymmetrical development in the value of individual investments could, however, cause the value of an individual portfolio company to total more than ten percent of DBAG's equity.

DBAG focuses on investments in larger companies. Such companies tend to have a seasoned management team, a solid market position and are generally more stable, for instance, because they operate globally. Co-investments in larger companies will therefore tend to mitigate risk. Acquiring larger companies, and at the same time diversifying the portfolio by sectors, customer markets and business models by investing in many such companies, requires a broad capital base. DBAG achieves this together with the DBAG funds.

A diversified portfolio – both in terms of the number of investments and of various business models – not only mitigates risk, it also creates opportunities. DBAG primarily invests in companies with promising development potential. Such companies can be found in various sectors of Germany's 'Mittelstand'. In addition to companies with strongly cyclical business models, there are companies that serve relatively stable consumer demand and thereby mitigate the effects of cyclical swings. Nonetheless, the portfolio is focused on certain sectors. For instance, companies operating in the mechanical and plant engineering sector accounted for a significant proportion of 33 percent of the total portfolio at the end of the period. These mechanical engineering and plant construction companies, however, operate in very different niche markets and geographical regions so that in our opinion no particular sector risk exists.

Following the Company's intensive investment activity, the concentration in DBAG's portfolio declined this past financial year. At the reporting date, 40 percent of the portfolio value related to the five largest investee businesses, and another 23 percent to the five next largest portfolio companies, based on their IFRS value. Viewed from the risk management perspective, we consider this spread as being acceptable.

We enter into our co-investments without there being an obligation to provide follow-on financing for portfolio companies in times of crisis. Nevertheless, this could become advisable in certain instances for a number of reasons, such as ensuring earnings opportunities or for reputational reasons. We cannot rule out that such follow-on financings may become necessary in the future. In assessing a portfolio company's additional funding needs, we apply the same criteria as we do for new investments. However, additional aspects may be relevant for the decision. In certain circumstances, the risk for follow-on funding may be greater than for new investments.

Description of risk factors

	Probability of occurrence	Possible financial effects	Risk exposure vs. previous year
External and sector risks			
Economic cycles	likely	significant	greater
Changes in legal and taxation framework	possible	moderate	unchanged
Strategic and operational risks			
Access to investment opportunities	possible	significant	unchanged
Performance of portfolio investments	possible	significant	greater
Fundraising	possible	significant	unchanged
Personnel risks	possible	significant	unchanged
Operational risks	unlikely	significant	unchanged
Financial risks			
Equity for the financing of investments (liquidity)	unlikely	significant	greater
Availability of acquisition finance	possible	significant	unchanged
Currency and interest rate risks	possible	moderate	greater

Range of probability of occurrence: unlikely, possible, likely
Range of possible financial effects: moderate, significant, critical
Range of risk exposure: lower, unchanged, greater

The following – in the estimation of the Board of Management, major – individual risk factors could have a significant negative impact on the asset, financial and earnings position of Deutsche Beteiligungs AG, the price of DBAG shares and the Company's reputation. Other risks that may be unknown or currently regarded as insignificant could also affect DBAG's performance. Also described is how these risks are addressed by the opportunity and risk management system.

External and sector risks

Economic cycles: Selective investment process to mitigate risk exposure

The development of our portfolio companies is influenced by a variety of market factors. These include geographical and sector-related economic cycles, political and financial scenarios as well as commodity prices and currency rate trends. The performance of our portfolio companies – specifically, their earnings and financial position – determines the development of the investments' fair value, which, in turn, has a direct impact on the Group's earnings and financial position. Additionally, valuation ratios in the equity and financial markets are mirrored in the measurement of the fair value of our portfolio companies.

Information on the holding periods of current investments page 61

These market factors sometimes change at very short notice, and our ability to address them may, of course, be limited. Short-term results, however, are not decisive for success in private equity. Our investment decisions are based on strategic plans that target value creation over a span of several years. The holding periods for investments generally extend beyond the length of individual cyclical phases. We held the 13 MBOs that were realised over the past ten financial years for an average of about six years.

We address the opportunities and risks involved in economic cycles through a careful selection of portfolio companies. The basis for this is our investment strategy. However, our investment decisions are also driven by other specific considerations – not least by the purchase price for new investments, which must hold out prospects of achieving returns on the investment commensurate with the risk involved.

The businesses of most of our portfolio companies are internationally diversified and have different geographical focuses. Specific country-related economic trends should, as a rule, not materially impact the performance of the total portfolio. However, in times of massive global downturns, negative impacts on the portfolio companies and their valuation may be unavoidable.

Legal and taxation framework: Currently no new risks perceivable

Our business is subject to many different regulatory and fiscal influences. These have an effect on the immediate investment business as well as on opportunities to raise, manage and advise funds. This gives rise to risks, but occasionally may also create opportunities for the Company.

There is still a certain degree of legal uncertainty about the interpretation of the German Investment Code (KAGB). The KAGB sets out new regulations on the management of funds and the marketing of shares in funds and therefore directly affects our business.

Fundamental changes to tax legislation that would lead to taxes being imposed on foreign partners of German fund entities would have serious disadvantages for DBAG. It would impair our chances of raising capital for DBAG funds. International investors could, for instance, make private equity investments in Germany through competitors of Deutsche Beteiligungs AG who invest in Germany via foreign fund structures and are therefore not subject to German tax laws. This would impact the Company's ability to raise capital for parallel investment funds. Adverse taxation conditions could therefore compel us to make basic structural changes. This might include relocating the Company's domicile. The discussion draft recently issued by the German Federal Ministry of Finance on a reform of the investment tax act provides for significant changes in investment tax law, which is to become effective on 1 January 2018. These changes, however, do not apply to DBAG funds or their partners. As investment partnerships, DBAG funds will remain subject to general taxation provisions. As long as DBAG is not classified as an "investment asset pool" in terms of the KAGB, the investment tax act does not affect Deutsche Beteiligungs AG and its shareholders.

Risks may also ensue from foreign-based legislation that regulates financial investors, fund investors or funds. In the aftermath of the financial crisis, various rules and regulations have been changed, such as in the United States. However, there is currently no indication that the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) or the Foreign Account Tax Compliance Act (FATCA) would restrict our business activity.

We regularly review amendments to legal frameworks for the marketing of our shares. Currently, there are no risks perceivable.

Strategic and operational risks

Access to investment opportunities: Tapping deal sources

Access to new investment opportunities is of key significance for our operations. Without a sufficient number of attractive investment opportunities we would be unable to successfully pursue our business model. Investors in DBAG funds expect investment activity to progress in a way that is commensurate with the committed fund size. If a part of the committed assets were not invested within the fixed investment period, this would diminish the chances of our raising a successor fund. The follow-on fund might then either be smaller in size, or, at worst, no new fund would come to pass at all. Fund investors may also possibly only grant lower fees for management or advisory services for existing funds.

However, we have no influence on developments in the private equity market. Recently, the competitive environment has changed: with a view to the persistent low interest rate phase and the abundant stream of capital associated with it, financial investors are competing not only with strategic investors, but also, to an increasing extent, with foundations and family offices seeking more profitable investment opportunities.

Our ability to mitigate the risks arising from a decline in the number of potential transactions is very limited. We address this risk, among other things, by originating transaction opportunities through a proprietary deal flow. That makes us more independent of general market trends and increases the probability of completing transactions.

Our success also depends on gaining early knowledge of potential transactions in our market. We have the resources and instruments to ensure a prospective high-quality deal flow.

In seeking informational leads, we utilise existing contacts that stem from our long-standing market presence. We attach great importance to cultivating our network, which consists of board members, senior executives and partners of former portfolio companies, representatives of banks, consultants, attorneys and auditors. The network also includes a circle of experienced sectoral experts. In regular meetings with the members of our network, we regularly discuss transaction opportunities in specific sectors, such as in mechanical and plant engineering or the automotive supplier industry. Of particular significance is our investment team; boasting 23 members (including the two Board of Management members), it is one of the largest in our segment of the market. Targeted public relations activity and cultivation of our network assist in augmenting awareness of DBAG and strengthening our market presence. Compared with its mostly unquoted competitors, DBAG profits from its stock market listing. It creates higher awareness of DBAG's activities among the general public and allows potential investment partners to gain insight into the investor. Moreover, the transparency and regulation linked to a stock market listing have a confidence-building effect.

Performance of portfolio companies: Close monitoring in the acquisition, holding and realisation phase

Current income from the portfolio companies (dividends, profit distributions or interest income) is momentarily of subordinate importance for the performance of DBAG. This is not an issue in structuring MBOs; it can, however, play a greater role in expansion financings. DBAG's strategy is primarily focused on increasing the value of the portfolio companies. A key business-linked risk is therefore attached to the portfolio companies' performance. In extreme cases, this could lead to a total loss of the capital invested and possibly entail further adverse consequences, such as a loss of reputation.

We address this risk by a comprehensive set of instruments: we work on projects in project teams consisting of a number of staff and always involving a member of the Board of Management. We follow defined processes during the acquisition, holding and realisation phases to ensure professional systematic procedures. They are designed to set the platform for successful purchasing and selling decisions. Moreover, we want to respond quickly both to developments that may either endanger the targeted value growth or possibly create opportunities for additional value appreciation.

During the acquisition phase, only such investment projects are pursued as conform to our investment strategy. An exacting due diligence investigation precedes every investment decision or recommendation. This may include mandating external consultants. These procedures serve to identify the opportunities and risks inherent in an investment decision or recommendation with a high degree of certainty. We endeavour to limit, redeploy or otherwise mitigate exposure to risk. This is achieved, for instance, through the appropriate formulation of contract terms, warranty agreements or insurances.

We normally finance our investments through equity and – for buyouts – bank loans. Beyond that, additional funding sources may be used, such as mezzanine capital and vendor loans. Structuring the financing is a key component in the acquisition phase. This is where all findings gained in the due diligence process and in developing the corporate plan are considered.

We attach great importance to a robust financing structure and compile a detailed model calculation ahead of an investment. Debt levels should leave scope for the company to develop as projected and to service its debt. The financing should contain reserves in the event of the company's underperformance.

During the development phase, meaning the holding period, we render our support primarily by taking offices on supervisory boards or advisory councils. The portfolio companies' monthly financial metrics are processed in a standardised controlling procedure. The investment-controlling unit analyses the data independently. We review and discuss projects based on quarterly reports. We discuss events and developments of topical importance in meetings of the Board of Management and in the investment team's project meetings.

We create the platform for an investment's successful development as early as the acquisition phase. That includes considering who might be an interested party for the portfolio company at the end of the development phase that we supported. If DBAG and the DBAG fund merely hold a minority position, agreements on the ways and terms of ending the investment are regularly made at the onset of the investment. We will only enter into investments in portfolio companies whose development is assessed to be sustainably positive, where we can expect sufficient buying interest on the part of trade buyers or financial investors, or where prospective eligibility for flotation exists. Realisation opportunities are regularly discussed during the quarterly reviews of the portfolio companies' performance.

The risk management instruments currently employed are, in our opinion, suited to ensuring early identification of possible negative developments in portfolio companies, thus allowing for any necessary counteraction to be taken. Concurrently, these instruments should enable us to identify opportunities that could result in further enhancing the performance of investments. These instruments, for example, include capital increases to enable the purchase of a complementary business, or adjusting the capital structure through a full or partial repayment of the equity (recapitalisation).

Fundraising: Track record a prerequisite for future DBAG funds

We will only be able to pursue our strategy in its present form in the long term, if we succeed in soliciting capital commitments to DBAG funds. This requires the ability of the Company or its investment team to boast a positive track record in making private equity investments that have generated attractive returns on the invested capital, which depends on the absolute performance of the investments and on the investment progress of a fund. Other key aspects from the investors' point of view are the stability and experience of the investment team. Also of influence are the overall economic environment, sentiment in the equity markets and readiness on the part of private equity investors to make new capital commitments.

Advantages of investing alongside funds page 47/48

DBAG Fund VI, which currently invests in MBOs, has capital commitments from external investors of 567 million euros. The investment period began in February 2013. To date, approximately 50 percent of the fund's assets have been invested, which represents very satisfactory investment progress. On a sector comparison, investors rate the two predecessor funds, DBAG Fund V and DBAG Fund IV, a success. The agreements reached with the investors in the DBAG ECF now provide for capital commitments beyond the originally scheduled end of this fund's investment period.

These, however, may be terminated on one year's notice, which could therefore significantly reduce the capital base for expansion financings within two years' time. Nevertheless, we currently see no material risk arising from competition for new capital commitments.

Modification of the terms of DBAG ECF page 64

DBAG is a co-investor in relation to DBAG funds. Compared to DBAG, the external fund investors provide the larger part of the capital. The DBAG funds have own structures that take decisions on acquisitions and disposals. DBAG has committed to enter into co-investments alongside the

DBAG funds. This co-investment activity can be terminated unilaterally by DBAG; in that scenario, however, DBAG would forfeit the opportunity of co-investing alongside the respective fund and would not have an influence on the management of the vintage portfolio entered into jointly with the respective fund.

A Group company, in which DBAG as a managing limited partner holds a 20 percent interest, receives a profit priority share for its investment services from the respective funds. DBAG is entitled to the full profit priority share of this Group company. The management position of Deutsche Beteiligungs AG may be revoked. Exposure to risk stemming from the revocation of contractual relations is currently deemed to be very low. Rules governing the revocation of management authority for DBAG Fund V, DBAG Fund VI and the DBAG ECF are presented in the notes to the consolidated financial statements in section "Related party transactions".

Personnel risk: Retaining highly qualified staff through competitive incentive systems

Performance in private equity is closely linked to the people acting in the field. Our business is highly specialised. In our lean organisation the contribution made by every single individual is important. For that reason, other corporate services that support the investment business also require highly qualified and motivated staff.

The Company boasts a very loyal staff. At the end of financial year 2014/2015, the staff (without apprentices) had an average of eight years of service.

We address the risk of possible staff fluctuation by fostering a motivating corporate culture, a competitive remuneration scheme in line with the industry standard and by systematically developing the skills and knowledge of our people. To that end, we updated our human resources development concept in 2014/2015. We regularly offer individualised training programmes; personality training activities are an integral constituent of career plans. We target an average of five training days per year and employee. The comparatively small number of staff allows us to align assignments and development potential to the needs and capabilities of each of our people.

To be able to meet potential human resources needs, we regularly follow personnel movements in our sector. In view of the Company's current staffing, we do not expect bottlenecks to occur over the short or mid-term.

Operational risk: Regular IT security audits against cyber attack

Operational risk plays a subordinate role in view of the relatively low number of administrative transactions, the relatively small number of staff and the involvement of several people in larger transactions. Exposure to operational risk is largely avoided through appropriate organisational procedures. For example, the four-eyes principle is generally applied throughout our organisation. Procedures and responsibilities are specified in guidelines. Since financial year 2014/2015, the internal audit has been involved in process-independent reviews of the internal control system. This serves to avoid exposure to risk and assist in continually improving our processes.

Other operational risks relate to corporate services that support the investment business. These include the organisational units of finance, human resources, legal and fiscal, organisation/IT and public relations/investor relations. Exposure to risk could, for instance, ensue from failure to comply with tax rules or with obligations arising from the securities trading act. We ensure proper organisational workflows in these corporate sectors through a sufficient number of qualified people and the provision of suitable equipment and financial resources.

Our business not only requires suitable software and hardware, but also data security, data access by authorised persons at any time and protection against unauthorised data access. DBAG has its own qualified IT specialists; they are supported by external consultants, if needed. This past financial year, we enlarged the staff working in this corporate area. In addition to standard software for our office communication, we use further applications for special purposes, such as accounting, investment controlling and customer relationship management (CRM). In the reporting year, we introduced new systems in our accounting, CRM and reporting. Furthermore, we initiated a project aimed at improving our document management, which will presumably be completed this current financial year.

If necessary, we have standard software adapted to meet our requirements. The software we use is continually updated and upgraded. Data is saved by daily back-ups and additionally by secured data archiving. Redundant server architecture warrants permanent data access. Sensitive data is protected by a comprehensive access authorisation system.

DBAG attempts to respond to the continually growing IT risk by, among other things, regular internal and external reviews. In an additional security audit in September 2015, consultants verified that, in their opinion, DBAG's network is sufficiently protected against cyber attack. In light of the audit findings, the Company believes that there are no IT risks that would endanger operations.

Financial risks

Equity for the financing of investments: Sufficient financial resources available

Cash outflows to finance investments in portfolio companies as well as cash inflows from the investments – in particular, sales proceeds – constitute the main treasury activities at DBAG. These transactions cause irregular payment flows that are hardly calculable: not foreseeable are investments in portfolio companies in terms of their timing, number or amounts, nor do we know when an investment will be exited. The Company aims to have sufficient financial resources available at all times in order to accommodate its portion of the finance for investment transactions. This requires Deutsche Beteiligungs AG having access to financial, credit and stock markets, if appropriate.

There is currently no recognisable risk arising from the funding of the Group. By continually addressing and maintaining contacts with existing and potential investors as a core activity of investor relations, we aim to create the platform for DBAG to access the stock market, should it wish to generate additional equity.

We chiefly hold our liquid reserves in the form of public-sector securities or of other issuers with highest credit ratings and – from case to case – in time deposits with banks whose credit standing we consider to be good, based on their ratings. Cash and securities at the reporting date correspond to the average investment volume in a financial year, allowing DBAG to meet is co-investment commitments for the year as a whole. During the year, however, there may be a liquidity requirement due to temporal discrepancies between expected cash inflows and outflows. We would cover that requirement through a credit facility. If required, we assume that DBAG would be able to obtain a credit facility at short notice.

Availability of debt finance for acquisitions: Acquisition loans not a limiting factor

Loans furnished by banks or funds are used – as is customary in the private equity sector – to finance MBOs. Acquisition finance is therefore required in adequate amounts and at acceptable terms to finance investment projects. Apart from the financing structure of a transaction, lines of credit are also required for capital expenditures and for financing portfolio companies' business operations. Loan facilities depend on the economic environment and conditions in the credit markets; DBAG has no influence on these.

Our risk-conscious and analytical procedures in selecting and structuring investment projects support the readiness of banks to extend facilities. Focusing our investment strategy on established companies whose operations, in our opinion, have a comparatively low risk profile also serves that purpose.

This past financial year, acquisition finance for our line of business – i.e. mid-market MBOs in selected sectors and with moderate debt levels – was not a limiting factor. Beyond that, our financial resources occasionally allow us to initially fund an investment completely from equity and then arrange the debt financing after agreeing the investment. Moreover, we should also profit from our long-standing market presence and good relationships with many banks when competing for lending facilities in the future. We therefore assess the risk for us of insufficient availability of debt financing as being low.

A possible restrictive policy on the part of banks in funding acquisitions can also hamper our activities in the event of a proposed disinvestment. Financial investors, who for their part also depend on a sufficient supply of acquisition finance, are regularly among the potential buyers for our investments. Low availability of finance influences their investment behaviour and, consequently, the sales proceeds we are able to achieve.

A restrictive lending policy in the banking sector may also tend to encumber the portfolio companies' operational and strategic development. Portfolio companies can also be directly affected when clients cut down on capital expenditures or do not place orders due to lack of funding. On the other hand, this also creates opportunities. Such situations can trigger demand for expansion funding, which we provide through the DBAG Expansion Capital Fund.

We expect that the supply of debt financing will remain constant and therefore at adequate levels for our requirements. However, we are not in a position to make reliable predictions on that.

Currency and interest rate risks

Exchange rate fluctuations, such as between the euro and the US dollar, have increased over the course of 2015. In our view, the currency rate risk is therefore greater than at the end of the previous year's period. The management, extent and sensitivity of currency and interest rate risks are detailed in section "Other disclosures" in the notes to the consolidated financial statements.

Disclosures on financial risks: Notes to the consolidated financial statements page 164

Description of opportunities

Opportunities inherent in external and sector changes

The value of our portfolio companies at a specific reporting date is significantly influenced by stock market conditions. This was again evidenced in the past financial year: higher stock market multiples account for 11.6 million euros of the net result of valuation and disposal and can therefore be ascribed to greater confidence on the part of stock market participants. Sentiment on the stock exchanges was very wavering in recent months. If positive levels were to be maintained, this would augment valuation multiples, which, in turn, have an influence in our valuations.

We would not rule out that, in view of the persistent low-interest rate policy, streams of capital may be channelled even more strongly into the stock markets and drive market prices. Should higher valuation levels spill over into the M&A business, this could possibly be reflected in higher sales proceeds.

Strategic and operational opportunities

Competition for attractive investment opportunities has become more intense in recent years. A factor that is sometimes crucial in the competitive field is the ability to come to an agreement with the vendor within a tight time frame. Rapid availability of the required funding can shorten the acquisition process. In that respect, opportunities could arise for DBAG from its financial resources, which enable DBAG to make financing commitments under its own steam.

To strengthen our operating performance and ensure quality, we launched a comprehensive project in 2012/2013, which was initially aimed at analysing our internal processes. Within the scope of that project, our system landscape was also reviewed. In financial year 2014/2015, we completed a number of sub-projects. A new CRM system, for example, delivers detailed information from the deal-sourcing process and improves the flow of information within the Company. Moreover, a new ERP system in Finance and Accounting was introduced in early 2015 that optimises accounting processes and therefore increases efficiency in compiling the financial statements. At the beginning of the 2015/2016 financial year, the ERP system will be expanded to include a reporting and planning software which makes it possible to almost completely automate and flexibly adapt the reporting system.

We have accounted for the growth Deutsche Beteiligungs AG has exhibited in recent years by expanding the investment team. DBAG manages or advises two funds that are concurrently in their investment phase. Working on three MBOs in parallel this past financial year, the results showed that we have further improved our processes. After completing additional sub-projects, we expect to be able to tap additional proprietary transaction opportunities or assess potential investments more specifically, for example.

Opportunities arising from changes in financing conditions and exchange rates

Deutsche Beteiligungs AG had financial resources of 58.3 million euros at the end of the period; these are largely invested at fixed interest rates. However, a part of these resources yields interest at the three or six month EURIBOR rate. Should these rates rise by one percentage point, this would result in interest income – irrespective of possible outflows of funds due to our investment activity or a dividend payment. A higher interest rate level would also allow us to reverse part of our pension provisions; this would increase the net asset value per share through higher other comprehensive income.

A lower interest rate level, on the other hand, could decrease the cost of acquisition finance; this would increase the return on debt-financed investments.

In addition to unchanged stock market ratios, our forecast also implies stable currency rates. Approximately 24.0 million euros of the portfolio value at 30 September 2015 are attributable to investments denominated and valued in US dollars. For example, a ten-percent increase in the exchange rate of the US dollar against the euro would, viewed in isolation, trigger a positive valuation movement of 2.4 million euros.

General statement on opportunities and risks

Continuity of Group not at risk; no exceptional opportunities

There was no material change in the exposure to risks and opportunities compared with the preceding year. In our estimation, there are currently no recognisable individual or cumulative risks that would endanger the continuity of DBAG or the Group as a going concern. This estimation is based on an analysis and assessment of the material individual risks to which the Company is exposed, as well as on the risk management system in place. An assessment of the exposure to risks is presented in the overview on page 99 of this combined management report. Neither do we currently recognise any exceptional opportunities.

Key features of the accounting-related internal control and risk management system (§ 289 (5) and § 315 (2) no. 5 German Commercial Code – HGB)

The internal control system (ICS) is an integral constituent of the risk management system at Deutsche Beteiligungs AG. It is orientated around the internationally recognised framework document for internal control systems issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework underscores the fact that even when appropriate and functional systems have been put in place, there can be no absolute guarantee that risks are identified and managed.

The extent and design of the internal control and risk management system are aligned to the special requirements of the fund management and advisory business. The duty of the internal audit – which has been delegated to an external service provider – is to monitor the functioning and effectiveness of the ICS independently of processes within the Group and at Deutsche Beteiligungs AG and thereby promote ongoing improvements to business processes. The effectiveness of the accounting-related part of the ICS is a component of the annual audit within the scope of a risk-oriented audit approach. Finally, the Audi Committee has the oversight responsibility over the ICS, as is required by § 107 (3) of the German Stock Corporation Act (AktG).

DBAG prepares its separate and consolidated financial statements in conformity with the applicable accounting and valuation principles of the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS). The internal accounting guidelines are set out in an accounting manual and in valuation guidelines; they consider the different principles of the IFRS and HGB. New accounting rules are regularly reviewed as to their implications for DBAG and its subsidiaries and, if necessary, the accounting guidelines are adapted.

Moreover, DBAG possesses clearly defined organisational, control and surveillance structures. Explicit assignments within the accounting process are in place. The IT systems used in accounting are largely operated with standard software products; these are protected against unauthorised access internally and externally by comprehensive access permissions. All individuals involved in the accounting process are qualified for their assignments. The number of individuals working here is sufficient to handle the workflow. The aim is to minimise the risk of erroneous accounting. The staff regularly participates in further education programmes and professional training sessions on tax and accounting-related topics. Additionally, advice from external experts is solicited on specific accounting issues.

Material accounting-related processes are regularly examined analytically in respect of the availability and operability of the installed internal controls. The completeness and validity of accounting data are regularly reviewed manually based on random samples and plausibility checks. For processes that are particularly relevant in accounting, the four-eyes principle is consistently employed.

The internal controls are designed to ensure that the external financial reporting by DBAG and the Group is reliable and in conformity with the valid accounting rules. The aim is to minimise the risk of possible misstatements on the actual asset, financial and earnings position. We also gain important insight into the quality and operability of accounting-related internal controls through the annual audit of the separate and consolidated financial statements.

Report on expected developments

Period covered by this report: Short-term predictions do not do justice to business model

Our business lends itself to a medium to long-term assessment, planning and prognosis horizon. That applies both to the co-investment activity and to fund management and advisory services.

Events or trends that were not predictable at the beginning of a financial year frequently have a significant impact on the net income of a period. These include realisations that, at times, achieve prices clearly in excess of their most recent valuation, as well as unexpected developments in portfolio companies' consumer markets or in the stock market. This means that the results of a single financial year only conditionally reflect the long-term performance of our co-investments alongside the DBAG funds. This is also evidenced by the broad spread in which the return on net asset value has fluctuated over the past ten years: that spread ranged from -17.5 percent to 56.2 percent, but averaged 14.3 percent; incidentally, the two extreme values were recorded in two consecutive years.

The DBAG funds alongside which we co-invest have a term of ten years. The fees we receive for management or advisory services are methodically fixed over that term. That is why fee income is readily projectable over the short term, but at the same time it is also capped. An increase in fee income can only result after a follow-on fund has been closed. Its size and, consequently, potential fee income, will be oriented around the investment performance of the original fund and will only be conclusively assessable at the end of that fund's term. This, too, is indicative of the long-term orientation of our business.

In view of the high volatility of key financial performance indicators and the difficulty in planning individual income-relevant transactions, it is not possible to make either an interval forecast, or a point forecast of these indicators. We have therefore limited ourselves to making a qualified comparative forecast[23] on the expected development of underlying conditions and of individual components of the consolidated statement of financial position and the consolidated statement of comprehensive income for the 2015/2016 financial year.

For the inputs, we use the previous year's data based on the carried portfolio. Non-regularly recurrent components are adjusted. In view of the high volatility inherent in our business, changes of up to ten percent are considered "slight", and changes of more than ten percent but less than 20 percent are termed "moderate". Changes of 20 percent and more are called "significant".

Additionally, we have forecast for the current and the two subsequent financial years of 2016/2017 and 2017/2018 the development of three core indicators that are material for our business performance: the return on net asset value per share, the growth of the portfolio value and fee income from fund management services.

23 German Accounting Standard no. 20 (DRS 20) provides for three types of forecasts: the disclosure of a numerical value ("point forecast"), a range between two numerical values ("interval forecast") and a change in relation to the actual value of the reporting period stating the direction and intensity of that change ("qualified comparative forecast").

Expected development of underlying conditions in 2015/2016

Market: No change anticipated

Based on the dynamism of the investment opportunities that have come to our knowledge over the past six months, we expect the demand in our market to remain constant – both in number and value – for the current 2015/2016 financial year.

Borrowings: Availability stable at high level

The debt market for acquisition finance has changed considerably in recent years. Debt funds, as new providers in the market, offer leverage finance through unitranches or mezzanine, compensating for the withdrawal from the market of a number of banks in the aftermath of the financial crisis. The business in leveraged finance for transactions in the private equity field is attractive. We therefore expect that such financings will continue to be sufficiently available; for financial year 2015/2016, we expect the supply to remain constant.

Asset class of private equity: Still of fundamental significance

Private equity is firmly rooted as an asset class worldwide. It constitutes an integral part of the investment strategy of many institutional investors. The proportion of private equity in asset dissemination is not constant and may even decrease. However, we do not expect commitments to private equity funds to decline fundamentally. We successfully raised DBAG funds most recently in 2011 and 2012. In view of their investment track record, we assume that, under current market conditions, we will be able to raise follow-on funds and solicit sufficient capital commitments as soon as the currently investing funds have been fully invested.

Macroeconomic environment: Basically positive, if geopolitical conflicts do not escalate

At the time this forecast was issued, the German economy was experiencing a robust upswing. The uncertainty over the economic trend in China as well as in other commodity-producing emerging countries has again drawn attention to the risks involved. The global economic environment has become more difficult. The forecasts of German economic research institutes and the International Monetary Fund (IMF) issued in the second half of 2015 expect the gross domestic product to grow by 1.8 percent (institutes) or 1.6 percent (IMF); for 2016, growth is predicted to range between 1.7 percent and 2.1 percent.[24]

For most of our portfolio companies and, consequently, our investment performance, the economic trend in Germany or the eurozone is not the only decisive factor. Many of our investee businesses market their products and services worldwide and partially also maintain global production structures. Thus, the economic trend in China and North America as well as in emerging economies has an – in some instances, considerable – impact on the demand for the products our portfolio companies provide.

24 In: "Schlaglichter der Wirtschaftspolitik – Monatsbericht Oktober 2015", Federal Ministry for Economic Affairs and Energy, Berlin, October 2015

Information on cyclical risks page 99

Compared with 2015, the IMF expects the business trend in emerging markets to improve; that includes Brazil and India. Growth is forecast to continue in the Chinese economy, but at a slightly slower rate.[25]

Assuming that geopolitical conflicts do not escalate, the scenario described basically represents favourable underlying conditions for our portfolio companies in the new 2015/2016 financial year. However, this applies only to a limited extent to companies that manufacture capital goods; here, we expect greater volatility in demand.

Expected business development in 2015/2016

Development of market position: Basis for continued performance

Deutsche Beteiligungs AG has a long-standing market presence. The shareholders of DBAG and the investors in DBAG funds have achieved superior returns. Not least due to our proven business processes, ongoing human resources development and extensive investment experience, we expect to continue conducting the Company's business successfully and maintain our strong position in our market segment despite more intense competition. We adhere to our objective of generating earnings in excess of the cost of equity on the long-term average. For 2015/2016, we expect to generate a return clearly in excess of the cost of equity.

We also adhere to our non-financial objectives. We want DBAG to remain a reputable investment partner for mid-market companies in German-speaking regions and a major player in the market for management buyouts and expansion financings. We want to remain a sought-after advisor to private equity funds as well as an esteemed employer in Germany's private equity sector.

Portfolio: Value growth as planned

Our co-investment decisions are founded on an in-depth analysis that includes business plans for multi-year planning horizons. We intend to support our portfolio companies over a period of five to seven years, during which the companies' potential for development is to be turned into an appropriate value appreciation. Our assessment of the portfolio companies' development potential at the time of our entry has basically remained unchanged. In light of that, we expect the portfolio companies to continue their pattern of progress as scheduled and the portfolio value to increase significantly in 2015/2016.

Net result of investment activity: Significantly in excess of previous year

The item with the greatest weight for the Group's performance – and with the greatest budgetary and forecast uncertainty – is the net result of valuation and disposal. It decisively determines the net result of investment activity, which includes current income from financial assets and loans and receivables.

25 World Economic Outlook, International Monetary Fund, New York, October 2015

The net result of valuation represents the net amount of positive and negative value movements of the portfolio companies. These value movements derive from the change in the fair value of an investment in comparison to the preceding valuation date.

At each valuation date, we estimate the value for which an investment could be sold under current market conditions. We employ the same procedure for the period covered by this forecast. However, an investment may be sold in the course of that period. In the past, there were instances when sizeable capital gains were realised on disposals of investments because industrial buyers were willing to pay strategic premiums on the estimated fair value. Such events are not calculable. Our forecast assumption, therefore, is that disinvestments will be transacted at the investment's estimated fair value and no gain or loss on disposal will be realised. Current income from financial assets and loans and receivables is also not forecast individually; we assume that generated earnings are ploughed back and therefore flow into the achievable market price to the same extent. Our forecast therefore does not differentiate between the net result of valuation and disposal and current income; rather, we project the overall contribution to income from investment activity.

Determining the fair value of every individual investment involves making forward-looking assumptions. These assumptions are subject to considerable uncertainty. The uncertainty is even greater when valuations are projected to a future date, as is the case for forecasts. We take that greater uncertainty into account by estimating the contribution to income for the total portfolio, instead of deriving it by netting the value movements of the individual portfolio companies. Past experience has shown that unexpected positive and unexpected negative developments in individual portfolio companies partly offset each other.

Projections of the contribution to income for the portfolio are based on current assumptions regarding the holding period and the average annual value appreciation of the investments during that holding period – irrespective of the fact that value growth is not linear every year to the same assumed extent.

On a comparable basis, i.e. without considering gains on disposals, our forecast for the net result of investment activity is that it will be significantly in excess of that of the preceding year. In 2014/2015, the net result of investment activity (29.2 million euros) contained a net result of disposal of 2.5 million euros.

Fee income from fund investment services: Slightly below that of the prior year

Fee income from management and advisory services to funds is readily projectable, because it is largely based on the size of the funds. The conditions under which fees are paid for our management and advisory services are customarily fixed for a fund's entire term.

Fee income from fund management and advisory services page 46, page 69

Since fees for the management of DBG Fonds I will no longer fall due in 2015/2016, we expect this item to be slightly below that of the preceding year. In the event of divestments from the portfolio, fee income might be significantly below the prior year's level.

Other income/expenses: Net expenses to increase significantly

There will be a significant increase in expense positions in 2015/2016, since, among other things, they will be based on a full year. Additionally, reversals of provisions (1.0 million euros) and income from disposals of securities (0.7 million euros) had reduced net expenses in 2014/2015. Net expenses (total other income/expenses) and, consequently, the net expense ratio, will be significantly higher than in 2014/2015.

Financial resources: Clearly lower by the end of the financial year

In line with our co-investment commitment to the funds, we aim to make an average of two to three new investments each financial year in both management buyouts and expansion financings. Based on an average sum of ten million euros for each investment, the liquidity requirement would amount up to 50 million euros annually. Acquisitions and realisations in the private equity business, however, take place at irregular intervals. For that reason, acquisitions (as in 2014/2015) or realisations (as in 2013/2014) may predominate in individual years.

The extent to which our operating business generates cash is largely determined by the cash flows from our investing activities. Should acquisitions predominate in a financial year, cash flows from investing activities may be negative in that period. In this event, the Group would be able to fall back on abundant liquidity reserves. It could also procure funding through borrowings or a capital increase.

We intend to maintain our investment pace in 2015/2016. Cash inflows may arise from divestments out of the portfolio, which has meanwhile become more mature. Overall, we again expect a net outflow of liquidity for 2015/2016 and significantly lower financial resources at the end of the financial year.

Segment of Fund Investment Services: Significantly lower than the preceding year

Based on slightly lower segment income and significantly higher expenses, we expect that pre-tax net income for this segment will be significantly lower in the new financial year, before rising again on a broader base of advised assets in subsequent years.

Segment of Private Equity Investments: Significantly in excess of prior year

Despite significantly higher segment expenses, but with higher income, we expect that the pre-tax net income for this segment will be significantly higher in 2015/2016.

General forecast

2015/2016: Net income to significantly exceed prior year on comparable basis

Deutsche Beteiligungs AG is well placed. With a history of five decades, the Company is an established, successful player in the German private equity market. It has a solid financial foundation and good prospects for future fundraising campaigns. In terms of its portfolio, DBAG has invested in attractive companies with excellent potential for value growth. That growth, however, may not be linear from year to year. DBAG's staff is experienced and highly motivated. These underlying conditions are, we believe, an outstanding platform for the positive development of both Deutsche Beteiligungs AG and the Company's value in the current 2015/2016 financial year.

On a comparable basis – that is, not including gains on disposals or variable remuneration geared to sales proceeds – we expect a significant increase in net income for 2015/2016 compared with the previous year (comparative basis in previous year: 27.0 million euros, less 1.8 million euros[26], or 25.2 million euros). We are confident that the return on net asset value per share will significantly exceed the cost of equity – our minimum target for the long-term average.

Were divestments to take place at their fair value as at 30 September 2015, net income would not be affected, but – based on HGB – DBAG would record a capital gain on disposal along with the respective cash inflow.

We have budgeted personnel costs for 2015/2016 that are moderately in excess of those for the previous year of only eleven months and have forecast fee income from fund management and advisory services slightly below those of the truncated 2014/2015 financial year.

In a scenario with divestments, we expect the annual profit of Deutsche Beteiligungs AG (separate financial statements, HGB-formatted) to significantly exceed that of the reporting year.

Our dividend policy remains unchanged. It provides for the payment of a consistent dividend, if possible, even for financial years ending with negative net income or in which there were no particularly profitable disposals. We expect that the retained profit of DBAG (after the distribution for financial year 2014/2015) will enable the payment of such a base dividend for the current and for subsequent financial years. As before, surplus dividends remain tied to particularly profitable realisations, which, however, cannot be planned.

Further growth in medium term

With a view to the medium term, that is, for the two financial years after 2015/2016, we expect a significant improvement in net income for the segment of Fund Investment Services, as a result of a broader calculatory base after the next buyout fund is raised. For the segment of Private Equity Investments, we anticipate that the portfolio value will grow by more than ten percent annually, based on the assumptions made in our investment decisions on the value appreciation of portfolio companies.

Pursuant to that, in the current and the two subsequent financial years we aim to achieve a net income that will result in a significantly higher average return on net asset value than in 2014/2015.

Frankfurt am Main, 20 November 2015

The Board of Management

26 Comprised of gains on disposal of 2.5 million euros and sale proceeds-linked variable remuneration of 0.7 million euros.

ANNEX

TO THE COMBINED MANAGEMENT REPORT

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", six subsidiaries must no longer be consolidated. These are chiefly the four subsidiaries through which DBAG invests in portfolio companies alongside the DBAG funds ("co-investment vehicles"). These entities are now carried at fair value (see note 3 to the consolidated financial statements).

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 statements is required to follow the new IFRS 10, we have depicted the asset, financial and earnings position in the combined management report by business and performance aspects, as we have done in the past. The following is a reconciliation of the 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 combined management report.

Asset position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015

T€	
Financial assets	245,419
Loans and receivables	2,494
Other financial assets	2,276
Securities	26,370
Other non-current assets	2,021
Non-current assets	**278,580**
Receivables and other assets	10,765
Securities	3,741
Cash and cash equivalents	28,234
Other current assets	5,844
Current assets	**48,854**
Total assets	**327,164**
Shareholders' equity	**303,104**
Non-current liabilities	8,939
Current liabilities	15,121
Liabilities	**24,060**
Total shareholders' equity and liabilities	**327,164**

T€	
Interest in portfolio companies	146,691
Loans to and receivables from portfolio companies	67,427
Receivables from portfolio companies	13,742
Cash and cash equivalents	4,277
Other current assets	27
Minority interest – co-investment vehicles	(23,968)
Provisions	(1,591)
Other liabilities	(257)
Net asset value of co-investment vehicles	**206,348**
Fair value of direct investments and international fund investments	39,071
	245,419
Loans and receivables	2,494

T€	
Portfolio value	255,683
Financial resources (DBAG Group)	62,622
(Net) asset value private equity investments	**318,305**

In addition to the fair value of direct investments and international fund investments, item "Financial assets" now contains the net asset value of the co-investment vehicles as well as other subsidiaries that have been consolidated in the past.

The net asset value of the co-investment vehicles consists of

- the fair value of the interests in portfolio companies (T€146,691),
- non-current loans to portfolio companies, which were previously shown directly in the consolidated statement of financial position under non-current assets in line item "Loans and receivables" (T€67,427),
- short-term bridge-over loans to portfolio companies, which were previously presented within current assets in line item "Receivables" (T€13,742),
- cash and cash equivalents, which were previously shown directly in the consolidated statement of financial position in line item "Cash and cash equivalents" (T€4,277),
- minority interest (T€23,968); this largely relates to carried interest entitlements of members of the investment team based on the performance of DBAG Fund V, and
- the net amount of other current assets, provisions and other liabilities, which were previously shown separately in the consolidated statement of financial position (net amount of T€-1,848)

Due to the deconsolidation of these co-investment vehicles, total assets at 30 September 2015 contracted by T€25,816. Concurrently, the sum of T€18,046 shifted from current to non-current assets. Furthermore, the portfolio value and financial resources can no longer be derived directly from the consolidated financial statements.

Financial position

Movements (accommodation or redemption) in short-term bridge-over loans relating to acquisitions were previously shown under the caption "Cash flows from operating activities". These movements, totalling T€-8,485 net, are now a component of cash flows from investing activities. This also applies to fees paid to DBAG Fund VI for management and transaction costs (T€4,340 in the truncated 2014/2015 financial year), which were previously contained in cash flows from operating activities.

The key cash flows from investing activities are disclosed in "Proceeds from disposals of financial assets and loans and receivables" and in "Acquisition of financial assets and loans and receivables". In that context, inflows and outflows during the year partially compensate each other.

- A total of T€17,442 were recorded from partial disposals from the portfolio following refinancings (T€11,142) and disinvestments (T€6,300).
- Disposals through sale reached T€ 2,599.
- T€43,742 were invested in new management buyouts and
- T€22,773 in new and existing expansion capital investments.
- Investment for add-on acquisitions of portfolio companies reached T€4,781.

Financial resources are recognised without the financial resources in the co-investment vehicles (at the end of the period: T€4,277; see also information on the presentation of the asset position).

CONSOLIDATED STATEMENT OF CASH FLOWS INFLOWS/(OUTFLOWS)

T€	1 Nov. 2014 to 30 Sept. 2015
	11 months
Net income	27,019
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	(22,284)
(Gains)/losses on disposals of non-current assets	(2,491)
(Increase)/decrease in income tax assets	(219)
(Increase)/decrease in other assets (netted)	10,351
Increase/(decrease) in non-current liabilities	(794)
Increase/(decrease) in tax provisions	(803)
Increase/(decrease) in other provisions	(4,081)
Increase/(decrease) in other liabilities (netted)	533
Cash flow from operating activities	**7,231**
Proceeds from disposals of property, plant and equipment and intangible assets	115
Purchase of property, plant and equipment and intangible assets	(1,012)
Proceeds from disposals of financial assets and loans and receivables	30,915
Acquisition of financial assets and loans and receivables	(92,549)
Proceeds from disposals of long- and short-term securities	82,479
Acquisition of long- and short-term securities	0
Cash flows from investing activities	**19,948**
Payments to shareholders (dividends)	(27,353)
Cash flows from financing activities	**(27,353)**
Change in cash funds from cash-relevant transactions	(174)
Cash funds at start of period	28,408
Cash funds at end of period	**28,234**

T€	1 Nov. 2014 to 30 Sept. 2015
Proceeds from the portfolio	
Partial disposals from the portfolio	17,442
Repayments of short-term bridge-over loans	10,874
Disposals from the portfolio	2,599
	30,915
Payments for investments in the portfolio	
Management buyouts	(40,787)
Expansion capital investments	(22,281)
Add-on acquisitions	(5,781)
Fees for management services and transaction costs DBAG Fund VI	(4,340)
Provision of short-term bridge-over loans	(19,359)
	(92,549)

Earnings position

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 NOVEMBER 2014 TO 30 SEPTEMBER 2015

T€	
Net result of investment activity	29,203
Fee income from fund management and advisory services	19,207
Operating income	**48,410**
Personnel costs	(14,842)
Other operating income	6,514
Other operating expenses	(13,301)
Net interest	293
Total other income/expenses	**(21,336)**
Net income before taxes	**27,074**
Income taxes	(23)
Net income after taxes	**27,051**
Minority interest (gains)/losses	(32)
Net income	**27,019**
Other comprehensive income	**412**
Comprehensive income	**27,431**

T€	
Net result of valuation – portfolio companies	40,576
Current income portfolio	3,420
Current income other assets of co-investment vehicles	1,233
Net result of valuation – other assets and liabilities of co-investment vehicles	(2,512)
Minority interest (gains)/losses	(23,506)
Net income from co-investment vehicles	**19,210**
Net result of valuation and disposal of direct investments and international fund investments	9,367
Current income loans and receivables direct investments	63
Net income from investment vehicles, direct investments and international fund investments	**28,641**
Current income other financial assets and loans and receivables	3,447
Net result of valuation – other financial assets	(2,884)
	29,203

T€	
Net result of valuation and disposal portfolio	
Current income portfolio	49,943
Net income portfolio	3,484
	53,427

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 co-investment vehicles.

Net income from co-investment vehicles comprises

- the net result of valuation from fair value movements of those interests in portfolio companies that are held via the co-investment vehicles (T€40,576),
- current income from loans to portfolio companies (T€3,420), which was previously shown in a separate line item "Current income from financial assets and loans and receivables",
- current income from other assets of the co-investment vehicles (short-term bridge-over financings for acquisitions), which was previously presented in item "Interest income" (T€1,233),
- the net result of valuation from movements of other assets and liabilities of the co-investment vehicles, which was previously contained in items "Other operating income" or "Other operating expenses" (T€-2,512, net), and
- minority interest (gains)/losses (T€-23,506); the greater part of this is attributable to carried interest for the members of the investment team in DBAG's co-investment vehicle with DBAG Fund V.

Since it is not permitted according to IFRS 10 to show the individual components of net income from the co-investment vehicles, current income from financial assets as well as loans to and receivables from portfolio companies are 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 co-investment vehicles are no longer directly visible as the net result of disposal.

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

for the period from 1 November 2014 to 30 September 2015

T€	Notes	**1 Nov. 2014 to 30 Sept. 2015**	1 Nov. 2013 to 30 Oct. 2014[1]
		11 months	12 months
Net result of investment activity	9	29,203	50,702
Fee income from fund management and advisory services	10	19,207	22,201
Net result of fund services and investment activity		**48,410**	**72,903**
Personnel costs	11	(14,842)	(16,551)
Other operating income	12	6,514	9,769
Other operating expenses	13	(13,301)	(17,905)
Interest income	14	449	352
Interest expenses	15	(156)	(157)
Total other income/expenses		**(21,336)**	**(24,492)**
Net income before taxes		**27,074**	**48,411**
Incomes taxes	16	(23)	(411)
Net income after taxes		**27,051**	**48,000**
Minority interest (gains)/losses	27	(32)	(35)
Net income		**27,019**	**47,965**
a) Items that will not be reclassified subsequently to profit or loss			
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	29	267	(6,695)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Unrealised gains/(losses) on available-for-sale securities	22	145	306
Other comprehensive income		**412**	**(6,389)**
Total comprehensive income		**27,431**	**41,576**
Earnings per share in € (diluted and basic)[2]	36	1.98	3.51

1 The comparative year's amounts have been restated due to the first-time adoption of the new consolidation rules. A tabular reconciliation of the preceding year's amounts due to the application effects of IFRS 10 can be found in note 3 to the consolidated financial statements.

2 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 30 September 2015

INFLOWS/(OUTFLOWS)

T€	Notes	1 Nov. 2014 to 30 Sept. 2015	1 Nov. 2013 to 30 Oct. 2014[1]
		11 months	12 months
Net income		27,019	47,965
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	9, 17, 18, 19, 22	(22,284)	(15,575)
(Gains)/losses from disposals of non-current assets	9, 17	(2,491)	(24,523)
(Increase)/decrease in income tax assets	24	(219)	6,018
(Increase)/decrease in other assets (netted)	20, 21, 23, 24, 25	10,351	(1,918)
Increase/(decrease) in non-current liabilities	24, 27, 28, 29	(794)	393
Increase/(decrease) in tax provisions	24	(803)	5,253
Increase/(decrease) in other provisions	28	(4,081)	(8,158)
Increase/(decrease) in other liabilities (netted)	28, 30	533	(9,431)
Cash flows from operating activities[2]		**7,231**	**24**
Proceeds from disposals of property, plant and equipment and intangible assets	17	115	92
Purchase of property, plant and equipment and intangible assets	17	(1,012)	(686)
Proceeds from disposals of financial assets and loans and receivables	9, 18, 19	30,915	90,596
Acquisition of non-current financial assets and investments in loans and receivables	9, 18, 19	(92,549)	(22,664)
Proceeds from disposals of long- and short-term securities	22, 32	82,479	59,000
Acquisition of long- and short-term securities	22, 32	0	(92,905)
Cash flows from investing activities		**19,948**	**33,433**
Payments to shareholders (dividends)	26	(27,353)	(16,412)
Cash flows from financing activities		**(27,353)**	**(16,412)**
Change in cash funds from cash-relevant transactions		(174)	17,045
Cash funds at start of period	32	28,408	11,363
Cash funds at end of period	32	**28,234**	**28,408**

1 The comparative year's amounts have been restated due to the first-time adoption of the new consolidation rules. A tabular reconciliation of the preceding year's amounts due to the application effects of IFRS 10 can be found in note 3 to the consolidated financial statements.

2 Contained therein are received and paid income taxes of T€607 (previous year: T€-2,024) as well as received and paid interest and received dividends of T€3,250 (previous year T€2,652).

Consolidated statement of financial position

at 30 September 2015

T€	Notes	30 Sept. 2015	31 Oct. 2014[1]	1 Nov. 2013[1]
ASSETS				
Non-current assets				
Intangible assets	17	616	151	34
Property, plant and equipment	17	1,191	1,310	1,281
Financial assets	18	247,695	163,430	191,761
Loans and receivables	19	2,494	0	0
Long-term securities	22	26,370	80,991	50,514
Other non-current assets	20, 24, 29	214	421	867
Total non-current assets		**278,580**	**246,303**	**244,457**
Current assets				
Receivables	21	3,077	2,458	2,694
Short-term securities	22	3,741	31,344	28,028
Other financial instruments	23	2,134	2,245	2,401
Income tax assets	24	5,554	5,335	3,417
Cash and cash equivalents		28,234	28,408	11,363
Other current assets	25	5,844	16,508	6,455
Total current assets		**48,584**	**86,298**	**54,358**
Total assets		**327,164**	**332,601**	**298,815**
LIABILITIES				
Equity	26			
Subscribed capital		48,533	48,533	48,533
Capital reserve		141,394	141,394	141,394
Retained earnings and other reserves		(4,204)	(4,616)	1,773
Retained profit		117,381	117,715	86,162
Total shareholders' equity		**303,104**	**303,026**	**277,862**
Liabilities				
Non-current liabilities				
Minority interest	27	121	113	78
Provisions for pension obligations	29	8,697	9,385	3,419
Other provisions	28	121	235	218
Deferred tax liabilities	24	0	0	0
Total non-current liabilities		**8,939**	**9,733**	**3,715**
Current liabilities				
Other current liabilities	30	1,082	921	3,963
Tax provisions	24	0	803	410
Other provisions	28	14,039	18,118	12,865
Total current liabilities		**15,121**	**19,842**	**17,238**
Total liabilities		**24,060**	**29,575**	**20,953**
Total shareholders' equity and liabilities		**327,164**	**332,601**	**298,815**

1 The comparative year's amounts have been restated due to the first-time adoption of the new consolidation rules. A tabular reconciliation of the preceding year's amounts due to the application effects of IFRS 10 can be found in note 3 to the consolidated financial statements.

Consolidated statement of changes in equity

for the period from 1 November 2014 to 30 September 2015

T€	Notes	1 Nov. 2014 to 30 Sept. 2015	1 Nov. 2013 to 31 Oct. 2014[1]
		11 months	12 months
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 defined benefit liability (asset)			
At start of reporting period		(21,273)	(14,578)
Change in reporting period		267	(6,695)
At end of reporting period		(21,006)	(21,273)
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	22	168	263
Change in reporting period through profit or loss	22	(23)	43
At end of reporting period		403	258
At end of reporting period		**(4,204)**	**(4,616)**
Retained profit			
At start of reporting period		117,715	86,162
Dividends	26	(27,353)	(16,412)
Net income		27,019	47,965
At end of reporting period		**117,381**	**117,715**
		303,104	**303,026**

1 The comparative year's amounts have been restated due to the first-time adoption of the new consolidation rules. A tabular reconciliation of the preceding year's amounts due to the application effects of IFRS 10 can be found in note 3 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the truncated 2014/2015 financial year from 1 November 2014 to 30 September 2015

General information

1. Principal activity

Deutsche Beteiligungs AG (DBAG) raises closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments chiefly in unquoted companies. As a financial investor, it enters into investments alongside DBAG funds using its proprietary capital. As a co-investor and fund manager ("advisor"), it focuses its investment activity on German "Mittelstand" businesses. DBAG generates its income by providing investment services to funds and by appreciating the value of the companies in which it is invested. The subsidiaries of the Group pursue the same business activities or provide supporting services.

Deutsche Beteiligungs AG is domiciled at Börsenstrasse 1 in 60313 Frankfurt am Main, Federal Republic of Germany.

2. Basis of preparation

The consolidated financial statements of Deutsche Beteiligungs AG (DBAG) at 30 September 2015 have been prepared in conformity with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) have also been applied. Additionally, the commercial law requirements stipulated in § 315a (1) of the German Commercial Code (HGB) have been taken into account.

At the Annual Meeting on 24 March 2015, shareholders voted to move the start of future financial years forward to 1 October. The reporting year therefore ended on 30 September 2015; it extends to a period of only eleven months and is shorter than the previous year's comparative period by one month. The comparability with the preceding year's twelve-month period is therefore only possible to a limited extent.

The consolidated financial statements fairly present the asset, financial and earnings position. To that end, the information contained therein constitutes a faithful representation of the effects of transactions, other events and conditions in conformity with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IFRS framework.

The consolidated 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 notes to the consolidated financial statements.

The consolidated financial statements have been structured in conformity with the rules of IAS 1.

The accounting and valuation as well as consolidation policies and the notes and disclosures to the consolidated financial statements are applied consistently, except when IFRS rules necessitate making changes (see note 3).

As compared with the period ended 31 October 2014, the presentation of the consolidated financial statements has changed due to the first-time adoption of IFRS 10 (see note 3). The comparative amounts have been restated in accordance with the changed presentation. In the preceding financial year, the item "Loans and receivables" had exclusively related to loans to portfolio companies extended by subsidiaries which are no longer to be consolidated (for the co-investments with DBAG funds, or co-investment vehicles, for short), in compliance with the new consolidation rules of IFRS 10. The preceding year's amount is therefore T€0. The interests in unconsolidated 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 consolidated 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.

The consolidated statement of comprehensive income is structured based on the nature of expense method. In the interest of presenting information that is relevant to the business of DBAG as a private equity company, the net result of investment activity has been disclosed instead of revenues. Items of other comprehensive income are stated after taking into account all tax effects in that context as well as the respective reclassified amounts. Reclassifications between other comprehensive income and profit or loss are presented in the notes to the consolidated financial statements.

In the consolidated statement of cash flows, inflows and outflows are differentiated according to operating activities and investment and financing activities (see note 32). Inflows and outflows ensuing from disposals of, or investment in long- and short-term securities are allocated to cash flows from investment activities.

The presentation in the consolidated statement of financial position differentiates between short- and long-term assets and liabilities. Assets and liabilities are categorised as short-term, if they fall due or are met within twelve months after the closing date.

For the sake of clarity, individual items on the consolidated statement of comprehensive income and on the consolidated statement of financial position have been presented together. These items are disclosed and discussed separately in the notes to the consolidated financial statements.

At the beginning of financial year 2014/2015, the internal reporting of DBAG was expanded to include reports on the business lines of Private Equity Investments and Fund Investment Services. Since the interim report on the first quarter, these two business lines have therefore been presented as reportable segments (see note 37).

The consolidated financial statements have been drawn up in euros. Except when stated otherwise, all amounts are presented in thousands of euros (T€). Commercial rounding has been used (round half up). Rounding differences may occur.

On 19 November 2015, the Board of Management of Deutsche Beteiligungs AG authorised the consolidated financial statements and the combined management report for issue to the Supervisory Board. The Supervisory Board will pass a vote on 9 December 2015 as to its approval of the consolidated financial statements.

3. Changes in accounting methods due to amended rules

Standards and interpretations and amendments to standards and interpretations applicable for the first time that had effects on the reporting period ended 30 September 2015

In the consolidated financial statements at 30 September 2015, the following new standards and interpretations or amendments to standards and interpretations that had an impact on the reporting period were applied for the first time:

- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosures of Interests in Other Entities"
- amendments to IAS 28 "Investments in Associates and Joint Ventures"

IFRS 10 "Consolidated Financial Statements"

The new standard IFRS 10 "Consolidated Financial Statements" replaces the sections of IAS 27 "Consolidated and Separate Financial Statements" relating to group accounting and the rules of SIC-12 "Consolidation – Special Purpose Entities". It standardises the basis for consolidation by redefining control. This will apply 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 also result from contractual arrangements.

Based on IFRS 10, certain subsidiaries of investment entities, in terms of the IFRS, are exempt from full consolidation. An IFRS investment entity is basically required to measure 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 IFRS investment entities that operate as service providers in respect of the investment activities of IFRS 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.

In accordance with the German Investment Code (Kapitalanlagegesetzbuch – KAGB), Deutsche Beteiligungs AG is a registered external capital management company ("KVG") and, as a parent company, also meets the definition of an investment entity in terms of IFRS 10 (see note 4).

In particular the four vehicles through which Deutsche Beteiligungs AG co-invests do not provide services within the scope of the investment activity. This relates to the following subsidiaries:

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

In application of the rules of IFRS 10, these subsidiaries are no longer consolidated. Instead, the interests in these are measured at fair value through profit or loss and recognised within financial assets in accordance with IAS 39 in the consolidated financial statements at 30 September 2015.

The fair value of these subsidiaries at 31 October 2014 corresponds to the proportionate 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.

DBG Advisors Kommanditaktionär GmbH & Co. KG, in which a subsidiary of Deutsche Beteiligungs AG holds a capital interest of 33.33 percent, is no longer consolidated, since it de facto does not provide investment-related services. This entity is measured at fair value through profit or loss and recognised at its fair value within financial assets.

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 co-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 asset, financial and earnings position of DBAG.

The fair value of subsidiaries that are no longer consolidated due to the classification of Deutsche Beteiligungs AG as an investment entity in terms of IFRS 10 amounted to T€124,578 at 31 October 2014 (previous year: T€101,921). Since the initial application date was the opening balance on 1 November 2013, there were no effects on the consolidated statement of comprehensive income. The effect on equity amounted to T€-551.

The application effects of IFRS 10 to items of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated 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 in the following tables.

Consolidated statement of comprehensive income

for the period from 1 November 2013 to 31 October 2014

T€	1 Nov. 2013 to 31 Oct. 2014		**1 Nov. 2013 to 31 Oct. 2014**
	before IFRS 10 adoption	Application effects IFRS 10[3]	**after IFRS 10 adoption**
Net result of investment activity[1]	54,505	(3,803)	50,702
Fee income from fund management and advisory services	21,736	465	22,201
Net result of fund services and investment activity	**76,241**	**(3,338)**	**72,903**
Personnel costs	(16,533)	(18)	(16,551)
Other operating income	9,751	18	9,769
Other operating expenses	(21,229)	3,324	(17,905)
Interest income	443	(91)	352
Interest expenses	(157)	0	(157)
Other income/expenses	**(27,725)**	**3,233**	**(24,492)**
Net income before taxes	**48,516**	**(105)**	**48,411**
Income taxes	(417)	6	(411)
Net income after taxes	**48,099**	**(99)**	**48,000**
Minority interest (gains)/losses	(323)	288	(35)
Net income	**47,776**	**189**	**47,965**
a) Items that will not be reclassified subsequently to profit or loss			
Gains/(losses) on remeasurements of the net defined benefit liability (asset)	(6,695)	0	(6,695)
b) Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Unrealised gains/(losses) on available-for-sale securities	306	0	306
Other comprehensive income	**(6,389)**	**0**	**(6,389)**
Total comprehensive income	**41,387**	**189**	**41,576**
Earnings per share in € (diluted and basic)[2]	3.49		3.51

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€50,280 (2013/2014 financial year adopted: T€40,652) and current income from financial assets and loans and receivables of T€4,225 (2013/2014 financial year adopted: T€10,051).

2 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.

3 The deconsolidation of DBG Advisors Kommanditaktionär GmbH & Co. KG had effects on the net result of investment activity (T€-166), other income/expenses (T€41), income taxes (T€-1) and minority interest losses (T€87).

Consolidated statement of cash flows

for the period from 1 November 2013 to 31 October 2014

INFLOWS/(OUTFLOWS)

T€	1 Nov. 2013 to 31 Oct. 2014		**1 Nov. 2013 to 31 Oct. 2014**
	before IFRS 10 adoption	Application effects IFRS 10[1]	**after IFRS 10 adoption**
Net income	47,776	189	47,965
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	(20,815)	5,240	(15,575)
(Gains)/losses on disposals of non-current assets	(28,912)	4,389	(24,523)
(Increase)/decrease in income tax assets	(1,983)	8,001	6,018
(Increase)/decrease in other assets (netted)	(2,515)	597	(1,918)
Increase/(decrease) in non-current liabilities	6,250	(5,857)	393
Increase/(decrease) in tax provisions	394	4,859	5,253
Increase/(decrease) in other provisions	4,378	(12,536)	(8,158)
Increase/(decrease) in other liabilities (netted)	(5,949)	(3,482)	(9,431)
Cash flows from operating activities	**(1,376)**	**1,400**	**24**
Proceeds from disposals of property, plant and equipment and intangible assets	92	0	92
Purchase of property, plant and equipment and intangible assets	(686)	0	(686)
Proceeds from disposals of financial assets and loans and receivables	90,815	(219)	90,596
Acquisition of financial assets and loans and receivables	(20,003)	(2,661)	(22,664)
Proceeds from disposals of long- and short-term securities	59,000	0	59,000
Acquisition of long- and short-term securities	(92,905)	0	(92,905)
Cash flows from investing activities	**36,313**	**(2,880)**	**33,433**
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	18,525	(1,480)	17,045
Cash funds at start of period	19,793	(8,430)	11,363
Cash funds at end of period	**38,318**	**(9,910)**	**28,408**

1 Compared with the 2014/2015 interim reports, there were changes based on IAS 8.41 in respect of the deconsolidation of DBG Advisors Kommanditaktionär GmbH & Co. KG that had effects on cash flows from operating activities (T€-310), on cash funds at start of period (T€-7,727) and cash funds at end of period (T€-8,037).

Consolidated statement of financial position

at 31 October 2014

T€	31 Oct. 2014 before IFRS 10 adoption	Application effects IFRS 10 [1]	**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	28,383	163,430
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**	**2,442**	**246,303**
Current assets			
Receivables	7,400	(4,942)	2,458
Short-term securities	31,344	0	31,344
Other financial instruments	2,245	0	2,245
Income tax assets	5,435	(100)	5,335
Cash and cash equivalents	38,318	(9,910)	28,408
Other current assets	18,486	(1,978)	16,508
Total current assets	**103,228**	**(16,930)**	**86,298**
Total assets	**347,089**	**(14,488)**	**332,601**
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)
Retained profit	118,077	(362)	117,715
Total shareholders' equity	**303,388**	**(362)**	**303,026**
Liabilities			
Non-current liabilities			
Minority interest	10,414	(10,301)	113
Provisions for pension obligations	9,385	0	9,385
Other provisions	235	0	235
Deferred tax liabilities	60	(60)	0
Total non-current liabilities	**20,094**	**(10,361)**	**9,733**
Current liabilities			
Other current liabilities	2,908	(1,987)	921
Tax provisions	2,232	(1,429)	803
Other provisions	18,467	(349)	18,118
Total current liabilities	**23,607**	**(3,765)**	**19,842**
Total liabilities	**43,701**	**(14,126)**	**29,575**
Total shareholders' equity and liabilities	**347,089**	**(14,488)**	**332,601**

1 Compared with the 2014/2015 interim reports, there were changes based on IAS 8.41 in respect of the deconsolidation of DBG Advisors Kommanditaktionär GmbH & Co. KG that had effects on non-current assets (T€-2,812), current assets (T€-8,067), equity (T€-74), non-current liabilities (T€-10,009) and current liabilities (T€-796).

Consolidated statement of financial position

at 1 November 2013

T€	1 Nov. 2013 before IFRS 10 adoption	Application effects IFRS 10[1]	**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	25,009	191,761
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**	**10,907**	**244,457**
Current assets			
Receivables	11,980	(9,286)	2,694
Short-term securities	28,028	0	28,028
Other financial instruments	2,401	0	2,401
Income tax assets	3,452	(35)	3,417
Cash and cash equivalents	19,793	(8,430)	11,363
Other current assets	11,448	(4,993)	6,455
Total current assets	**77,102**	**(22,744)**	**54,358**
Total assets	**310,652**	**(11,837)**	**298,815**
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
Retained profit	86,713	(551)	86,162
Total shareholders' equity	**278,413**	**(551)**	**277,862**
Liabilities			
Non-current liabilities			
Minority interest	10,146	(10,068)	78
Provisions for pension obligations	3,419	0	3,419
Other provisions	218	0	218
Deferred tax liabilities	61	(61)	0
Total non-current liabilities	**13,844**	**(10,129)**	**3,715**
Current liabilities			
Other current liabilities	2,468	1,495	3,963
Tax provisions	1,838	(1,428)	410
Other provisions	14,089	(1,224)	12,865
Total current liabilities	**18,395**	**(1,157)**	**17,238**
Total liabilities	**32,239**	**(11,286)**	**20,953**
Total shareholders' equity and liabilities	**310,652**	**(11,837)**	**298,815**

1 Compared with the 2014/2015 interim reports, there were changes based on IAS 8.41 in respect of the deconsolidation of DBG Advisors Kommanditaktionär GmbH & Co. KG that had effects on non-current assets (T€-3,070), current assets (T€-7,732), equity (T€-35), non-current liabilities (T€-9,990) and current liabilities (T€-777).

Consolidated statement of changes in equity

for the period from 1 November 2013 to 31 October 2014

T€	1 Nov. 2013 to 31 Oct. 2014		**1 Nov. 2013 to 31 Oct. 2014**
	before IFRS 10 adoption	Application effects IFRS 10[1]	**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	(6,695)	0	(6,695)
At end of reporting period	(21,273)	0	(21,273)
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	263	0	263
Change in reporting period through profit or loss	43	0	43
At end of reporting period	258	0	258
At end of reporting period	**(4,616)**	**0**	**(4,616)**
Retained profit			
At start of reporting period	86,713	(551)	86,162
Dividends	(16,412)	0	(16,412)
Net income	47,776	189	47,965
At end of reporting period	**118,077**	**(362)**	**117,715**
	303,388	**(362)**	**303,026**

1 Compared with the 2014/2015 interim reports, there were changes based on IAS 8.41 in respect of the deconsolidation of DBG Advisors Kommanditaktionär GmbH & Co. KG that had effects on the retained profit at the beginning of the reporting period (T€-35) and net income (T€-39).

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". In the past, one jointly controlled company (Q.P.O.N. Beteiligungs GmbH) was proportionately consolidated. Based on the size of this jointly controlled company (proportionate total assets at 31 October 2014: T€13), the change in the accounting of this one company from proportionate consolidation to the equity method did not have a material effect on the consolidated financial statements.

IFRS 12 "Disclosure of Interests in Other Entities"

This standard sets out the disclosure requirements for interests in subsidiaries, joint arrangements and associates. The new disclosure requirements are considerably more comprehensive than those that were previously required under IAS 27, IAS 28 and IAS 31 and primarily comprise:

- disclosures on expenses and income as well as opportunities and risks arising from unconsolidated, structured or sponsored entities
- expanded disclosures on the group of consolidated companies

The expanded disclosure requirements of IFRS 12 have an impact on the scope of the reporting in the notes to the consolidated financial statements. They have been implemented in note 4.

Standards and interpretations and amendments to standards and interpretations applicable for the first time that had no impact on the reporting period ended 30 September 2015

In the consolidated financial statements at 30 September 2015, the following amendments to standards were mandatorily applicable for the first time:

- amendments to IAS 27 "Separate Financial Statements"
- amendments to IAS 32 "Financial Instruments – Presentation"
- IFRIC 21 "Levies"

Amendments to IAS 27 "Separate Financial Statements"

The consolidation rules previously set out in IAS 27 "Consolidated and Separate Financial Statements" have been superseded by the new IFRS 10. IAS 27 amended now exclusively relates to the rules for separate financial statements. The provisions of IAS 27 concerning separate financial statements were not relevant for Deutsche Beteiligungs AG in the past; thus, there was no impact from the amendments to IAS 27 relating to separate financial statements in the reporting period.

Amendments to IAS 28 "Investments in Associates and Joint Ventures"

This amendment to IAS 28 revises the accounting treatment for planned disposals of portions of an investment in an associate or joint venture. The portion of an investment held for sale is now to be recorded in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

The initial application of IAS 28 amended to that effect did not have an impact on the presentation of the asset, financial and earnings position of the DBAG Group.

Amendments to IAS 32 "Financial Instruments: Presentation"

The amendments to IAS 32 clarify several requirements for offsetting financial assets and financial liabilities. The offsetting model currently valid under IAS 32 fundamentally remains unchanged. The adoption of IAS 32 amended therefore did not have an effect on the consolidated financial statements of DBAG.

IFRIC 21 "Levies"

IFRIC 21 provides guidance on the recognition of levies imposed by a government that are attributable to the application scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The rules are irrelevant for Deutsche Beteiligungs AG.

New standards and interpretations that have not yet been applied

a) Endorsed by the European Union

The following standards and interpretations were issued by the IASB and IFRIC and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard or interpretation is required to be applied, is stated in parenthesis. Deutsche Beteiligungs AG intends to initially apply the respective standards and interpretations for the annual period that starts after that effective date. No use will therefore be made of voluntary early application of these standards and interpretations.

Annual Improvements to IFRS “2010 to 2012 Cycle” (1 February 2015)

The following seven standards were amended within the scope of the annual improvement project 2010 to 2012:

- IFRS 2 “Share-based Payment”
- IFRS 3 “Business Combinations”
- IFRS 8 “Operating Segments”
- IFRS 13 “Fair Value Measurement”
- IAS 16 “Property, Plant and Equipment”/ IAS 38 “Intangible Assets”
- IAS 24 “Related Party Disclosures”

These primarily relate to terminology or editorial amendments aimed at clarifying guidance. The first-time adoption of the amendments is not expected to have an effect on the consolidated financial statements.

Annual Improvements to IFRS “2011 to 2013 Cycle” (1 January 2015)

The following four standards were amended within the scope of the annual improvement project 2011 to 2013:

- IFRS 1 “First-time Adoption of International Financial Reporting Standards”
- IFRS 3 “Business Combinations”
- IFRS 13 “Fair Value Measurement”
- IAS 40 “Investment Property”

These primarily relate to editorial amendments aimed at clarifying guidance. The first-time adoption of the amended standards is not expected to have an impact on the consolidated financial statements.

Amendments to IAS 19 “Employee Benefits” (1 February 2015)

The amendments to IAS 19 introduce an option regarding the accounting for employee contributions to defined benefit plans. Employee contributions that are linked to service can be attributed to periods of service as a negative benefit. However, recognition of employee contributions in the period in which the corresponding service is rendered remains permissible. The first-time adoption of IAS 19 amended is not expected to have a material impact on the consolidated financial statements.

b) Not yet endorsed by the European Union

The following standards have been issued by the IASB and the IFRIC, but have not yet been endorsed by the European Commission for adoption in the European Union.

Annual improvements to IFRS “2012 to 2014 Cycle”

The following standards were amended within the scope of the annual improvement project 2012 to 2014 cycle:

- IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”
- IFRS 7 “Financial instruments: Disclosures”
- IAS 19 “Employee Benefits”
- IAS 34 “Interim Financial Reporting”

These primarily relate to editorial amendments aimed at clarifying guidance. The first-time adoption of the amended standards is not expected to have an impact on the consolidated financial statements.

IFRS 9 "Financial Instruments"

The new IFRS 9 is to replace the present standard IAS 39 "Financial Instruments – Recognition and Measurement". Like IAS 39, IFRS 9 comprises the topics of classification and measurement, impairment and hedging transactions.

Classification and measurement of financial assets in accordance with IFRS 9 are based on the business model at the date of acquisition and the contractual cash flow characteristics. The combination of these two criteria determines the classification to one of three categories: "at amortised cost", "at fair value through other comprehensive income" or "at fair value through profit or loss".

The new impairment concept in IFRS 9 requires recognising expected credit and/or interest default events prospectively (expected loss model).

The new rules for hedging transactions provide for a closer alignment of risk management and hedge accounting.

The impact of the adoption of IFRS 9 on the asset, financial and earnings position of the Deutsche Beteiligungs AG Group is currently being analysed. A conclusive assessment of the effects of this standard on the consolidated financial statements is not yet possible.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 28 "Investments in Associated and Joint Ventures"

Based on the amendments to these standards, subsidiaries of IFRS investment companies that are IFRS investment companies themselves are to be carried at fair value through profit or loss. Subsidiaries of IFRS investment companies that are not IFRS investment companies themselves, but that provide investment-related services within the scope of the parent company's investment activity, will continue to be consolidated.

The impact of the adoption of IFRS 10, IFRS 12 and IAS 28 on the presentation of the asset, financial and earnings position of the Deutsche Beteiligungs AG Group is currently being analysed. A conclusive assessment of the effects of these amendments on the consolidated financial statements is not yet possible.

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Interests in Associates and Joint Ventures"

The amendments to IFRS 10 and IAS 28 relate to the sale of assets to an associate or joint venture or contribution of assets into an associate or joint venture. The amendments to IFRS 10 and IAS 28 are not expected to have an impact on the consolidated financial statements.

Amendments to IFRS 11 "Joint Arrangements"

The amendments to IFRS 11 clarify guidance on the accounting treatment for initial acquisitions and additional acquisitions of interests in joint operations in which the activity constitutes a business as defined in IFRS 2 "Business Combinations". The amendments to IFRS 11 are not relevant for Deutsche Beteiligungs AG.

IFRS 14 "Regulatory Deferral Accounts"

The new IFRS 14 standard permits IFRS first-time adopters to continue to account for regulatory deferral account balances in accordance with their national GAAP in their IFRS-formatted financial statements. The amendments are irrelevant for Deutsche Beteiligungs AG.

IFRS 15 "Revenue from Contracts with Customers"

The new standard superseded IAS 11 "Construction Contracts" and IAS 18 "Revenue" and the associated interpretations. The new IFRS 15 standardises past IFRS rules with those applied under US GAAP. IFRS 15 contains a new model for revenue recognition arising from contracts with customers. According to IFRS 15, revenue is recognised when the customer acquires control over the agreed goods and services and is able to obtain the benefits from them. The impact arising from the adoption of IFRS 15 on the presentation of the asset, financial and earnings position of the Deutsche Beteiligungs AG Group is currently being analysed. A conclusive assessment of the effects on the consolidated financial statements is not yet possible.

Amendments to IAS 1 "Presentation of Financial Statements"

The amendments to IAS 1 relate to different disclosure issues. The amendments clarify, among other things, that disclosures in the notes are only specifically required if the information is material. That also applies when a Standard specifically requires a list of minimum disclosures.

The impact of the amendments to IAS 1 on the presentation of the consolidated financial statements of Deutsche Beteiligungs AG is currently being analysed. A conclusive assessment of the effects of these amendments on the consolidated financial statements is not yet possible.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

The amendments to IAS 16 and IAS 38 clarify guidance on acceptable methods of depreciation and amortisation on property, plant and equipment and intangible assets. The clarification relates in particular to revenue-based depreciation. The amendments are not expected to have an effect on the consolidated financial statements.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"

The amendments to IAS 16 and IAS 41 comprise rules on the accounting treatment for bearer plants. The rules are irrelevant for Deutsche Beteiligungs AG.

Amendments to IAS 27 "Separate Financial Statements"

The amendments to IAS 27 reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in IFRS-formatted separate financial statements. The rules of IAS 27 on separate financial statements were not relevant for Deutsche Beteiligungs AG in the past; no impact is therefore expected from the amendments to IAS 27 relating to separate financial statements.

4. Disclosures on the consolidated group of companies and on interests in other entities

4.1 Status of DBAG as an investment entity in terms of IFRS 10

Deutsche Beteiligungs AG is a registered external capital management company ("KVG") in accordance with the German Investment Code (KAGB). As such, it raises closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments primarily in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides asset management services for these by managing the DBAG funds and/or their portfolios. DBAG commits to investors to invest the capital based on a contractually agreed investment strategy. For buyout funds, it generally invests the assets exclusively for the purpose of returns from capital appreciation, as is the case for DBAG Fund IV and DBAG Fund V, for example. For the DBAG Expansion Capital Fund (DBAG ECF), which provides growth financing to mid-market companies, it invests the assets for the purpose of generating investment income and achieving capital appreciation. DBAG measures and evaluates the performance of the investments entered into by the DBAG funds at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, has the typical characteristics of an investment entity in terms of IFRS 10.

Furthermore, in respect of DBAG Fund VI, DBAG advises a closed-end private equity fund, which is managed by an own capital management company (KGV) domiciled in Guernsey, Channel Islands. It advises the management company on the provision of its asset management services. In the opinion of the Board of Management, this advisory activity does not affect the status of DBAG as an investment entity in terms of IFRS 10.

Concurrently, DBAG is also recognised as a special investment company as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). In that capacity, it enters into investments using its proprietary capital as a co-investor alongside DBAG funds. Based on co-investment agreements with the DBAG funds, DBAG and the funds invest at the same terms, in the same companies and in the same instruments. The co-investments serve the purpose of achieving an alignment of interest between Deutsche Beteiligungs AG as an external

KVG and its advised DBAG funds. In the opinion of the Board of Management, this does not affect the status of DBAG as an investment entity in terms of IFRS 10.

4.2 Group of consolidated companies

As an investment entity in terms of IFRS 10, DBAG only consolidates such subsidiaries that provide investment-related services to the investment entity. The following subsidiaries are consolidated in the Group's financial statements at 30 September 2015:

Name	Domicile	Capital interest %	If differing, voting interest %
DBG Management GmbH & Co. KG	Frankfurt am Main	100.00	
DBG New Fund Management GmbH & Co. KG	Frankfurt am Main	100.00	
Deutsche Beteiligungs-gesellschaft mbH	Königstein/Taunus	100.00	
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main	20.00	
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	3.00	0.00
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00	

The parent-subsidiary relationship results from the fact that DBAG holds the majority of voting rights in these entities, or – as for DBG Managing Partner GmbH & Co. KG – has the power, based on contractual arrangements, to direct the relevant activities, has an exposure to variable returns and the ability to affect the amount of the variable returns. In respect of DBG Fund VI GP (Guernsey) LP and DBG Management GP (Guernsey) Ltd., DBAG does not have a voting interest. However, in both entities the only partners carrying voting rights are related parties to DBAG, and DBAG receives the majority of the distributable amounts.

These subsidiaries provide the management and advisory services for DBAG funds. The range of services – irrespective of whether management or advisory services to a DBAG fund are concerned – comprises: identifying, analysing and structuring investment opportunities, negotiating the investment agreements, compiling investment memorandums for the funds, supporting the portfolio companies during the holding period and realising the funds' portfolios. When managing DBAG funds, the range of services additionally includes taking investment decisions.

For more information on these subsidiaries, we refer to the commentary in note 39 under the heading "Other related parties".

4.3 Unconsolidated co-investment vehicles

The co-investments which DBAG enters into using its proprietary capital in order to align its interest with that of its managed and/or advised DBAG funds within the scope of its business activity as an external capital management company are made through own vehicles (referred to as "co-investment vehicles"). These vehicles solely serve the purpose of bundling the co-investments of DBAG alongside a fund. They do not provide investment-related services and are therefore not consolidated. Instead, in accordance with IAS 39, the interest in these is measured at fair value through profit or loss and recognised within financial assets.

These are as follows:

Name	Domicile	Capital/voting interest %
DBG Fourth Equity Team GmbH & Co. KGaA	Frankfurt am Main	100.00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main	99.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt am Main	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99

The co-investments by DBAG using its proprietary capital alongside the DBAG funds are based on co-investment agreements with the funds. DBAG has a contractual obligation to provide finances for investments and costs at a fixed rate for each of the funds; it can, however, unilaterally waive that contractual obligation (opt-out right), but would then forgo the opportunity of investing alongside the respective fund for the remaining term of that fund. The Board of Management examines the possibility of exercising an opt-out right in each investment case. However, based on its business activity, DBAG has the economic intention of providing finances to the co-investment vehicles in cases of investment decisions by DBAG funds for purposes of profitably investing its capital and of aligning its interests with that of the fund investors.

T€	2014/2015		
Name	Capital commitments	Capital calls	Outstanding capital commitments
DBG Fourth Equity Team GmbH & Co. KGaA	93,737	91,108	2,629
DBAG Fund V Konzern GmbH & Co. KG	103,950	101,247	2,703
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	100,000	46,600	53,400
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	81,024	51,976
	430,687	**319,979**	**110,708**

Based on its co-investment activity, DBAG received the following distributions from, and made the following investments with co-investment vehicles that are carried at fair value:

T€	2014/2015	
Name	Distributions	Investments
DBG Fourth Equity Team GmbH & Co. KGaA	1,365	3,700
DBAG Fund V Konzern GmbH & Co. KG	12,393	3,265
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	428	22,282
DBAG Fund VI Konzern (Guernsey) L.P.	9,823	64,486
	24,009	**93,733**

4.4 Other unconsolidated subsidiaries

A total of ten other subsidiaries do not provide investment-related services and are therefore not consolidated.

Name	Domicile	Capital/voting interest %
Bowa Geschäftsführungs GmbH	Frankfurt am Main	100.00
Change Management Verwaltungs GmbH	Frankfurt am Main	100.00
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt am Main	33.33
DBG Alpha 5 GmbH	Frankfurt am Main	100.00
DBG Beteiligungsgesellschaft mbH	Frankfurt am Main	100.00
DBG Epsilon GmbH	Frankfurt am Main	100.00
DBG Fourth Equity International GmbH	Frankfurt am Main	100.00
DBG Managing Partner Verwaltungs GmbH	Frankfurt am Main	20.00
DBG My GmbH	Frankfurt am Main	100.00
DBV Drehbogen GmbH	Frankfurt am Main	100.00

Deutsche Beteiligungs AG indirectly has the power over DBG Advisors Kommanditaktionär GmbH & Co. KG. The company acts as a holding company within the scope of DBAG Fund IV and receives a profit-linked distribution for that function. The company de facto does not provide investment-related services and is therefore not consolidated; instead, it is accounted for at fair value.

Deutsche Beteiligungs AG as a general partner indirectly has contribution commitments of T€47 to DBG Advisors Kommanditaktionär GmbH & Co. KG. In the past financial year, Deutsche Beteiligungs AG received distributions and made investments as follows:

T€	2014/2015	
Name	Distributions	Investments
DBG Advisors Kommanditaktionär GmbH & Co. KG	2,157	0

As was previously the case, DBG Beteiligungsgesellschaft mbH, in which Deutsche Beteiligungs AG indirectly holds 100 percent of the voting rights, is not consolidated, since DBAG does not have power over the entity based on contractual arrangements.

DBG Managing Partner Verwaltungs GmbH does not provide investment-related services and is therefore not consolidated; instead, it is recognised at fair value.

The remaining seven subsidiaries had previously not been consolidated due to immateriality. They pursue only minor operating activities, e.g. as a personally liable partner in a limited partnership without a capital contribution, and have no appreciable assets or liabilities. The criterion for the materiality of subsidiaries is whether these are able, individually or collectively, to influence the economic decisions that users make on the basis of the financial statements.

4.5 Interests in joint ventures

DBAG holds an interest in an entity under a joint arrangement (Q.P.O.N.). This entity is classified as a joint venture. Since 1 November 2013, Q.P.O.N. has been accounted for by the equity method within financial assets.

At 30 September 2015, the assets of Q.P.O.N. only consisted of liquid funds in the amount of T€13, which are set against short-term liabilities of T€4. The profit and loss account for the current financial year (1 October 2014 to 30 September 2015) shows a loss of T€6.

4.6 Interests in associates

DBAG is invested in four companies on which it exerts significant influence, as it has the ability to participate in financial and business policy decisions without being able to control these decision processes. Based on DBAG's voting interests of between 20 to 50 percent, the following entities are considered associates:

Name	Domicile	Capital interest %	If differing, voting interest %
DBG Asset Management Ltd.	Jersey	50.00	35.00
Grohmann Engineering GmbH	Prüm	24.01	
RQPO Beteiligungs GmbH	Frankfurt am Main	49.00	
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt am Main	44.10	

As compared to the first-time adoption of IFRS 10 as at 1 November 2013, there were no additions to or disposals of associates.

Of the associates, Grohmann Engineering GmbH is material for DBAG. The interest held by DBAG in Grohmann Engineering GmbH is measured at fair value in accordance with IAS 28. Since Grohmann Engineering GmbH does not prepare IFRS-formatted financial statements and preparing them would not be feasible and entail undue costs, the following financial data is based on HGB-formatted (German Commercial Code) accounts:

GROHMANN ENGINEERING GMBH

Balance sheet at 31 Dec. 2014

T€	
Assets	
Non-current assets	24,679
Current assets	30,870
Total assets	**65,549**
Liabilities	
Equity	35,191
Provisions	15,176
Liabilities	15,182
Total liabilities	**65,549**

Profit and loss account from 1 Jan. 2014 to 31 Dec. 2014

T€	
Revenue	95,139
Expenses	(47,500)
Other expenses and income	(36,245)
Taxes	(3,259)
Profit for the year	**8,135**

The aggregate financial data for the other immaterial associates is shown in the following table:

OTHER ASSOCIATES

Balance sheet at 31 Dec. 2014	
T€	
Assets	
Non-current assets	2,612
Current assets	136
Total assets	**2,748**
Liabilities	
Equity	74
Provisions	2
Liabilities	2,672
Total liabilities	**2,748**

Profit and loss account from 1 Jan. 2014 to 31 Dec. 2014	
T€	
Revenue	84
Other expenses and income	(33)
Taxes	0
Profit for the year	**51**

4.7 Interests in unconsolidated structured entities

Within the scope of its business activity as an external capital management company or investment services provider to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds which DBAG sponsored within the scope of its business activity. In particular, in the founding phase of a fund, DBAG prepays certain external third-party charges. These costs are reimbursed by the investors in a fund when that fund's investment period starts.

The following companies which DBAG sponsored within the scope of the business activity described above are structured entities that were not consolidated and recognised at 30 September 2015:

Name	Domicile	Capital/voting interest %
DBAG Fund IV International GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Fund IV GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Fund V GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Fund V International GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Fund V Co-Investor GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Expansion Capital Fund GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Expansion Capital Fund International GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Fund VI (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBG Fund HoldCo GmbH & Co. KG	Frankfurt am Main	0.00
DBAG Fund VI Feeder GmbH & Co. KG	Frankfurt am Main	0.00

The DBAG Group does not have contractual or economic commitments to these unconsolidated structured entities to provide financing or assets. Exposure to economic risk relates exclusively to the management and advisory activity of the DBAG Group for the DBAG funds. Based on contractual arrangements, the DBAG Group receives management fees for its services as a manager of DBAG Fund IV, DBAG ECF and DBAG Fund V or advisory fees for its services as an advisor to the manager of DBAG Fund VI (see note 39).

Exposure to loss from these unconsolidated structured entities extends to receivables arising from the management and advisory activity of the DBAG Group for the DBAG funds.

T€	30 Sept. 2015
Name	Maximum exposure to loss
DBAG Fund IV International GmbH & Co. KG	0
DBAG Fund IV GmbH & Co. KG	0
DBAG Fund V GmbH & Co. KG	137
DBAG Fund V International GmbH & Co. KG	319
DBAG Fund V Co-Investor GmbH & Co. KG	0
DBAG Expansion Capital Fund GmbH & Co. KG	91
DBAG Expansion Capital Fund International GmbH & Co. KG	56
DBAG Fund VI (Guernsey) L.P.	749
	1,352

There were financial commitments totalling T€123 at the reporting date to the following unconsolidated structured entities that are carried at fair value:

Name	Domicile	Capital/voting interest %
DBG Eastern Europe II L.P.	Jersey	14.88
DGB Asset Managemnet Ltd.	Jersey	50.00

DBAG received distributions of T€1,913 from these entities in the past financial year. The maximum exposure to loss for DBAG arising from these entities corresponded to the fair value recognised within financial assets of T€ 3,480 at the reporting date.

Within the scope of the acquisition of all of the interests in DBG Fonds I by the DBAG ECF, assets and liabilities of unconsolidated structured entities totalling T€11,088 (previous year: T€0) were transferred to an also unconsolidated co-investment vehicle of the DBAG Group (DBAG Expansion Capital Fund Konzern GmbH & Co. KG). In its capacity as the sole limited partner of DBAG Expansion Capital Fund Konzern GmbH & Co. KG, DBAG provided liquid funds for this acquisition in the same amount through a contribution.

There were no contractual or economic commitments at the reporting date arising from all other unconsolidated structured entities in which DBAG acted as a sponsor that could result in an inflow or outflow of funding or involve exposure to loss for the DBAG Group.

Disclosures on list of shareholdings pursuant to § 313 (2) HGB

The disclosures on the list of shareholdings pursuant to § 313 (2) German Commercial Code (HGB) can be found in note 43.

5. Consolidation methodology

In addition to DBAG, six of the other consolidated companies prepare their separate annual financial statements as at 30 September. The remaining consolidated companies' reporting date is concurrent with the calendar year. For consolidation purposes, these companies prepare interim financial statements as at the reporting date of DBAG.

The financial statements of consolidated companies are drawn up based on uniform accounting policies.

Capital consolidation is performed using the purchase method based on the date that DBAG obtains a controlling influence over the subsidiary in question (acquisition date). Acquisition costs are offset by the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. The carrying amounts are amortised in the subsequent periods. Goodwill required to be capitalised has not yet occurred.

Intra-Group profits and losses and transactions as well as all unrealised income and expenses are eliminated when preparing the consolidated financial statements. Deferred income taxes are taken into account in consolidation procedures.

6. Accounting and valuation policies

Recognition of assets and liabilities

Non-financial assets are recognised in the consolidated statement of financial position if it is probable that the future economic benefit will flow to DBAG, and when their cost or other value can be reliably measured.

Non-financial liabilities are recognised in the consolidated statement of financial position if it is probable that the settlement of a present obligation will require an outflow of resources embodying economic benefits, and when the amount of the settlement can be reliably measured.

Regular-way purchase or sale of financial assets or financial liabilities as well as equity instruments (generally termed financial instruments under IAS 32) are consistently recognised or derecognised for all categories of financial instruments on the settlement date.

Categories of financial instruments

Classes of financial instruments as in IFRS 7 in the DBAG Group are designated in accordance with the categories defined in IAS 39. Level 3 financial instruments are also classified by co-investment vehicles, interests in portfolio companies, international fund investments and other. The classes are formed based on the valuation methodology.

For financial assets that are measured at fair value through profit or loss, only such assets exist as are 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.

Fair value measurement of financial assets through profit or loss

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

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

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

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

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

Investments in financial assets are made by means of a documented investment strategy (risk management strategy). Their value movement is measured at fair value in the DBAG Group. The requirements for opting to recognise these at fair value through profit or loss have thus been met.

The financial assets are measured initially and at all subsequent quarterly and annual reporting dates at fair value by a Valuation Committee. The Valuation Committee includes the members of the Board of Management, the head of finance and accounting, the accounting officer and an investment controller.

Valuation procedures used in measuring fair value

The fair values for the various classes of assets are measured in accordance with consistent valuation procedures and on the basis of uniform input factors. Valuation guidelines have been adopted for the application of fair value accounting. DBAG employs valuation procedures that are commonly used by market participants in the private equity industry to value portfolio companies. This industry standard is detailed in the recommendations of the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) dated December 2012.[1]

At initial recognition, the fair value corresponds to the transaction price. Ancillary costs of the transactions are not capitalised, but are immediately expensed. Ancillary costs

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

attributable to a transaction include fees paid to intermediaries, consultants (e.g. legal or corporate consultants), agents and brokers, charges paid to regulatory authorities and stock exchanges as well as taxes and fees incurred in connection with the transaction. At subsequent reporting dates, the fair value is measured on a going-concern basis.

As far as possible, the fair value of a portfolio company is measured based on prices from transactions in the market that were observed on the valuation date or immediately prior to that date. This is normally possible for companies whose shares are quoted on the stock exchange. In determining prices, the principal market or the most advantageous market is used as the relevant stock exchange. These portfolio companies are valued at the closing rate on the valuation date or the closing rate on the last day of trading prior to this date. The fair value thus determined is neither reduced by discounts or premiums attaching to the sale of larger blocks of shares, nor by deductions for disposal costs.

Should the sale be subject to contractually agreed restrictions (lock-up), a risk-adjusted deduction is made on the observed transaction price. The amount of the risk-adjusted deduction is at the discretion of the Valuation Committee. For unquoted companies, a valuation methodology may be considered that is based on a signed purchase agreement or a binding purchase bid, if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems sufficiently realisable. If appropriate, valuations can be based on the price at which a significant amount of new investments into the portfolio company was made (financing rounds) or on significant comparative prices of recent transactions that have taken place in the market. If the transaction price observed in the market at the valuation date or the price of the most recent investment made prior to the valuation date does not constitute a sufficiently reliable method – for instance, for reasons of lacking liquidity in the market or in the event of a forced transaction or distressed sale – the fair value is measured based on the valuation methodologies recommended by the IPEVG and applied by market participants in the private equity sector.

The following procedures are applied:

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

For the **SUM-OF-THE-PARTS METHOD**, individual asset and liability items are valuated separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries. To that end, portfolio companies are generally valuated by the multiples or DCF method (see below).

The interest of DBAG in the unconsolidated subsidiaries' net asset value is based on the partnership agreements for the profit distribution. In addition to DBAG, members of the investment team have committed to take an interest in the co-investment vehicles through which DBAG co-invests in the DBAG funds DBAG Fund IV, DBAG Fund V, DBAG Fund VI and DBAG ECF. Under certain conditions (see note 39), this can result in a disproportionate share of the profits (carried interest) for the members of the investment team. As soon as the conditions that trigger carried interest payments are met, the interest in the net asset value of a co-investment vehicle is reduced accordingly.

For the **MULTIPLES METHODS**, the enterprise value is determined by applying a multiple to an appropriate indicator of the company's value. That indicator is generally the company's earnings before interest, taxes and amortisation (EBITA) and/or earnings before interest, taxes, depreciation and amortisation (EBITDA). The indicator derives from a portfolio company's current financial metrics. To arrive at a maintainable indicator of value, these metrics are adjusted for special effects such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics. The multiple is derived from the market capitalisation of a peer group. Companies are selected for the peer group that are comparable with the investee business to be valued as to their business model, the geographical focus of their operations as well as their size. If the company to be valued differs in certain aspects compared with features of companies in the peer group, discounts or premiums are applied to the relevant multiple. As long as these differences between the portfolio company to be valued and the peer group companies exist, these discounts or premiums are applied consistently. For reconciliation to the net asset value, which corresponds to the fair value, net liabilities are deducted from the enterprise value.

In determining the fair value, critical judgments on the part of the Valuation Committee will become necessary to a certain extent, i.e. assumptions and estimates are required to be made. These are constructively substantiated by the Valuation Committee and documented in the valuation records. To that end, the assumptions and estimates are based on the premises of current knowledge and the experience of the Valuation Committee and are consistently applied without arbitrariness. If the portfolio company's actual performance or the underlying conditions differ from the trend expected at the preceding valuation date, the premises and, if appropriate, the fair value are adjusted at the next valuation date.

In the **DCF METHOD**, fair value is determined by discounting expected future cash flows. The portfolio company's existing budgeting is used as the basis for projecting future cash flows. This is adjusted by discounts or premiums, if current findings exist that were not yet considered in the budgets. If there is no suitable basis for transition to a terminal value at the end of the forecast period, a less detailed trend phase follows. For the time following the forecast period and, if appropriate, the trend phase, a terminal value is used that may be adjusted by a growth rate. We derive the discount rate by the Capital Asset Pricing Model (CAPM) from a risk-free base rate and a risk premium to capture the business risk involved. For valuations of interests in international funds using the DCF method, the expected proceeds from the sale of portfolio companies are discounted to the present value by applying the appropriate rate.

Joint ventures

Joint ventures are consolidated using the equity method. DBAG's proportionate interest in all assets, liabilities and earnings of the joint venture and with consideration to their materiality are recognised in items "Financial assets" and "Net result of investment activity". Assets and liabilities are netted. The same applies to earnings and expenses.

Recognition of revenues

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor, the net result of fund services and investment activity is presented instead of revenues in the consolidated statement of comprehensive income. It consists of "Fee income from fund management and advisory services", the "Net result of valuation and disposal of financial assets and loans and receivables" and "Current income from financial assets and loans and receivables".

FEE INCOME FROM INVESTMENT SERVICES TO FUNDS is recognised when the services are delivered.

The **NET RESULT OF VALUATION** comprises movements in the fair value of financial assets and loans and receivables that are derived at each valuation date using the valuation principles described above.

The **NET RESULT OF DISPOSAL** contains profits that were realised upon disposal of financial assets and loans and receivables. For regular-way sales, disposals are recognised at the settlement date. The profits achieved on the sale are therefore recorded on that date. The settlement date is the day on which the contractually agreed obligations between the selling and purchasing parties to the contract have been fulfilled. In the DBAG Group, this is usually the transfer of the interests in the divested portfolio company in exchange for the receipt of cash, a purchaser's loan or other financial assets. In the event of contractually agreed retentions on the purchase price for representations and warranties or other risks, these are recognised at a future date at which claims to warranty obligations or other risks are no longer probable. This may also be done on a contractually agreed pro rata basis in partial amounts per period.

CURRENT INCOME comprises distributions from the co-investment vehicles as well as dividends and interest payments from portfolio companies. This income is recognised on the day that distributions or dividends are declared, or, for interest payments, on a pro rata temporis basis or in the period in which they accrue.

Impairment test for financial assets at fair value outside profit or loss

An impairment test for financial assets measured at fair value outside profit or loss is conducted at each reporting date. At DBAG, these relate to financial assets falling under the categories of "loans and receivables" as well as "financial assets available for sale". The impairment test is designed to identify whether there is objective evidence that an asset is impaired. Such objective evidence could be:

- significant financial difficulty on the part of the issuer or obligor
- breach of contract, for example, default or delinquency in interest and principal payments
- concessions by the DBAG Group to a borrower for economic or legal reasons relating to the borrower's financial difficulty
- the probability that the borrower will enter bankruptcy or other financial reorganisation
- the disappearance of an active market for that financial asset because of financial difficulties
- observable data, such as the payment status of borrowers or adverse changes in national or local economic conditions, indicating that there is a measurable decrease in the estimated future cash flows from the financial asset

Impaired financial assets are derecognised when there is objective evidence that a receivable is uncollectible or that future cash flows can no longer be expected.

Intangible assets / property, plant and equipment

Intangible assets and property, plant and equipment are valued at amortised cost, less regular straight-line depreciation based on normal useful life as well as any impairment losses.

Intangible assets exclusively relate to intangible assets acquired against payment.

Useful life for intangible assets is determinable and extends from two to five years. For property plant and equipment, useful economic life is termed from three to thirteen years. Additions are depreciated pro rata temporis beginning in the month of acquisition.

Beyond that, intangible assets and property, plant and equipment are subject to impairment review, if certain events and/or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss amounting to the difference between the carrying amount and the recoverable amount is recognised. The recoverable amount is the higher of an asset's fair value (less costs to sell) or its utility value.

Loans and receivables

Item "Loans and receivables" comprises loans, shareholder loans and receivables with a fixed term and without an embedded derivative requiring separation.

Loans and receivables relate to financial assets within the meaning of IAS 39. These are designated to the category of "loans and receivables" and are carried at amortised cost. Loans and receivables are subject to an impairment test at each reporting date (see also section on impairment test above). Impairment losses on loans and receivables are recognised in item "Net result of investment activity" in the consolidated statement of comprehensive income.

Securities

Securities comprise interest-bearing bonds. They are designated to the category of "available-for-sale financial assets". Securities are designated to the category of "available-for-sale financial assets" because these may possibly be sold at any time to cover liquidity requirements arising from DBAG's investment activity. The securities are initially recognised at fair value, which corresponds to their cost at the time of the transaction, and at fair value directly in "Other comprehensive income" at the subsequent reporting dates. The fair value measurement of securities is based on prices by dealers or price information systems (Reuters, Bloomberg, etc.). These are indicative prices, since they are not regularly based on observed transaction prices due to low market turnovers.

Changes in fair value are recognised in "Retained earnings and other reserves" in the consolidated statement of financial position and in "Unrealised gains/(losses) on available-for-sale securities" in the consolidated statement of comprehensive income. An impairment test is conducted at each reporting date (see also section on impairment test above). If there is objective evidence of impairment, the aggregate loss recognised in reserves is reclassified to "Other operating expenses" through profit or loss in the consolidated statement of comprehensive income, even if the securities were not derecognised. An impairment account is used to record impairments. Gains and losses realised on disposal of securities of this category are reclassified accordingly, insofar as this has not occurred at earlier reporting dates by way of an impairment test.

Other assets

"Other assets" comprise receivables from portfolio companies or DBAG funds, other receivables as well as prepaid expenses. Where applicable, this item also contains the net asset position arising from offsetting plan assets with pension obligations. With the exception of prepaid expenses, value-added tax and the net asset position arising from offsetting plan assets with pension obligations, these relate to financial assets as defined in IAS 39.

These financial assets are allocated to the category "available-for-sale financial assets" or "loans and receivables". They are initially recognised at cost and are tested for impairment at the subsequent reporting dates (see section on impairment test). If there is objective evidence of impairment, the loss is recognised in "Other operating expenses" in the consolidated statement of comprehensive income.

Receivables

Line item "Receivables" contains receivables from portfolio companies. These relate to financial assets that are allocated to the category of "loans and receivables" upon initial recognition. They are initially valued at cost and are tested for impairment at the subsequent reporting dates (see section on impairment test). If there is objective evidence of impairment, the loss is recognised in item "Other operating expenses" in the consolidated statement of comprehensive income.

Other financial instruments

Item "Other financial instruments" contains equity shares in companies that will shortly be sold to the management of portfolio companies. These are financial assets within the meaning of IAS 39. Depending on their characteristics as equity or liability instruments, they are allocated either to the category "financial assets at fair value through profit or loss" or "loans and receivables". In the case of an equity instrument, the fair value is measured in correspondence to the fair value of the portfolio company in item "Financial assets". Changes in fair value are recognised either in "Other operating income" or in "Other operating expenses" of the consolidated statement of comprehensive income. For debt instruments, an impairment test is conducted at every reporting date (see section on impairment test). If there is objective evidence of impairment, the loss is recognised in item "Other operating expenses" in the consolidated statement of comprehensive income.

Income tax assets

Item "Income tax assets" contains receivables from corporation and investment income tax. These relate to current taxes resulting from taxable income. Income tax assets are recognised in the relevant amount for tax purposes.

Cash and cash equivalents

"Cash and cash equivalents" relates to cash in banks, time deposits and overnight money. These are allocated to the category of "loans and receivables" and carried at amortised cost.

Deferred taxes

According to the IFRS, deferred taxes are recognised on temporary differences arising between the tax bases of assets and liabilities and their IFRS carrying amounts in the accounts (balance sheet-orientated method). Temporary differences based on the IFRS are any differences that are not of a permanent nature. The IFRS require recognition of both deferred tax assets and liabilities, if the criteria for recognition exist.

Additionally, expected tax reductions from loss carryovers are capitalised in the IFRS format, if an appropriate level of taxable income is expected to be achieved in the foreseeable future against which unused tax loss carryovers may be offset. The tax rates expected to apply at the balance sheet date are used to determine deferred taxes.

Changes to deferred taxes are basically recognised in profit or loss, insofar as the circumstances to which they relate were recognised in profit or loss and were not charged or credited to equity.

Minority interest

Minority interest is carried as a financial liability pursuant to IAS 39. Initial and subsequent valuation is at the proportionate carrying amount of minority interest in the company capital. Item "Minority interest" in the consolidated statement of financial position contains the minority share ownership belonging to other investors in companies that are fully consolidated in the Group accounts. "Minority interest" is recognised within liabilities, since it concerns shares in partnerships which do not meet the definition of equity in accordance with the IFRS.

Provisions for pension obligations and plan assets

Pension obligations arising from defined benefit plans exist at two Group companies. Application of the plans is subject to the date at which the respective employee joined the Company. The amount of retirement benefits depends on the relevant pension scheme, the employee's compensation and years of service.

Pension obligations of Group companies are set against assets of a legally independent entity ("contractual trust arrangement" in the form of a bilateral trust), which must be used exclusively to cover the pension commitments given and are not accessible to creditors (qualified plan assets).

Pension obligations arising from defined benefit plans are measured based on the projected unit credit method. For this method, future obligations are valued by the benefits proportionately accrued up to the reporting date. They show that part of the pension obligations that has been recognised through profit or loss up to the reporting date. The measurement accounts for expected future trends in certain actuarial parameters, such as the life expectancy of beneficiaries, future salary and benefit increases and the discount rate. The discount rate is calculated based on the returns that are valid at the reporting date for long-term industrial bonds of issuers with highest credit ratings with a comparable maturity.

Plan assets are measured at fair value.

For presentation in the financial statements, the present value of pension obligations is netted against the fair value of plan assets of the respective Group company. The resulting company-related net asset or liability positions are neither aggregated nor offset. Should the fair value of plan assets exceed the present value of pension obligations, a net defined benefit asset is recognised in "Other non-current assets". A net defined benefit liability is recognised in "Provisions for pension obligations".

Service cost is recognised in "Personnel costs" and net interest on the net defined benefit liability (asset) in "Interest expenses". Net interest comprises interest expenses on pension obligations and interest income on plan assets. It is calculated using the discount rate for pension obligations.

Remeasurements of the net defined benefit liability are recognised in "Other comprehensive income". They comprise actuarial gains and losses from changes in financial and demographic assumptions as well as from experience-related changes.

Other provisions

Other provisions are carried in liabilities, if a third-party obligation and the probability of an outflow of resources to settle the obligation exist. Non-current provisions are discounted.

Other liabilities

Liabilities of the Group are carried in "Other liabilities" in conformity with IAS 39. They are initially recognised at cost. Subsequent measurement for discounted loans is at amortised cost using the effective interest method.

Other financial commitments, contingent liabilities and trusteeships

Other financial commitments are recognised outside the balance sheet. They ensue to the extent that a legal or constructive third-party obligation exists for DBAG at the reporting date. This is measured on initial recognition at fair value.

Existing obligations arising from rental and lease contracts are carried as permanent debt obligations outside the balance sheet. Future payment commitments are discounted.

Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair value in the notes to the consolidated financial statements.

Net result of valuation and disposal of financial assets and loans and receivables

This item contains realised gains and losses arising from disposals of financial assets and from changes in the fair value of financial assets. This caption also includes impairment losses on loans and receivables carried at amortised cost.

Other comprehensive income

In addition to net income, other comprehensive income is the second component of total consolidated comprehensive income. Through other comprehensive income, transactions are recognised outside profit or loss. Other comprehensive income is shown before taxes. It is net of minority interest in the DBAG Group.

Offsetting

In preparing the consolidated statement of financial position and the consolidated statement of comprehensive income, assets and liabilities as well as income and expenses are basically not offset, unless this is stipulated or expressly permitted by a requirement.

Leases

Only operating lease commitments exist. Lease payments are recognised as an expense.

Foreign currency

Receivables and liabilities stated in foreign currency are recognised in the consolidated income statement using the closing-rate method. Since the group of consolidated companies of Deutsche Beteiligungs AG does not include foreign-based companies, there are no effects from currency translations in this context.

7. Judgments in applying the accounting policies

Application of the accounting policies requires making judgments which can materially influence the reported amounts in the financial statements. The consolidation as well as accounting and valuation methods applied that were based on judgments are detailed in notes 5 and 6 above. The amounts recognised in the financial statements were primarily influenced by the decision to measure financial assets in accordance with IAS 39 at fair value through profit or loss (see "Fair value measurement of financial assets through profit or loss" in note 6). Since 1 November 2014, judgmental considerations to that effect have not been required due to compulsory application of IFRS 10. Through the first-time adoption of IFRS 10, co-investment vehicles are recognised at fair value. The fair value of co-investment vehicles is significantly determined by the fair value of the portfolio companies which have already been carried at fair value in the consolidated financial statements in the past.

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

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

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

A significant risk exists in financial assets and other financial instruments the fair value of which was determined using inputs not based on observable market data (hierarchy Level 3, see note 34.2). These are contained in "Financial assets" in an amount of T€247,343 (previous year: T€163,076) and in "Other financial instruments" in an amount of T€2,134 (previous year T€2,245). They concern that part of financial assets and other financial instruments that is largely valued by the multiples method. The extent of possible effects in the event of an adaption of assumptions and estimations is not quantifiable. However, should the underlying multiples change by +/- 1, this would result ceteris paribus in an adjustment in the fair values recognised in the financial statements of +/- T€28,077 (previous year: T€17,579). This equates to nine percent of total shareholders' equity.

Notes to the consolidated statement of comprehensive income

9. Net result of investment activity

T€	2014/2015	2013/2014
	11 months	12 months
Net result of valuation and disposal		
Interests in co-investment vehicles	18,588	15,590
Interests in portfolio companies	5,974	24,912
International fund investments	3,393	128
Other financial assets	(2,889)	21
	25,066	**40,651**
Current income		
Interests in co-investment vehicles	627	7,981
Interests in portfolio companies	1,159	2,070
Other financial assets	2,351	0
	4,137	**10,051**
	29,203	**50,702**

In the comparative year, the high net result of valuation and disposal derives in an amount of T€24,576 from the Homag disinvestment.

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

For further information on the net result of investment activity, we refer to the management report (see pages 66ff.).

10. Fee income from fund management and advisory services

T€	2014/2015	2013/2014
	11 months	12 months
DBG Fonds I	1,450	1,831
DBG Fonds III	18	20
DBAG Fund IV	0	418
DBAG Fund V	4,743	5,041
DBAG ECF	146	862
Other	39	28
Management fee income	6,396	8,200
Advisory fee income (DBAG Fund VI)	12,811	14,001
	19,207	**22,201**

Management fee income stems from the management of private equity funds, alongside which Deutsche Beteiligungs AG co-invests (see commentary in note 39).

Advisory fee income results from advisory services to the management company of DBAG Fund VI (see commentary in note 39).

The reasons for the decline in fee income from management and advisory services relate in particular to a change in the computational base agreed with the investors in the DBAG ECF, which is now based on the invested capital, instead of the committed capital. Moreover, the divestments of the past twelve months (chiefly Homag Group AG) led to a reduction in fee income from DBAG Fund V. In addition, the fee agreement for management services to DBAG Fund IV ended in September 2014.

As per 30 June 2015, the shares in DBG Fonds I were sold to the DBAG ECF, thereby ending DBAG's management of DBG Fonds I. Correspondingly, DBAG no longer receives fee income from management services to DBAG Fonds I as of that date.

For further information on fee income from fund management and advisory services, we refer to the management report (see page 69f.).

11. Personnel costs

T€	2014/2015	2013/2014
	11 months	12 months
Wages and salaries		
Fixed salary and fringe benefits	7,472	6,929
Variable remuneration, performance-related	5,373	4,356
Variable remuneration, transaction-related	733	4,161
	13,578	**15,446**
Social contributions and expenses for pension plans		
Social contributions	704	565
Voluntary pension plans	560	540
	1,264	**1,105**
	14,842	**16,551**

Performance-related income components comprise bonuses to which the Board of Management is entitled and variable income components for DBAG staff. The performance-related remuneration scheme was adapted in financial year 2014/2015 and geared more strongly to personal contributions to the Company's long-term performance (see management report, "Variable components scheme refined", page 82). Transaction-related variable remuneration consists of long-term components for the performance of investments entered into prior to 2007. In the previous year, transaction-related remuneration primarily ensued from the profitable disposal of Homag Group AG.

Of social contributions and expenses for voluntary pension plans, T€592 (previous year: T€542) were attributable to pension plans. The employer's contributions to state pension plans have been allocated to social contributions, not to expenses for pension plans.

Number of employees (without Board of Management members):

	30 Sept. 2015	31 Oct. 2014
Employees (full-time)	51	46
Employees (part-time)	5	5
Apprentices	6	5

The Board of Management consisted of three members at the end of financial year 2014/2015 (previous year: three members).

In financial year 2014/2015, an average of 55 employees (previous year: 49) and five apprentices (previous year: five) were employed at Deutsche Beteiligungs AG.

12. Other operating income

T€	2014/2015	2013/2014
	11 months	12 months
Reimbursed expenses	4,086	7,677
Income from reversals of provisions	1,015	452
Gains on disposals of long- and short-term securities	667	0
Value-added tax refunds for former years	0	1,125
Other	746	515
	6,514	**9,769**

Reimbursed expenses comprise advances on behalf of DBAG funds and/or portfolio companies. The decrease in reimbursed expenses corresponds with the decrease in transaction-related consultancy expenses (see note 13).

"Other" contains income of T€246 (previous year: T€290) from emoluments transferred to DBAG by employees for their service on supervisory boards and advisory councils.

13. Other operating expenses

T€	2014/2015	2013/2014
	11 months	12 months
Transaction-related consultancy expenses	4,029	7,985
Expenses for new contacts	1,817	2,357
Other consultancy expenses	766	607
Auditing and tax consultancy expenses	604	798
Consultancy expenses	7,216	11,747
Travel and hospitality expenses	1,069	810
Office rental	922	1,086
Corporate communications, investor relations, media relations	799	888
Value-added tax	685	830
Impairment losses on property, plant and equipment and intangible assets	508	417
Supervisory Board remuneration	365	409
Other	1,737	1,718
	13,301	**17,905**

Consultancy expenses primarily relate to potential investment transactions, tax and general legal counselling as well as IT advisory services. The decrease in transaction-related consultancy expenses corresponds with the decrease in reimbursed expenses (see note 12).

"Other" consists of miscellaneous operating expenses, in particular other personnel expenses, expenses for external staff, motor vehicles, insurance and offices supplies.

14. Interest income

T€	2014/2015	2013/2014
	11 months	12 months
Securities	331	153
Revenue office	25	105
Other	93	94
	449	**352**

Interest income is attributable to the following categories of financial instruments:

T€	2014/2015	2013/2014
	11 months	12 months
Available-for-sale financial assets	331	152
Loans and receivables	81	171
Financial assets at fair value through profit or loss	37	29
	449	**352**

15. Interest expenses

T€	2014/2015	2013/2014
	11 months	12 months
Interest expenses for pension provisions	603	917
Expected interest income on plan assets	(458)	(824)
Net interest on net defined benefit liability	145	93
Revenue office	0	5
Other	11	59
	156	**157**

Interest income on plan assets is determined with the same interest rate used to calculate the present value of pension obligations. We refer to note 29 on the inputs for the two components of net interest on the net defined benefit liability.

16. Income taxes

T€	2014/2015	2013/2014
	11 months	12 months
Current taxes	23	411
Deferred taxes	0	0
	23	**411**

In addition to tax expenses of T€12 for the 2014/2015 reporting period (previous year: T€393), current taxes in financial year 2014/2015 also contain taxes of T€11 for preceding years (previous year: T€18).

Deferred taxes are based on the occurrence or reversal of temporary differences between the IFRS carrying amounts and the tax purpose-based carrying amounts of assets and liabilities. Temporary differences primarily exist for financial assets and pension provisions. This financial year, the Group companies have for the most part recorded a surplus in deferred tax assets that largely originated from existing loss carryforwards. Based on the type of business activities and their applicable tax treatment, it is not probable that sufficient taxable profit will be available against which the deferred tax assets can be utilised. They were therefore not capitalised. At 30 September 2015, there were neither deferred income tax assets, nor deferred income tax liabilities taken directly to equity.

Reconciliation between the theoretically expected tax charge for an incorporated company and the current amount recognised in the consolidated financial statements of DBAG is as follows:

T€		**2014/2015**	2013/2014
		11 months	12 months
Earnings before taxes		27,074	48,411
Applicable corporate tax rate	%	31.93	31.93
Theoretical tax income/expenses		**8,643**	**15,455**
Change in theoretical tax income/expenses:			
Tax-exempt positive net result of valuation and disposal		(12,458)	(4,524)
Other untaxed losses (previous year: non-capitalised gains)		562	(9,483)
Non-capitalised tax loss carryforwards for current year		0	815
Non-deductible negative net result of valuation and disposal		4,180	2,542
Tax-exempt current income		(91)	(2,785)
Non-deductible expenses		63	88
Taxes from previous years		(11)	411
Use of non-capitalised tax loss carryforwards		(110)	(361)
Tax rate differential		(1,168)	(1,459)
Other effects		413	(288)
Income taxes		**23**	**411**
Taxation ratio	%	0.08	0.85

A main pillar of DBAG's business is the acquisition and disposal of investments alongside the DBAG funds. The investments relate to corporate enterprises; thus, in accordance with § 8 German Corporation Tax Act (KStG), the (positive) net result of valuation and disposal totalling T€12,458 (previous year: T€4,524) is tax-exempt.

Due to tax purpose-based largely negative income contributions by Group companies, deferred taxes arising from temporary differences between the IFRS and tax-purpose based carrying amounts were not recognised at Group level due to lack of recoverability. The tax-based reconciliation effect of T€562 (previous year: T€-9,483) therefore reflects the carryforward of other temporary differences arising from differences between the IFRS and tax purpose-based accounting.

The expected tax rate for corporations is composed of corporation tax and a solidarity surcharge (15.83 percent) as well as municipal trade tax (16.10 percent). The tax rate for Deutsche Beteiligungs AG is 15.83 percent, since Deutsche Beteiligungs AG is recognised as an equity investment company and is exempt from municipal trade tax. This tax rate differential constitutes another reconciliation effect of T€-1,168 (previous year: T€-1,459).

Notes to the consolidated statement of financial position

17. Intangible assets/property, plant and equipment

	Acquisition cost			
T€	1 Nov. 2014	Additions	Disposals	**30 Sept. 2015**
Intangible assets	468	553	0	1,021
Property, plant, equipment	2,744	459	423	2,780
	3,212	**1,012**	**423**	**3,801**

	Depreciation/amortisation				Carrying amount	
T€	1 Nov. 2014	Additions	Disposals	**30 Sept. 2015**	**30 Sept. 2015**	31 Oct. 2014
Intangible assets	317	88	0	405	616	151
Property, plant, equipment	1,434	420	265	1,589	1,191	1,310
	1,751	**508**	**265**	**1,994**	**1,807**	**1,461**

	Acquisition cost			
T€	1 Nov. 2013	Additions	Disposals	31 Oct. 2014
Intangible assets	336	135	3	468
Property, plant, equipment	2,475	551	282	2,744
	2,811	**686**	**285**	**3,212**

	Depreciation/amortisation				Carrying amount	
T€	1 Nov. 2013	Additions	Disposals	31 Oct. 2014	31 Oct. 2014	31 Oct. 2013
Intangible assets	302	18	3	317	151	34
Property, plant, equipment	1,194	400	160	1,434	1,310	1,281
	1,496	**418**	**163**	**1,751**	**1,461**	**1,315**

Depreciation and amortisation on property, plant and equipment and intangible assets in the reporting year exclusively relate to regular depreciation.

18. Financial assets

T€	**30 Sept. 2015**	31 Oct. 2014
Interests in co-investment vehicles	206,347	119,741
Interests in portfolio companies	33,975	30,264
International fund investments	5,097	8,300
Other financial assets	2,276	5,125
	247,695	**163,430**

Financial assets are measured at fair value through profit or loss (see note 6).

This item exhibited the following movements in the reporting year:

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

T€	1 Nov. 2013	Additions	Disposals	Value movements	31 Oct. 2014
Interests in co-investment vehicles	97,107	22,606	15,726	15,754	119,741
Interests in portfolio companies	79,193	0	49,116	187	30,264
International fund investments	10,359	58	2,245	128	8,300
Other financial assets	5,102	0	0	23	5,125
	191,761	**22,664**	**67,087**	**16,092**	**163,430**

The additions relate to capital calls by the co-investment vehicles for investment in portfolio companies (see management report, page 61ff.).

The disposals within co-investment vehicles result from distributions following repayments of shareholder loans or bridge-over loans 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 management report (see pages 66ff.).

19. Loans and receivables

T€	**2014/2015**	2013/2014
	11 months	12 months
At start of financial year	0	0
Additions	2,516	0
Disposals	0	0
Value movements	(22)	0
At end of financial year	**2,494**	**0**

The additions in financial year 2014/2015 contain a loan to a portfolio company. The value movements result from currency rate changes.

20. Other non-current assets

T€	**30 Sept. 2015**	31 Oct. 2014
Tax assets	214	421

We refer to the commentary in note 24.

21. Receivables

T€	**30 Sept. 2015**	31 Oct. 2014
Receivables from associates	141	53
Receivables from portfolio companies	2,936	2,405
	3,077	**2,458**

Receivables from associates mainly exist from a co-investment vehicle (see note 4).

Receivables from portfolio companies largely relate to receivables from a clearing account with one portfolio company.

These receivables are recognised at fair value outside profit or loss and are subjected to an impairment test at every reporting date (see note 6).

Impairment losses developed as follows:

T€	2014/2015	2013/2014
	11 months	12 months
At start of financial year	0	60
Additions	0	0
Disposals	0	60
At end of financial year	**0**	**0**

Disposals in the amount of T€60 (previous year: T€594) relate to impairment losses on a receivable from a disinvested portfolio company. The receivable was derecognised through profit or loss in financial year 2013/2014.

22. Securities

Securities held at 30 September 2015 were exclusively acquired as investments of cash and cash equivalents not immediately required.

Classification of securities by term:

T€	30 Sept. 2015	31 Oct. 2014
Long-term securities	26,370	80,991
Short-term securities	3,741	31,344
	30,111	**112,335**

Classification of securities by types:

T€	30 Sept. 2015	31 Oct. 2014
Floating-rate notes (3-month Euribor)	0	25,026
Floating-rate notes (6-month Euribor)	0	10,000
Fixed-rate securities	30,111	77,309
	30,111	**112,335**

Classification of securities by maturity:

T€	30 Sept. 2015	31 Oct. 2014
Due < 1 year	3,741	31,344
Due between 1 and 2 years	0	3,921
Due between 2 and 3 years	0	5,000
Due between 3 and 4 years	10,460	0
Due between 4 and 5 years	10,533	22,773
Due > 5 years	5,377	49,297
	30,111	**112,335**

All securities have been designated to the category of "available-for-sale financial assets" (see note 6).

The change in fair value of T€145 (previous year: T€306) is recognised in the consolidated statement of comprehensive income in "Unrealised gains/(losses) on available-for-sale securities". A gain of T€23 (previous year: loss of T€43) arising from disposals of securities from this category in the reporting year was reclassified to net income.

23. Other financial instruments

T€	30 Sept. 2015	31 Oct. 2014
Short-term equity shares	2,134	2,245

Short-term equity shares relate to shares that are to be sold to the managements of portfolio companies within a year.

24. Tax assets, tax provisions and deferred taxes

T€	30 Sept. 2015	31 Oct. 2014
Tax assets		
Other non-current assets	214	421
Income tax assets	5.554	5.335
Tax provisions	0	803

Tax assets contain imputable taxes and corporation tax assets of Deutsche Beteiligungs AG capitalised at net present value. The major portion of income tax assets results from imputable investment income tax of T€4,015 (previous year: T€2,506) arising from a distribution by Deutsche Beteiligungsgesellschaft mbH as well as corporation tax credits of Deutsche Beteiligungs AG of T€446 (previous year: T€652). Another part of tax assets stems from imputable investment income taxes of T€312 arising from interest income on securities and bank accounts, as well as of T€465 from distributions from investments.

Tax provisions reflect expected tax expenses, without accounting for imputable taxes and tax prepayments.

Deferred tax assets and liabilities are offset in conformity with IAS 12.74. There were no deferred tax liabilities in 2014/2015, or in the preceding year.

Tax loss carryforwards have been recognised in deferred taxes as follows:

T€	30 Sept. 2015	31 Oct. 2014
Tax loss carryforward, corporation tax	63,606	57,566
thereof, usable	0	0
Tax loss carryforward, trade tax	9,341	9,410
thereof, usable	0	0

Based on the type of business activities and their tax treatment, it is unlikely that the Group companies concerned will achieve sufficient future taxable profits against which the loss carryforwards can be used.

25. Other current assets

T€	30 Sept. 2015	31 Oct. 2014
Receivables from reimbursable costs	2,034	4,693
Fees receivable for management services	622	1,638
Fees receivable for advisory services	3	4,827
Receivables from DBAG funds	2,659	11,158
Value-added tax	546	1,026
Interest receivable on securities	449	478
Loans	433	573
Lease security deposit	414	413
Purchase price retention	288	1,879
Other receivables	1,055	981
	5,844	**16,508**

Value-added tax pertains to outstanding refunds of input tax credits.

Loans chiefly result from deferred purchase price payments extended to managers of portfolio companies from disposals of short-term shareholdings in incorporated companies.

The purchase price retention covers possible representation and warranty risks from the divestment of a portfolio company.

Other receivables contain prepaid expenses.

26. Equity

Subscribed capital / number of shares outstanding

All shares in Deutsche Beteiligungs AG are no-par value registered shares in financial year 2014/2015. Each share is entitled to one vote.

The shares are admitted for trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange. Shares in the Company are also traded on the Open Market of the Berlin, Hamburg-Hanover, Munich and Stuttgart stock exchanges.

The number of shares outstanding was constantly 13,676,359 both in the reporting and the comparative period.

Arithmetically, the capital attributable to each share equals approximately 3.55 euros per share.

Sale of own shares to employees and retirees

The Company offers employees and retirees of Deutsche Beteiligungs AG and of a subsidiary an employee share purchase plan at preferential terms, which is orientated around tax legislation and limits. The following depicts the transactions involving own shares in financial year 2014/2015:

	Purchase/sales price per share	Number of shares	Share of subscribed capital	
	€		T€	‰
At 1 Nov. 2014		0	0	0.0
Purchase	29.48	6,932	25	0.5
Sale/transfer	19.08	6,932	25	0.5
At 30 Sept. 2015		**0**	**0**	**0.0**

Authorised capital

The Board of Management is authorised, with the consent of the Supervisory Board, to raise the share capital of the Company until 23 March 2020 by up to a total of 12,133,330.89 euros through one or more issues of new no-par registered shares in exchange for cash or non-cash contributions (Authorised Capital). The number of shares in that context must be increased proportionately to the share capital.

Purchase of own shares

The Board of Management is authorised, with the consent of the Supervisory Board, to purchase own shares in the period until 22 March 2016 by up to ten percent of the current share capital – or, in the event that this value is lower – of the share capital at the time the authorisation is exercised, for purposes other than trading in own shares.

Conditional capital

The Board of Management is authorised, with the consent of the Supervisory Board, to issue, by one or in several issues, bearer or registered warrant-linked bonds and/or convertible bonds (jointly referred to as "bonds") in the period until 23 March 2020 with or without a maturity cap for a total nominal amount of up to €110,000,000.00. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or conversion obligations, if applicable), to registered shares in the Company with a proportionate share in the share capital of up to €12,133,330.89 under the conditions specified for the warrant-linked bonds or convertible bonds (jointly referred to as "bond conditions").

In addition to euros, the bonds may also be denominated in an official currency of an OECD country, limited to the equivalent amount in euros.

The bonds may also be issued by affiliates in which the Company directly or indirectly holds a majority. In such an event, the Board of Management shall be authorised, with the consent of the Supervisory Board, to guarantee for the bonds and to grant the holders and/or creditors of such bonds option or conversion rights to no-par registered shares in the Company.

Capital reserve

The capital reserve, which was unchanged at T€141,394 (previous year: T€141,394), comprises amounts achieved from the issuance of shares in excess of the par value.

Retained earnings and other reserves

Retained earnings and other reserves comprise:

- the legal reserve, as stipulated by German stock corporation law
- first-time adopter effects from the IFRS opening balance at 1 November 2003
- provisions for actuarial gains/losses arising from defined benefit pension obligations/plan assets (see note 29)
- unrealised gains/losses on available-for-sale securities (see note 22)

Retained profit

At the Annual Meeting on 24 March 2015, shareholders voted to pay a dividend of 0.40 euros per share (5,470,543.60 euros) plus a surplus dividend of 1.60 euro per share (21,882,174.40 euros) for financial year 2013/2014.

€	**2014/2015**	2013/2014
Dividend paid	5,470,543.60	5,470,543.60
Surplus dividend paid	21,882,174.40	10,941,087.20
Total distribution	**27,352,718.00**	**16,411,630.80**

In its separate accounts consistent with the German Commercial Code (HGB), the retained profit of Deutsche Beteiligungs AG amounts to 67,123,093.85 euros (previous year: 92,276,031.02 euros). At the Annual Meeting, the Board of Management and the Supervisory Board will recommend paying a total dividend of 1.00 euro per share for financial year 2014/2015.

In Germany, dividends paid to shareholding corporations are subject to a corporation tax rate of five percent plus a solidarity surcharge and, to the same extent, municipal trade tax, insofar as these do not relate to free-floating investments (i.e. interest of less than 15 percent). Dividends earned by natural persons are subject to a flat rate withholding tax ("Abgeltungssteuer") of 25 percent plus a solidarity surcharge and, if applicable, church tax, which the dividend-paying company pays directly to the taxation authority.

27. Minority interest

T€	2014/2015	2013/2014
	11 months	12 months
At start of financial year	113	78
Additions	0	0
Disposals	24	0
Profit share	32	35
At end of financial year	**121**	**113**

Minority interest relates to DBG Managing Partner GmbH & Co. KG, DBG Management GP (Guernsey) Ltd. and DBG Fund VI GP (Guernsey) LP. For a commentary on minority interest, please refer to the information on DBAG funds in note 39.

Minority interest attributable to DBG Managing Partner GmbH & Co. KG (DBAG Fund V) developed as follows:

T€	2014/2015	2013/2014
	11 months	12 months
At start of financial year	25	25
Additions	0	0
Disposals	0	0
Profit share	0	0
At end of financial year	**25**	**25**

Minority interest attributable to DBG Management GP (Guernsey) Ltd. (DBAG Fund VI) developed as follows:

T€	2014/2015	2013/2014
	11 months	12 months
At start of financial year	64	43
Additions	0	0
Disposals	0	0
Profit share	19	21
At end of financial year	**83**	**64**

Minority interest attributable to DBAG Fund VI GP (Guernsey) LP (DBAG Fund VI) developed as follows:

T€	2014/2015	2013/2014
	11 months	12 months
At start of financial year	24	10
Additions	0	0
Disposals	24	0
Profit share	13	14
At end of financial year	**13**	**24**

28. Other provisions

28.1 Current other provisions

T€	1 Nov. 2014	Utilisations	Reversals	Reclassi-fications	Addition	30 Sept. 2015
Personnel-related commitments	12,965	7,443	525	0	6,124	11,121
Financial assets	3,732	2,216	1,268	38	1,449	1,735
Other	1,421	910	420	0	1,092	1,183
	18,118	**10,569**	**2,213**	**38**	**8,665**	**14,039**

Provisions for personnel-related commitments chiefly consist of performance-linked emoluments. These performance-linked emoluments contain components for the past financial year as well as components with long-term incentive effects. They pertain to members of the Board of Management and staff of Deutsche Beteiligungs AG. The performance-linked compensation scheme is oriented around new investments entered into, good portfolio performance and profitable divestments. For information on the design of the individual elements of the compensation scheme, please refer to the commentary in the remuneration report, which is an integral part of the management report.

Provisions for financial assets are allocable to the investment business. These include representation and warranty commitments, transaction costs that incur on disposals of portfolio companies as well as consultancy expenses. Reclassifications relate to a representation and warranty commitment, the remaining term of which was less than one year at the reporting date (see note 28.2).

"Other" contains provisions of T€478 (previous year: T€736) for tax consultancy and other external advisory services as well as T€321 (previous year: T€336) for the Annual Meeting in February 2016 and preparation of the current Annual Report.

28.2 Non-current other provisions

T€	1 Nov. 2014	Utilisations	Reversals	Reclassi-fications	Addition	**30 Sept. 2015**
Personnel-related commitments	196	76	0	0	1	121
Representations and warranties	39	0	1	38	0	0
	235	**76**	**1**	**38**	**1**	**121**

Non-current personnel-related other provisions contain obligations arising from early retirement agreements.

The item "Representations and warranties" contains obligations in conjunction with the disinvestment of one portfolio company at the beginning of the financial year. Since the remaining term was less than one year at the reporting date, these were reclassified to current other provisions (see note 28.1).

29. Pension obligations and plan assets

The disclosure in the statement of financial position has been derived as follows:

T€	**30 Sept. 2015**	31 Oct. 2014
Present value of pension obligations	36,200	37,454
Fair value of plan assets	(27,503)	(28,069)
Provisions for pension obligations	**8,697**	**9,385**

The present value of pension obligations developed as follows:

T€	**2014/2015**	2013/2014
	11 months	12 months
Present value of pension obligations at start of financial year	37,454	31,199
Interest expenses	603	917
Service cost	405	393
Benefits paid	(970)	(967)
Actuarial (gains)/losses	(1,292)	5,912
Present value of pension obligations at end of financial year	**36,200**	**37,454**

The present value of pension obligations is determined by means of an actuarial appraisal. The appraisal was based on the following actuarial assumptions:

		30 Sept. 2015	31 Oct. 2014
Discount rate	%	2.08	1.78
Salary trend rate (incl. career trend)	%	2.50	2.50
Benefit trend rate	%	2.00	2.00
Life expectancy based on modified actuarial charts by Dr Klaus Heubeck		2005 G	2005 G
Increase in income threshold for state pension plan	%	2.00	2.00

The discount rate is based on the i-boxx corporate AA10+ index, which is determined by interest rates for high-quality long-term bonds.

The life expectancy assumptions are based on the 2005 G actuarial life tables by Dr Klaus Heubeck. They were modified as per 31 October 2013 to account for the particularities of the beneficiaries of the DBAG Group's defined benefit plans and individual defined benefit commitments. A comparison with similar groups of individuals revealed an average longer life expectancy of three years for the DBAG scheme members and beneficiaries.

Plan assets developed as follows over the past financial year:

T€	**2014/2015**	2013/2014
	11 months	12 months
Fair value of plan assets at start of financial year	28,069	28,028
Expected interest income	458	824
Actuarial gains/(losses)	(1,024)	(783)
Fair value of plan assets at end of financial year	**27,503**	**28,069**

The following amounts were recognised in net income:

T€	2014/2015	2013/2014
	11 months	12 months
Service cost	405	393
Interest expenses	603	917
Expected interest income on plan assets	(458)	(824)
	550	**486**

The net amount of interest expenses and expected interest income on plan assets is recognised in item "Interest expenses".

"Gains/(losses) on remeasurements of the net defined benefit liability (asset)" recognised in other comprehensive income developed as follows in financial year 2014/2015:

T€	2014/2015	2013/2014
	11 months	12 months
Actuarial gains/(losses) at start of financial year	(21,273)	(14,578)
Gains/(losses) from difference between actual and expected returns on plan assets	(1,024)	(783)
Gains/(losses) from experience-related changes	1,291	(5,912)
Actuarial gains/(losses) at end of financial year	**(21,006)**	**(21,273)**

The loss of T€-1,024 in financial year 2014/2015 (previous year: loss of T€-783) results from the reduction in the fair value of plan assets as well as application of the same discount rate that is used in determining the present value of pension obligations (see also note 3).

Of the gains (previous year: losses) from experience-related changes, T€-354 (previous year: T€11) result from demographic changes.

Amount, timing and uncertainty of future cash flows

The DBAG Group is exposed to risk arising from pension obligations for defined benefit plans and individual defined benefit commitments. Risk exposure particularly extends to changes in the present value of pension obligations and in the fair value trend of plan assets.

Changes in the present value of pension obligations result in particular from changes in actuarial assumptions. The discount rate and life expectancy exert a significant influence on the present value. The discount rate is subject to (market) interest rate risk. A change in average life expectancy impacts the length of pension payments and, consequently, the liquidity risk. Based on reasonable estimates, possible changes in these two actuarial parameters would have the following impact on the present value of pension obligations:

	30 Sept. 2015	31 Oct. 2014
Discount rate		
Increase by 50 bps	(3,591)	(2,750)
Decrease by 50 bps	4,002	3,101
Average life expectancy		
Increase by 1 year	1,817	1,423
Decrease by 1 year	(1,510)	(1,415)

The sensitivity analysis shown above is based on a change in one parameter, while all others remain constant.

Since February 2015, the plan assets have been invested in a special fund. This special fund has an unlimited term and is administrated based on a capital investment strategy with a long-term orientation and capital preservation. The change in the investment strategy is aimed at generating returns that at least correspond to the discount rate.

Depending on the asset class, the performance of the special fund is exposed to (market) interest rate risk (interest-bearing securities) or (market) price risk (shares). If the market interest rate for interest-bearing securities rises (falls), the return on plan assets will rise (fall). If the market price for shares rises (falls), the return on plan assets will rise (fall).

As for interest-bearing securities, the present value of pension provisions is subject to (market) interest rate risk. If the market interest rate for interest-bearing securities rises (falls), the present value of pension obligations will fall (rise).

As for the past two prior years, current budgetary planning for the 2015/2016 financial year does not provide for allocations to plan assets.

30. Other current liabilities

Other current liabilities relate to prepaid income and other liabilities.

31. Other financial commitments, contingent liabilities and trusteeships

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

T€	30 Sept. 2015	31 Oct. 2014
Call commitments	3,406	3,304
Permanent debt obligations	4,353	5,052
	7,759	**8,356**

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

The following provides an overview of the due dates of permanent debt obligations at 30 September 2015:

T€	< 1 year	1–5 years	> 5 years	Total
Permanent debt obligations	849	2,906	598	**4,353**
thereof, rental contracts	717	2,869	598	**4,184**

Permanent debt obligations pertain, in particular, to office rental for the premises on Börsenstrasse 1 in Frankfurt am Main. The non-terminable office rental contract began on 1 August 2011 and runs until 31 July 2021. Deutsche Beteiligungs AG is entitled to renew the rental contract twice for a period of five years each time.

As in the previous year, there were no **CONTINGENT LIABILITIES** at 30 September 2015.

TRUST ASSETS totalled T€7,144 at 30 September 2015 (previous year: T€13,937). Of that amount, T€6,971 (previous year: T€13,732) are attributable to interests in two portfolio companies that are held by Group companies for two managed funds. Trust liabilities exist in an equivalent amount. DBAG does not achieve income from trustee activities.

32. Notes to the consolidated statement of cash flows

The objective of consolidated statements of cash flows based on IAS 7 is to report on and create transparency in a company's relevant flows of cash. Cash flows are differentiated according to operating activities as well as investing and financing activities. The indirect presentation method was applied for cash flows from operating activities. Cash flows from investment activities are presented by the direct method.

Proceeds and payments relating to financial assets and to loans and receivables are recorded in cash flows from investing activities instead of in cash flows from operating activities, since this classification gives a truer representation, from our point of view.

Proceeds and payments arising on interest are presented in cash flows from operating activities.

There were no cash flows to be reported based on changes in the group of consolidated companies.

Cash funds at the beginning and end of the period existed in the form of cash deposits in banks.

Since financial year 2007/2008, a part of the financial resources not needed in the near term has been invested in securities. The securities serve, as do cash and cash equivalents, to meet the Group's payment obligations. According to IAS 7, these securities do not constitute financial resources, since their maturity has so far always been longer than three months from the date of acquisition. IAS 7.16 requires the purchase and sale of these securities to be recognised as cash flows from investing activities.

Other disclosures

33. Financial risk disclosures

The DBAG Group is exposed to financial risks that arise from its investment activities in portfolio companies and from other financial instruments. The risk exposure attached to these financial instruments may reduce the value of assets and/or profits. There are no hedging relationships between financial instruments. Consequently, a basis for the application of hedge accounting does not exist.

The following describes – in conformity with IFRS 7 – the financial risks arising from financial instruments to which the DBAG Group is exposed. The objectives and the methods used to manage these risks are also discussed. There has been no change compared with the previous year.

33.1 Market risk

The fair value of financial instruments or future cash flows of financial instruments may fluctuate due to changes in market prices. Based on IFRS 7, market risk comprises the components of currency risk, interest risk and other price risk. The Board of Management assesses these risks before taking investment decisions or before accessing other financial instruments. Exposure to market risk is regularly monitored in its entirety.

33.1.1 Currency risk

The DBAG Group's exposure to currency risk relates to investments that are denominated in US dollars and in which future returns will be made in US dollars. Currency risk exposure arising from these investments concerns future proceeds from these portfolio companies and, consequently, also their fair value. Changes in exchange rates also have an influence on the operations and competitiveness of our portfolio companies in respect of their procurement and customer markets. The extent of that impact would depend in particular on the portfolio companies' individual value-creation structure and degree of internationalisation.

Currency risk management

Individual transactions denominated in foreign currency are not hedged, since both the holding periods of, and the proceeds from these investments are uncertain. The portfolio held in US dollars will decline with the receipt of returns from the remaining fund investments in this currency.

Extent of currency risk

Item "Financial assets" contains financial instruments amounting to T€23,961 (previous year: T€19,449) that are exposed to US dollar currency risk. The effects on income arising from exchange rate-related changes in the fair value of financial assets amounted to T€2,603 (previous year: T€1,505).

Exchange rate sensitivity

An increase/decrease in the euro/US dollar exchange rate by ten percent would result in an exchange rate-related decrease/increase in net income for the year and in the equity of the DBAG Group of T€2,396 (previous year: T€1,945).

33.1.2 Interest rate risk

Changes in market interest rates directly affect income from investments of financial resources and the valuations of our portfolio companies measured by the discounted cash flow method. Changes in market interest rates also have an influence on the profitability of portfolio companies.

Interest rate risk management

Financial resources are principally invested with a short-term horizon. Interest derivatives to hedge a certain interest rate level are not used, since the amount of financial resources is subject to strong fluctuations and not reliably predictable.

Extent of interest rate risk

Financial resources (the sum of cash funds and interest-bearing securities) totalled T€58,345 (previous year: T€140,743). Interest income from the investment of these resources was T€331 (previous year: T€153).

Based on the capital structure of DBAG, no debt instruments (securities) exist that could constitute exposure to interest rate risk (see also note 35, Capital management).

Interest rate sensitivity

In relation to the portfolio companies valued by the discounted cash flow method, an increase/decrease of 100 basis points in the reference interest rate would result in a decrease/increase in net income for the year and in the equity of the DBAG Group of T€1,914 (previous year: T€211). At 30 September 2015, the DBAG Group did not hold variable-interest securities (previous year: T€35,026); a change in the reference interest rate of 100 basis points would therefore have no effect on variable-interest securities (previous year: T€350).

33.1.3 Other price risk

Exposure to other price risk primarily exists in future valuations of the DBAG Group's portfolio companies. The portfolio companies are measured at fair value. Valuation changes are recognised directly in the consolidated statement of comprehensive income. For details on the risk management system, we refer to the commentary in the combined management report in section "Opportunities and risks".

Other price risk management

The Board of Management constantly monitors the market risk inherent in the portfolio investments. Towards that end, the DBAG Group receives reports on the portfolio companies' course of business on a timely basis. Board of Management members or other members of the investment team hold offices on supervisory/advisory boards of portfolio companies. Additionally, the responsible investment team members monitor the progress of portfolio companies through formally implemented processes.

Extent of other price risk

Based on the measurement of financial assets at fair value through profit or loss, valuation movements in a period are directly recognised in the consolidated statement of comprehensive income. In financial year 2014/2015, the net result of valuation was T€22,552 (previous year: T€16,098).

Other price risk sensitivity

The valuation of portfolio companies is influenced by a number of factors that relate to the financial markets, on the one hand, and to the markets in which the portfolio companies operate, on the other. These influential factors include valuation multiples, earnings and debt of the portfolio companies. The sensitivity to valuation is largely determined by the multiples used to measure the fair value of financial instruments categorised in Level 3. A change in the multiples of +/- 0.1 would have an effect ceteris paribus of T€2,808 (previous year: T€1,758) on the fair value of Level 3 financial instruments (see note 34.2).

33.2 Liquidity risk

There is currently no recognisable exposure to liquidity risk for the DBAG Group. Free cash funds amounted to T€28,234 (previous year: T€28,408). Together with general government securities or securities of issuers with highest ratings totalling T€30,111 (previous year: T€112,335), the DBAG Group has T€58,345 (previous year: T€140,743) at its disposal to fulfil its investment commitments to DBAG funds (see management report, page 73f.). This amount clearly exceeds total liabilities of T€24,060 (previous year: T€29,575). It is assumed that the securities are saleable at short notice, if necessary, and without any appreciable price loss, due to the issuers' very good ratings and the short duration of the securities. Other current liabilities fall due within one year.

33.3 Credit/default risk

Extent of credit/default risk

The following balance sheet items are basically exposed to a 100-percent credit/default risk:

T€	30 Sept. 2015	31 Oct. 2014
Financial assets	247,695	163,430
thereof, hybrid instruments	0	0
thereof, investments	247,695	163,430
Loans and receivables	2,494	0
Receivables	3,077	2,458
Securities	30,111	112,335
Cash and cash equivalents	28,234	28,408
Other financial instruments	2,134	2,245
Other current assets, if financial instruments	4,919	14,883
	318,664	**323,759**

Credit/default risk management

Financial assets: Deutsche Beteiligungs AG addresses the risk of default through a comprehensive risk monitoring system, which is discussed in a review of individual risks in the combined management report.

Loans and receivables: Debtors are either current portfolio companies or parts of former portfolio companies. Deutsche Beteiligungs AG is kept informed regularly and promptly about the course of business of debtor companies. If there is evidence that debtors may fail to meet obligations, they are asked to promptly propose and implement measures that will put them in a position to meet their obligations.

Receivables: See previous statement on loans and receivables.

Securities: This item contains German public sector bonds and Pfandbrief bonds with a rating based on Moody's or Standard and Poor's of at least AA. Based on the issuers' credit rating and the securitised mortgages, we assume that the credit risk to which these securities are exposed is small.

Cash and cash equivalents: Cash funds of Deutsche Beteiligungs AG are held in deposits with German banking institutions. To spread the risk, cash funds are generally disseminated over a number of banks. The deposits are integrated in the respective banks' protection systems.

Other financial instruments: Other financial instruments of Deutsche Beteiligungs AG relate to shares that are to be sold to the managements of portfolio companies within one year.

Other current assets: Debtors are regularly the DBAG funds of Deutsche Beteiligungs AG and managers of portfolio companies. Payment obligations by DBAG funds can be met by capital calls directed to their investors.

34. Financial instruments

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

34.1 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 30 Sept. 2015	Fair value 30 Sept. 2015	Carrying amount 31 Oct. 2014	Fair value 31 Oct. 2014
Financial assets at fair value through profit or loss				
Financial instruments[1]	247,695	247,695	163,430	163,430
thereof, hybrid instruments[1]	0	0	0	0
thereof, equity instruments[1]	247,695	247,695	163,430	163,430
Other financial instruments[1]	2,134	2,134	2,245	2,245
	249,829	**249,829**	**165,675**	**165,675**
Available-for-sale financial assets				
Long-term securities	26,370	26,370	80,991	80,991
Short-term securities	3,741	3,741	31,344	31,344
	30,111	**30,111**	**112,335**	**112,335**
Loans and receivables				
Loans and receivables	2,494	2,494	0	0
Receivables	3,077	3,077	2,458	2,458
Cash and cash equivalents	28,234	28,234	28,408	28,408
Other current assets, if financial instruments[2]	4,919	4,919	14,883	14,883
	38,724	**38,724**	**45,749**	**45,749**
Other financial liabilities				
Minority interest	121	121	113	113

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€926 (previous year: T€1,625)

There were no impairments to financial assets designated as loans and receivables recognised in the reporting year, nor in the previous year.

Financial instruments in "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 6). An assessment of obligors' credit quality is derived from a regular exchange of information with the obligors.

34.2 Disclosures on hierarchy of financial instruments

All financial instruments are categorised in conformity with IFRS 13 according to the following three levels, regardless 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.

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

ITEM IN STATEMENT OF FINANCIAL POSITION

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

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	163,430	0	352	163,078
Other financial instruments	2,245	0	0	2,245
	165,675	**0**	**352**	**165,323**
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**
	278,010	**0**	**112,687**	**165,323**

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 and securities 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 30 September 2015 and the preceding 2013/2014 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 are attributable to the following **CLASSES**:

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Interests in co-investment vehicles	Interests in portfolio companies	International fund investments	Other	**Total**
30 Sept. 2015					
Financial assets	206,347	33,623	5,097	2,276	247,343
Other financial instruments	0	2,134	0	0	2,134
	206,347	**35,757**	**5,097**	**2,276**	**249,477**
31 Oct. 2014					
Financial assets	119,741	29,912	8,300	5,125	163,078
Other financial instruments	0	2,245	0	0	2,245
	119,741	**32,157**	**8,300**	**5,125**	**165,323**

RECONCILIATION of Level 3 financial instruments:

ITEM IN STATEMENT OF FINANCIAL POSITION

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

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	1 Nov. 2013	Additions	Disposals	Transfers	Gains/losses through profit or loss	31 Oct. 2014
Financial assets						
Interests in co-investment vehicles	97,107	22,606	15,726	0	15,754	119,741
Interests in portfolio companies	30,077	0	0	(352)	187	29,912
International fund investments	10,359	58	2,245	0	128	8,300
Other	5,102	0	0	0	23	5,125
	142,645	**22,664**	**17,971**	**(352)**	**16,092**	**163,078**
Other financial instruments						
Interests in portfolio companies	2,401	1,050	1,210	0	4	2,245
	145,046	**23,714**	**19,181**	**(352)**	**16,096**	**165,323**

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€22,614, T€22,551 were recognised in "Net result of investment activity" (thereof, net result of disposal: T€0, and net result of valuation: T€22,551 relating to financial instruments held at the end of the reporting period) and T€63 in "Other operating income".

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

ITEM IN STATEMENT OF FINANCIAL POSITION

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

1 The net asset value of co-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 measuring the fair value of "Interests in portfolio companies" (see commentary in note 6).

2 Net debt of portfolio company

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 Oct. 2014	Valuation method	Unobservable inputs	Range
Financial assets				
Interests in co-investment vehicles	119,741	Net asset value[1]	Average EBITDA/EBITA margin	3% to 22%
			Net debt[2] to EBITDA	0 to 4
			Multiples discount	0% to 15%
Interests in portfolio companies	29,912	Multiples method	Average EBITDA/EBITA margin	5% to 8%
			Net debt[2] to EBITDA	0 to 4
			Multiples discount	n.a.
International fund investments	8,300	DCF	n.a.	n.a.
Other	5,125	Net asset value	n.a.	n.a.
	163,078			
Other financial instruments				
Interests in portfolio companies	2,245	Multiples method	Average EBITDA/EBITA margin	5% to 10%
			Net debt[2] to EBITDA	1 to 2
			Multiples discount	0% to 10%
	165,323			

1 See footnote 1 in preceding table
2 See footnote 2 in preceding table

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

ITEM IN STATEMENT OF FINANCIAL POSITION

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

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

ITEM IN STATEMENT OF FINANCIAL POSITION

T€	Fair value 31 Oct. 2014	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in co-investment vehicles	119,741	EBITDA and EBITA	+/- 10%	9,742
		Net debt	+/- 10%	2,195
		Multiples discount	+/- 5 percentage points	3,141
Interests in portfolio companies	29,912	EBITDA and EBITA	+/- 10%	4,068
		Net debt	+/- 10%	1,632
		Multiples discount	+/- 5 percentage points	n.a.
International fund investments	8,300		n.a.	n.a.
Other	5,125		n.a.	n.a.
	163,078			
Other financial instruments				
Interests in portfolio companies	2,245	EBITDA and EBITA	+/- 10%	321
		Net debt	+/- 10%	55
		Multiples discount	+/- 5 percentage points	101
	165,323			

1 See footnote in preceding table

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

34.3 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€	2014/2015 11 months	Level 1	Level 2	Level 3	2013/2014 12 months	Level 1	Level 2	Level 3
Net result of investment activity	29,161	(6)	0	29,167	50,702	22,506	352	27,844
Other operating income	245	0	0	245	4	0	0	4
	29,406	**(6)**	**0**	**29,412**	**50,706**	**22,506**	**352**	**27,848**

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

T€	2014/2015 11 months	Level 1	Level 2	Level 3	2013/2014 12 months	Level 1	Level 2	Level 3
Other operating income	667	0	667	0	0	0	0	0
Other operating expenses	(3)	0	(3)	0	0	0	0	0
Total other income/expenses	**664**	**0**	**664**	**0**	**0**	**0**	**0**	**0**
Unrealised gains/(losses) on available-for-sale securities	145	0	145	0	306	0	306	0
thereof, transfers from other comprehensive income to profit or loss	(23)	0	(23)	0	43	0	43	0
Net result of valuation and disposal	**168**	**0**	**168**	**0**	**263**	**0**	**263**	**0**
Interest income	**331**	**0**	**331**	**0**	**153**	**0**	**153**	**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.

34.4 Net gains / losses on financial instruments recognised at amortised cost in the statement of financial position

Net gains and losses on financial instruments recognised at amortised cost in the statement of financial position largely comprise fee income from fund management and advisory services, consultancy expenses and reimbursable costs as well as interest.

T€	**2014/2015 11 months**	**Level 1**	**Level 2**	**Level 3**	2013/2014 12 months	Level 1	Level 2	Level 3
Net result of investment activity	42	0	0	42	0	0	0	0
Fee income from fund management and advisory services	19,207	0	0	19,207	22,201	0	0	22,201
Total net result of fund services and investment activity	**19,249**	**0**	**0**	**19,249**	**22,201**	**0**	**0**	**22,201**
Other operating income	4,086	0	0	4,086	7,676	0	0	7,676
Other operating expenses	(5,536)	0	0	(5,536)	(10,181)	0	0	(10,181)
Net interest	56	0	0	56	66	0	0	66
Total other income/expenses	**(1,394)**	**0**	**0**	**(1,394)**	**(2,439)**	**0**	**0**	**(2,439)**

35. Capital management

The objective of DBAG's capital management is to ensure the Group's long-term capital requirement and augment the net asset value per share by a rate that at least exceeds the cost of equity on a long-term average.

For longer planning horizons, the amount of equity is managed by dividend distributions and share repurchases and, if appropriate, capital increases.

Overall, the capital of DBAG is composed of the following:

T€	30 Sept. 2015	31 Oct. 2014
Liabilities		
Minority interest	121	113
Provisions	22,857	28,541
Other liabilities	1,082	921
	24,060	**29,575**
Equity		
Subscribed capital	48,533	48,533
Reserves	137,190	136,778
Retained profit	117,381	117,715
	303,104	**303,026**
Equity as a % of total capital	92.65	91.11

In addition to the capital requirement as stipulated by the German Stock Corporation Act, Deutsche Beteiligungs AG is subject to capital restrictions under the German Special Investment Company Act (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). To maintain the status of a special investment company, Deutsche Beteiligungs AG must have a paid-in capital contribution of T€1,000 to its capital stock. This amount was fully paid in, both in the reporting year and the preceding year.

36. Earnings per share based on IAS 33

		2014/2015	2013/2014
Net income for the year	T€	27,019	47,965
Shares issued at reporting date		13,676,359	13,676,359
Shares outstanding at report in date		13,676,359	13,676,359
Weighted average number of shares		13,676,359	13,676,359
Basic and diluted earnings per share	€	1.98	3.51

Basic earnings per share are computed by dividing the net income for the year attributable to Deutsche Beteiligungs AG by the weighted average number of shares outstanding during the reporting year.

So-called potential shares can dilute earnings per share within the scope of stock option programmes. Deutsche Beteiligungs AG does not have a stock option programme. There were no stock options outstanding at the reporting date. Diluted earnings were therefore equal to basic earnings.

37. Segment information

The business policy of Deutsche Beteiligungs AG is geared to augmenting the 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.

At the beginning of the financial year 2014/2015, the Board of Management jointly decided to extend the internal reporting in order to separately manage the two described business lines of DBAG. The conversion entails disclosure of an operating net income (segment net 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 2014 / 2015 FINANCIAL YEAR

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 2014/2015
Net result of investment activity	29,203	0	0	29,203
Fee income from fund management and advisory services[1]	0	20,500	(1,293)	19,207
Net result of fund services and investment activity	**29,203**	**20,500**	**(1,293)**	**48,410**
Other income/expenses	(4,308)	(18,321)	1,293)	(21,336)
Net income before taxes (segment net income)	**24,895**	**2,179**	**0**	**27,074**
Income taxes				(23)
Net income after taxes				**27,051**
Minority interest (gains)/losses				(32)
Net income				**27,019**
Financial assets and loans and receivables	**250,189**			
Financial resources[2]	**58,345**			
Managed assets[3]		**1,075,356**		

1 A synthetic internal administration fee is calculated for the Investment segment and taken into account when determining segment net income. The fee is based on DBAG's co-investment interest.
2 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 2013/2014 FINANCIAL YEAR

T€	Private Equity Investments	Fund investment services	Reconciliation Group	Group 2013/2014
Net result of investment activity	50,702	0	0	50,702
Fee income from fund management and advisory services[1]	0	24,455	(2,254)	22,201
Net result of fund services and investment activity	**50,702**	**24,455**	**(2,254)**	**72,903**
Other income/expenses	(10,320)	(16,426)	2,254	(24,492)
Net income before taxes (segment net income)	**40,382**	**8,029**	**0**	**48,411**
Income taxes				(411)
Net income after taxes				**48,000**
Minority interest (gains)/losses				(35)
Net income				**47,965**
Financial assets and loans and receivables	**163,430**			
Financial resources[2]	**140,743**			
Managed assets[3]		**1,239,645**		

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

The Homag realisation contributed T€24,576 towards the previous year's high level of income.

Products and services

DBAG invests as a co-investor in companies alongside DBAG funds by way of majority takeovers or minority investments. We basically structure majority takeovers as so-called management buyouts (MBOs). Expansion capital financings are made by way of a minority investment, for example, via a capital increase. Within the scope of its investment activity, DBAG achieved a net result of valuation and disposal as well as current income from financial assets totalling T€29,203 (previous year: T€50,702). Fee income for management and advisory services to funds amounted to T€19,207 in the reporting year (previous year: T€22,201).

Geographical activities and sector focus

Geographically, we concentrate our co-investments primarily on companies domiciled in German-speaking regions. Of the net result of investment activity, T€22,807 are attributable to companies domiciled in German-speaking regions and T€6,396 to companies located in the rest of the world.

DBAG prefers to co-invest alongside the DBAG funds in companies operating in the sectors of automotive suppliers, industrial services, industrial components as well as mechanical and plant engineering, but also invests in other sectors such as services, information technology, media and telecommunication as well as consumer goods. The net result of valuation and disposal as well as current income from financial assets and loans and receivables are distributed over these sectors as follows:

T€	Automotive suppliers	Industrial services	Industrial components	Machine and plant engineering	Other	**Total**
30 Sept. 2015						
Interests in co-investment vehicles	3,108	(1,558)	2,409	4,315	10,946	19,220
Interests in portfolio companies	0	0	620	5,726	0	6,346
International fund investments	0	0	0	0	3,393	3,393
Other	0	0	0	0	244	244
	3,108	**(1,558)**	**3,029**	**10,041**	**14,583**	**29,203**
31 Oct. 2014						
Interests in co-investment vehicles	7,054	(450)	4,299	10,123	2,588	23,614
Interests in portfolio companies	0	0	21,542	1,102	3,748	26,392
International fund investments	0	0	0	0	128	128
Other	0	0	0	0	568	568
	7,054	**(450)**	**25,841**	**11,225**	**7,032**	**50,702**

For more information on the composition of the portfolio and its development, we refer to the management report, "Business and portfolio review", page 61ff.

Significant customers

DBAG's customers are the investors in DBAG funds. The funds raised by DBAG bundle the assets committed by German and international organisations, especially by pension funds, funds-of-funds, banks, foundations, insurance companies or family offices.

DBAG generates its fee income for advisory and management services from investors of whom none account for more than ten percent of total income.

38. Declaration of Conformity pursuant to § 161 German Stock Corporation Act (AktG)

A Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG and is permanently accessible to shareholders at the Company's website.

39. Information based on IAS 24

Remuneration based on employment or service contracts for key management staff

Key management personnel in terms of IAS 24 are the members of the Board of Management and senior executives of Deutsche Beteiligungs AG. The basic principles of the remuneration system and the total remuneration paid to the members of the Board of Management, former Board of Management members and the members of the Supervisory Board are presented in the remuneration report. The remuneration report is an integral part of the combined management report. Personalised information in conformity with § 314 (1) no. 6 of the German Commercial Code (Handelsgesetzbuch – HGB) is also disclosed there.

Total payments to key management personnel consist of cash and non-cash remuneration. Total cash payments amounted to T€7,218 in the reporting year (previous year: T€8,866). Non-cash remuneration primarily consists of the amounts recognised in accordance with the tax basis for the use of company cars.

In the reporting year, a total of T€531 was allocated to pension provisions (previous year: T€472) as defined by the IFRS for key management staff (service cost and interest cost); thereof, service cost: T€391 (previous year: T€380). Defined benefit obligations for key management staff amounted to T€6,770 (previous year: T€6,710) at the reporting date.

Loans in the amount of T€539 (previous year: T€200) were granted to key management staff. No loans or advances were granted to members of the Supervisory Board. The DBAG Group has not entered into any guarantees for members of the Board of Management or the Supervisory Board.

No member of the Supervisory Board or the Board of Management holds shares, share options or other derivatives representing one percent or more of the subscribed capital.

For financial year 2014/2015, the members of the Supervisory Board received fixed fees and bonuses totalling T€355 (previous year: T€388).

Regarding transactions and balances of key management personnel in their capacity as minority partners in consolidated companies, please refer to note 27.

Participation in carried interest schemes by key management staff

Key management personnel have committed to invest in the DBAG Fund IV, DBAG Fund V, DBAG Fund VI and DBAG Expansion Capital Fund. For those participating, this can result in a superior profit share, if superior results are realised from the investments in a specified investment period. The profit shares are only paid if the Deutsche Beteiligungs AG Group and the investors in the respective DBAG fund have realised their invested capital plus a minimum return. This minimum return amounts to 8.0 percent annually for DBAG Fund IV, DBAG Fund V, DBAG Expansion Capital Fund and DBAG Fund VI. The structure of the profit share, its implementation and performance conditions are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately carried investment risk and is aimed at promoting the staff's initiative and dedication to the success of the investment.

DBAG Fund IV

DBAG Fund IV consists of the following fund companies that jointly acquire investments at a fixed ratio:

Fund company	Qualification	Investment share held by investment team *(%)*	Max. profit share *(%)*
DBAG Fund IV GmbH & Co. KG	Related party	1	20.8
DBAG Fund IV International GmbH & Co. KG	Related party	1	20.8
DBG Fifth Equity Team GmbH & Co. KGaA	Related party	0.67	approx. 30
DBG Fourth Equity Team GmbH & Co. KGaA	Unconsolidated subsidiary	0	0

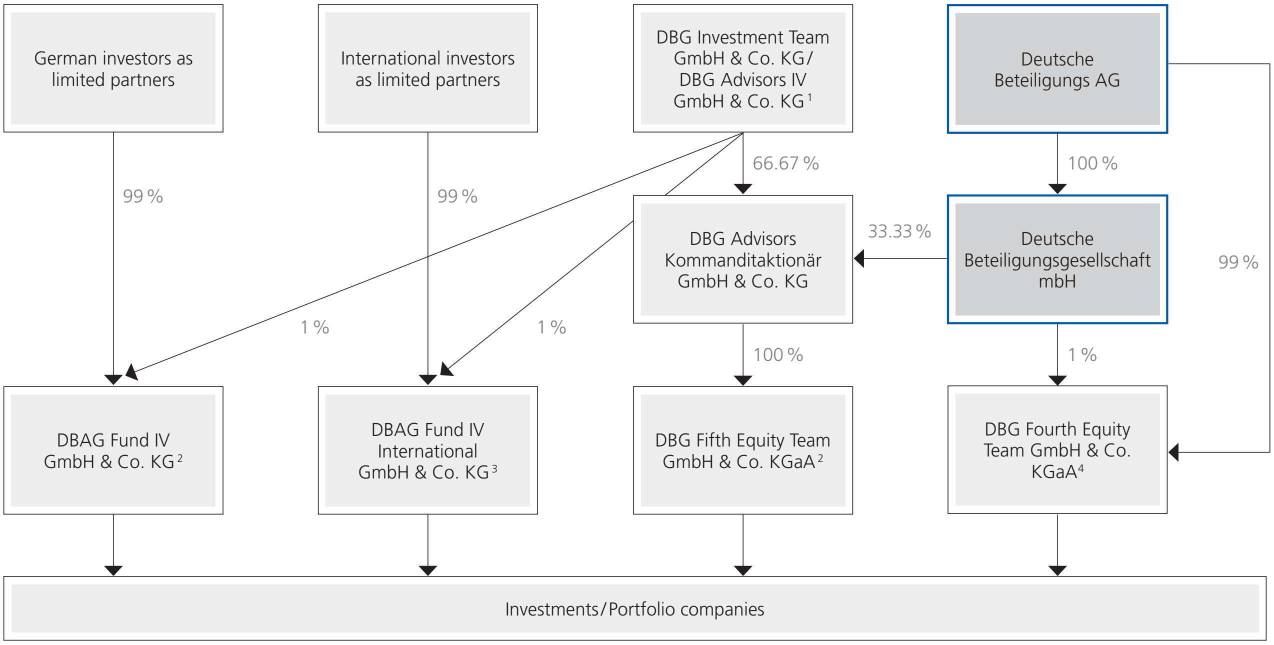
For DBAG Fund IV, a group of key management personnel and former key management personnel have invested their own money at a fixed ratio in the companies listed above. DBG Advisors IV GmbH & Co. KG, which is a related party and not included in the consolidated accounts of DBAG, acts as an intermediary for investments in the first two fund companies named above. Key management personnel are invested directly in DBG Advisors IV GmbH & Co. KG, or indirectly through DBG Investment Team GmbH & Co. KG.

Interests in DBG Fifth Equity Team GmbH & Co. KGaA are held indirectly through DBG Advisors Kommanditaktionär GmbH & Co. KG. DBAG indirectly holds a 33.33 percent interest in DBG Advisors Kommanditaktionär GmbH & Co. KG, the other 66.67 percent are held by key management personnel. Key management personnel have not yet provided capital contributions amounting to T€69 (previous year: T€69) in DBG Advisors Kommanditaktionär GmbH & Co. KG.

Apart from that, no outstanding balances exist between DBG Advisors Kommanditaktionär GmbH & Co. KG and related parties.

OVERVIEW INVESTMENT STRUCTURE OF DBAG FUND IV

The percentages relate to the equity share



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Investment vehicle for international investors
4 Investment vehicle for Deutsche Beteiligungs AG

Consolidated company

The key management personnel involved as well as former key management personnel received the following repayments in financial year 2014/2015 from parties related to **DBAG FUND IV**.

	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 to 30 Sept. 2015 (11 months)						
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 2014/2015	**0**	**0**	**839**	**740**	**2,817**	**2,731**
Period from 1 Nov. 2013 to 31 Oct. 2014 (12 months)						
DBG Advisors IV GmbH & Co. KG	0	0	430	0	0	0
DBG Advisors Kommanditaktionär GmbH & Co. KG	0	0	84	0	0	0
DBG Investment Team GmbH & Co. KG	0	0	325	740	0	0
Total 2013/2014	**0**	**0**	**839**	**740**	**0**	**0**

DBAG Fund V

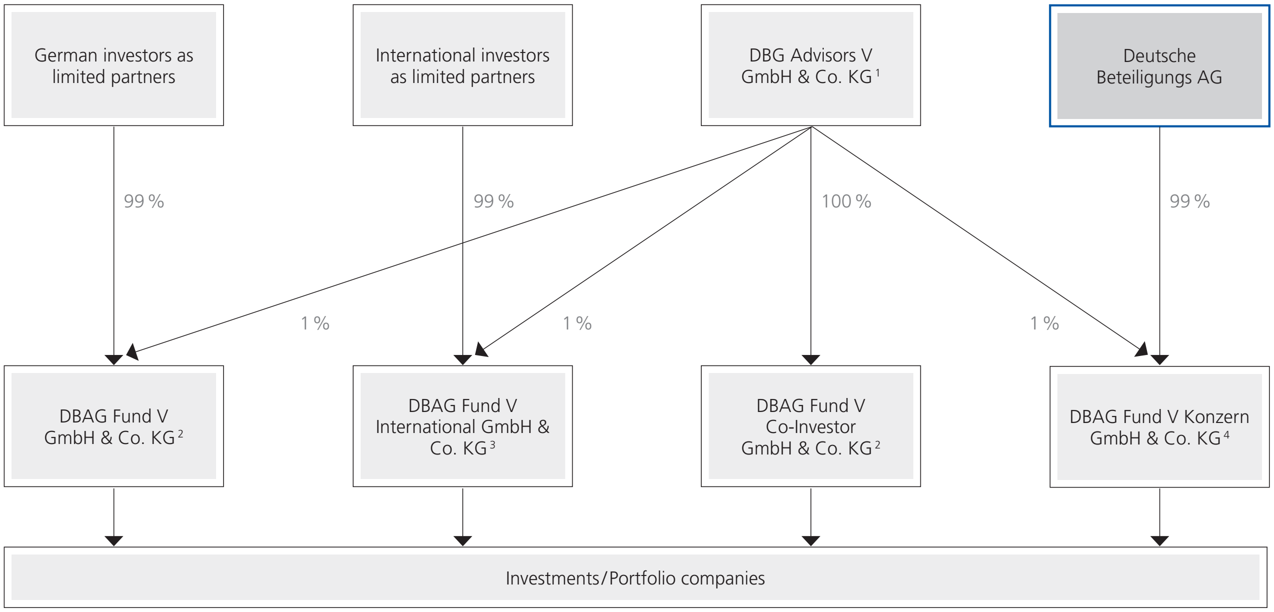
DBAG Fund V consists of the following fund companies that jointly acquire investments at a fixed ratio:

Fund company	Qualification	Investment share held by investment team *(%)*	Max. profit share of investment teams *(%)*
DBAG Fund V GmbH & Co. KG	Related party	1	20.8
DBAG Fund V International GmbH & Co. KG	Related party	1	20.8
DBAG Fund V Co-Investor GmbH & Co. KG	Related party	1	approx. 45
DBAG Fund V Konzern GmbH & Co. KG	Unconsolidated subsidiary	1	20.8

For DBAG Fund V, a group of key management personnel as well as individual former key management personnel and other members of the investment team have invested their own money at a fixed ratio in all of the four fund companies listed above. The interests in DBAG Fund V GmbH & Co. KG and DBAG Fund V International GmbH & Co. KG are transacted through the investing general partner of these fund companies, DBG Advisors V GmbH & Co. KG, which is a related party to DBAG. DBG Advisors V GmbH & Co. KG acts as the sole limited partner of DBAG Fund V Co-Investor GmbH & Co. KG. DBG Advisors V GmbH & Co. KG is the sole general partner of DBAG Fund V Konzern GmbH & Co. KG.

OVERVIEW INVESTMENT STRUCTURE OF DBAG FUND V

The percentages relate to the equity share



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Investment vehicle for international investors
4 Investment vehicle for Deutsche Beteiligungs AG

Consolidated company

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from investment activity attributable to them:

	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 – 30 Sept. 2015 (11 months)						
DBG Advisors V GmbH & Co. KG	114	80	3,342	2,479	243	171
Period from 1 Nov. 2013 – 31 Oct. 2014 (12 months)						
DBG Advisors V GmbH & Co. KG	139	98	3,228	2,399	766	423

DBAG Expansion Capital Fund

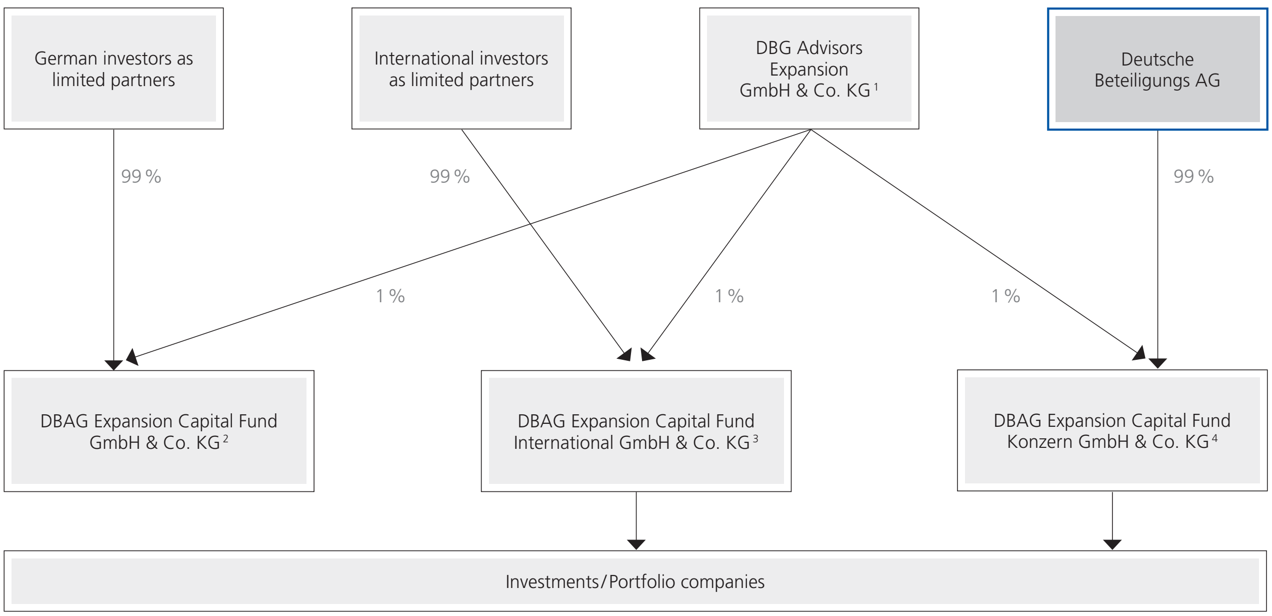
DBAG Expansion Capital Fund consists of the following fund companies that jointly acquire investments at a fixed ratio:

Fund company	Qualification	Investment share held by investment team *(%)*	Max. profit share of investment teams *(%)*
DBAG Expansion Capital Fund GmbH & Co. KG	Related party	1	20.8
DBAG Expansion Capital Fund International GmbH & Co. KG	Related party	1	20.8
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Unconsolidated subsidiary	1	20.8

For the DBAG Expansion Capital Fund, a group of key management personnel as well as individual former key management personnel and other members of the investment team have invested their own money at a fixed ratio in all of the three fund companies listed above. The interests in DBAG Expansion Capital Fund GmbH & Co. KG and DBAG Expansion Capital Fund International GmbH & Co. KG are transacted through the investing general partner of these fund companies, DBG Advisors Expansion GmbH & Co. KG, which is a related party to DBAG. DBG Advisors Expansion GmbH & Co. KG is the sole general partner of DBAG Expansion Capital Fund Konzern GmbH & Co. KG.

OVERVIEW INVESTMENT STRUCTURE OF DBAG EXPANSION CAPITAL FUND

The percentages relate to the equity share



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Investment vehicle for international investors
4 Investment vehicle for Deutsche Beteiligungs AG

Consolidated company

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from investment activity attributable to them:

	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 – 30 Sept. 2015 (11 months)						
DBG Advisors Expansion GmbH & Co. KG	107	360	169	633	3	9
Period from 1 Nov. 2013 – 31 Oct. 2014 (12 months)						
DBG Advisors Expansion GmbH & Co. KG	(190)	273	62	273	0	0

The negative investments in the preceding year by Board of Management members result from a change in the partnership structure of DBG Advisors Expansion GmbH & Co. KG. Within the scope of this change, capital contributions so far held by current and former members of the Board of Management were sold at face value to senior executives and other members of the investment team. These negative amounts contain investments in the preceding year by Board of Management members of T€26.

DBAG Fund VI

DBAG Fund VI consists of the following fund companies that make co-investments at a fixed ratio:

Fund company	Qualification	Investment share held by investment team[1] *(%)*	Max. profit share of investment teams *(%)*
DBAG Fund VI (Guernsey) L.P.	Related party	0.01	20.0
DBAG Fund VI Konzern (Guernsey) L.P.	Unconsolidated subsidiary	0.01	20.0

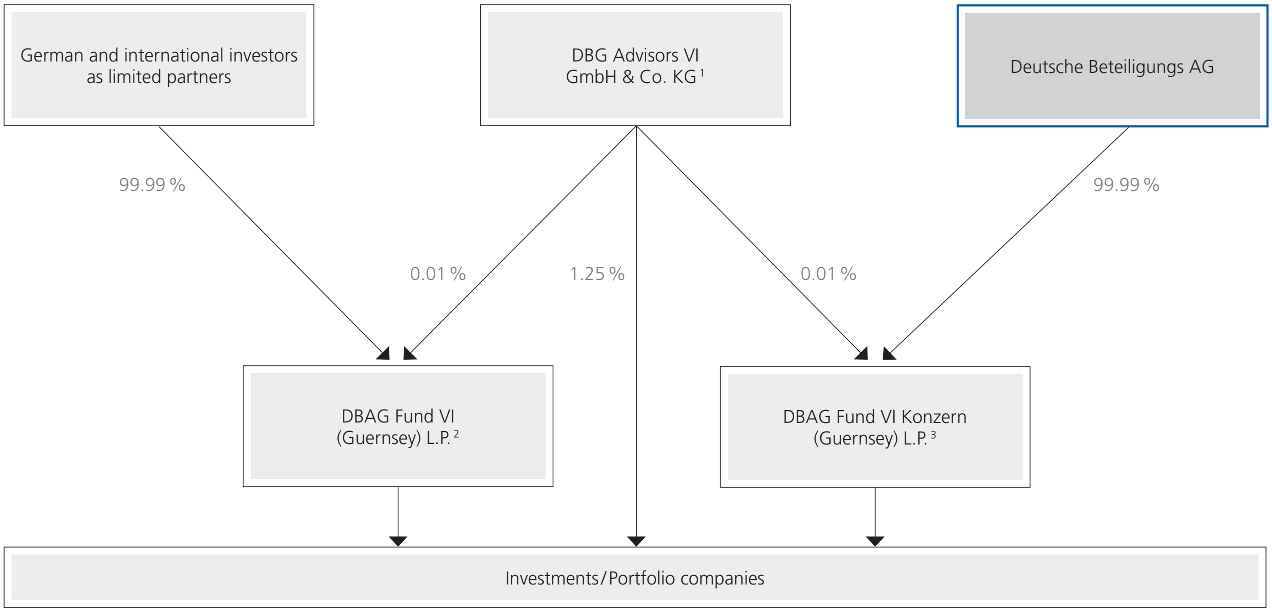
1 Without proportional direct investment by DBAG Advisors VI GmbH & Co. KG in investments of DBAG Fund VI of 1.25 percent

For DBAG Fund VI (consisting of DBAG Fund VI (Guernsey) L.P. and DBAG Fund VI Konzern (Guernsey) L.P.) through DBG Advisors VI GmbH & Co. KG, a group of key management personnel and individual former key management personnel as well as other members of the investment team are entitled to 20 percent of the profits of DBAG Fund VI, payable upon achieving a full repayment to German and international investors (limited partners). The full repayment is considered achieved, when the limited partners of DBAG Fund VI receive cash or non-cash distributions in the amount of their paid-in capital in addition to a preferred return.

DBG Advisors VI GmbH & Co. KG is a related party to DBAG and serves the investment team as an investment vehicle. Supplemental to the 20 percent share of profits (after full repayment) of DBAG Fund VI, DBG Advisors VI GmbH & Co. KG makes a proportional direct investment in the investees of 1.25 percent. DBAG Fund VI Konzern (Guernsey) L.P. is a Group company of DBAG (see note 4).

OVERVIEW INVESTMENT STRUCTURE OF DBAG FUND VI

The percentages relate to the equity share



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for investors
3 Investment vehicle for Deutsche Beteiligungs AG

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from investment activity attributable to them:

	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 – 30 Sept. 2015 (11 months)						
DBG Advisors VI & Co. KG	1,418	2,050	1,948	2,814	205	296
Period from 1 Nov. 2013 – 31 Oct. 2014 (12 months)						
DBG Advisors VI & Co. KG	(735)	764	530	764	1	0

The negative investments in the preceding year resulted in part from a change in the partnership structure of DBG Advisors VI GmbH & Co. KG. Within the scope of this change, capital contributions so far held by current members of the Board of Management were sold at face value to senior executives and other members of the investment team. The negative investments also result from repayment of a bridge-over loan granted within the scope of an investment transaction. These negative amounts contain investments in the preceding year by Board of Management members of T€290.

Other related parties

DBAG manages or advises the following funds, alongside of which DBAG co-invests:

Funds	Status
DBG Fonds I	End of investment period on 31 Dec. 1997
DBG Fonds III	End of investment period on 31 Oct. 2001
DBAG Fund IV	End of investment period on 15 Feb. 2007
DBAG Fund V	End of investment period on 15 Feb. 2013
DBAG Expansion Capital Fund	Start of investment period on 27 Jan. 2011
DBAG Fund VI	Start of investment period on 16 Feb. 2013

DBAG earned the following fee income for management services to the DBG Fonds and the DBAG Funds IV, V and ECF as well as for advisory services to DBAG Fund VI (see also note 10):

T€	**2014/2015**	2013/2014
	11 months	12 months
DBG Fonds I	1,450	1,831
DBG Fonds III	18	20
DBAG Fund IV	0	418
DBAG Fund V	4,743	5,041
DBAG Expansion Capital Fund	146	862
DBAG Fund VI	12,811	14,001
Other	39	28
	19,207	**22,201**

Until 30 June 2015, DBG Fonds I consisted of the fund management company Deutsche Beteiligungsgesellschaft mbH & Co. Fonds I KG. DBG Fonds III comprises the fund management company Deutsche Beteiligungsgesellschaft Fonds III GmbH. DBAG Fund IV, DBAG Fund V and DBAG Expansion Capital Fund (ECF) consist of several entities that are shown in the overviews of fund structures.

DBG Fonds I, DBG Fonds III and DBAG Fund IV are directly managed by subsidiaries of DBAG. As per 30 June 2015, the interests in DBG Fonds I were sold to DBAG ECF. This ended the management of DBG Fonds I by DBAG. Since that date, DBAG has therefore no longer received fees for the management of DBAG Fonds I.

The fund companies DBAG Fund V GmbH & Co. KG and DBAG Fund V International GmbH & Co. KG (DBAG Fund V) are managed by the managing general partner, DBG Managing Partner GmbH & Co. KG, a DBAG subsidiary. DBAG Fund V Co-Investor GmbH & Co. KG is managed through the subsidiary DBG Management GmbH & Co. KG.

The fund companies DBAG Expansion Capital Fund GmbH & Co. KG and DBAG Expansion Capital Fund International GmbH & Co. KG are also managed by the managing general partner, DBG Managing Partner GmbH & Co. KG.

Deutsche Beteiligungs AG is the managing limited partner of DBG Managing Partner GmbH & Co. KG. Deutsche Beteiligungs AG itself holds a 20 percent interest in this company, and Mr Grede and Dr Scheffels each hold a 40 percent interest. Deutsche Beteiligungs AG receives 80 percent of this company's profits for the management of the company as a profit priority share. After deducting the liability charges of the general partner and expenses for interest paid on balances in shareholders' accounts, Deutsche Beteiligungs AG is also entitled to the company's residual profits. The general partner of DBG Managing Partner GmbH & Co. KG can terminate the management agreement with DBAG at three months' notice to the end of a quarter. In this case, Deutsche Beteiligungs AG would also be entitled to the total residual profits of DBG Managing Partner GmbH & Co. KG, after deducting the general partner's liability charges, expenses for interest paid on balances in shareholders' accounts and, if appropriate, expenses for setting up own operations for the management of DBAG funds. Expenses for setting up own business operations would incur if management services were no longer rendered by Deutsche Beteiligungs AG and were performed by DBG Managing Partner GmbH & Co. KG itself.

The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself; the principals of the general partner of DBG Managing Partner GmbH & Co. KG are Mr Grede and Dr Scheffels. Deutsche Beteiligungs AG is entitled to annual income for the management services described above for several of the DBAG Fund V and DBAG Expansion Capital Fund companies. For DBAG Fund V, this income, pursuant to the partnership agreement, amounts to 2.0 percent of the historical cost of the fund companies' investments after the investment period has ended. An adaption of the management fee for the DBAG Expansion Capital Fund was agreed with the partners this past financial year. As of 1 January 2015, DBG Managing Partner GmbH & Co KG receives a fee for its services amounting to 0.875 percent of the acquisition cost of the DBAG Expansion Capital Fund's investments.

The fund company DBAG Fund VI (Guernsey) L.P. is managed by the managing partner DBG Fund VI GP (Guernsey) LP. DBG Managing Partner GmbH & Co. KG advises the management company of fund manager DBAG Fund VI (Guernsey) L.P. Fee income from advisory services to DBAG Fund VI is based on a share of the profits of the management company, DBG Fund VI GP (Guernsey) LP. For the management company and/or the fund manager of DBAG Fund VI, the income amounts to 2.0 percent of the capital commitments of 700 million euros, or 2.0 percent of the historical cost for the fund's investments after the investment period has ended.

Concurrently, DBAG pays a fee through DBAG Fund VI Konzern (Guernsey) L.P. for the management of its co-investment. The advisory fee corresponds to 2.0 percent of the capital commitments totalling 133 million euros of DBAG Fund VI Konzern (Guernsey) L.P. as the co-investment vehicle of DBAG, or 2.0 percent of the historical cost for the fund's investments after the investment period has ended.

A requirement for raising the fund commitments was that Mr Grede and Dr Scheffels would be available for the management of the fund companies over the long term, irrespective of whether they remain appointed as members of the Board of Management of Deutsche Beteiligungs AG. For that reason, the two individuals named have dormant employment contracts with DBG Managing Partner GmbH & Co. KG.

Key management personnel of Deutsche Beteiligungs AG serve on a number of supervisory bodies of companies in the portfolio of Deutsche Beteiligungs AG as well as of the funds stated above. For the period from 1 November 2014 to 30 September 2015, they were entitled to compensation totalling T€246 (previous year: T€290) for these services, which has been transferred in full to Deutsche Beteiligungs AG and recognised in "Other operating income".

Metzler Trust e.V. is a related party that acts as a trustee within the scope of a bilateral contractual trust arrangement for pension-related plan assets. The company receives an annual net fee of T€8 euros for administration services.

In October 2010, Deutsche Beteiligungs AG established an incorporated foundation under civil law named "Gemeinnützige Stiftung der Deutschen Beteiligungs AG". It was initially endowed with assets of T€100 in cash. In financial year 2014/2015, another T€50 (previous year: T€20) were allocated to the Foundation's endowment to pursue its tax-privileged objectives. At 30 September 2015, total allocations to the Foundation's endowment amounted to T€190. The purpose of the Foundation is to support charitable causes. A further aim is to promote the arts and cultural projects in the greater Frankfurt area. The Foundation is considered a related party in terms of the IFRS.

40. Risk management

For information on risk management objectives and methods, please refer to note 33 and the discussion in the combined management report.

41. Audit fees and audit-related services

Total fees paid to the auditor are comprised of the following:

	2014/2015		
	11 months		
T€	**Parent company**	**Subsidiaries**	**Total**
Audit consolidated/separate financial statements	279	40	319
Tax advisory services	89	19	108
Other consultancy services (not reimbursable)	72	103	175
	440	**162**	**602**
Other consultancy services (reimbursable)	0	248	248
	440	**410**	**850**

Consultancy services were partially charged to DBAG funds and/or the portfolio companies.

42. Members of the Supervisory Board and the Board of Management

Supervisory Board*

ANDREW RICHARDS,
Bad Homburg v. d. Höhe (Chairman)

Executive Director of PARE-Unternehmensberatung GmbH, Bad Homburg v. d. Höhe

No statutory or comparable offices in Germany and internationally

GERHARD ROGGEMANN,
Hanover (Vice Chairman)

Senior Advisor of Edmond de Rothschild Private Merchant Bank LLP, London, Great Britain

Statutory offices
- Deutsche Börse AG, Frankfurt am Main (Vice Chairman until 12 May 2015)
- Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe
- GP Günter Papenburg AG, Schwarmstedt (Chairman)
- WAVE Management AG, Hanover (Vice Chairman)

ROLAND FROBEL,
Isernhagen

Director of Rossmann Europe B.V., Renswoude, Netherlands

Statutory offices
- SIMONA AG, Kirn (Vice Chairman)
- GBK AG, Hanover (since 20 May 2015)

Comparable offices in Germany and internationally
- Saxonia Holding GmbH, Wolfsburg (Chairman)

WILKEN FREIHERR VON HODENBERG,
Hamburg

Lawyer

Statutory offices
- Schloss Vaux AG, Eltville
- SLOMAN NEPTUN Schiffahrts-AG, Bremen

Comparable offices in Germany and internationally
- Dirk Rossmann GmbH, Burgwedel (until 26 May 2015)

PHILIPP MÖLLER,
Hamburg

Managing Partner of Möller & Förster GmbH & Co. KG, Hamburg

No statutory offices or comparable offices in Germany and internationally

DR HENDRIK OTTO,
Dusseldorf

Member of the Board of Management of WEPA Industrieholding SE, Arnsberg

No statutory offices or comparable offices in Germany and internationally

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and internationally: offices held on comparable domestic and international supervisory bodies of commercial enterprises, at 30 September 2015

Board of Management*

TORSTEN GREDE,

Frankfurt am Main (Spokesman)

Comparable offices in Germany and internationally

- Clyde Bergemann Power Group, Inc., Delaware, USA
- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt
- Treuburg GmbH & Co. Familien KG, Ingolstadt

DR ROLF SCHEFFELS,

Frankfurt am Main

Statutory offices

- Preh GmbH, Bad Neustadt a. d. Saale (Vice Chairman)

Comparable offices in Germany and internationally

- FDG Group S.A.S., Orly, France
- Financière FDG S.A., Paris, France
- JCK Holding GmbH Textil KG, Quakenbrück
- Romaco Pharmatechnik GmbH, Karlsruhe

SUSANNE ZEIDLER,

Bad Homburg v. d. Höhe

Comparable offices in Germany and internationally

- DBG Fifth Equity Team GmbH & Co. KGaA, Frankfurt am Main (Vice Chairwoman)

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and internationally: offices held on comparable domestic and international supervisory bodies of commercial enterprises, at 30 September 2015

43. List of subsidiaries and associates pursuant to § 313 (2) HGB

Name	Domicile	Equity share %	Equity capital *(T€)*	Operating result of past financial year *(T€)*
43.1 CONSOLIDATED COMPANIES				
43.1.1 Consolidated companies				
DBG Management GmbH & Co. KG	Frankfurt am Main	100.00	508	248
DBG New Fund Management GmbH & Co. KG	Frankfurt am Main	100.00	3	260
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus	100.00	7,034	2,823
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main	20.00	9,153	17,708
DBG Management GP (Guernsey) Ltd.[1]	St. Peter Port, Guernsey	3.00	409	191
DBG Fund VI GP (Guernsey) LP[1]	St. Peter Port, Guernsey	0.00	0	0
43.1.2 Non-consolidated companies				
Bowa Geschäftsführungsgesellschaft mbH	Frankfurt am Main	100.00	63	2
Change Management Verwaltungs GmbH	Frankfurt am Main	100.00	25	0
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt am Main	99.00	34,290	538
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main	99.00	55,745	769
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99	24,573	799
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt am Main	33.33	9,038	2,016
DBG Beteiligungsgesellschaft mbH	Frankfurt am Main	100.00	104	0
DBG Epsilon GmbH	Frankfurt am Main	100.00	22	0
DBG Fifth Equity Team GmbH & Co. KGaA[2]	Frankfurt am Main	100.00	4,029	2,252
DBG Fourth Equity Team GmbH & Co. KGaA	Frankfurt am Main	100.00	82	(4)
DBG Fourth Equity International GmbH	Frankfurt am Main	100.00	35	1
DBG Managing Partner Verwaltungs GmbH	Frankfurt am Main	100.00	16	(1)
DBG My GmbH	Frankfurt am Main	100.00	142	(3)
DBV Drehbogen GmbH	Frankfurt am Main	100.00	32	(1)
DBG Alpha 5 GmbH	Frankfurt am Main	100.00	25	0

1 Consolidated in conformity with IFRS 10, see note 4
2 Entity is held by DBG Advisors Kommanditaktionär GmbH & Co. KG

Name	Domicile	Equity share %	Equity capital (T€)	Operating result of past financial year (T€)
43.2 JOINT VENTURES				
Q.P.O.N. Beteiligungs GmbH i. L.[3]	Frankfurt am Main	49.00	19	(6)
43.3 ASSOCIATES				
DBAG ECF Präzisisionstechnik Beteiligungs GmbH	Frankfurt am Main	41.78	24	(2)
DBAG ECF Fonds I Beteiligungs GmbH	Frankfurt am Main	47.54	5,857	378
DBG Asset Management Ltd.	Jersey	50.00	39	(27)
ECF Breitbandholding GmbH	Frankfurt am Main	41.78	15,140	(19)
Grohmann Engineering GmbH	Prüm	24.01	37,631	7,907
Plant Systems & Services PSS GmbH	Bochum	20.47	704	(5)
Rana Beteiligungsgesellschaft mbH	Frankfurt am Main	47.54	20	(5)
RQPO Beteiligungs GmbH	Frankfurt am Main	49.00	35	1
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt am Main	44.10	0	(7)
Tridecima Grundstücksverwaltungsgesellschaft mbH	Neubiberg	20.46	893	(704)

3 Consolidated using the equity method and recognised within financial assets

43.4 OTHER COMPANIES

Based on its investments, DBAG holds more than five percent of the voting rights in the following corporations:

Broetje-Automation GmbH	Wiefelstede
Clyde Bergemann Power Group, Inc.	Delaware, USA
Coveright Surfaces Beteiligungs GmbH i. L.	Frankfurt am Main
FDG Holding S.à.r.l.	Luxemburg
Formel D GmbH	Troisdorf
Heytex Bramsche GmbH	Bramsche
JCK Holding GmbH Textil KG	Quakenbrück
Romaco GmbH	Karlsruhe
Spheros GmbH	Gilching

Frankfurt am Main, 19 November 2015

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

Statement of responsibility

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

Frankfurt am Main, 19 November 2015

The Board of Management

Torsten Grede   Dr Rolf Scheffels   Susanne Zeidler

Auditor's report

We have audited the consolidated financial statements prepared by the Deutsche Beteiligungs AG, Frankfurt am Main, comprising consolidated statement of financial position, statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the consolidated financial statements, together with its report on the position of the Company and the Group (hereinafter "combined management report") for the truncated financial year from November 1st, 2014 to September 30th 2015. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB (Handelsgesetzbuch, "German Commercial Code") are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB (Handelsgesetzbuch, "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 20 November 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Bertram	Dr Faßhauer
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

GLOSSARY

B

Bridge-over financings

Interim financing for the acquisition of a new investment. Occasionally, DBAG initially uses proprietary capital when making an acquisition to bridge the time until the acquisition financing can be secured. When this is arranged after completion of a transaction, it replaces part of the capital employed, which is then returned to the investors.

Buyout fund

A private equity fund focused on > MBOs.

C

Capital management company (Kapitalverwaltungsgesellschaft – KVG)

Companies with their registered office and headquarters in Germany whose business operations are aimed at managing domestic investment assets, EU investment assets or foreign alternative investment funds. Only one capital management company can be responsible for each investment fund category, which is also answerable for compliance with the rules of the Capital Investment Code (KAGB). DBAG is a registered capital management company under the KAGB.

Carbon Disclosure Project (CDP)

Non-profit organisation whose objective is worldwide transparency regarding environmental data. Within the scope of the CDP, DBAG issues detailed annual reports on its greenhouse gas emissions.

Carried interest

Disproportionate profit share on the part of investment managers in the performance of a managed or advised fund, if certain conditions (realisation of the investors' invested capital plus a minimum return of eight percent) are met.

Co-investment vehicle

DBAG invests in portfolio companies alongside the DBAG funds. The ratio of DBAG's co-investment and the other investors in a fund is fixed for the fund's entire term; DBAG holds a minority interest in the respective investment.

Corporate Governance Code

The German Corporate Governance Code lists key statutory rules and regulations on the management and oversight of German listed companies and contains internationally and nationally recognised standards of good responsible corporate governance by way of recommendations and suggestions.

Cost of equity

Calculatory return on the equity employed. Similar to providers of borrowings, equity providers (shareholders) expect a return on their invested capital. This is usually achieved through share price increases and distributions. The cost of equity can be determined by various models and generally exceeds that for borrowings, since equity capital entails greater risk. DBAG uses the capital asset pricing model (CAPM) to determine the cost of equity. For this method, a company-specific risk premium calculated using a mathematical formula is added to a risk-free interest rate.

CRM system

Short for "Customer Relationship Management System". An EDP software used to document, organise and manage a company's interaction with customers.

D

DBAG ECF

Short for DBAG Expansion Capital Fund, which is managed by DBAG and alongside which DBAG co-invests in growth financings.

DBAG funds

Funds that are managed and/or advised by Deutsche Beteiligungs AG, alongside which DBAG co-invests. The principle: investors commit a certain amount of capital that is drawn down stepwise as soon as suitable investment opportunities arise. Upon an investment's ultimate disposal, the proceeds are distributed to the investors.

Deal flow

Investment opportunities available to an investment company such as DBAG.

Deal sourcing

The process of seeking and selecting potential portfolio companies.

Discounted cash flow method

Procedure used to measure the value of an enterprise, determined by the sum of discounted cash flows expected in the future. Discounting is performed using an interest rate for a long-term risk-free investment plus a risk premium.

Due diligence

Diligent, systematic and detailed collection, investigation and analysis of data on a target company preceding a commitment to invest. The purpose is to determine the strengths and weaknesses of that company as well as the risks involved.

E

ESG

Short for "Environmental, Social and Governance". DBAG regularly reports on these aspects.

Exit

Disposal of an investment from a financial investor's portfolio. Principally, there are three exit routes: trade sale (sale to a company), initial public offering (stock market listing) or secondary buyout (sale to another financial investor). DBAG considers all three variants in realising its investments.

Expansion financing

Minority stake in a company – the majority remains with the past owner. Both early-stage and established companies may seek expansion capital to finance their next phase of growth. More information on expansion financing can be found at http://www.dbag.de/expansion-capital-investment.

F

Fair value

The current amount for which an investment could be exchanged between knowledgeable, willing and independent parties. According to IFRS (see below) accounting rules, financial assets such as corporate investments are to be valued based on this concept.

G

German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB)

Legal framework for managers of open- and closed-end funds.

I

IFRS

Short for "International Financial Reporting Standards" (formerly IAS). Accounting rules that have been obligatory for the consolidated accounting of listed companies in the European Union since 2005.

Investment entity (as in IFRS 10)

According to the pronouncement by the International Accounting Standards Board (IASB), a company which, by definition, is an investment entity must not consolidate its subsidiaries, but must carry them at fair value through profit or loss. Subsidiaries that provide services related to the investment activities of the parent company are required to be consolidated. As a parent company, DBAG meets the typical characteristics of an investment entity in terms of IFRS 10.

IRR

Short for "Internal Rate of Return". Financial mathematic method of determining the return on an investment.

J

Joint venture

A specific cooperative arrangement in which two or more parties establish a legally independent business in which each of the participants has a right to net assets. The parties jointly bear the financial risk of the investment and jointly exercise control over the enterprise.

M

M&A

Short for "Mergers and Acquisitions". General term for such transactions in the corporate sector.

Management buyout (MBO)

The takeover of a company by its management with the support of one or more financial investors who largely finance the transaction and assume the majority of the voting rights or share capital.

Mezzanine capital

Hybrid capital ranking between voting capital and first lien debt.

Mid-market segment

The market for investment transactions is divided into three segments: transactions with a value of less than 50 million euros are considered "small"; the mid-market segment comprises transactions valued from 50 to 300 million euros; transactions with a value of more than 300 million euros form the upper market segment.

Multiples method

Procedure used to value an enterprise. Expressed as the product of an indicator (e.g. earnings) and a multiple derived from current market prices. That multiple is based on the quotient of the market prices for a group of similar companies and their respective performance indicators.

N

Net asset value

Total value of all tangible and intangible assets of a company, less its liabilities. Corresponds to equity.

P

Peer group

A group of companies similar in terms of industry, structure, products and revenues, used for comparison purposes.

Portfolio

All of the investments of DBAG.

R

Rating

Method of measuring the creditworthiness or credit quality of debt issuers or securities. Credit ratings are usually issued by credit rating agencies.

Recapitalisation

Replaces part of the relatively expensive equity tied in a company by lower-cost debt. The aim is to optimise the capital structure. The free funds are then distributed to the shareowners.

Refinancing

For transactions in the corporate sector, an existing loan is substituted for a new loan. For example, in an acquisition a shareholder loan can be replaced – or refinanced – by acquisition financing.

Return on net asset value per share (NAV)

Key target and performance indicator of DBAG. The closing NAV per share at the end of the financial year is set against the opening NAV per share at the beginning of the financial year, less dividends paid in the course of that year.

S

Secondary buyout

An investment that is sold by a financial investor to another financial investor.

Structured entity

Term used in the IFRS. An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

U

UBGG

German Special Investment Company Act (Gesetz über Unternehmensbeteiligungsgesellschaften –UBGG); in 1985, Deutsche Beteiligungs AG was the first firm to be recognised as a special investment company. This law, for example, exempts companies – subject to certain conditions – from municipal trade tax and is aimed at creating indirect access to the capital market for mid-sized companies.

Unitranche

A type of credit facility in which first-lien and second-lien components are combined in one tranche.

Information for shareholders

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Forward-looking statements

This 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.

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As at 9 December 2015

Disclaimer

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

The Annual Report is published in German and in English. The German version of this report is authoritative.

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TEN-YEAR FINANCIAL SUMMARY

€mn	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013[6]	2013/2014	**2014/2015**
										11 months
Development of portfolio and value										
New investment in the portfolio	22	40	14	4	8	9	22	42	20	71
"Portfolio value" (at reporting date)[1]	121	189	127	123	118	84	143	173	153	256
Number of investments (at reporting date)	32	30	21	19	17	16	18	20	19	24
Earnings position										
Segment net income Private Equity Investments									40.4	24.9
Segment net income Fund Investment Services									8.0	2.2
Net income	82.7	136.5	(51.1)	19.6	34.1	(16.6)	44.5	32.3	48.0	27.0
Retained profit	57.2	118.2	29.2	52.6	73.1	37.3	70.8	86.7	117.7	117.4
Financial position										
Cash flows from operating activities	(4.1)	(2.6)	3.0	(3.5)	(12.8)	0.9	(9.6)	(12.0)	0.0	7.2
Cash flows from investing activities	169.3	65.4	11.2	28.8	36.3	34.1	(17.8)	18.7	67.9	(61.6)
thereof, proceeds from disposals of financial assets and loans and receivables	191.0	106.1	25.7	33.0	44.5	43.6	3.8	60.4	90.6	30.9
thereof, purchase of financial assets and loans and receivables	(21.7)	(40.7)	(14.5)	(4.3)	(8.2)	(9.4)	(21.6)	(41.7)	(22.7)	(92.5)
Cash flows from financing activities	(40.7)	(71.4)	(57.3)	(5.5)	(13.7)	(19.1)	(10.9)	(16.4)	(16.4)	(27.4)
Change in cash funds[2]	124.0	(9.0)	(50.5)	10.6	(70.9)	14.9	(38.8)	(9.8)	50.8	(82.4)
Asset position										
Non-current assets	124.6	211.3	147.2	161.2	244.3	228.6	238.7	233.6	246.3	278.6
thereof, long-term securities	0	0	0	14.5	102.9	123.1	83.0	50.5	81.0	26.4
Current assets	195.5	183.0	125.1	127.1	71.8	51.3	59.5	77.1	86.3	48.6
thereof, cash and short-term securities	164.7	155.8	105.2	109.5	37.8	32.5	27.8	47.8	59.8	32.0
Equity	289.0	353.6	244.8	256.8	273.9	238.9	266.2	278.4	303.0	303.1
Liabilities	31.1	40.8	27.4	31.5	42.2	41.0	32.8	32.2	29.6	24.1
Total assets	320.1	394.4	272.3	288.3	316.1	279.9	299.0	310.7	332.6	327.2
Key indicators										
Return on NAV per share after taxes[3] *(%)*	36.4	56.2	(17.5)	7.3	12.7	(6.2)	16.8	11.2	15.9	10.0
Equity as a percentage of total assets *(%)*	90.3	89.7	89.9	89.1	86.7	85.3	89.0	89.6	91.1	92.6
Information on shares[4]										
Earnings per share *(€)*	5.02	9.20	(3.73)	1.44	2.50	(1.22)	3.25	2.36	3.51	1.98
NAV per share *(€)*	19.07	25.09	17.90	18.77	20.03	17.47	19.46	20.36	22.16	22.16
Base dividend per share (€; 2014/2015: recommended)	0.50	1.00	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.50
Surplus dividend/bonus per share (€; 2014/2015: recommended)	2.50	2.50	–	0.60	1.00	0.40	0.80	0.80	1.60	0.50
Total amount distributed[5] (2014/2015: recommended)	45.5	47.9	5.5	13.7	19.1	10.9	16.4	16.4	27.4	13.7
Number of shares (end of FY)	15,153,864	14,403,864	13,676,359	13,676,359	13,676,359	13,676,359	13,676,359	13,676,359	13,676,359	13,676,359
thereof, held by the Company		313.367								
Share price (€; end of FY)	17.35	24.10	10.45	15.55	20.79	15.50	19.49	19.36	21.83	24.90
Market capitalisation (end of FY)	262.9	347.1	142.9	212.7	284.3	212.0	266.6	264.8	298.6	340.5
Number of employees	44	47	48	49	51	53	54	55	56	62

The table above contains data as originally reported in the respective annual consolidated financial statements.
1 Without interests in shelf companies and companies that are mainly attributable to third parties
2 Cash as well as short- and long-term securities
3 Change in net asset value per share relative to opening net asset value per share at beginning of reporting period, less dividends per share
4 Partly adjusted; earnings and cash flow per share relative to weighted average number of shares outstanding
5 Relates to respective financial year
6 Data restated based on change in accounting (IFRS 10)

TEN-YEAR FINANCIAL SUMMAR

€mn
Development of portfolio and value
New investment in the portfolio
"Portfolio value" (at reporting date) [1]
Number of investments (at reporting date)
Earnings position
Segment net income Private Equity Investments
Segment net income Fund Investment Services
Net income
Retained profit
Financial position
Cash flows from operating activities
Cash flows from investing activities
thereof, proceeds from disposals of financial assets and loans and receivables
thereof, purchase of financial assets and loans and receivables
Cash flows from financing activities
Change in cash funds [2]
Asset position
Non-current assets
thereof, long-term securities
Current assets
thereof, cash and short-term securities
Equity
Liabilities
Total assets
Key indicators
Return on NAV per share after taxes [3] *(%)*
Equity as a percentage of total assets *(%)*
Information on shares [4]
Earnings per share *(€)*
NAV per share *(€)*
Base dividend per share (€; 2014/2015: recommended)
Surplus dividend/bonus per share (€; 2014/2015: recommended)
Total amount distributed [5] (2014/2015: recommended)
Number of shares (end of FY)
thereof, held by the Company
Share price (€; end of FY)
Market capitalisation (end of FY)
Number of employees

The table above contains data as originally reported in the respective annual consolidate
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5 Relates to respective financial year
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FINANCIAL CALENDAR

10 DECEMBER 2015
Analysts' conference,
Frankfurt am Main

7/8 JANUARY 2016
Oddo Forum, Lyon

JANUARY 2016
Road show

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

25 FEBRUARY 2016
Annual Meeting 2016,
Frankfurt am Main

26 FEBRUARY 2016
Dividend payment 2016

21 APRIL 2016
Solventis Stock Forum,
Frankfurt am Main

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

MAY 2016
Road show

7 JUNE 2016
LPEQ Investors' conference,
London

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

AUGUST/SEPTEMBER 2016
Road show

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