

Information on the

Voluntary Tender Offer of  
Deutsche Beteiligungs AG  
Frankfurt am Main

to its shareholders for the purchase of up to  
1,866,666 no-par value  
bearer shares (ordinary shares) of Deutsche Beteiligungs AG

## Disclaimer

This document (the "Translation Document") is a non-binding convenience translation of excerpts of the German language Offer Document (the "Offer Document") prepared pursuant to the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, "WpÜG"). There is no complete translation. As a consequence, the Translation Document does not contain all information necessary for a comprehensive evaluation of the Offer Document and the Tender Offer as defined below.

The Translation Document has not been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"). In case of any discrepancy between the Translation Document and the Offer Document, the Offer Document shall prevail.

Deutsche Beteiligungs AG, a stock corporation organized under the laws of the Federal Republic of Germany, is offering to purchase and acquire up to 1,866,666 outstanding non-par value bearer shares of Deutsche Beteiligungs AG, with a proportionate amount of the share capital of 2.60 euros attributable to each share and carrying dividend rights as of 1 November 2004, at a purchase price of 12.50 euros per share (the "Tender Offer").

The Tender Offer is a voluntary public tender offer for the purchase of shares of Deutsche Beteiligungs AG in accordance with the WpÜG. It is addressed to all shareholders of Deutsche Beteiligungs AG and will be implemented in accordance with German law, in particular the WpÜG. The Offer Document and its publication are subject solely to the approval of BaFin in accordance with German law.

Shareholders of Deutsche Beteiligungs AG who are resident, have their registered office, or are ordinarily resident outside of the Federal Republic of Germany should be aware that the Tender Offer is not intended to be a public offer in accordance with the provisions of any other jurisdiction. Registrations, admissions or approvals of the Translation Document and/or the Offer Document and/or the Tender Offer have not been directly or indirectly applied for or arranged outside of the Federal Republic of Germany, nor is there any intention to do so.

The dispatch, distribution or dissemination of the Translation Document and/or the Offer Document including the Tender Offer and/or the acceptance of the Tender Offer may be subject to the Securities laws of jurisdictions other than the Federal Republic of Germany. Persons who obtain possession of the Translation Document and/or the Offer Document and shareholders of Deutsche Beteiligungs AG who wish to accept the Tender Offer outside of the Federal Republic of Germany must obtain information about, and comply with, the relevant securities laws of the relevant jurisdiction other than the Federal Republic of Germany. Deutsche Beteiligungs AG cannot guarantee that the dispatch, distribution or dissemination of the Translation Document and/or the Offer Document including the Tender Offer by third parties or the acceptance of the Tender Offer outside of the Federal Republic of Germany will not violate the securities laws of jurisdiction other than the Federal Republic of Germany.

As far as Deutsche Beteiligungs AG is aware, the information contained in the Translation Document and the Offer Document is correct. However, the Translation Document does not reflect the exact wording of the Offer Document but rather certain excerpts thereof. In particular, section 6 of the Offer Document dealing with the implementation of the Tender Offer is not considered in the Translation Document. Therefore, the addressees of this Translation Document as well as the Offer Document and the Tender Offer contained therein shall, in any event, be expressly advised not to rely on the Translation Document but to carefully read the Offer Document as well. In case of any uncertainty with regard to the Translation Document and/or the Offer Document legal advice should be sought.

Neither the Offer Document nor the Translation Document will be updated. Additional announcements relating to the Tender Offer as well as any further declarations and notifications in connection with the Tender Offer, such as the status of acceptance of the Tender Offer, will be posted on the internet at <http://www.deutsche-beteiligung.de> and reproduced in the *Börsen-Zeitung* journal. Deutsche Beteiligungs AG has not authorized any third parties to make statements regarding the Translation Document and/or the Offer Document and/or the Tender Offer contained herein. Any such statements should not be considered when making a decision regarding the Tender Offer.

The Offer Document constitutes an offer to acquire shares in Deutsche Beteiligungs AG. It is not, and should not be construed as, an offer to sell or acquire or an invitation or request for submission of an offer to acquire any other securities.

Deutsche Beteiligungs AG, Kleine Wiesenau 1, 60323 Frankfurt am Main, Germany

is extending a "Voluntary Tender Offer" in the form of a partial buyback offer to its shareholders for the purchase of up to 1,866,666 no-par value bearer shares (ordinary shares) of Deutsche Beteiligungs AG, with a proportionate amount of the share capital of 2.60 euros attributable to each share, against a cash payment of 12.50 euros per share of Deutsche Beteiligungs AG.

**The following is a summary of the Offer:**

Offerer:	Deutsche Beteiligungs AG, Kleine Wiesenau 1, 60323 Frankfurt am Main
Subject matter of the voluntary tender offer:	Purchase of up to 1,866,666 no-par value shares (ordinary shares) of Deutsche Beteiligungs AG (ISIN DE 0005508105 / WKN 550 810) with an arithmetical proportionate amount of the share capital of 2.60 euros attributable to each share
Offer price:	12.50 euros per share of Deutsche Beteiligungs AG
Period of Offer:	Thursday, 30 June 2005 through Friday, 29 July 2005 (12.00 noon Central European Daylight-Saving Time)
Conditions:	This Offer is unconditional.
Acceptance:	Acceptance must be declared in writing to a custodian financial service provider. It becomes effective with the transferral to ISIN DE000A0EZER3 (WKN A0E ZER) of those shares of Deutsche Beteiligungs AG to which the acceptance relates.
Allotment:	The Offer is for the purchase of up to 1,866,666 ordinary shares of Deutsche Beteiligungs AG. Should more than 1,866,666 shares of DBAG be submitted for purchase, a quota allotment will be applied. Fractional amounts will be rounded off to whole shares
Stock exchange trading:	As soon as they are submitted for sale, publicly traded shares of Deutsche Beteiligungs AG may not be traded during the period of the Offer.
Costs:	All costs in conjunction with the receipt and transferral of the shares of DBAG, in particular the costs and fees charged by custodian financial service providers, will be carried by the shareholders of DBAG.
Publication:	The complete Offer Document (in German only) was published on the Internet at <a href="http://www.deutsche-beteiligung.de">http://www.deutsche-beteiligung.de</a> and by notice in the <i>Börsen-Zeitung</i> , both on 30 June 2005, and is available free of charge in Germany to shareholders of DBAG by collection from DBAG and Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart. All further notices and announcements in connection with this Offer will be published on the Internet at <a href="http://www.deutsche-beteiligung.de">http://www.deutsche-beteiligung.de</a> and in the <i>Börsen-Zeitung</i> .

**The Offer for the purchase of own shares is based on an authorisation by the Annual Meeting of Shareholders and a resolution by the Board of Management of Deutsche Beteiligungs AG dated 27 June 2005 pursuant to that authorisation.**

At the Annual Meeting of Deutsche Beteiligungs AG on 17 March 2005, shareholders voted to authorise the Company to purchase own shares (the "authorisation"), and, in summary, the following was resolved:

The authorisation is valid through 16 September 2006. It permits the purchase of up to ten percent of the share capital existing at the time the resolution was adopted – which had then amounted to 48,533,334.20 euros – via the stock exchange or via a public offer addressed to all shareholders or a public invitation to submit such an offer.

For shares acquired via a public offer addressed to all shareholders or a public invitation to submit such a purchase offer, the offered purchase price or the caps of the purchase price spread per share (excluding transaction costs) must not exceed or fall short of the average closing quotation for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the last five days of trading preceding the publication of the Company's offer or public invitation to submit a purchase offer by more than 15 percent.

Should there be significant deviations from the relevant quotation subsequent to the publication of a public offer or a public invitation to submit a purchase offer, the offer or the invitation to submit a purchase offer may be adjusted. In this event, the price shall be geared to the average closing quotation for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the last five days of trading preceding the public announcement of any such adjustment. Such an adjustment is not planned for this Offer. Should the public offer be oversubscribed or should, in the event of an invitation to submit a purchase offer, several offers of equal value be received and cannot all be accepted, a quota allotment must be performed. Preference may be given to smaller allotments of up to 100 shares offered per shareholder. The public offer or invitation to submit a purchase offer may provide for additional terms.

The Board of Management was also authorised, subject to consent by the Supervisory Board, to dispose of own shares acquired on the basis of the authorisation under suspension of shareholders' pre-emptive rights in other ways than via the stock exchange or by offer to all shareholders,

- if the disposal price to be paid in cash is not significantly lower than the stock market price of the shares. Not significantly lower in this sense means that the sales price does not fall short of the average closing quotation for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last five days of trading prior to the disposal of the shares by more than five percent. Taken together with the number of new shares that may be issued from Authorised Capital with pre-emptive rights excluded based on a co-existing authorisation in accordance with § 186 (3) sentence 4 AktG (German Stock Corporation Act) and with the number of shares that

may be created through the exercise of warrants and/or conversion rights or the fulfilment of conversion obligations issued with pre-emptive rights excluded based on a co-existing authorisation in accordance with § 186 (3) sentence 4 AktG (German Stock Corporation Act), the number of shares disposed of in this manner must not exceed ten percent of the share capital;

or

- as consideration for third parties in conjunction with corporate acquisitions or mergers or acquisitions of investments in enterprises.

The Board of Management was also authorised, subject to consent by the Supervisory Board, to retire shares acquired on the basis of the authorisation described wholly or in part, without the retirement or execution thereof requiring a further resolution by an Annual Meeting of Shareholders. A retirement of shares augments the portion of the share capital attributable to the remaining shares. The Board of Management was authorised to adapt the reference to the number of shares in the Articles of Association.

Pursuant to the resolution adopted by the shareholders at the Annual Meeting, all aforementioned authorisations may be exercised wholly or in part.

#### **The underlying financial considerations for this Offer are as follows:**

Over the past months, Deutsche Beteiligungs AG has realised a number of investments that have generated significant liquidity. The realisations from the portfolio include Hörmann KG, schlott gruppe AG and Babcock Borsig Service AG in Germany, as well Edgen Corp. in the USA. These divestments were, in part, transacted earlier than anticipated and, in part, achieved significantly higher proceeds than DBAG had assumed only a few months ago.

Deutsche Beteiligungs AG recorded sizeable inflows of capital through these realisations: in the first six months of the current financial year, proceeds from disposals of financial assets amounted to 82.1 million euros, compared with 29.3 million euros for the equivalent period the previous year, and 51.0 million euros for the complete 2003/2004 financial year. After accounting for acquisitions of long-term financial assets, net cash flows from investing activities totalled 70.2 million euros for the six months to 30 April 2005, compared with -27.7 million euros for the same period the prior year, and -10.8 million euros for the complete 2003/2004 financial year.

Through the inflow of funds stemming from these partly very profitable divestments, Deutsche Beteiligungs AG has built a significant cash position. The cash resources disclosed in the interim financial statements at 30 April 2005 amount to 33.0 million euros. At 30 April 2005, bank borrowings had been repaid in full.

DBAG anticipates that inflows from future realisations and the liquidity remaining after completion of the share buyback programme will cover the financing requirements of its

investing activity. Additionally, Deutsche Beteiligungs AG has credit lines of 85 million euros available that may be used to temporarily bridge any capital requirement in excess of its resources. Deutsche Beteiligungs AG now plans to use a portion of the existing liquidity in the amount of up to 23.33 million euros to acquire own shares and thereby optimise the capital structure of Deutsche Beteiligungs AG.

Through the share buyback programme, DBAG will invest in the Company's existing portfolio. The portfolio has made very satisfactory progress in the past months. This is mirrored in the consolidated net profit of 29.8 million euros at 30 April 2005, which is predominantly due to the net result of investment activity, and particularly to the net valuation result, representing the rise in the value of the investments in the portfolio of Deutsche Beteiligungs AG. The value of the portfolio is reflected in the net asset value (NAV) per share. At 30 April 2005, the closing date of the most recent interim report, it amounted to 13.84 euros. The offer price of 12.50 euros represents an investment in the existing portfolio at a discount of 9.7 percent.

The Board of Management of Deutsche Beteiligungs AG plans to retire the shares repurchased through this Offer without reducing the share capital. Consequently, this will raise the net asset value (NAV) per share. Based on the maximum parameters of this Offer and repurchases of ten percent of outstanding shares, the NAV per share would rise by 0.15 euros per share, or more than one percent. Earnings per share would climb more strongly, since earnings will only be attributable to up to 90 percent of the current number of shares.

The purchase by way of a Tender Offer ensures that the amount required for the share buyback is capped at the time of the buyback announcement, namely to 23,333,325.00 euros (1,866,666 shares times 12.50 euros per share). As opposed to an acquisition via the stock exchange, it also warrants purchasing the targeted volume of shares within a foreseeable period of time. In light of an average daily turnover of some 21,000 shares (April and May 2005) as well as regulatory requirements, a re-acquisition of the targeted volume via the stock exchange would presumably take more than a year.

### **Determination of Offer price**

The Board of Management of Deutsche Beteiligungs AG has set the price of the Offer at 12.50 euros per share.

Over the last five days of trading prior to the public announcement of this Offer, the closing quotations in Xetra trading were as follows:

20 June 2005:	12.70 euros
21 June 2005:	12.70 euros
22 June 2005:	12.60 euros
23 June 2005:	12.70 euros
24 June 2005:	12.72 euros

The average share price (arithmetic mean) derived from these closing quotations amounts to 12.68 euros.

The offer price of 12.50 euros is thus within the price spread resolved by the Company's shareholders at the Annual Meeting on 17 March 2005 (see above).

The Board of Management of Deutsche Beteiligungs AG views this Offer as an opportunity to repurchase own shares at an attractive price. Reciprocally, the Board of Management anticipates a commensurate level of acceptance on the part of shareholders: the Board of Management has meanwhile received announcements from two of the Company's shareholders, Deutsche Bank and Wilhelm von Finck jun., according to which they are ready to remit 800,000 shares (Deutsche Bank via DB Value GmbH) and 1,000,000 shares (Mr. Wilhelm von Finck jun. through Harthausen GmbH) at the stated terms.

The Company will acquire own shares at a price slightly below the most recently published net asset value (NAV) per share. An acquisition of own shares equates to an investment by the Company in its own portfolio; based on the NAV of 13.84 euros per share (30 April 2005), the value of the portfolio is in excess of the price stated in this Offer.

At the same time, the offer price is at the high end of the price spread of Deutsche Beteiligungs AG shares for the past twelve months. Consequently, this represents a lucrative offer for shareholders willing to sell: the Offer gives such shareholders an opportunity of selling even larger blocks of shares without the risk of negative impacts on the share price, while achieving a price significantly in excess of the average share price over the last twelve months.

Shareholders shall declare their acceptance of this Offer in writing to a custodian financial services provider. Following the acceptance of the Offer on the part of shareholders, the custodian financial service providers will take all further necessary steps.

The acceptance of the Offer declared by shareholders shall become effective with the transferral to ISIN DEA0EZER3 (WKN A0E ZER) of those shares in Deutsche Beteiligungs AG to which the acceptance relates. The transferral shall be arranged by the custodian financial service provider subsequent to the receipt of the declaration of acceptance.

For further details on the acceptance procedure, attention is expressly drawn to the full version of the German language Offer Document (*Angebotsunterlage*), which alone is authoritative.

Frankfurt am Main, 28 June 2005

The Board of Management