



Deutsche  
Beteiligungs AG

# Welcome to the 2009 Annual Meeting

Frankfurt, 26 March 2009

- Financial year 2007/2008:  
The deep recession left its mark
- Quarterly closing at 31 January 2009:  
Recovery not in sight
- Outlook and prospects:  
Well equipped for upcoming investment opportunities

- Consolidated loss of €51.1 mn  
(previous year: consolidated profit of €136.5 mn)
- Net asset value (equity) per share 17.90 euros (-17.5%)  
(previous year: 25.09 euros, before dividends of €3.50 )
- Average return on equity per share over ten-year period  
17.3% (after taxes)
- Investment of €14.4 mn  
(previous year: €40.3 mn)
  - New investment in ICTS Europe Holdings B.V.
  - Stake increased in MCE AG



## Consolidated income statement

### Net result of investment activity

	Net result of disposal
	Net result of valuation
	Current income from financial assets

### Other income/expense

	Diverse income and expense items
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### Taxes

### Consolidated loss/profit

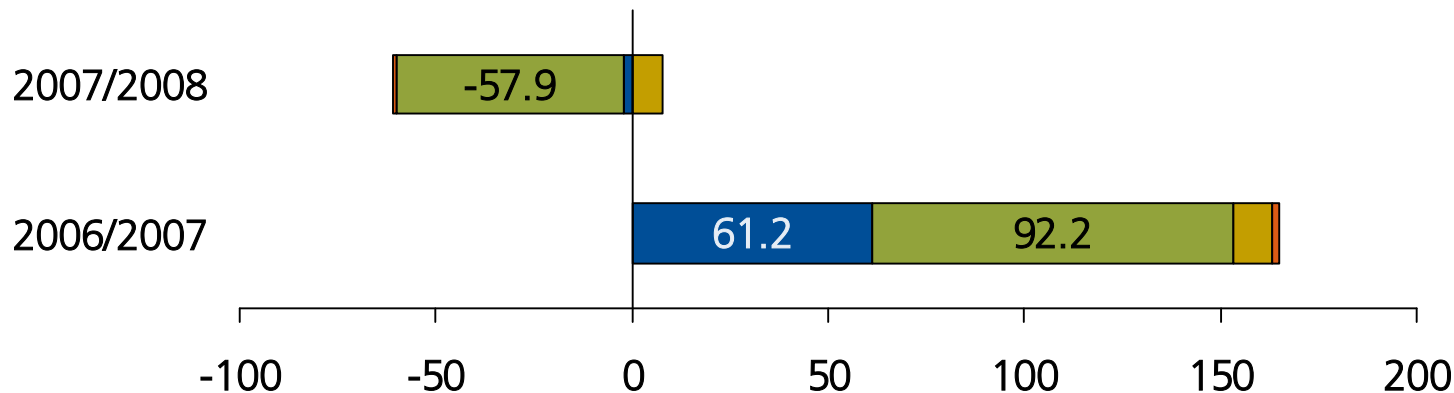
# Key performance components

Consolidated income statement	
Net result of investment activity	
	<u>Net result of disposal</u>
	<u>Net result of valuation</u>
Current income from financial assets	
Other income/expense	
	Diverse income and expense items
Taxes	
Consolidated loss/profit	

- Net result of disposal:  
Difference between actual sales proceeds and valuation at beginning of FY
- Net result of valuation:  
Net value movements of all portfolio investments during FY
  - Influential factors:
    - Earnings
    - Debt
    - Capital market

# Net result of investment activity: €-53.4 mn

■ Net result of investment activity:	
net result of disposal	€-2.2 mn
net result of valuation	€-57.9 mn
current income	€7.6 mn
others	€-0.9 mn



■ net result of disposal	■ net result of valuation
■ current income	■ others

# Net result of investment activity strongly influenced by capital market trend

## Greatest contributor to result: unrealised value movements

### ■ Homag Group AG: €-47 mn

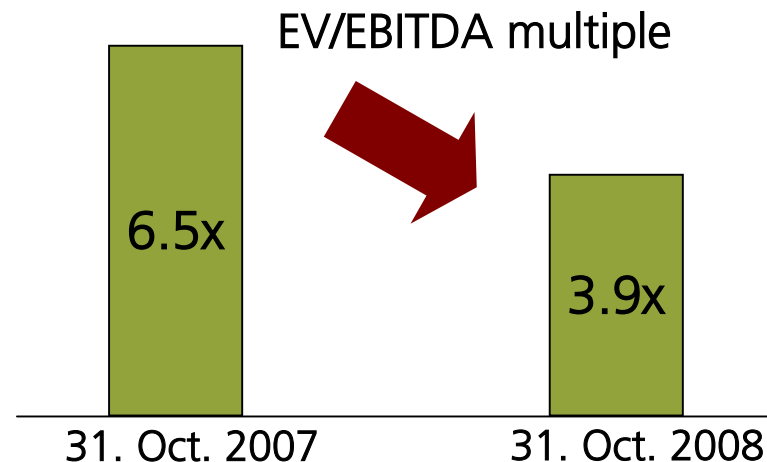
- Purchase price February 2007: €10.00
- Quotation on 31 Oct. 2007: €28.14  
=> (unrealised) positive value movement ~ €49 mn
- Quotation on 31 Oct. 2008: €9.07  
=> (unrealised) negative value movement ~ €47 mn

### ■ Non-listed portfolio

- Reference multiples drop by about 40%

# Recession impacts portfolio companies' development

- Satisfactory progress in most portfolio companies' operating performance
  - Higher order intake
  - Increase in sales
  - Earnings improvement
- Noticeable slowdown in second half of year
- Effect from reduced multiples stronger than effect from operating improvements



# Current income down on previous year

- Profit entitlements from portfolio companies (e.g. Homag dividends)
- Interest from shareholder loans
  - 2007/2008 lower than previous year



# Other operating expense: Stable at €11.6 mn

- Expense nearly unchanged
- Largest portion attributable to – mainly transaction-related – consultancy costs (€5.7 mn)



# Other operating income: Up slightly to €16.9 mn

## ■ Fee income from fund management services

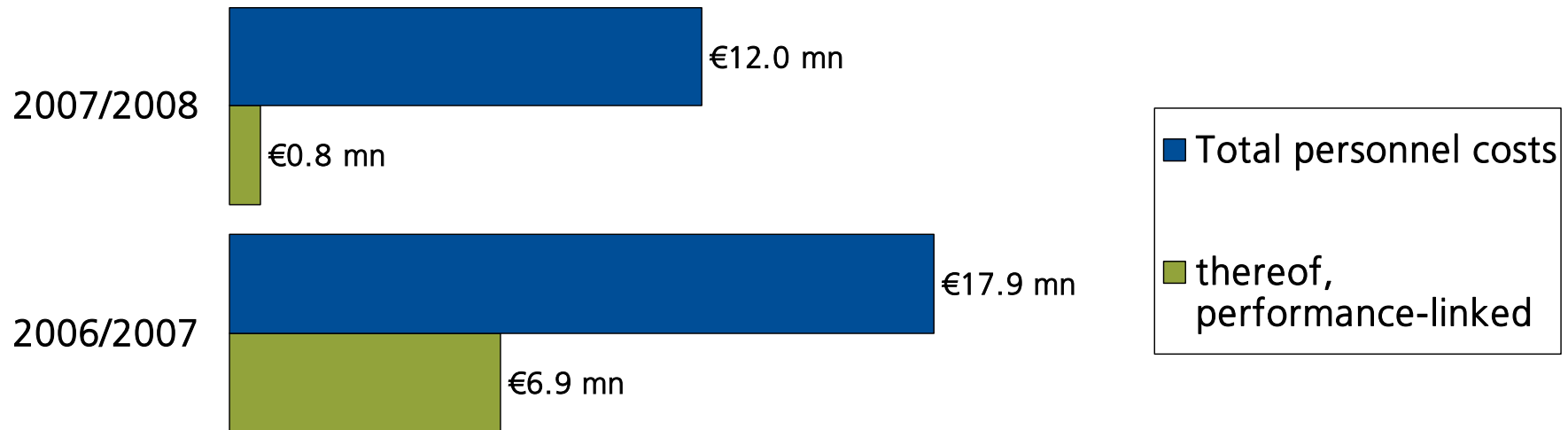
- Full year's fees from DBAG Fund V in 2007/2008 for the first time
- Performance-linked fee from sale of a fund investment

## ■ "Others" contains transaction-related costs reimbursable by co-investment funds



# Personnel costs: Down significantly to €12.0 mn

- Almost no performance-linked income  
(Basis: realised profits)



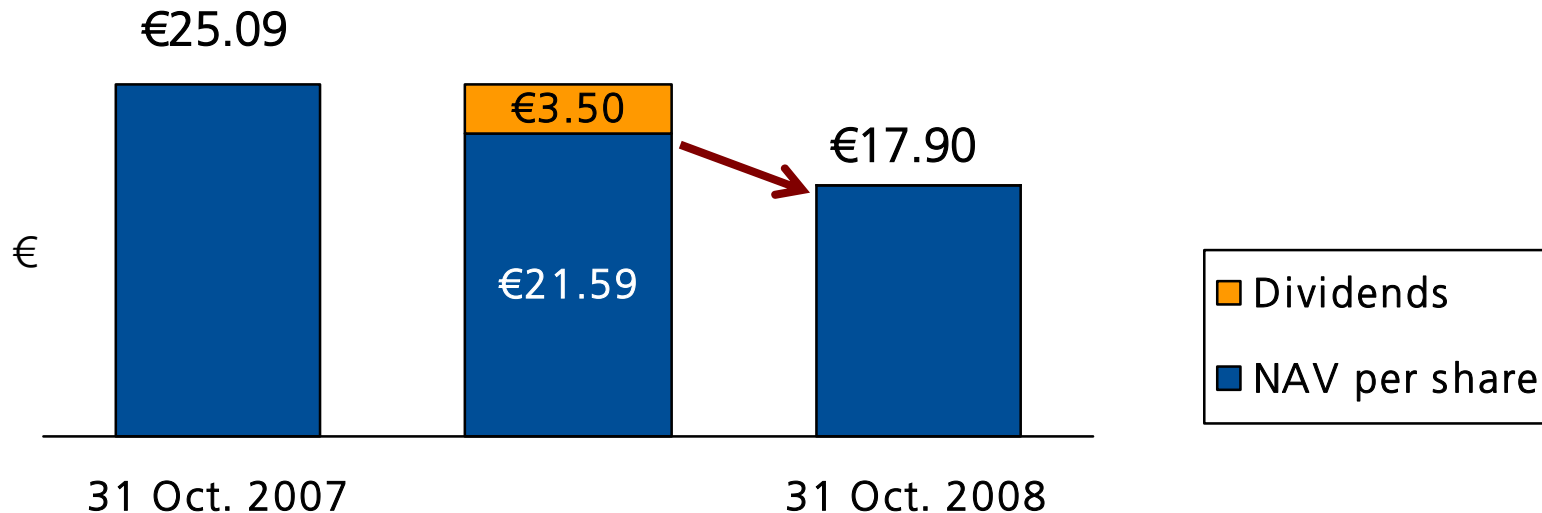
# Net interest: down marginally to €5.2 mn

- Sizeable liquidity persists despite high payments of €57.3 mn to shareholders (dividends and share buyback) and investments of €14.4 mn
- Approx. €70 mn in cash funds shifted to short-dated government-backed securities



# Net asset value (equity) per share drops to €17.90

- Net asset value per share declines by 17.5% (effect from lower number of shares accounted for)



# Balance sheet – High proportion of cash funds persists

Assets (€mn)	31 Oct. 2008	31 Oct 2007	Shareholders' equity and liabilities (€ mn)	31 Oct. 2008	31 Oct. 2007
Financial assets	138.3	209.6	Equity	244.8	353.6
Others	28.7	29.0	Non-current liabilities	10.3	17.1
Cash funds	105.3*	155.8	Current liabilities	17.2	23.7
	272.3	394.4		272.3	394.4

\* including short-dated securities

■ No bank debt

Dividend sum €5.5 mn  
Dividend of €0.40 per share

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- **Dividend policy geared to two targets:**
  - To allow shareholders to share in company's long-term performance
  - To cushion the share price volatility

# Shareholders profit from strong cash flows: €200 mn since March 2005

- Nearly €111 mn paid to shareholders in dividends since March 2005
  - Another €5.5 mn for FY 2007/2008
- Nearly €88 mn returned to shareholders through share buybacks since July 2005

<b>31 Oct. 2004</b>	<b>Equity</b>	<b>€234 mn</b>
	<b>Liabilities to banks</b>	<b>€27mn</b>
2005 to 2008	Sales proceeds, thereof for	€~400 mn
	...dividends and share buybacks	€~200 mn
	...investment	€~100 mn
	...allocations to cash funds	€~100 mn
<b>31 Oct. 2008</b>	<b>Equity</b>	<b>€245 mn</b>
	<b>Liabilities to banks</b>	<b>€0 mn</b>

# Dividend sum €5.5 mn

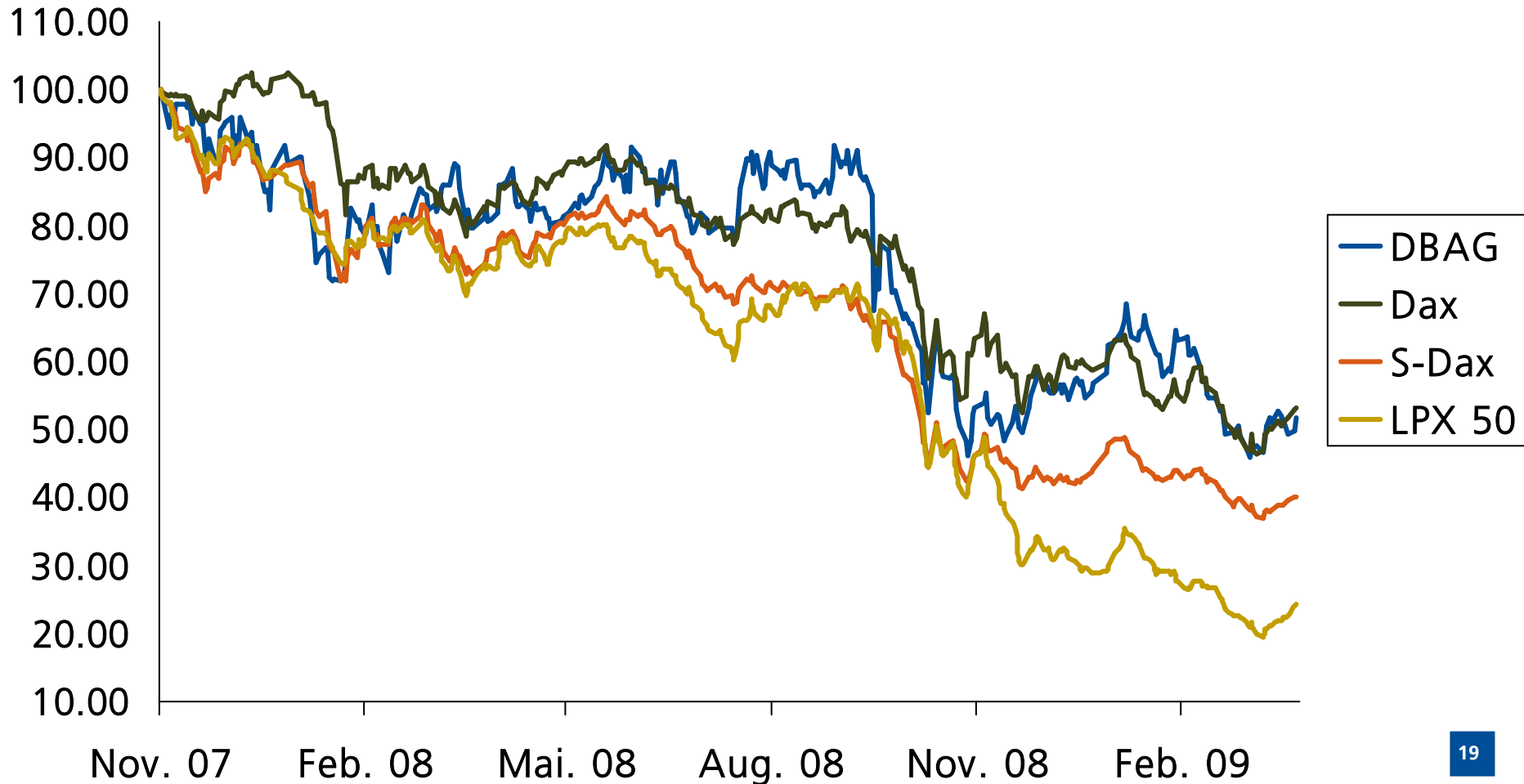
## Dividend of €0.40 per share

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- **Dividend policy geared to two targets:**
  - To allow shareholders to share in company's long-term performance
  - To cushion the share price volatility
- **Retained profit and retained earnings: €25.9 mn**
- **Dividend yield: 2.3% (average share price 2007/2008) or 3.92% (current share price)**

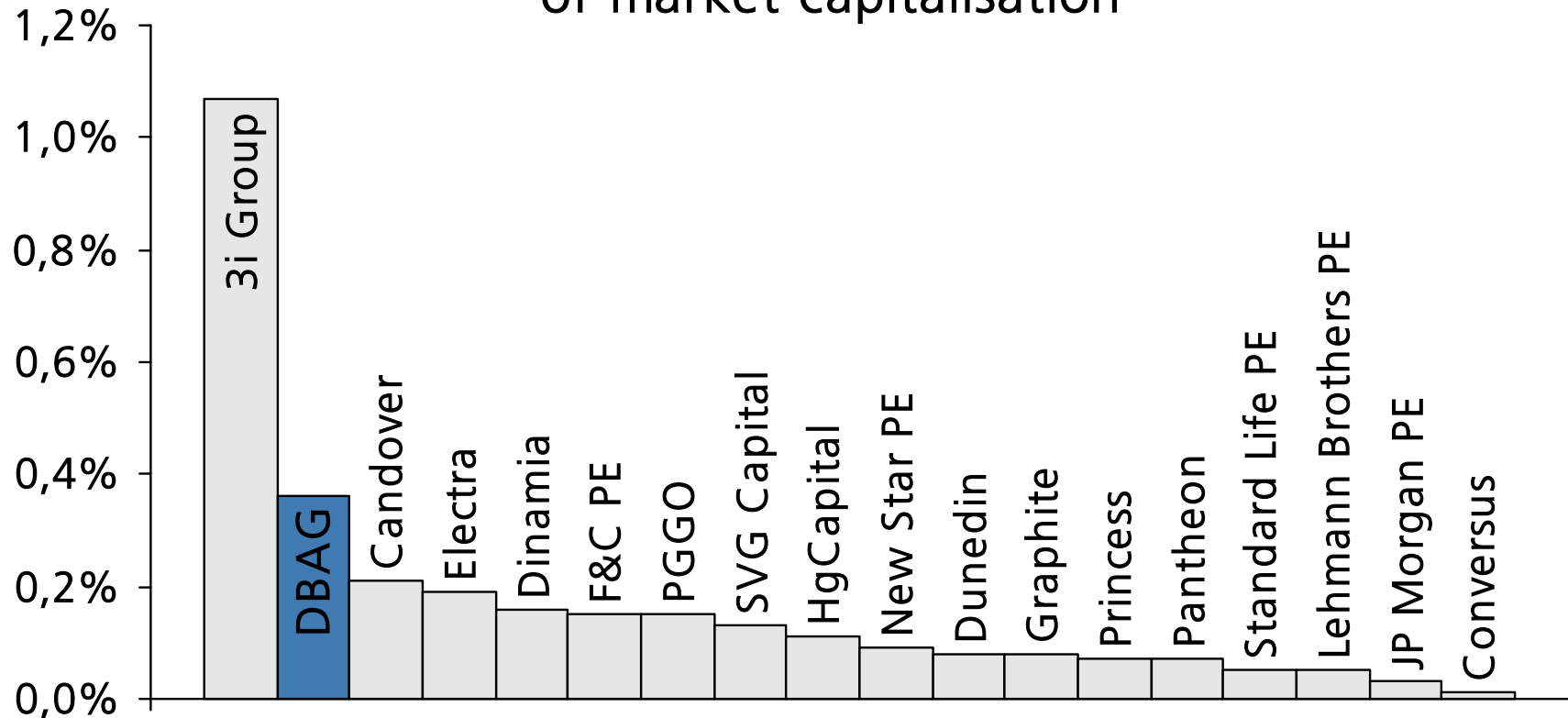
# Share performance in financial year 2007/2008

Share performance from 1 November 2007 to 25 March 2009 in %



# High liquidity of shares in Deutsche Beteiligungs AG

Daily trading volumes in %  
of market capitalisation



Basis: Sales 13 March 2008 to 13 March 2009;  
Source: Numis Securities Research based on Bloomberg

# Potential inherent in new investments: ICTS Europe Holdings B.V. acquired

- April 2008: DBAG and DBAG Fund V purchased leading provider of aviation security services
- DBAG investment approx. €6.0 mn, DBAG share ~ 18%
  - DBAG Fund V holds a further 80.6%



- Airport staff, passengers and baggage screens
- Security screens on behalf of airlines
- Freight screens
- Software solutions to improve security procedures

# New investment: Restrained and cautious approach

- Huge supply of financing fuels prices until mid-2008
- From mid-2008 on, financing practically non-available
- Emerging recession impedes assessment of companies' development potential
- Portfolio investment considerably less than in preceding year
  - New management buyout: ICTS Europe Holdings B.V.
  - Increase of stake in MCE AG



- **Recession leaves its mark on portfolio**
  - Order intake and earnings forecasts partially declining
  - Valuation levels on stock markets recede further
- ➔ **Net asset value per share falls to €17.24, a decrease of €0.66 against the beginning of financial year**
- **Consolidated first-quarter loss of €9.0 mn**
- **Profitable realisation from a fund portfolio**
  - Cash inflows of approx. €6.9 mn

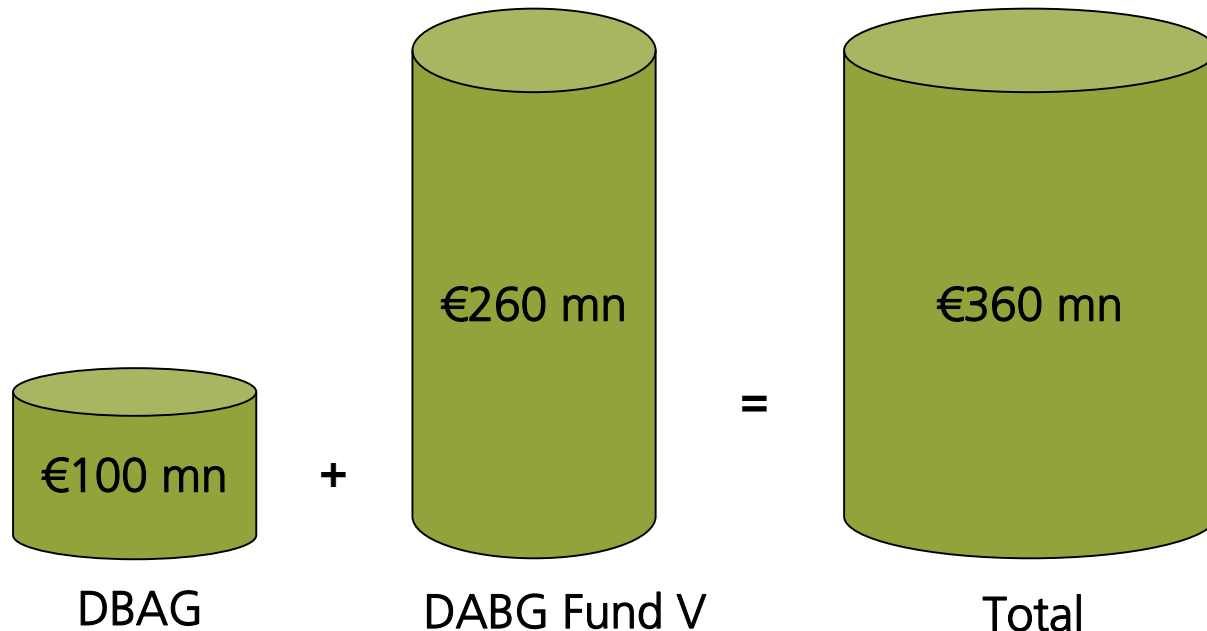
# No performance prediction for full 2008/2009 financial year

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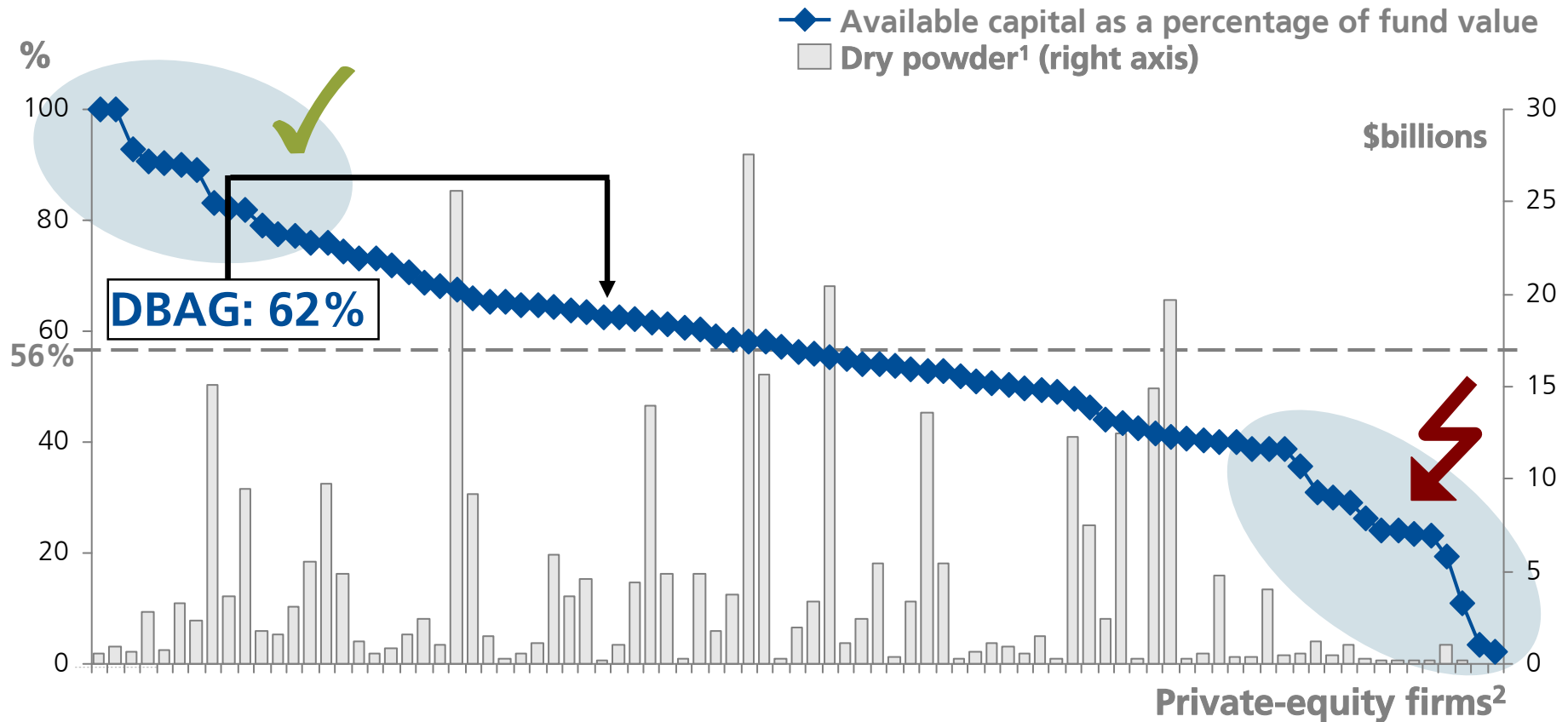
- Results of individual quarters do not lend themselves to projections
  - Great uncertainty about future stock market trend
  - Extent and length of recession not foreseeable
- ➔ Key influential factors for performance not reliably assessable

# Basis for a good future (1): A strong balance sheet

- **Considerable investment potential for next three years**
  - Cash funds of 100 million euros in the Group
  - Only 38% of DBAG Fund V assets invested:  
a further €260 mn in uncalled capital to draw on



# Fund-raising very difficult – Who has the reserves for future investment?



## ■ Investment strategy unchanged

- Focus on core sectors
- MBO-typical structures
  - Management to share in investment performance
  - Majority in hands of financial investors
- Companies with leadership positions in niche markets
  - Competitive products
  - Technological USPs
  - New strategic direction basically not required

## ■ Adaptation to prevailing market conditions

- Investment in existing financing structures without new debt financing, e.g. via capital increases

# Basis for a good future (2): Investment team with long-standing experience

- Long years of experience across all market cycles
- Compensation scheme augments coincidence of interests
  - Investment team must co-invest alongside DBAG to profit from investments' value growth

	Number	years of service at DBAG (Ø)
Board of Management	4	12
Senior executives	8	12
Senior investment managers	3	4
Investment managers	5	1
Total	20	8

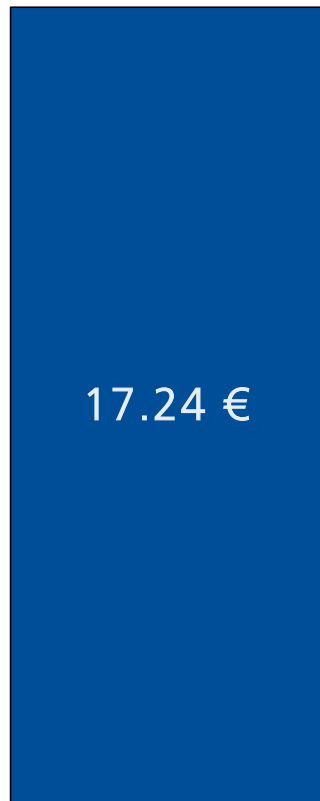
# Basis for a good future (3): Shares with promising potential

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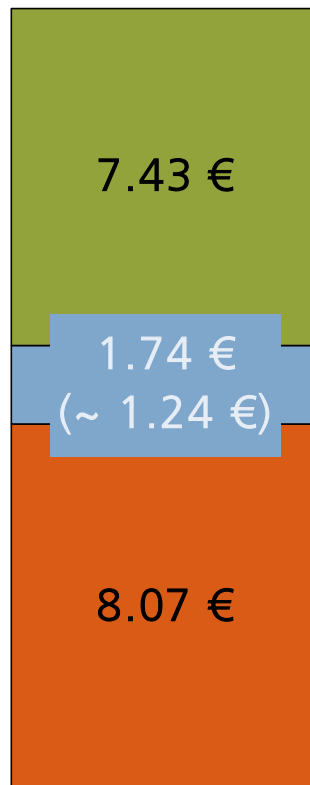
- **Shares trading at discount of ~ 40 percent on intrinsic value**
  - Cash funds and Homag shares account for 54 percent of NAV per share at 31 January 2009
  - Considerable discount on remaining portfolio

# Basis for a good future (3): Shares with promising potential

NAV per share



NAV per share



- Portfolio (despite Homag)
- Homag shares
- Cash
- NAV

Share price?



Date: 31 January 2009

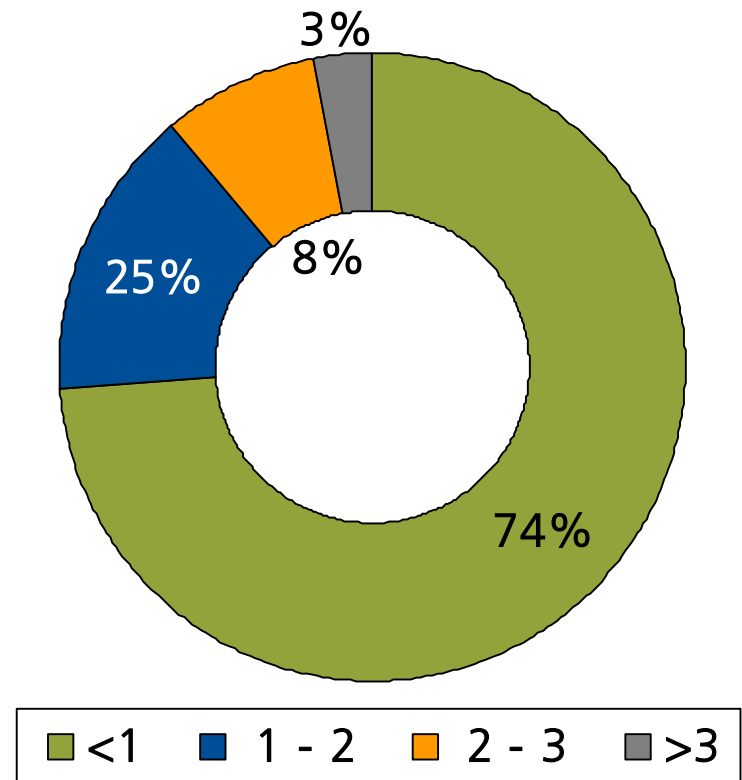
# Analysts' ratings for Deutsche Beteiligungs AG

	Datum	Empfehlung
Bankhaus Sal. Oppenheim, Dr. Stephan Kalb	March 2009	“Buy”
Berenberg-Bank, Christian Ludwig	Jan 2009	“Buy”
Cazenove, Chris Brown	Feb 2009	“Outperform”
Close Brothers Seydler Research, Klaus Berding	March 2009	“Buy”
HSBC Trinkaus, Thomas Teetz	March 2009	“Overweight”
LBBW, Alexander Groschke	Jan 2009	„Kaufen“

# Value of portfolio rests on companies with low debt

- Almost three fourths of the portfolio value (Homag share not included) derives from investee companies with no, or only moderate debt

Debt, as a multiple of earnings (EBITDA, 2009e)



- **Considerable investment potential: Sufficient funds in own balance sheet and through uncalled commitments to co-investment funds**
- **Team experienced in recessionary scenarios: Has been working together across multiple business cycles**
- **Shares have upside potential: Historically high discount on intrinsic value**

# A note to the Agenda

- Item 6: Request for authorisation to purchase own shares and to use them for certain purposes
- Item 7: Several votes on amendments to Articles of Association
  - ARUG: Act on the Implementation of the Directive on the Exercise of Certain Rights of Shareholders
- Voucher for “Darwin” exhibition at the Schirn Kunsthalle Frankfurt



**EVOLUTIONÄR!**  
**DARWIN**  
SCHIRN KUNSTHALLE FRANKFURT KUNST UND DIE SUCHE NACH DEN URSPRÜNGEN  
5. FEBRUAR – 3. MAI 2009

**DIE DEUTSCHE BETEILIGUNGS AG UNTERSTÜTZT  
DIE SCHIRN KUNSTHALLE FRANKFURT**

Die SCHIRN KUNSTHALLE FRANKFURT präsentiert im Darwinjahr 2009 die Ausstellung DARWIN – KUNST UND DIE SUCHE NACH DEN URSPRÜNGEN. Erstmals wird die Bedeutung der Verbreitung von Darwins bahnbrechender Evolutionstheorie auf Künstler des 18. und 20. Jahrhunderts gezeigt. Anhand von rund 150 Werken von zahlreichen bekannten Malern sowie seltenem Dokumentationsmaterial reflektiert und diskutiert die Schau umfassend, wie sich die Popularisierung der Ideen Darwins auf die Kunst auswirkte.

**GUTSCHEIN  
FÜR DEN BESUCH DER AUS-  
STELLUNG „DARWIN“  
GÜLTIG VOM 5. FEB. – 3. MAI 2009**



Deutsche  
Beteiligungs AG

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Beteiligungs AG

# Annual Meeting

Frankfurt, 26 March 2009

# Agenda Item 2

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## ■ Appropriation of retained profit

- **Ratification of the actions of the members of the Board of Management for financial year 2007/2008**

- Ratification of the actions of the members of the Supervisory Board for financial year 2007/2008

## ■ Appointment of auditors for financial year 2008/2009

- Authorisation for the acquisition and disposal of own shares and the preclusion of pre-emptive tender rights for acquisitions and subscription rights for disposals

- Amendments to the Articles of Association on the convocation and the broadcasting of, and the right to attend the Annual Meeting as well as on the appointment of a proxy holder to exercise voting rights in adaptation of the upcoming Act on the Implementation of the Directive on the Exercise of Certain Rights of Shareholders (Gesetz zur Umsetzung der Aktionärsrechterichtlinie – ARUG)



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# Annual Meeting

Frankfurt, 26 March 2009



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## Auf Wiedersehen in March 2010

For the latest news see  
[www.deutsche-beteiligung.de](http://www.deutsche-beteiligung.de)

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Any statement in this presentation that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Beteiligungs AG. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our business.