

Quarterly Report
at January 31, 2001



Deutsche
Beteiligungs AG

Key events in the first quarter of financial year 2000/2001 in brief:

- Funkwerk AG listed on Neuer Markt – share price exhibits positive performance
- Gong Verlag GmbH profitably divested
- Merger of Metro Zeitschriften Verlag with ET Multimedia AG planned – strong media group to emerge
- Investment in priNexus – buy and build strategy for “integrated marketing communication solutions”
- Investment in Logisco – buy and build strategy for logistics and transportation management services
- German Venture Capital Association reports another record year in 2000

Report on the first three months of the 2000/2001 financial year

Deutsche Beteiligungs AG registered a slightly negative pre-tax profit of € –1.2 million for the first quarter of the 2000/2001 financial year, due to lack of income from divestments. A major part of Deutsche Beteiligungs AG's business is tied to realizations, and these may be dispersed very irregularly over a financial year. During the same period last year we recorded a capital gain of € 24.8 million, representing 66 percent of last year's total earnings. This income related to the profitable sale of our investment in Sebaldu GmbH.

Portfolio development at January 31, 2001

	Volume In millions of €	Number
November 1, 2000	324	50
Investments	12	4
Disposals/repayments	13	3
January 31, 2001	323	51

Over the period from November 1, 2000 to January 31, 2001, we invested a total € 12.3 million. Of this, € 8.4 million are attributable to four new projects. Including the investments of parallel funds, the total volume amounts to € 20.8 million. We exited three investments. At January 31, 2001, the portfolio of Deutsche Beteiligungs AG was € 323 million (€ 495 million including co-investment funds) invested in 51 companies or funds (62 including co-investment funds).

The following is a report on major events in the first three months of financial year 2000/2001.

Funkwerk AG listed on Neuer Markt – share price exhibits positive performance

In November 2000, Funkwerk AG, a telecommunications and accessories provider for traffic systems, was successfully led to an IPO on the Neuer Markt, despite the difficult climate on the stock market. The company is a member of the Hörmann Group. Mid-March, 2001 the company's stock was traded at € 31,00, significantly above its issue price of € 20,00. The company's market capitalization at mid-March, 2001 was approximately € 223 million. The Hörmann Group, in which we own a 28 percent share, holds a 63 percent interest in Funkwerk AG.

Gong Verlag GmbH divested

In November 2000 we sold, jointly with our co-investors, 75 percent of the shares in Gong Verlag, Nuremberg, to the WAZ Media Group, Essenschlott sebaldu AG, in which Deutsche Beteiligungs AG is the largest shareholder, continues to hold the remaining 25 percent. Gong Verlag has found a strong partner in the WAZ Media Group to further develop its core businesses of "general-interest magazines" and "publishing services".

Merger of Metro Zeitschriften Verlag with ET Multimedia AG planned – strong media group to emerge

In November 2000 we acquired a 49 percent stake in Metro Zeitschriften Verlags GmbH, Klosterneuburg, Austria. The remaining 51 percent of the shares are held by a subsidiary of schlott sebaldu AG. Metro is a publisher of women's magazines

("Wienerin," "Young World") and cinema magazines ("Skip").

ET Multimedia AG and the shareholders of Metro Zeitschriften Verlags GmbH have mutually agreed to merge Metro Zeitschriften Verlags' two independent divisions with ET Multimedia AG. The agreement is subject to the approval of the cartel authorities and the shareholders of ET Multimedia AG at the annual meeting. With a market share of some 25 percent, ET Multimedia is the leading Austrian media group for periodicals targeted at decision-makers. Publications include: "Wirtschaftsblatt," "Option" and "New Business." The company additionally publishes various special interest magazines, as well as providing e-mail and online services, and e-commerce products and services with a clear focus on decision-makers. In financial year 2000, ET Multimedia generated sales of some € 36.0 million, employing a staff of approximately 400.

The transaction will create Austria's second largest magazine publisher with a leading position in the segments of women's, youth and business media.

Following the merger, Deutsche Beteiligungs AG and its parallel fund will hold 14 percent of the stock, another 14 percent will be owned by the schlott sebaldu group, and 12 percent by Unternehmens Invest AG. Deutsche Beteiligungs AG is the largest shareholder of both Unternehmens Invest AG and schlott sebaldu AG.

Our objective is to lead the company to a public offering on a European stock exchange within the next two years.

Investment in priNexus – buy and build strategy for “integrated marketing communication solutions”

In a cooperative project with Harvest Partners, our private equity partner in the USA, we directly acquired a 5.3 % interest jointly with our co-investment fund in priNexus, a buy and build project. priNexus will be built to form a leading provider for end-to-end solutions for marketing communication products and services. The company offers the full spectrum of services – from the design and creation of marketing materials, to data processing and digitizing, database management, premedia activities, as well as production, fulfilment and distribution of end products. These include printed advertising materials such as catalogues and brochures and, increasingly, e-products such as web sites and CD-ROMs.

In September 1999, Harvest Partners built a highly qualified management team in the fields of digital and conventional printing, database management and information technology, which is now creating a nationwide provider of integrated marketing communication services through add-on-acquisitions, primarily digital and conventional printing houses. priNexus plans to achieve sales in excess \$ 400 million within the next three years.

Investment in Logisco – buy and build strategy for logistics and transportation management services

In November 2000 we directly purchased a 5.6 per cent share jointly with our co-investment fund in another buy and build concept in the logistics and transportation business, which is being formed by Harvest Partners.

The objective is to build a leading logistics provider in this rapidly growing sector through the integration of supply chain management solutions, including warehouse-based logistics and transportation management services, as well as other services. Logisco was formed through the simultaneous acquisition of its four founding companies that operate 36 warehouses in eastern and Midwest USA. In 1999 the founding companies generated sales of \$46 million. Logisco plans to increase sales through strategic acquisitions to \$450 million within the next three years.

German Venture Capital Association reports another record year in 2000

Germany's private equity market continued to grow in 2000. The members of the Bundesverband deutscher Kapitalbeteiligungsgesellschaften/ German Venture Capital Association (BVK) invested € 3.8 billion, or 36.0 percent more than the previous year (€ 2.8 billion). At December 31, 2000, the total portfolio volume climbed from € 7.1 billion to € 9.7 billion, a rise of 35.9 percent over the previous year.

Outlook

Currently, we are exploring a number of attractive and promising investment opportunities. There are negotiations in progress concerning public offerings or strategic divestments for several portfolio companies. We feel confident that the current financial year will again develop positively.

Profit and Loss Account for the period from November 1, 2000 to January 31, 2001

	2000/2001 at Jan. 31, 2001 T €	1999/2000 at Jan. 31, 2000 T €
Income from investments	1,775	12,103
Gains from investment disposals	152	21,908
Losses from investment disposals	1	0
Write-offs on investments	0	0
Other operating income	1,468	1,657
Personnel costs	2,419	3,543
Depreciation on fixed assets	58	74
Other operating expenses	1,814	2,590
Net interest	-334	-1,022
Result of ordinary activity	-1,231	28,439
Taxes	216	-12,408
Net income	-1,015	16,031
Profit carried forward	33,341	27,807
Distributable profit	32,326	43,838
Earnings per share	€ -0.07	€ 1.34
	January 1, 2001	January 1, 2000
Number of shares	14 million	12 million
Employees	51	51
Thereof active	47	47

Earnings from investments (Income from investments and gains from investment disposals) of the previous year were particularly marked by the very successful divestment of our interests in SebalduS GmbH. The first quarter of the current financial year exhibits no notable individual transaction. As a result of the low level of earnings, performance-based emoluments for the management team did not need to be accounted for. This led to the decrease in personnel costs. Other operating expenses also declined, as this item contained expenses in conjunction with the sale of investments in the previous year.

Balance Sheet at January 31, 2001

Assets

	Jan. 31, 2001 T €	Oct. 31, 2000 T €
Fixed assets	425	476
Investments	262,426	252,187
Long-term assets	262,851	252,663
Receivables	4,903	10,350
Other assets/securities/prepayments	20,835	29,398
Cash and cash equivalents	69	13
Current assets	25,807	39,761
	288,658	292,424
Trustee claims	0	2,045

Liabilities and shareholders' equity

	Jan. 31, 2001 T €	Oct. 31, 2000 T €
Subscribed capital	36,400	36,400
Capital reserve	102,194	102,194
Retained earnings	25,772	25,772
Distributable profit	32,326	33,341
Total shareholders' equity	196,692	197,707
Provisions	23,190	23,817
Liabilities to banks	42,072	45,094
Other liabilities/deferred income	26,704	25,806
Liabilities	68,776	70,900
	288,658	292,424
Trustee liabilities	0	2,045

T € = thousands of €

Cash Flow Statement

Increase (+)/decrease (-) in cash and cash equivalents	2000/2001 at Jan. 31, 2001 T €	1999/2000 at Jan. 31, 2000 T €
Net income	-1,015	16,031
Write-offs on investments	0	0
Depreciation on fixed assets	58	74
Reversals	0	0
Cash flows from income	-957	16,106
Increase (-)/decrease (+) in accounts receivable	5,447	-321
Increase (-)/decrease (+) in other assets/securities/pre-paid expenses	8,563	-3,494
Increase (+)/decrease (-) in provisions	-627	3,929
Increase in non-bank liabilities/ deferred income	899	25,357
Cash flows from operating activities	13,325	41,576
Investments	-23,424	-40,477
Investment disposals	13,184	19,895
Capital expenditure on fixed assets/ intangible assets (net)	-7	-5
Net investment	-10,247	-20,587
Dividend paid for the year	0	0
Net increase/decrease in cash and cash equivalents	3,078	20,989
Repayments to banks	3,022	19,829
Increase in bank balance	56	1,160

T € = thousands of €

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