# FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*for the period from 1 November 2013 to 31 October 2014*

| T€ | Notes | **1 Nov. 2013 to 31 Oct. 2014** | 1 Nov. 2012 to 31 Oct. 2013 |
|---|---|---|---|
| Net result of valuation and disposal of financial assets and loans and receivables | 9 | 50,280 | 34,489 |
| Current income from financial assets and loans and receivables | 10 | 4,225 | 6,519 |
| Fee income from fund management and advisory services | 11 | 21,736 | 18,889 |
| **Net result of fund services and investment activity** | | **76,241** | **59,897** |
| | | | |
| Personnel costs | 12 | (16,533) | (13,793) |
| Other operating income | 13 | 9,751 | 5,737 |
| Other operating expenses | 14 | (21,229) | (18,205) |
| Interest income | 15 | 443 | 947 |
| Interest expenses | 16 | (157) | (831) |
| **Total other income/expenses** | | **(27,725)** | **(26,145)** |
| | | | |
| **Net income before taxes** | | **48,516** | **33,752** |
| Income taxes | 17 | (417) | (482) |
| **Net income after taxes** | | **48,099** | **33,270** |
| Minority interest (-) | 28 | (323) | (976) |
| **Net income** | | **47,776** | **32,294** |
| a) Items that will not be reclassified subsequently to profit or loss | | | |
| Gains/(losses) on remeasurements of the net defined benefit liability (asset) | 30 | (6,695) | (3,588) |
| b) Items that will be reclassified subsequently to profit or loss when specific conditions are met | | | |
| Unrealised gains/(losses) on available-for-sale securities | 23 | 306 | (86) |
| **Other comprehensive income** | | **(6,389)** | **(3,674)** |
| **Total comprehensive income** | | **41,387** | **28,620** |
| | | | |
| Earnings per share in € (diluted and basic) [1] | 37 | 3.49 | 2.36 |

1 In compliance with IAS 33, earnings per share are based on consolidated 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 2013 to 31 October 2014*

INFLOWS/(OUTFLOWS)

| T€ | Notes | 1 Nov. 2013 to 31 Oct. 2014 | 1 Nov. 2012 to 31 Oct. 2013 |
|---|---|---|---|
| Consolidated net income | | 47,776 | 32,294 |
| 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, 18, 19, 20, 23 | (20,815) | (28,785) |
| (Gains)/losses from disposals of non-current assets | 9, 18 | (28,912) | (5,315) |
| Increase/(decrease) in non-current liabilities | 25, 28, 29, 30 | 6,250 | 1,510 |
| (Increase)/decrease in income tax assets | 25 | (1,983) | 3,422 |
| Increase/(decrease) in tax provisions | 25 | 394 | (602) |
| Increase/(decrease) in other provisions | 29 | 4,378 | (1,143) |
| (Increase)/decrease in other assets (netted) | 21, 23, 24, 25, 26 | (2,515) | (9,343) |
| Increase/(decrease) in other liabilities (netted) | 29, 31 | (5,949) | (3,988) |
| **Cash flows from operating activities[1]** | | **(1,376)** | **(11,950)** |
| | | | |
| Proceeds from disposals of property, plant and equipment and intangible assets | 18 | 92 | 420 |
| Purchase of property, plant and equipment and intangible assets | 18 | (686) | (326) |
| Proceeds from disposals of financial assets and loans and receivables | 9, 19, 20 | 90,815 | 60,398 |
| Acquisition of non-current financial assets and investments in loans and receivables | 9, 19, 20 | (20,003) | (41,747) |
| Proceeds from disposals of long- and short-term securities | 23, 33 | 59,000 | 26,896 |
| Acquisition of long- and short-term securities | 23, 33 | (92,905) | (20,218) |
| **Cash flows from investing activities** | | **36,313** | **25,423** |
| | | | |
| Payments to shareholders (dividends) | 27 | (16,412) | (16,412) |
| **Cash flows from financing activities** | | **(16,412)** | **(16,412)** |
| | | | |
| Change in cash funds from cash-relevant transactions | | 18,525 | (2,939) |
| Cash funds at start of period | 33 | 19,793 | 22,732 |
| **Cash funds at end of period** | 33 | **38,318** | **19,793** |

1 Contained therein are received and paid income taxes of T€2,024 (previous year: T€-44) as well as received and paid interest and received dividends of T€2,652 (previous year: T€630).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*at 31 October 2014*

| T€ | Notes | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 18 | 151 | 34 |
| Property, plant and equipment | 18 | 1,304 | 1,273 |
| Financial assets | 19 | 135,047 | 166,752 |
| Loans and receivables | 20 | 25,947 | 14,110 |
| Long-term securities | 23 | 80,991 | 50,514 |
| Other non-current assets | 21, 25, 30 | 421 | 867 |
| **Total non-current assets** | | **243,861** | **233,550** |
| | | | |
| **Current assets** | | | |
| Receivables | 22 | 7,400 | 11,980 |
| Short-term securities | 23 | 31,344 | 28,028 |
| Other financial instruments | 24 | 2,245 | 2,401 |
| Income tax assets | 25 | 5,435 | 3,452 |
| Cash and cash equivalents | | 38,318 | 19,793 |
| Other current assets | 26 | 18,486 | 11,448 |
| **Total current assets** | | **103,228** | **77,102** |
| | | | |
| **Total assets** | | **347,089** | **310,652** |
| **LIABILITIES** | | | |
| **Equity** | 27 | | |
| Subscribed capital | | 48,533 | 48,533 |
| Capital reserve | | 141,394 | 141,394 |
| Retained earnings and other reserves | | (4,616) | 1,773 |
| Consolidated retained profit | | 118,077 | 86,713 |
| **Total shareholders' equity** | | **303,388** | **278,413** |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Minority interest | 28 | 10,414 | 10,146 |
| Provisions for pension obligations | 30 | 9,385 | 3,419 |
| Other provisions | 29 | 235 | 218 |
| Deferred tax liabilities | 25 | 60 | 61 |
| **Total non-current liabilities** | | **20,094** | **13,844** |
| | | | |
| **Current liabilities** | | | |
| Other current liabilities | 31 | 2,908 | 2,468 |
| Tax provisions | 25 | 2,232 | 1,838 |
| Other provisions | 29 | 18,467 | 14,089 |
| **Total current liabilities** | | **23,607** | **18,395** |
| | | | |
| **Total liabilities** | | **43,701** | **32,239** |
| | | | |
| **Total shareholders' equity and liabilities** | | **347,089** | **310,652** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*for the period from 1 November 2013 to 31 October 2014*

| T€ | Notes | 1 Nov. 2013 to 31 Oct. 2014 | 1 Nov. 2012 to 31 Oct. 2013 |
|---|---|---|---|
| **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 | | (14,578) | (10,990) |
| Change in reporting period | | (6,695) | (3,588) |
| At end of reporting period | | (21,273) | (14,578) |
| | | | |
| **Change in unrealised gains/losses on available-for-sale securities** | | | |
| At start of reporting period | | (48) | 38 |
| Change in reporting period through other comprehensive income | 23 | 263 | (56) |
| Change in reporting period through profit or loss | 23 | 43 | (30) |
| At end of reporting period | | 258 | (48) |
| | | | |
| **At end of reporting period** | | **(4,616)** | **1,773** |
| | | | |
| **Consolidated retained profit** | | | |
| At start of reporting period | | 86,713 | 70,831 |
| Dividends | 27 | (16,412) | (16,412) |
| Consolidated net income | | 47,776 | 32,294 |
| **At end of reporting period** | | **118,077** | **86,713** |
| | | | |
| **Total** | | **303,388** | **278,413** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR FINANCIAL YEAR 2013/14

## 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 using its proprietary capital alongside these private equity funds. As a co-investor and fund manager ("adviser"), 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/Main, Federal Republic of Germany.

### 2. BASIS OF PREPARATION

The consolidated financial statements of Deutsche Beteiligungs AG at 31 October 2014 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 also been taken into account.

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 of Deutsche Beteiligungs AG 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.

As compared with the consolidated financial statements for the period ended 31 October 2013 (see page 144 ff. of the Annual Report), we have refrained from presenting a separate consolidated income statement and, in line with the one-statement approach, have instead presented "profit or loss" within the consolidated statement of comprehensive income. This is meant to enhance the clarity of the Group's results in the period. The change in presentation does not change the amounts or earnings per share (diluted and basic) shown for past periods.

The consolidated net income is structured based on the nature of expense method. For the sake 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. Fee income from fund management and advisory services of T€21,736 (previous year: T€18,889) were contained in item "Other operating income" in the past. "Other operating income" therefore no longer includes these amounts (see note 13). Separate disclosure of this position is in recognition of the importance that fee income from fund management and advisory services has on income. 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 33). Inflows and outflows ensuing from disposals of, or investment in long- and short-term securities are allocated to cash flows from investment activities. As per 31 October 2014, cash-relevant changes in long- and short-term securities will be presented by the direct method. This results in a reduction in cash flows from investment activities of T€106 (previous year: T€199) and an increase in cash flows from operating activities in equal amounts.

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 31 October 2014, this applies for the first time to "Depreciation and amortisation on property, plant and equipment and intangible assets" of T€416 (previous year: T€419). Because of their subordinate importance for the consolidated statement of comprehensive income, they will now be contained in "Other operating expenses" (see note 14). Consequently, "Other operating expenses" increased to T€21,229 (previous year: T€18,205).

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 December 2014, 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 20 January 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 31 October 2014

In the consolidated financial statements at 31 October 2014, 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 13 "Fair value measurement"
- Amendments to IAS 19 "Employee benefits"

#### IFRS 13 "Fair Value Measurement"

IFRS 13 "Fair Value Measurement" replaces and standardises the different definitions and measurement methods of fair value contained in the various standards and establishes a single source of guidance. Fair value as in IFRS 13 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Moreover, the standard introduces additional disclosure requirements on fair value measurement: for example, these relate to the valuation methodology and input factors as well as – for fair values classified in level 3 of the hierarchy – the effects on consolidated net income and on other comprehensive income. The first-time adoption of IFRS 13 does not have a material effect on the consolidated statement of comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flows. The extended disclosures according to IFRS 13 are presented in note 35 of these notes to the consolidated financial statements.

### Amendments to IAS 19 "Employee Benefits"

The amended standard IAS 19 eliminates the corridor method as an option under which actuarial gains and losses were recorded. As DBAG has not been applying the corridor method since financial year 2009/10, this change has no effects on the consolidated financial statements. Additionally, IAS 19 amended requires determining the interest income from plan assets using the same discount rate that is used to determine the present value of pension obligations. Through this methodological change, interest income is calculated on the basis of higher expected returns (2.94 percent, following 1.35 percent in the preceding year). This had a positive effect on consolidated net income of T€446. Since the actual return on plan assets did not increase in financial year 2013/14, an appropriately greater loss is recognised in other comprehensive income in line item "Gains/(losses) on remeasurements of the net defined benefit liability (asset)".

IAS 19 amended requires for the first time a sensitivity analysis for each significant actuarial assumption, a narrative description of any asset-liability matching strategies to manage risk and a description of the impact of the defined benefit plan on the Company's future cash flows. We refer to the disclosures on "Amount, timing and uncertainty of future cash flows" in note 30.

## Standards and interpretations and amendments to standards and interpretations applicable for the first time that had no impact on the reporting period ended 31 October 2014

In the consolidated financial statements at 31 October 2014, the following amendments to standards were mandatorily applicable for the first time:

- annual improvements to IFRS "2009 to 2011 Cycle"
- amendments to IFRS 1 "First-time Adoption of IFRS"
- amendments to IFRS 7 "Financial instruments Disclosures"
- amendments to IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

### Annual Improvements to IFRS "2009 to 2011 Cycle"

The following five standards were amended within the scope of the annual improvement project 2009 to 2011:

- AS 1 "Presentation of Financial Statements"
- IFRS 1 "First-time Adoption of IFRS"
- IAS 16 "Property, Plant and Equipment"
- IAS 32 "Financial Instruments: Presentation"
- IAS 34 "Interim Financial Reporting"

These primarily relate to terminology or editorial amendments aimed at clarifying guidance. The first-time adoption of the amendments had no effect on the consolidated financial statements for the periods presented.

### Amendments to IFRS 1 "First-time Adoption of IFRS"

The amendments to IFRS 1 relate to a new exception concerning the retrospective adoption of the IFRS for first-time adopters and new regulations for those cases where a company was unable to apply IFRS rules for some time because its functional currency was subjected to hyperinflation. Both amendments are irrelevant for Deutsche Beteiligungs AG.

### Amendments to IFRS 7 "Financial Instruments: Disclosures"

The amendments to IFRS 7 pertain to extended disclosure requirements in conjunction with the clarification of the rules of IAS 32 for offsetting financial assets and financial liabilities. The new disclosure requirements are meant to allow a better comparison with financial statements prepared in accordance with US GAAP. With the exception of pension obligations and plan assets, financial assets and financial liabilities are not offset in the consolidated financial statements of Deutsche Beteiligungs AG for the periods presented. The extended disclosure requirements under IFRS 7 therefore do not have an effect on the consolidated financial statements of Deutsche Beteiligungs AG.

**IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**

IFRIC 20 sets out when and how to account for costs arising from stripping activity in surface mining operations. 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 "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 Measurements"
- 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.

**IFRS 10 "Consolidated Financial Statements" (1 January 2014)**

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 result from contractual arrangements. Consolidation decisions according to the rules of IFRS 10 are to be taken at the beginning of the period in which IFRS 10 is applied for the first time.

Based on IFRS 10, subsidiaries of investment entities are exempt from full consolidation. Instead, an investment entity is basically required to value its interests in subsidiaries at fair value through profit or loss in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" or IFRS 9 "Financial Instruments". Consolidation is only required for those subsidiaries of investment entities that operate as service providers for other investment entities or fund entities. As a private equity company, Deutsche Beteiligungs AG meets the definition of an investment entity as in IFRS 10.

Based on the new control concept, the following two entities qualify as subsidiaries for the first time and will be required to be consolidated beginning in financial year 2014/15:

- DBG Management GP (Guernsey) L.P.
- DBG Fund VI GP (Guernsey) L.P.

These entities act as the manager or investment manager for DBAG Fund VI. We assume that the consolidation of these two entities will not have a material impact on the presentation of the asset, financial and earnings position of the DBAG Group.

Based on the exemption for investment entities, the following four subsidiaries will no longer be consolidated beginning in financial year 2014/15, but instead be held at fair value through profit or loss in the consolidated financial statements:

- 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.

These entities are investment vehicles for co-investments of DBAG with DBAG Fund IV, DBAG Fund V, DBAG Expansion Capital Fund and DBAG Fund VI.

The assets of these entities largely consist of the investments in the portfolio companies, which in the past have already been recognised at fair value in the consolidated accounts. We therefore do not expect material effects on the asset, financial and earnings position of the Deutsche Beteiligungs AG Group from deconsolidation of these entities.

### IFRS 11 "Joint Arrangements" (1 January 2014)

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

### IFRS 12 "Disclosure of Interests in Other Entities" (1 January 2014)

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. The effects of the adoption of IFRS 12 on the presentation of the asset, financial and earnings position of the Deutsche Beteiligungs AG Group are currently still being analysed. A conclusive assessment of the impact of this standard is not yet possible.

### Amendments to IAS 27 "Separate Financial Statements" (1 January 2014)

The consolidation rules previously set out in IAS 27 "Consolidated and Separate Financial Statements" will be 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; no impact is therefore expected from the amendments to IAS 27 relating to separate financial statements.

### Amendments to IAS 28 "Investments in Associates and Joint Ventures" (1 January 2014)

The introduction of IFRS 11 "Joint Arrangements" abolishes the option of proportionately consolidating joint ventures. The equity method in accounting for joint ventures as stipulated under IFRS 11 is required to be implemented in conformity with the rules of IAS 28. To that end, the scope of IAS 28 was extended to include joint ventures and the standard was renamed. Moreover, the accounting treatment for planned disposals of portions of an investment in an associate or joint venture was changed. The portion of an investment held for sale is accounted for in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Application of IAS 28 amended is not expected to have a material impact on the presentation of the asset, financial and earnings position of the DBAG Group.

### Amendments to IAS 32 "Financial Instruments: Presentation" (1 January 2014)

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 is therefore not expected to have a material effect on the consolidated financial statements.

### IFRIC 21 "Levies"

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

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 "2010 to 2012 Cycle"

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

- 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 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.

### 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 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 (so-called 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 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 new rules are not relevant 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 considered realised 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 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 any effects 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 19 "Employee Benefits"

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. Deutsche Beteiligungs AG assumes that the amendments to IAS 19 will not have a material impact on the consolidated financial statements.

### 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 have not been 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. CONSOLIDATED GROUP OF COMPANIES

### Principles for consolidation of Group companies

In addition to the parent company, Deutsche Beteiligungs AG, all material **SUBSIDIARIES** are fully consolidated. Subsidiaries are those Group companies in which Deutsche Beteiligungs AG is able to exert control. Control is defined as when the power exists to govern the financial and operating policies of an enterprise in order to obtain benefits from its activities. This is generally the case when DBAG indirectly or directly holds more than half of the voting rights in a company.

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. We consider subsidiaries to be immaterial in the following cases:

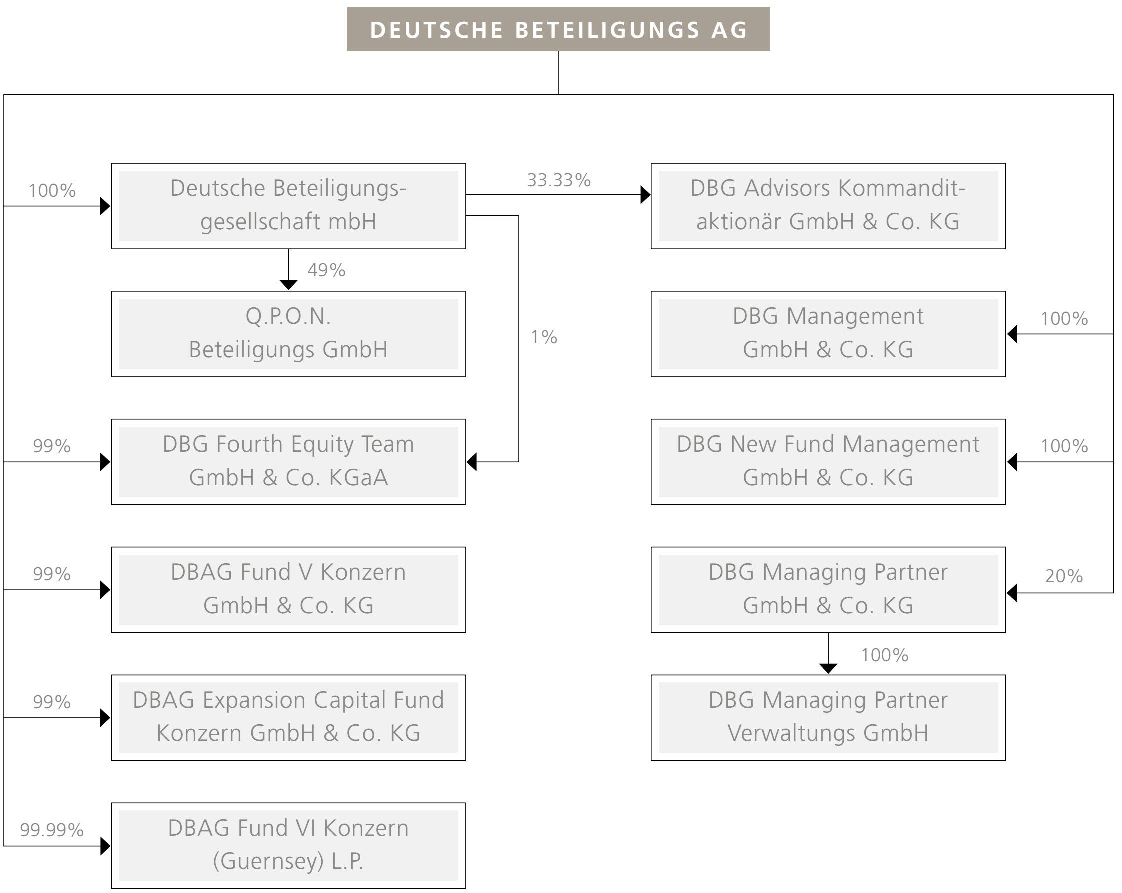
- The subsidiary is a shelf company that has not yet taken up activities after being founded. Shelf companies are usually founded with nominal capital of T€25. Shelf companies are used later on as a NewCo within the scope of investment transactions and sold for a price near book value.
- The subsidiary has discontinued operations and is to be liquidated. The entity is deconsolidated at a time when the remaining assets and liabilities are of subordinate significance.
- The subsidiary pursues only minor operating activities, e.g. as a personally liable partner in a limited partnership without a capital contribution, and the entity has no appreciable assets or liabilities.

In addition to the material subsidiaries, all **SPECIAL PURPOSE ENTITIES** are fully consolidated if they are controlled by DBAG under the aspect of obtaining an economic benefit. Control is assumed if DBAG is entitled to the majority of opportunities and risks from the operating activities of these entities.

DBAG is proportionately invested as a partner company in a jointly controlled company. This **JOINT VENTURE** is recognised in the consolidated financial statements on a pro rata basis (proportionate consolidation).

## Reasons for the consolidation or non-consolidation of companies in the Group

The following companies were consolidated in the Group's financial statements at 31 October 2014:




*The percentages relate to the proportionate share of equity.*

DBG Beteiligungsgesellschaft mbH, in which Deutsche Beteiligungs AG indirectly holds 100 percent of the voting rights, was not consolidated, since the commercial risk for its business activities – and, consequently, the business policy – lies with other non-Group companies.

DBG Fifth Equity Team GmbH & Co. KGaA, in which a subsidiary of Deutsche Beteiligungs AG holds 100 percent of the limited partner's shares, was not consolidated in the Group accounts, since significant and long-lasting restrictions exist that impair rights in respect of this company's assets and management.

DBG Advisors Kommanditaktionär GmbH & Co. KG, in which a subsidiary of Deutsche Beteiligungs AG holds an equity share of 33.33 percent, was consolidated despite a minority interest, because DBAG has the power to appoint or remove the majority of the members of the executive body.

DBG Managing Partner GmbH & Co. KG, in which Deutsche Beteiligungs AG holds an equity share of 20 percent, was consolidated, since Deutsche Beteiligungs AG obtains the majority of the benefits from the activities of this company. We refer to note 40.

Q.P.O.N. Beteiligungs GmbH, a joint venture, was proportionately consolidated at a rate of 49 percent. Attributable to the 49-percent share are non-current assets and non-current liabilities of 0 euros (previous year: 0 euros), current assets of T€13 (previous year: T€15), current liabilities of T€1 (previous year: T€3), income of 2 euros (previous year: 0 euros) and expenses of T€1 (previous year: T€2).

## Associates

Associates are companies in which DBAG is able to exert significant influence on the financial and business policies and yet which do not constitute either subsidiaries or jointly controlled companies. Associates are therefore the portfolio companies in which DBAG is invested as a financial investor and in which it holds, indirectly or directly, from 20 to 50 percent of the voting rights in that company.

For information on the number of associates, we refer to the list of shareholdings pursuant to § 313 (2) German Commercial Code (HGB), note 45.3. In financial year 2013/14, there was one disposal (Homag Group AG) among the associates.

## 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 45.

# 5. PRINCIPLES OF CONSOLIDATION

In addition to DBAG, eight of the other consolidated companies draw up their separate annual financial statements as at 31 October. 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 control over the subsidiary (acquisition date). The carrying amounts are amortised in the subsequent periods. Acquisition costs are offset by the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. 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.

Jointly controlled companies are included in the Group financial statements by way of proportionate consolidation. To that end, the proportion of all of a jointly controlled company's assets, liabilities and income attributable to DBAG is taken together within the relevant items in the financial statements of DBAG. Assets or liabilities are not offset against other liabilities or assets. The same applies to income and expenses.

## 6. ACCOUNTING AND VALUATION POLICIES

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

### Recognition of assets and liabilities

Non-financial assets are recognised in the Group accounts 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 Group accounts 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

Financial instruments in the DBAG Group are designated in accordance with the categories defined in IAS 39. Financial instruments classified in level 3 are also classified by sectors. The sector categories are formed based on the market risks of the portfolio companies.

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:

- interests in associated companies (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
- fund investments
- shelf companies

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, fund investments (shares in closed-end private equity funds) and shelf companies, 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 risk management strategy. Their value movement is assessed 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 and the Accounting Officer.

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 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 attached 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. These are the multiples method for interests in established companies, the discounted cash flow method (DCF method) for strongly growing companies, and, for interests in funds, either the net asset or DCF method.

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.

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

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.

## 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 and investment activity is presented instead of revenues in the consolidated statement of comprehensive income. It consists of "Fee income from investment services to funds", 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 transference 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 dividends and interest payments from portfolio companies as well as securities. This income is recognised on the day that 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 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.

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 "Other operating expenses" 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. 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 event 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 fair value. 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 disclosed in 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 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 with a comparable maturity of issuers with highest credit ratings.

Plan assets are measured at fair value.

For the 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 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

The preparation of the consolidated financial statements in conformity with the IFRS requires the Board of Management to make accounting judgments. These judgments can materially influence the reported amounts in the financial statements. The accounting, valuation and consolidation methods applied that were based on judgments are detailed in notes 2 to 6. The amounts recognised in the financial statements were most significantly influenced by the decision to measure financial assets in accordance with IAS 39 at fair value through profit or loss (see “Fair value measurement of financial assets through profit or loss” in note 6). This has the advantage that the central performance measures in the private equity business, the total value and the value appreciation of the portfolio are easily perceptible directly from the consolidated financial statements.

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

Preparation of the consolidated financial statements in accordance with the IFRS requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses. Future-oriented assumptions and estimations both involve uncertainty about 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 on 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 is recognised in the financial year that the change takes place and, if appropriate, in later financial years in the carrying amount of that consolidated statement of financial position item as well as in the consolidated statement of comprehensive income.

The IFRS require the disclosure of which assets and liabilities, due to assumptions about the future and other major sources of estimation uncertainty, have a significant risk of resulting in a material adjustment to the carrying amounts within the next financial year. We judge the materiality by means of the effects on the consolidated net assets. We would consider an adjustment to the carrying amount in the range of three percent of total shareholders' equity as being material.

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 35.2). These are contained in "Financial assets" in an amount of T€134,695 (previous year: T€110,713) and in "Other financial instruments" in an amount of T€2,245 (previous year T€2,401). 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 a necessary adaption of assumptions and estimations is not quantifiable. However, should the underlying multiples change by +/- 1, this would result, ceteris paribus, in a fair value adjustment for this part of financial assets of +/- T€17,186 (previous year: T€12,037). This equates to six percent of total shareholders' equity.

# NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 9. NET RESULT OF VALUATION AND DISPOSAL OF FINANCIAL ASSETS AND LOANS AND RECEIVABLES

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Net result of valuation – portfolio | 21,572 | 31,288 |
| Net result of disposal – portfolio | 28,943 | 5,382 |
| Net result of valuation and disposal – portfolio | **50,515** | **36,670** |
| Net result of valuation – other financial assets | (235) | (2,181) |
| | **50,280** | **34,489** |

The portfolio consists of interests in associates, other interests in portfolio companies and fund investments as well as liability instruments in that connection (see notes 19 and 20).

The net result of valuation and disposal derives exclusively from financial assets for the periods presented.

For further information on the net result of valuation and disposal, we refer to the management report (see page 75 f.).

## 10. CURRENT INCOME FROM FINANCIAL ASSETS AND LOANS AND RECEIVABLES

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| **Current income from financial assets** | | |
| Portfolio | 2,206 | 2,085 |
| Other financial assets | 423 | 4,275 |
| | **2,629** | **6,360** |
| **Current income from loans and receivables** | | |
| Portfolio | 1,596 | 159 |
| | **4,225** | **6,519** |

Current income from financial assets exclusively contains distributions from corporations.

Current income from loans and receivables exclusively contains interest on profit-sharing certificates and loans to portfolio companies.

## 11. FEE INCOME FROM INVESTMENT SERVICES TO FUNDS

Fee income from investment services to funds is composed of the following:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| DBG Fonds I | 1,831 | 696 |
| DBG Fonds III | 20 | 20 |
| DBAG Fund IV | 418 | 614 |
| DBAG Fund V | 5,041 | 5,892 |
| DBAG ECF | 862 | 2,070 |
| Other | 28 | 29 |
| Management fee income | **8,200** | **9,321** |
| Advisory fee income (DBAG Fund VI) | 13,536 | 9,568 |
| | **21,736** | **18,889** |

Management fee income stems from the management of private equity funds, alongside of which Deutsche Beteiligungs AG co-invests (see commentary in note 40).

Advisory fee income results from advisory services to the management company of DBAG Fund VI (see commentary in note 40).

## 12. PERSONNEL COSTS

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| **Wages and salaries** | **15,428** | **12,525** |
| thereof variable income: | | |
| performance-related | 4,356 | 3,520 |
| transaction-related | 4,161 | 137 |
| **Social contributions and expenses for pension plans** | **1,105** | **1,268** |
| thereof service cost | 393 | 479 |
| thereof for defined contribution plans (including employer's contributions to state pension plans) | 426 | 452 |
| | **16,533** | **13,793** |

Performance-related income components comprise bonuses attributable to the Board of Management and variable income components for DBAG staff. The transaction-related remuneration consists of long-term components for investment performance. Of the social contributions and expenses for pension plans, T€541 (previous year: T€663) were attributable to pension benefits. 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):

| | **31 Oct. 2014** | 31 Oct. 2013 |
|---|---|---|
| Employees (full-time) | 46 | 45 |
| Employees (part-time) | 5 | 4 |
| Apprentices | 5 | 6 |

The Board of Management consisted of three members at the end of financial year 2013/14 (previous year: three members).

In financial year 2013/14, an average of 53 employees (previous year: 51) and five apprentices (previous year: five) were employed at Deutsche Beteiligungs AG.

## 13. OTHER OPERATING INCOME

| *T€* | **2013/14** | 2012/13 |
|---|---|---|
| Reimbursed expenses | 7,610 | 4,128 |
| Other | 2,141 | 1,609 |
| | **9,751** | **5,737** |

Reimbursed expenses comprise advances on behalf of DBAG funds and portfolio companies. The rise compared with the preceding year results from screening a larger number of investment opportunities for DBAG ECF as well as advisory services rendered for the first time to DBAG Fund VI for a full financial year.

"Other" contains income from the reversal of "Other provisions" that do not relate to financial assets, amounting to T€426 (previous year: T€847), and a value-added tax refund for former years of T€1,125 (previous year: T€0) from deductible input tax.

## 14. OTHER OPERATING EXPENSES

| *T€* | **2013/14** | 2012/13 |
|---|---|---|
| Transaction-related consultancy expenses | 8,753 | 5,149 |
| Expenses for new contacts | 2,196 | 1,926 |
| Other consultancy expenses | 1,437 | 1,359 |
| Consultancy expenses | **12,386** | **8,434** |
| Fees for fund management services | 2,695 | 1,888 |
| Office rental | 1,059 | 1,043 |
| Corporate communications, investor relations, media relations | 920 | 977 |
| Travel and hospitality expenses | 838 | 1,012 |
| Value-added tax | 830 | 1,683 |
| Impairment losses on property, plant and equipment and intangible assets | 416 | 419 |
| Supervisory Board remuneration | 388 | 233 |
| Other | 1,697 | 2,516 |
| | **21,229** | **18,205** |

Consultancy expenses primarily relate to potential investment transactions, tax and general legal counselling as well as IT advisory services. A part of the transaction-related consultancy expenses in the amount of T€7,610 (previous year: T€4,128) is reimbursable by DBAG funds or portfolio companies (see note 13).

Investments alongside DBAG Fund VI are structured differently than previous investments with DBAG funds: DBAG, for the first time, pays a fee for the management of co-investments through DBAG Fund VI Konzern GmbH & Co. KG. The fee became payable with the start of the fund's investment period on 15 February 2013 and is disclosed in "Fees for fund management services". Concurrently, DBAG receives advisory fees for advisory services to the management company of Fund VI (see note 11).

"Other" consists of miscellaneous operating expenses, in particular other personnel expenses, expenses for external staff, motor vehicles, insurance and offices supplies.

## 15. INTEREST INCOME

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Revenue office | 105 | 420 |
| Securities | 153 | 248 |
| Other | 185 | 279 |
| | **443** | **947** |

Interest income – Revenue office in the previous financial year related to an erroneous tax refund from the revenue office, which was corrected in the same financial year. The erroneous interest credit was reversed by a charge to interest expenses (see note 16).

Interest income is attributable to the following categories of financial instruments:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Loans and receivables | 290 | 679 |
| Available-for-sale financial assets | 153 | 248 |
| Financial assets at fair value through profit or loss | 0 | 20 |
| | **443** | **947** |

## 16. INTEREST EXPENSES

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Interest expenses for pension provisions | 917 | 788 |
| Expected interest income on plan assets | (824) | (378) |
| Net interest on net defined benefit liability | **93** | **410** |
| Revenue office | 5 | 420 |
| Other | 59 | 1 |
| | **157** | **831** |

The rise in interest income on plan assets results from the first-time adoption of IAS 19. Please see the commentary in note 3 (Amendments to IAS 19 "Employee Benefits"). We refer to note 30 on the inputs for the two components of net interest on the net defined benefit liability.

Please see note 15 for details on the previous year's "Interest expense – Revenue office".

## 17. INCOME TAXES

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Current taxes | 418 | 500 |
| Deferred taxes | (1) | (18) |
| | **417** | **482** |

In addition to tax expenses of T€401 for the 2013/14 reporting period, current taxes in financial year 2013/14 also contain taxes of T€17 for preceding years. An erroneous tax refund and its return payment to the revenue office were recorded in current taxes in the previous year (see also note 15).

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 debt. 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 they can be utilised. These deferred tax assets were therefore not capitalised. Deferred tax income totalling T€1 in the reporting year (previous year: T€18) is exclusively attributable to DBG Advisors Kommanditaktionär GmbH & Co. KG. At 31 October 2014, 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€ | | 2013/14 | 2012/13 |
|---|---|---|---|
| Earnings before taxes | | 48,516 | 33,752 |
| Applicable corporate tax rate | % | 31.93 | 31.93 |
| **Theoretical tax income/expenses** | | **15,489** | **10,777** |
| | | | |
| Change in theoretical tax income/expenses: | | | |
| Tax-exempt positive net result of valuation and disposal | | (14,939) | (10,466) |
| Other untaxed losses (previous year: non-capitalised gains) | | (2,335) | 2,137 |
| Non-capitalised tax loss carryforwards for current year | | 817 | 3 |
| Non-deductible negative net result of valuation and disposal | | 2,850 | 1,022 |
| Tax-exempt current income | | (561) | (1,688) |
| Non-deductible expenses | | 88 | 73 |
| Taxes from previous years | | 411 | 89 |
| Adjustment of corporation tax credit based on tax audit 2000–2003 | | 0 | (41) |
| Use of non-capitalised tax loss carryforwards | | (361) | (1,050) |
| Tax rate differential | | (1,385) | (406) |
| Other effects | | 343 | 32 |
| **Income taxes** | | **417** | **482** |
| **Taxation ratio** | % | **0.86** | 1.43 |

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€14,939 (previous year: T€-10,466) is tax-exempt.

Due to tax purpose-based negative income contributions by Group companies that largely exist, 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€-2,335 (previous year: T€2,137) 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.

# NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 18. INTANGIBLE ASSETS / PROPERTY, PLANT AND EQUIPMENT

| | Acquisition cost | | | |
|---|---|---|---|---|
| T€ | 1 Nov. 2013 | Additions | Disposals | **31 Oct. 2014** |
| Intangible assets | 336 | 135 | 3 | 468 |
| Property, plant and equipment | 2,468 | 551 | 282 | 2,737 |
| | **2,804** | **686** | **285** | **3,205** |

| | 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 and equipment | 1,195 | 398 | 160 | 1,433 | 1,304 | 1,273 |
| | **1,497** | **416** | **163** | **1,750** | **1,455** | **1,307** |

Depreciation and amortisation on property, plant and equipment and intangible assets in the reporting year exclusively relate to scheduled depreciation.

## 19. FINANCIAL ASSETS

Financial assets are composed of the following:

| T€ | **31 Oct. 2014** | 31 Oct. 2013 |
|---|---|---|
| Interests in associates | 11,382 | 64,246 |
| Other interests in portfolio companies | 107,441 | 83,988 |
| International fund investments | 8,300 | 10,359 |
| Portfolio | 127,123 | 158,593 |
| Other financial assets | 7,924 | 8,159 |
| | **135,047** | **166,752** |

Financial assets are measured at fair value through profit or loss (see note 6).

Other financial assets contain companies that are mainly attributable to third parties.

This item exhibited the following movements in the reporting year:

| T€ | 1 Nov. 2013 | Additions | Disposals | **Value movements** | **31 Oct. 2014** |
|---|---|---|---|---|---|
| Portfolio | 158,593 | 10,321 | 63,363 | 21,572 | 127,123 |
| Other financial assets | 8,159 | 0 | 0 | (235) | 7,924 |
| | **166,752** | **10,321** | **63,363** | **21,337** | **135,047** |

Movements in value are recorded under the caption "Net result of valuation and disposal of financial assets and loans and receivables" in the consolidated statement of comprehensive income (see note 6).

## 20. LOANS AND RECEIVABLES

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 14,110 | 2,925 |
| Additions | 14,582 | 11,407 |
| Disposals | 2,745 | 222 |
| **At end of financial year** | **25,947** | **14,110** |

Loans and receivables relate to claims arising from loan arrangements with portfolio companies. The additions in financial year 2013/14 contain loans, silent partnerships and profit-sharing certificates.

## 21. OTHER NON-CURRENT ASSETS

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| Pension obligations and plan assets | 0 | 248 |
| Tax assets | 421 | 619 |
| | **421** | **867** |

We refer to the commentary in notes 25 and 30.

## 22. RECEIVABLES

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| Receivables from associates | 25 | 63 |
| Receivables from portfolio companies | 7,375 | 11,917 |
| | **7,400** | **11,980** |

Receivables from associates pertain to subsidiaries which, lacking materiality, were not consolidated (see note 4).

Receivables from portfolio companies relate, among other things, to two short-term loans in conjunction with the acquisition of a portfolio company and the funding of a purchase transaction by another portfolio company for a total of T€3,579. The previous year's receivables from portfolio companies largely pertained to a short-term loan in conjunction with the acquisition of a portfolio company in the amount of T€8,930. This item also contains receivables from a clearing account with one portfolio company and interest receivable from portfolio companies.

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€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 60 | 654 |
| Additions | 0 | 0 |
| Disposals | 60 | 594 |
| **At end of financial year** | **0** | **60** |

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 2013/14.

## 23. SECURITIES

Securities held at 31 October 2014 were exclusively acquired as investments of cash and cash equivalents not immediately required.

Classification of securities in the statement of financial position:

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| Long-term securities | 80,991 | 50,514 |
| Short-term securities | 31,344 | 28,028 |
| | **112,335** | **78,542** |

Classification of securities by types:

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
| --- | --- | --- |
| Floating-rate notes (3-month Euribor) | 25,026 | 48,088 |
| Floating-rate notes (6-month Euribor) | 10,000 | 25,020 |
| Fixed-rate securities | 77,309 | 5,434 |
| | **112,335** | **78,542** |

Classification of securities by maturity:

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
| --- | --- | --- |
| Due within 1 year | 31,344 | 28,028 |
| Due between 1 and 2 years | 3,921 | 21,449 |
| Due between 2 and 3 years | 5,000 | 29,065 |
| Due between 3 and 4 years | 0 | 0 |
| Due between 4 and 5 years | 22,773 | 0 |
| Due > 5 years | 49,297 | 0 |
| | **112,335** | **78,542** |

All securities have been designated to the category of "available-for-sale financial assets" (see note 6).

The change in fair value of T€306 (previous year: T€-86) is recognised in the consolidated statement of comprehensive income in "Unrealised gains/(losses) on available-for-sale securities". A loss of T€43 (previous year: loss of T€30) arising from disposals of securities from this category in the reporting year was reclassified to consolidated net income.

## 24. OTHER FINANCIAL INSTRUMENTS

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
| --- | --- | --- |
| Short-term equity shares | 2,245 | 2,401 |

Short-term equity shares relate to shares that are to be sold to the managements of portfolio companies within a year.

## 25. TAX ASSETS, TAX PROVISIONS AND DEFERRED TAXES

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
| --- | --- | --- |
| Tax assets | | |
| Other non-current assets | 421 | 619 |
| Income tax assets | 5,435 | 3,452 |
| Tax provisions | 2,232 | 1,838 |
| Deferred tax liabilities | 60 | 61 |

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€2,506 (previous year: T€1,134) arising on a distribution by Deutsche Beteiligungsgesellschaft mbH as well as corporation tax credits of Deutsche Beteiligungs AG of T€652 (previous year: T€850). Another part of tax assets stems from imputable investment income taxes of T€140 arising from interest income on securities and bank accounts, as well as of T€419 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.

Tax loss carryforwards have been recognised in deferred taxes as follows:

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
| --- | --- | --- |
| Tax loss carryforward, corporation tax | 77,366 | 86,064 |
| thereof usable | 0 | 0 |
| Tax loss carryforward, trade tax | 17,676 | 14,981 |
| 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.

Deferred tax liabilities are exclusively attributable to line item "Financial assets".

## 26. OTHER CURRENT ASSETS

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| Receivables for advisory services | 11,081 | 1,479 |
| Receivables from DBAG funds | 2,071 | 3,706 |
| Purchase price retention | 1,879 | 449 |
| Value-added tax | 1,026 | 1,371 |
| Loans | 573 | 1,001 |
| Interest receivable on securities | 478 | 251 |
| Lease security deposit | 405 | 405 |
| Purchase price receivable | 0 | 1,778 |
| Other receivables | 973 | 1,008 |
| | **18,486** | **11,448** |

Receivables from DBAG funds largely comprise profit priority shares and reimbursable expenses.

Receivables from advisory services pertain to advisory services to the management company of DBAG Fund VI.

The movement in purchase price receivable in financial year 2013/14 relates to the receipt of payments due from the sale of two investments (see management report, section "Business and portfolio review", page 72 f.)

The purchase price retention covers possible representation and warranty risks from the divestment of a portfolio company. The purchase price retention recognised in the prior year was reversed in financial year 2013/14.

Loans chiefly result from deferred purchase price payments extended to managers of portfolio companies from disposals of short-term shareholdings in incorporated companies.

Value-added tax pertains to outstanding refunds of input tax credits.

Other receivables largely constitute prepaid expenses.

## 27. EQUITY

### Subscribed capital/number of shares outstanding

All shares in Deutsche Beteiligungs AG were converted from bearer shares to no-par value registered shares at a ratio of 1:1 in financial year 2013/14. 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 2013/14:

| | Purchase/sales price per share | | Share of subscribed capital | |
|---|---|---|---|---|
| | € | *Number of shares* | T€ | ‰ |
| At 1 Nov. 2013 | | 0 | 0 | 0.0 |
| Date of purchase: 15 Oct. 2014 | 20.89 | 3,766 | 13 | 0.3 |
| Date of sale/transfer: 28 Oct. 2014 | 14.98 | 3,766 | 13 | 0.3 |
| **At 31 Oct. 2014** | | **0** | **0** | **0.0** |

## Authorised capital

The Board of Management is, with the consent of the Supervisory Board, authorised to raise the share capital of the Company until 23 March 2015 by up to a total of 24,266,665.33 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, with the consent of the Supervisory Board, authorised until 22 March 2016 to purchase own shares 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.

## Contingent 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 2015 with or without a maturity cap for a total nominal amount of up to €160,000,000.00. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights, to registered shares in the Company with a proportionate share in the share capital of up to €24,266,665.33 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 bearer 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 30)
- unrealised gains/losses on available-for-sale investments (see note 23)

## Consolidated retained profit

At the Annual Meeting on 27 March 2014, shareholders voted to pay a dividend of 0.40 euros per share (5,470,543.60 euros) plus a surplus dividend of 0.80 euro per share (10,941,087.20 euros) for financial year 2012/13.

| *in €* | **2013/14** | 2012/13 |
|---|---|---|
| Dividends paid | 5,470,543.60 | 5,470,543.60 |
| Surplus dividends paid | 10,941,087.20 | 10,941,087.20 |
| **Total distribution** | **16,411,630.80** | **16,411,630.80** |

In its separate accounts consistent with the German Commercial Code (HGB), the retained profit of Deutsche Beteiligungs AG amounts to 92,276,031.02 euros (previous year: 43,259,096.88 euros). At the Annual Meeting, the Board of Management and the Supervisory Board will recommend paying a total dividend of 2.00 euros per share for financial year 2013/14, consisting of a base dividend of 0.40 euros per share and a surplus dividend of 1.60 euros per share.

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.

## 28. MINORITY INTEREST

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 10,146 | 12,086 |
| Additions | 46 | 312 |
| Disposals | 101 | 3,228 |
| Profit share | 323 | 976 |
| **At end of financial year** | **10,414** | **10,146** |

Minority interest relates to DBG Advisors Kommanditaktionär GmbH & Co. KG, DBAG Fund V Konzern GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG, DBAG Expansion Capital Fund Konzern GmbH & Co. KG and DBAG Fund VI Konzern (Guernsey) L.P. For a commentary on minority interest, please refer to the information on DBAG funds in note 40.

Minority interest attributable to DBG Advisors Kommanditaktionär GmbH & Co. KG (DBAG Fund IV) developed as follows:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 9,929 | 11,602 |
| Additions | 0 | 0 |
| Disposals | 67 | 2,586 |
| Profit share | 87 | 913 |
| **At end of financial year** | **9,949** | **9,929** |

Minority interest attributable to DBAG Fund V Konzern GmbH & Co. KG (DBAG Fund V) developed as follows:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 122 | 460 |
| Additions | 0 | 234 |
| Disposals | 33 | 642 |
| Profit share | 229 | 70 |
| **At end of financial year** | **318** | **122** |

Minority interest attributable to DBG Managing Partner GmbH & Co. KG (DBAG Fund V) developed as follows:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 25 | 24 |
| Additions | 0 | 0 |
| Disposals | 0 | 0 |
| Profit share | 0 | 1 |
| **At end of financial year** | **25** | **25** |

Minority interest attributable to DBAG Expansion Capital Fund Konzern GmbH & Co. KG (DBAG Expansion Capital Fund) developed as follows:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 69 | 0 |
| Additions | 46 | 77 |
| Disposals | 1 | 0 |
| Profit share | 7 | (8) |
| **At end of financial year** | **121** | **69** |

Minority interest attributable to DBAG Fund VI Konzern (Guernsey) L.P. (DBAG Fund VI) developed as follows:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| At start of financial year | 1 | 0 |
| Additions | 0 | 1 |
| Disposals | 0 | 0 |
| Profit share | 0 | 0 |
| **At end of financial year** | **1** | **1** |

## 29. OTHER PROVISIONS

### 29.1 Current other provisions

| T€ | 1 Nov. 2013 | Utilisations | Reversals | Additions | 31 Oct. 2014 |
|---|---|---|---|---|---|
| Personnel-related commitments | 9,798 | 5,086 | 272 | 8,525 | 12,965 |
| Financial assets | 2,793 | 986 | 1,806 | 4,053 | 4,054 |
| Other | 1,498 | 1,256 | 154 | 1,360 | 1,448 |
| | **14,089** | **7,328** | **2,232** | **13,938** | **18,467** |

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 for staff largely corresponds to that of the members of the Board of Management. 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 reimbursable consultancy expenses.

"Other" contains provisions of T€762 (previous year: T€562) for tax consultancy and other external advisory services as well as T€336 (previous year: T€375) for the Annual Meeting in March 2015 and preparation of the current Annual Report.

### 29.2 Non-current other provisions

| T€ | 1 Nov. 2013 | Utilisations | Reversals | Additions | 31 Oct. 2014 |
|---|---|---|---|---|---|
| Personnel-related commitments | 218 | 47 | 0 | 25 | 196 |
| Representations and warranties | 0 | 0 | 0 | 39 | 39 |
| | **218** | **47** | **0** | **64** | **235** |

Non-current personnel-related other provisions contain obligations arising from early retirement agreements.

Representations and warranties relate to commitments on the disinvestment of one portfolio company.

## 30. PENSION OBLIGATIONS AND PLAN ASSETS

The disclosure in the statement of financial position has been derived as follows:

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| Present value of pension obligations | 37,454 | 31,199 |
| Fair value of plan assets | (28,069) | (28,028) |
| **(Other non-current assets)** | **0** | **(248)** |
| **Provisions for pension obligations** | **9,385** | **3,419** |

The present value of pension obligations developed as follows:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Present value of pension obligations at start of financial year | 31,199 | 27,574 |
| Interest expenses | 917 | 788 |
| Service cost | 393 | 479 |
| Benefits paid | (967) | (881) |
| Actuarial (gains)/losses | 5,912 | 3,239 |
| **Present value of pension obligations at end of financial year** | **37,454** | **31,199** |

The present value of pension obligations is determined by means of an actuarial appraisal. The appraisal was based on the following actuarial assumptions:

| | | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|---|
| Discount rate | % | 1.78 | 2.94 |
| 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 iBoxx 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€ | 2013/14 | 2012/13 |
|---|---|---|
| Fair value of plan assets at start of financial year | 28,028 | 27,999 |
| Expected interest income | 824 | 378 |
| Actuarial gains/(losses) | (783) | (349) |
| **Fair value of plan assets at end of financial year** | **28,069** | **28,028** |

The following amounts were recognised in consolidated net income:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Service cost | 393 | 479 |
| Interest expenses | 917 | 788 |
| Expected interest income on plan assets | (824) | (378) |
| | **486** | **889** |

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 2013/14:

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| Actuarial gains/(losses) at start of financial year | (14,578) | (10,990) |
| Gains/(losses) from difference between actual and expected returns on plan assets | (783) | (349) |
| Gains/(losses) from change in demographic assumptions | 0 | (2,967) |
| Gains/(losses) experience-related | (5,912) | (272) |
| **Actuarial gains/(losses) at end of financial year** | **(21,273)** | **(14,578)** |

The greater loss of T€-783 in financial year 2013/14 (previous year: T€-349) results from the change in the accounting method in compliance with the amended rules of IAS 19 (see also note 3).

## 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 development 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 risk. A change in average life expectancy impacts the length of pension payments and, consequently, the liquidity risk. Based on reasonable estimations, possible changes in these two actuarial parameters would have the following impact on the present value of pension obligations:

| | **31 Oct. 2014** | 31 Oct. 2013 |
|---|---|---|
| Discount rate | | |
| Increase by 50 bps | (2,750) | (2,172) |
| Decrease by 50 bps | 3,101 | 2,434 |
| Average life expectancy | | |
| Increase by 1 year | (1,423) | (1,210) |
| Decrease by 1 year | 1,415 | 1,438 |

The sensitivity analysis shown above is based on a change in one parameter, while all others remain constant.

The plan assets are invested in a money market fund in order to minimise the market price and liquidity risk. Both the value of the money market fund and the discount rate are exposed to (market) interest rate risk. If the market interest rate for corporate bonds and money market securities rises (falls), the return on plan assets will rise (fall) and the present value of pension provisions will fall (rise).

Beginning in financial year 2014/15, DBAG will shift the plan assets to a special fund in line with the rules of the German Investment Code (KAGB). This special fund will have an unlimited term and will be managed based on an investment strategy with a long-term orientation and capital preservation. The changed investment strategy is to generate returns that at least correspond to the discount rate.

As for the past two prior years, current budgetary planning for the 2014/15 financial year does not provide for allocations to plan assets.

## 31. OTHER CURRENT LIABILITIES

Other current liabilities relate to prepaid income and other liabilities.

## 32. 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€* | **31 Oct. 2014** | 31 Oct. 2013 |
|---|---|---|
| Call commitments | 3,304 | 6,479 |
| Permanent debt obligations | 5,052 | 5,472 |
| | **8,356** | **11,951** |

Possible call commitments relate to investments in international funds (see note 19), which may draw down additional funding for investments and costs, as well as contractually agreed potential investments in portfolio companies. The decrease in call commitments pertains to two portfolio companies for which commitments were drawn down in the financial year.

The following provides an overview of the due dates of permanent debt obligations at 31 October 2014:

| T€ | < 1 year | 1–5 years | > 5 years | Total |
|---|---|---|---|---|
| Permanent debt obligations | 846 | 2,951 | 1,255 | **5,052** |
| thereof rental contracts | 717 | 2,870 | 1,255 | **4,842** |

Permanent debt obligations pertain, in particular, to office rental for the premises on Börsenstrasse 1 in Frankfurt/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 31 October 2014.

**TRUST ASSETS** totalled T€ 13,776 at 31 October 2014 (previous year: T€ 10,829). Of that amount, T€ 13,732 (previous year: T€ 10,753) are attributable to shares 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.

# NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## 33. GENERAL DISCLOSURES ON 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 group's relevant flows of cash. Cashflows 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 have been converted to the direct presentation method as of the reporting year.

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 from 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. Cash funds of the proportionately consolidated Q.P.O.N. Beteiligungs GmbH amounted to T€ 13 (previous year: T€ 15).

Since financial year 2007/08, 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

## 34. 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 the financial risks arising from financial instruments to which the DBAG Group is exposed in conformity with IFRS 7. The objectives and the methods used to manage these risks are also discussed. There has been no change compared with the previous year.

### 34.1 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.

### 34.1.1 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 denominated 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€19,449 (previous year: T€24,046) 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€1,505 (previous year: T€-1,172).

#### 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 consolidated net income for the year and in the equity of the DBAG Group of T€1,945 (previous year: T€2,405).

### 34.1.2 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 readily predictable.

#### Extent of interest rate risk

Financial resources (the sum of cash funds and interest-bearing securities) totalled T€150,653 (previous year: T€98,335). Interest income from the investment of these resources was T€153 (previous year: T€254).

Based on the capital structure of DBAG, no debt instruments (securities) exist that could constitute exposure to interest rate risk (see also note 36 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 consolidated net income for the year and in the equity of the DBAG Group of T€211 (previous year: T€260). For variable-interest securities totalling T€35,026 at 31 October 2014, a change in the reference interest rate of 100 basis points would have an effect of T€350 (previous year: T€731).

### 34.1.3 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 2013/14, the net result of valuation was T€21,337 (previous year: T€29,107).

#### 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€1,758 (previous year: T€1,204) on the fair value of level 3 financial instruments (see note 35.2).

### 34.2 Liquidity risk

There is currently no recognisable exposure to liquidity risk for the DBAG Group. Free cash funds amounted to T€38,318 (previous year: T€19,793). Together with general government securities or securities of issuers with highest ratings totalling T€112,335 (previous year: T€78,542), the DBAG Group has T€150,653 (previous year: T€98,335) at its disposal to fulfil its investment commitments to DBAG funds (see management report, page 86). This amount clearly exceeds total liabilities of T€43,701 (previous year: T€32,239). 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.

## 34.3 Credit/default risk

### Extent of credit/default risk

The following balance sheet items are basically exposed to a one-hundred percent credit/default risk:

| T€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| Financial assets | 135,047 | 166,752 |
| thereof hybrid instruments | 0 | 0 |
| thereof investments | 135,047 | 166,752 |
| Loans and receivables | 25,947 | 14,110 |
| Receivables | 7,400 | 11,980 |
| Securities | 112,335 | 78,542 |
| Cash and cash equivalents | 38,318 | 19,793 |
| Other financial instruments | 2,245 | 2,401 |
| Other current assets, if financial instruments | 16,854 | 9,231 |
| | **338,146** | **302,809** |

### 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, debtors 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 mortgage bonds with a rating based on Moody's or Standard and Poor's of at least AA. Based on the issuers' credit rating and Pfandbrief bonds, 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 usually 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.

# 35. FINANCIAL INSTRUMENTS

## 35.1 Categories of financial instruments

Financial instruments have been designated to the following categories:

VALUATION CATEGORY[1]

| T€ | **Carrying amount 31 Oct. 2014** | **Fair value 31 Oct. 2014** | Carrying amount 31 Oct. 2013 | Fair value 31 Oct. 2013 |
|---|---|---|---|---|
| **Financial assets at fair value through profit of loss** | | | | |
| Financial instruments[1] | 135,047 | 135,047 | 166,752 | 166,752 |
| thereof hybrid instruments[1] | 0 | 0 | 0 | 0 |
| thereof equity instruments[1] | 135,047 | 135,047 | 166,752 | 166,752 |
| Other financial instruments[1] | 2,245 | 2,245 | 2,401 | 2,401 |
| | **137,292** | **137,292** | **169,153** | **169,153** |
| **Available-for-sale financial assets** | | | | |
| Long-term securities | 80,991 | 80,991 | 50,514 | 50,514 |
| Short-term securities | 31,344 | 31,344 | 28,028 | 28,028 |
| | **112,335** | **112,335** | **78,542** | **78,542** |
| **Loans and receivables** | | | | |
| Receivables | 7,400 | 7,400 | 11,980 | 11,980 |
| Loans and receivables | 25,947 | 25,947 | 14,110 | 14,110 |
| Cash and cash equivalents | 38,318 | 38,318 | 19,793 | 19,793 |
| Other current assets, if financial instruments[2] | 16,854 | 16,854 | 9,231 | 9,231 |
| | **88,519** | **88,519** | **55,114** | **55,114** |
| **Other financial liabilities** | | | | |
| Minority interest | 10,414 | 10,414 | 10,146 | 10,146 |
| Other current liabilities[3] | 2,908 | 2,908 | 1,803 | 1,803 |
| | **13,322** | **13,322** | **11,949** | **11,949** |
| | **351,468** | **351,468** | **314,758** | **314,758** |

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€1,632 (previous year: T€2,217).
3 Does not include prepaid income of T€0 (previous year: T€468) and value-added tax liabilities of T€0 (previous year: T€197).

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 "loans and receivables", "receivables" and "other current assets" chiefly relate to portfolio companies and DBAG funds. Due to close relationships to creditors, 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.

## 35.2 Disclosures on hierarchy of financial instruments

All financial instruments are categorised according to the following 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.

## 35.2.1 Hierarchy of financial instruments measured at fair value on a recurring basis

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 | 135,047 | 0 | 352 | 134,695 |
| Other financial instruments | 2,245 | 0 | 0 | 2,245 |
| | **137,292** | **0** | **352** | **136,940** |
| **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** |
| | **249,627** | **0** | **112,687** | **136,940** |

ITEM IN STATEMENT OF FINANCIAL POSITION

| T€ | Fair value 31 Oct. 2013 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Financial assets at fair value through profit or loss** | | | | |
| Financial assets | 166,752 | 56,039 | 0 | 110,713 |
| Other financial instruments | 2,401 | 0 | 0 | 2,401 |
| | **169,153** | **56,039** | **0** | **113,114** |
| **Available-for-sale financial assets** | | | | |
| Long-term securities | 50,514 | 0 | 50,514 | 0 |
| Short-term securities | 28,028 | 0 | 28,028 | 0 |
| | **78,542** | **0** | **78,542** | **0** |
| | **247,695** | **56,039** | **78,542** | **113,114** |

Level 2 financial assets pertain to an investment which is measured at a purchase price indication in an illiquid market.

Level 2 securities relate to German public sector bonds as well as to 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 in financial year 2013/14 and the preceding financial year, fair value measurement is recurring. Over that period of time, there were no assets or liabilities in the DBAG Group that were valued by non-recurring fair value measurement.

Level 3 financial instruments are attributable to the following sectors:

ITEM IN STATEMENT OF FINANCIAL POSITION

| T€ | Mechanical engineering/plant construction | Industrial services | International fund investments | Other | Total |
|---|---|---|---|---|---|
| **Item in statement of financial position 31 Oct. 2014** | | | | | |
| Financial assets | 69,617 | 25,132 | 8,300 | 31,646 | 134,695 |
| Other financial instruments | 1,908 | 337 | 0 | 0 | 2,245 |
| | **71,525** | **25,469** | **8,300** | **31,646** | **136,940** |
| **Item in statement of financial position 31 Oct. 2013** | | | | | |
| Financial assets | 58,764 | 19,942 | 10,359 | 21,648 | 110,713 |
| Other financial instruments | 1,476 | 925 | 0 | 0 | 2,401 |
| | **60,240** | **20,867** | **10,359** | **21,648** | **113,114** |

Reconciliation of level 3 financial instruments in financial year 2013/14:

ITEM IN STATEMENT OF FINANCIAL POSITION

| T€ | 1 Nov. 2013 | Additions | Disposals | Transfers | Gains/(losses) through profit or loss | **31 Oct. 2014** |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Mechanical engineering/plant construction | 58,764 | 3,336 | 0 | 0 | 7,517 | 69,617 |
| Industrial services | 19,942 | 184 | 4,103 | 0 | 9,109 | 25,132 |
| International fund investments | 10,359 | 58 | 2,245 | 0 | 128 | 8,300 |
| Other | 21,648 | 6,927 | 3,748 | (352) | 7,171 | 31,646 |
| | **110,713** | **10,505** | **10,096** | **(352)** | **23,925** | **134,695** |
| **Other financial instruments** | | | | | | |
| Mechanical engineering/plant construction | 1,476 | 1,050 | 745 | 0 | 127 | 1,908 |
| Industrial services | 925 | 0 | 465 | 0 | (123) | 337 |
| | **2,401** | **1,050** | **1,210** | **0** | **4** | **2,245** |
| | **113,114** | **11,555** | **11,306** | **(352)** | **23,929** | **136,940** |

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 level 1 and 2 in the reporting period. One investment was transferred from level 3 to level 2, since its valuation at the measurement date had been based on a purchase price indication in an illiquid market.

Of the gains through profit or loss totalling T€23,929, T€23,925 were recognised in “Net result of valuation and disposal of financial assets” (thereof net result of disposal: T€2,588, and net result of valuation: T€21,337 relating to financial instruments held at the end of the reporting period) and T€4 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 31 Oct. 2014 | Valuation method | Unobservable inputs | Range |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mechanical engineering/plant construction | 69,617 | Multiples method | Average EBITDA/EBITA margin | 5–12% |
| | | | Net debt[1] to EBITDA | 1–4 |
| | | | Multiples discount | 0–10% |
| Industrial services | 25,132 | Multiples method | Average EBITDA/EBITA margin | 4–11% |
| | | | Net debt[1] zu EBITDA | 0–1 |
| | | | Multiples discount | 0–15% |
| International fund investments | 8,300 | DCF | n.a. | n.a. |
| Other | 31,646 | Multiples method | Average EBITDA/EBITA margin | 5–22% |
| | | | Net debt[1] to EBITDA | 0–3 |
| | | | Multiples discount | 0 |
| | **134,695** | | | |
| **Other financial instruments** | | | | |
| Mechanical engineering/plant construction | 1,908 | Multiples method | Average EBITDA/EBITA margin | 6–10% |
| | | | Net debt[1] to EBITDA | 1–2 |
| | | | Multiples discount | 0–10% |
| Industrial services | 337 | Multiples method | Average EBITDA/EBITA margin | n.a. |
| | | | Net debt[1] to EBITDA | n.a. |
| | | | Multiples discount | n.a. |
| | **2,245** | | | |
| | **136,940** | | | |

1 Net debt of portfolio company

By reasonable estimate, changes in unobservable inputs would have the following effects on fair value measurement of level 3 financial assets:

ITEM IN STATEMENT OF FINANCIAL POSITION

| T€ | Fair value 31 Oct. 2014 | Change in unobservable inputs | | Change in fair value |
|---|---|---|---|---|
| **Financial assets** [1] | | | | |
| Mechanical engineering and plant construction | 69,617 | EBITDA and EBITA | +/- 10% | 9,013 |
| | | Net debt | +/- 10% | 2,867 |
| | | Multiples discount | +/- 5 percentage points | 1,727 |
| Industrial services | 25,132 | EBITDA and EBITA | +/- 10% | 2,556 |
| | | Net debt | +/- 10% | 195 |
| | | Multiples discount | +/- 5 percentage points | 1.415 |
| International fund investments | 8,300 | | n.a. | n.a. |
| Other | 31,646 | EBITDA and EBITA | +/- 10% | 2,241 |
| | | Net debt | +/- 10% | 765 |
| | | Multiples discount | +/- 5 percentage points | n.a. |
| | **134,695** | | | |
| **Other financial instruments** | | | | |
| Mechanical engineering and plant construction | 1,908 | EBITDA and EBITA | +/- 10% | 211 |
| | | Net debt | +/- 10% | 37 |
| | | Multiples discount | +/- 5 percentage points | 40 |
| Industrial services | 337 | EBITDA and EBITA | +/- 10% | 110 |
| | | Net debt | +/- 10% | 18 |
| | | Multiples discount | +/- 5 percentage points | 61 |
| | **2,245** | | | |
| | **136,940** | | | |

1 For financial assets acquired within the past 12 months, a change in the unobservable inputs has no effect on the fair value, since these are valued at their transaction price at the valuation date, in accordance with the IPEVG.

The difference between the unobservable inputs EBITDA and EBITA is depreciation on property, plant and equipment and intangible assets. The key factors influencing income have an effect on both unobservable inputs; consequently, there is an interrelationship between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

The sensitivity analysis for net debt and multiples discount considers the effects of a change in one input, with all other inputs remaining constant.

## 35.2.2 Hierarchy of financial instruments measured at fair value on a non-recurring basis

ITEM IN STATEMENT OF FINANCIAL POSITION

| T€ | Carrying amount 31 Oct. 2014 | Fair value 31 Oct. 2014 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **Loans and receivables** | | | | | |
| Loans and receivables | 25,947 | 25,947 | 0 | 25,947 | 0 |
| Receivables | 7,400 | 7,400 | 0 | 7,375 | 25 |
| Cash and cash equivalents | 38,318 | 38,318 | 38,318 | 0 | 0 |
| Other current assets, if financial instruments [1] | 16,854 | 16,854 | 1,879 | 573 | 14,402 |
| | **88,519** | **88,519** | **40,197** | **33,895** | **14,427** |
| **Other financial liabilities** | | | | | |
| Minority interest | 10,414 | 10,414 | 0 | 0 | 10,414 |
| Other current liabilities [2] | 2,908 | 2,908 | 0 | 0 | 2,908 |
| | **13,322** | **13,322** | **0** | **0** | **13,322** |

ITEM IN STATEMENT OF FINANCIAL POSITION

| T€ | Carrying amount 31 Oct. 2013 | Fair value 31 Oct. 2013 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **Loans and receivables** | | | | | |
| Loans and receivables | 14,110 | 14,110 | 0 | 14,110 | 0 |
| Receivables | 11,980 | 11,980 | 0 | 11,917 | 63 |
| Cash and cash equivalents | 19,793 | 19,793 | 19,793 | 0 | 0 |
| Other current assets, if financial instruments [1] | 9,231 | 9,231 | 449 | 1,001 | 7,781 |
| | **55,114** | **55,114** | **20,242** | **27,028** | **7,844** |
| **Other financial liabilities** | | | | | |
| Minority interest | 10,146 | 10,146 | 0 | 0 | 10,146 |
| Other current liabilities [2] | 1,803 | 1,803 | 0 | 0 | 1,803 |
| | **11,949** | **11,949** | **0** | **0** | **11,949** |

1 Without prepaid expenses, value-added tax and others in the amount of T€1,632 (previous year: T€2,217)
2 Without deferred income of T€0 (previous year: T€468) and value-added tax liabilities of T€0 (previous year: T€197)

Due to the short-term (residual) maturities of most financial instruments, there are no differences between the carrying value and fair value of financial instruments recognised in the statement of financial position categorised by non-recurring fair value measurements.

## 35.3 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€* | **2013/14** | **Level 1** | **Level 2** | **Level 3** | 2012/13 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|
| **Net result of investment activity** | | | | | | | | |
| Net result of disposal | 27,164 | 24,576 | 0 | 2,588 | 5,382 | 5,028 | 0 | 354 |
| Net result of valuation | 21,337 | 0 | 352 | 20,985 | 29,107 | 23,596 | 0 | 5,511 |
| Net result of valuation and disposal of financial assets and loans and receivables | **48,501** | **24,576** | **352** | **23,573** | **34,489** | **28,624** | **0** | **5,865** |
| Current income from financial assets and loans and receivables | 2,630 | 1,103 | 0 | 1,527 | 6,360 | 788 | 0 | 5,572 |
| | **51,131** | **25,679** | **352** | **24,968** | **40,849** | **29,412** | **0** | **11,437** |
| **Other income/expenses** | | | | | | | | |
| Other operating income | 4 | 0 | 0 | 4 | 177 | 110 | 0 | 67 |
| Other operating expenses | (22) | 0 | 0 | (22) | (148) | 0 | 0 | (148) |
| | **(18)** | **0** | **0** | **(18)** | **29** | **110** | **0** | **(81)** |

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

| *T€* | **2013/14** | **Level 1** | **Level 2** | **Level 3** | 2012/13 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|
| **Other income/expenses** | | | | | | | | |
| Other operating income | 0 | 0 | 0 | 0 | 28 | 0 | 28 | 0 |
| Other operating expenses | (26) | 0 | (26) | 0 | 0 | 0 | 0 | 0 |
| | **(26)** | **0** | **(26)** | **0** | **28** | **0** | **28** | **0** |
| **Net result of valuation and disposal** | | | | | | | | |
| Unrealised gains/(losses) on available-for-sale securities | 306 | 0 | 306 | 0 | (86) | 0 | (86) | 0 |
| thereof transfers from other comprehensive income to profit or loss | 43 | 0 | 43 | 0 | (30) | 0 | (30) | 0 |
| | **263** | **0** | **263** | **0** | **(56)** | **0** | **(56)** | **0** |
| **Interest income** | **153** | **0** | **153** | **0** | **248** | **0** | **248** | **0** |

Net gains and losses on financial assets at fair value through profit or loss result in their full amount from financial assets that were designated as at fair value through profit or loss on initial recognition.

The net result of liabilities to minority interest is disclosed in line item "Minority interest (gains)/losses" in the consolidated statement of comprehensive income. The net result derives from minority interest measured at fair value in fully consolidated entities. It amounts to T€-323 for the reporting year (previous year: T€-976).

## 35.4 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€ | 2013/14 | Level 1 | Level 2 | Level 3 | 2012/13 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|
| **Net result of fund services and investment activity** | | | | | | | | |
| Current income from financial assets and loans and receivables | 1,595 | 0 | 1,595 | 0 | 159 | 0 | 159 | 0 |
| Fee income from fund management and advisory services | 21,736 | 0 | 0 | 21,736 | 18,889 | 0 | 0 | 18,889 |
| | **23,331** | **0** | **1,595** | **21,736** | **19,048** | **0** | **159** | **18,889** |
| **Other income/(expenses)** | | | | | | | | |
| Other operating income | 7,609 | 0 | 0 | 7,609 | 4,128 | 0 | 0 | 4,128 |
| Other operating expenses | (10,949) | 0 | 0 | (10,949) | (7,075) | 0 | 0 | (7,075) |
| Net interest | 185 | 0 | 185 | 0 | 258 | 0 | 258 | 0 |
| | **(3,155)** | **0** | **185** | **(3,340)** | **(2,689)** | **0** | **258** | **(2,947)** |

## 36. 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€ | 31 Oct. 2014 | 31 Oct. 2013 |
|---|---|---|
| **Liabilities** | | |
| Minority interest | 10,414 | 10,146 |
| Provisions | 30,319 | 19,564 |
| Other liabilities | 2,968 | 2,529 |
| | **43,701** | **32,239** |
| **Equity** | | |
| Subscribed capital | 48,533 | 48,533 |
| Reserves | 136,778 | 143,167 |
| Consolidated retained profit | 118,077 | 86,713 |
| | **303,388** | **278,413** |
| **Equity (% of total capital)** | 87.41 | 89.60 |

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.

## 37. EARNINGS PER SHARE BASED ON IAS 33

| | | 2013/14 | 2012/13 |
|---|---|---|---|
| Consolidated net income for the year | T€ | 47,776 | 32,294 |
| Shares issued at reporting date | | 13,676,359 | 13,676,359 |
| Shares outstanding at reporting date | | 13,676,359 | 13,676,359 |
| Weighted average number of shares | | 13,676,359 | 13,676,359 |
| Basic and diluted earnings per share | € | 3.49 | 2.36 |

Basic earnings per share are computed by dividing the consolidated 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.

## 38. SEGMENT REPORTING

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.

The Company's value is largely determined by the market value of its investments, as reflected in the IFRS-based consolidated equity and in the income contribution rendered by the fund management and advisory business. The key performance measure by which the Company is governed and controlled is the return on net asset value.

The complete Board of Management (as the "chief operating decision maker" in terms of the IFRS) keeps itself regularly informed at an overall portfolio level about the portfolio's performance and the performance contributions of individual portfolio companies. The Board of Management takes decisions on the allocation of resources based on the overall portfolio or makes performance assessments on that basis.

Consequently, accounting-related information was only available at the reporting date for the Company as a whole. Expenditures, in particular, have until now not been allocated to specific parts of business operations, neither to types of investments (MBO or minority investments), nor to whether resources are invested from the Company's own balance sheet or whether DBAG funds are managed or advised.

Consequently, the Deutsche Beteiligungs AG Group has been operating as a one-segment company. For an assessment of the financial effects of the business operations performed in this segment, we refer to the consolidated financial statements as a whole. Additional details on the economic environment in which Deutsche Beteiligungs AG and/or the Group operates are contained in the combined management report.

At the beginning of the new financial year, the Board of Management jointly decided to extend the internal reporting in order to separately control the two described business areas of DBAG in the future. Additionally, the operating income will then be disclosed for each business area. Beginning with the first quarter of financial year 2014/15, the business segments of direct investments as well as fund management and advisory services will be presented as reportable segments.

## 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€54,505 (previous year: T€41,008). Fee income for management and advisory services to funds amounted to T€21,736 in the reporting year (previous year: T€18,889).

## Geographical activities and sector focus

Geographically, we concentrate our investments primarily on companies domiciled in German-speaking regions. Of the net result of valuation and disposal as well as current income from financial assets and loans and receivables, T€53,731 are attributable to companies domiciled in German-speaking regions and T€774 to companies located in the rest of the world.

DBAG prefers to invest in companies operating in mechanical engineering and plant construction and industrial services, but also invests in other sectors. 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€* | **2013/14** | 2012/13 |
|---|---|---|
| Mechanical engineering and plant construction | 34,821 | 31,041 |
| Industrial services | 9,448 | 3,775 |
| Other | 10,236 | 6,192 |
| | **54,505** | **41,008** |

## 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 from investors of whom none account for more than ten percent of total income.

## 39. 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.

## 40. 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€8,866 in the reporting year (previous year: T€8,322). 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€472 was allocated to pension provisions (previous year: T€726) as defined by the IFRS for key management staff (service cost and interest cost), thereof service cost: T€380 (previous year: T€419). Defined benefit obligations for key management staff amounted to T€6,710 (previous year: T€5,167) at the reporting date.

Loans in the amount of T€200 (previous year: T€0) 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 2013/14, the members of the Supervisory Board received fixed fees and bonuses totalling T€388 (previous year: T€233).

Regarding transactions and balances of key management personnel in their capacity as minority partners in consolidated companies, please refer to note 28.

### 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 | Group company | 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.

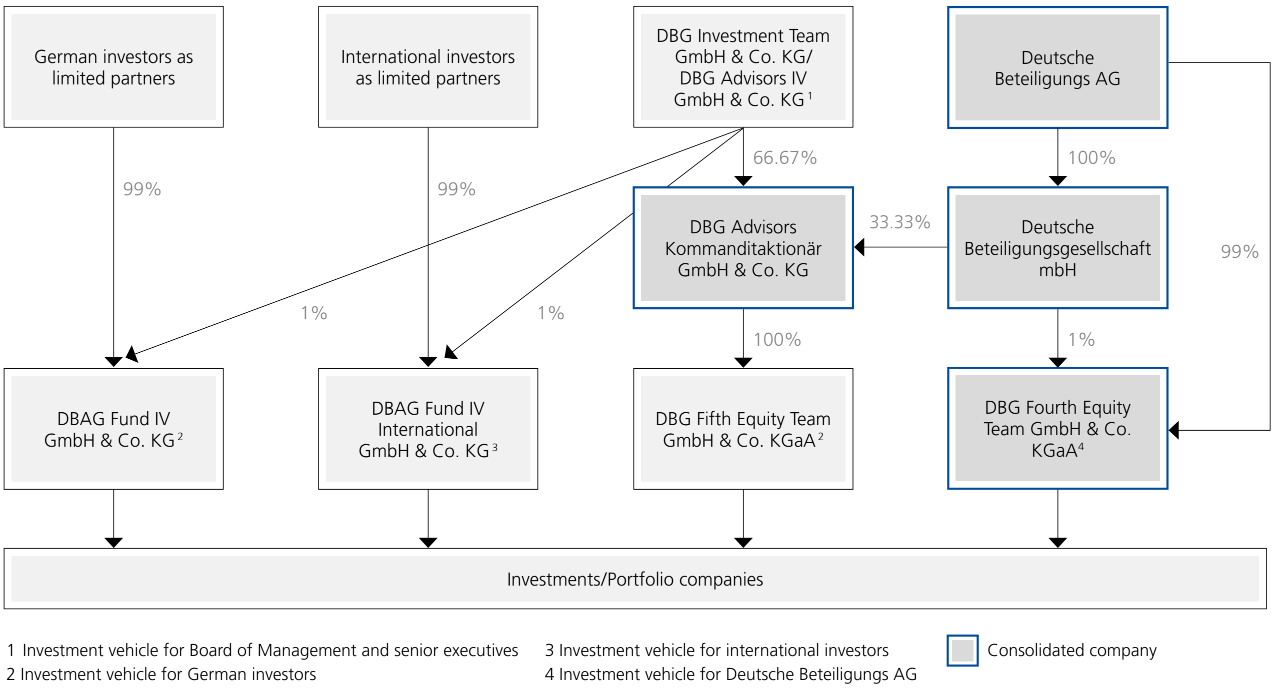
DBG Advisors IV GmbH & Co. KG, which is a related party and not included in the consolidated accounts of DBAG, acts as an intermediary for investments in the first two fund companies named above. Key management personnel are invested directly in DBG Advisors IV GmbH & Co. KG, or indirectly through DBG Investment Team GmbH & Co. KG.

Interests in DBG Fifth Equity Team GmbH & Co. KGaA are held indirectly through DBG Advisors Kommanditaktionär GmbH & Co. KG. Interests in DBG Advisors Kommanditaktionär GmbH & Co. KG are recognised in minority interest, since DBG Advisors Kommanditaktionär GmbH & Co. KG is consolidated despite a minority interest because DBAG indirectly has the power to appoint or remove the majority of the members of the executive body. 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*



The key management personnel involved as well as former key management personnel have neither made investments in financial year 2013/14, nor did they receive repayments. In the preceding year, key management personnel made the following investments or had 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. 2013 to 31 Oct. 2014** | | | | | | |
| 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 2013/14** | **0** | **0** | **839** | **740** | **0** | **0** |
| | | | | | | |
| **Period from 1 Nov. 2012 to 31 Oct. 2013** | | | | | | |
| DBG Advisors IV GmbH & Co. KG | 6 | 0 | 430 | 0 | 2,940 | 0 |
| DBG Advisors Kommanditaktionär GmbH & Co. KG | 0 | 0 | 84 | 0 | 502 | 0 |
| DBG Investment Team GmbH & Co. KG | 5 | 10 | 325 | 740 | 2,237 | 4,792 |
| **Total 2012/13** | **11** | **10** | **839** | **740** | **5,679** | **4,792** |

## DBAG Fund V

DBAG Fund V consists of the following fund companies that jointly acquire investments at a fixed ratio:

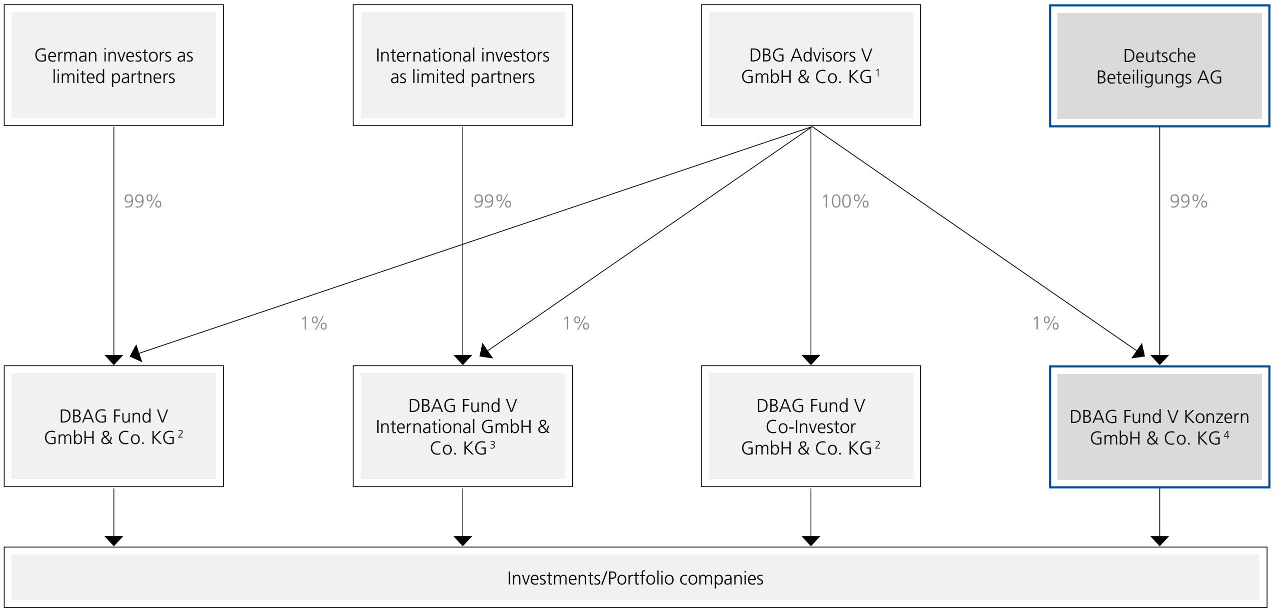
| **Fund company** | Qualification | Investment share held by investment team *(%)* | Max. profit share of investment team *(%)* |
|---|---|---|---|
| DBAG Fund V GmbH & Co. KG | Related party | 1 | 20.8 |
| DBAG Fund V International GmbH & Co. KG | Related party | 1 | 20.8 |
| DBAG Fund V Co-Investor GmbH & Co. KG | Related party | 1 | approx. 45 |
| DBAG Fund V Konzern GmbH & Co. KG | Group company | 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.

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:

## 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

| | 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. 2013 to 31 Oct. 2014** | | | | | | |
| DBG Advisors V GmbH & Co. KG | **139** | **98** | **3,228** | **2,399** | **766** | **423** |
| **Period from 1 Nov. 2012 to 31 Oct. 2013** | | | | | | |
| DBG Advisors V GmbH & Co. KG | **731** | **507** | **3,089** | **2,301** | **1,357** | **719** |

## DBAG Expansion Capital Fund

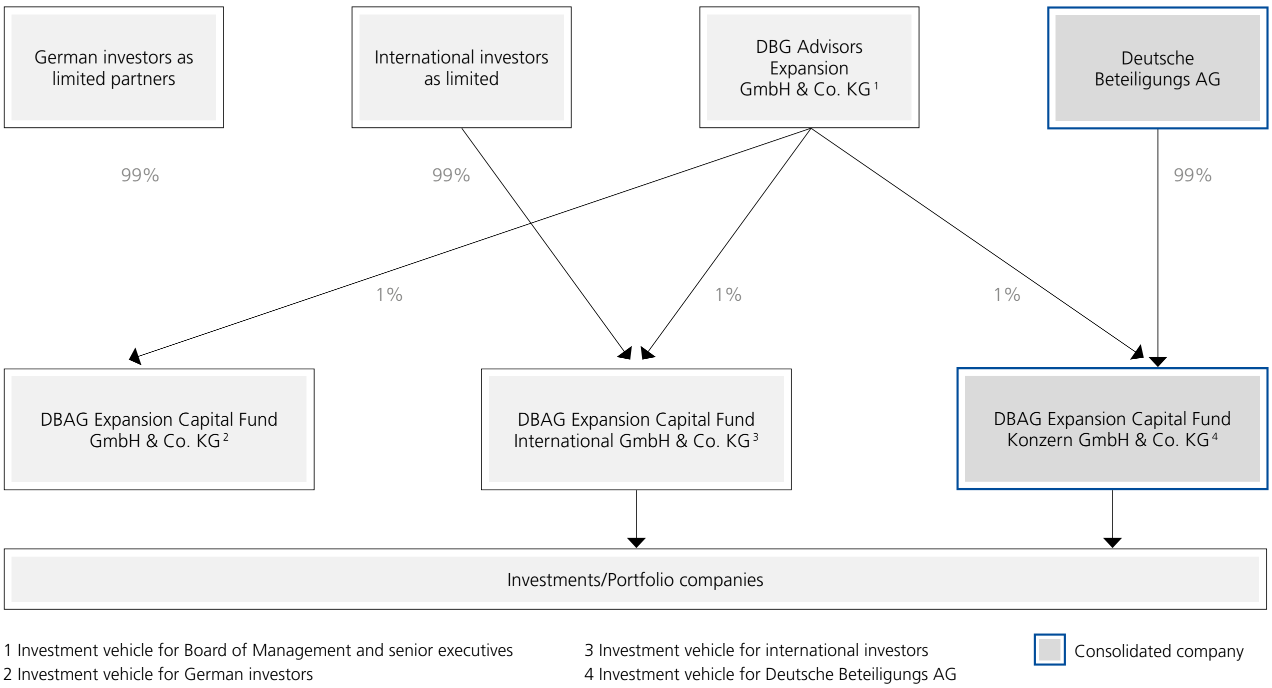
DBAG Expansion Capital Fund consists of the following fund companies that jointly acquire investments at a fixed ratio:

| **Fund company** | Qualification | Investment share held by investment team *(%)* | Max. profit share of investment team *(%)* |
|---|---|---|---|
| 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 | Group company | 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

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. 2013 to 31 Oct. 2014** | | | | | | |
| DBG Advisors Expansion GmbH & Co. KG | **(190)** | **273** | **62** | **273** | **0** | **0** |
| **Period from 1 Nov. 2012 to 31 Oct. 2013** | | | | | | |
| DBG Advisors Expansion GmbH & Co. KG | **252** | **0** | **252** | **0** | **0** | **0** |

The negative investments in the reporting 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 reporting year by Board of Management members of T€26 (previous year: T€252).

## 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 team |
|---|---|---|---|
| DBAG Fund VI (Guernsey) L.P. | Related party | 0.01 | 20.0 |
| DBAG Fund VI Konzern (Guernsey) L.P. | Group company | 0.01 | 20.0 |

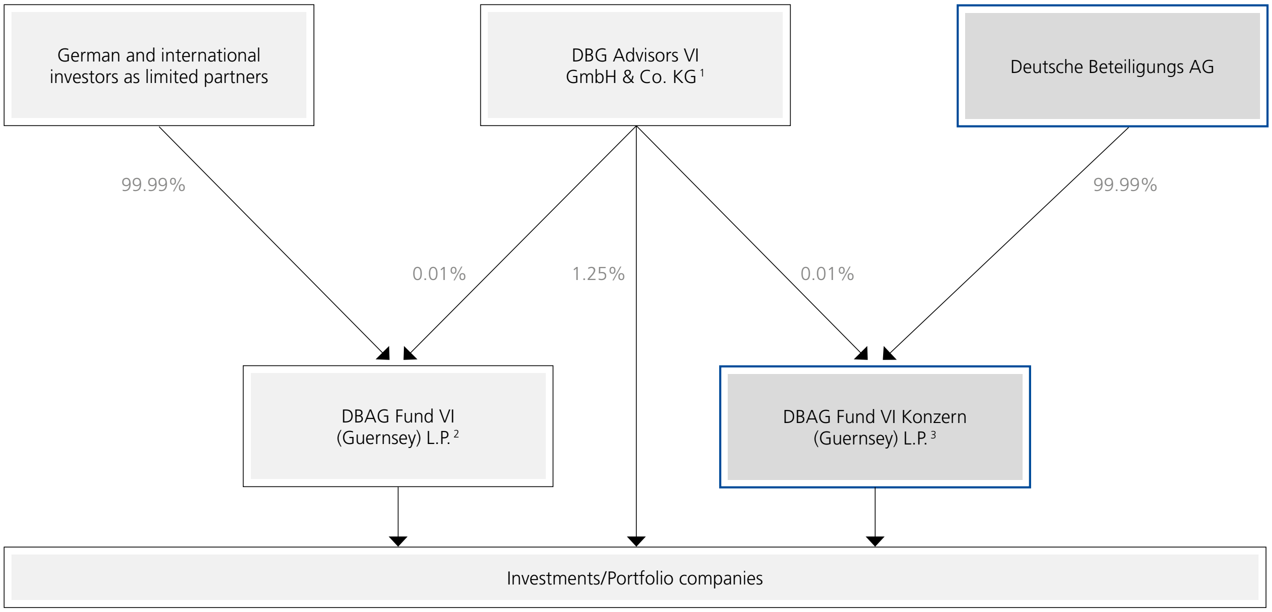
1 Without proportional direct investment by DBAG Advisors VI GmbH & Co. KG in investments of DBAG Fund VI of 1.25 percent

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. was a Group company of DBAG at the reporting date.

**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
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. 2013 to 31 Oct. 2014** | | | | | | |
| DBG Advisors VI GmbH & Co. KG | **(735)** | **764** | **530** | **764** | **1** | **0** |
| | | | | | | |
| **Period from 1 Nov. 2012 to 31 Oct. 2013** | | | | | | |
| DBG Advisors VI GmbH & Co. KG | **1,265** | **0** | **1,265** | **0** | **0** | **0** |

The negative investments in the reporting year result 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 reporting year by Board of Management members of T€290 (previous year: T€1,265).

## 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 IV | 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 11):

| T€ | 2013/14 | 2012/13 |
|---|---|---|
| DBG Fonds I | 1,831 | 696 |
| DBG Fonds III | 20 | 20 |
| DBAG Fund IV | 418 | 614 |
| DBAG Fund V | 5,041 | 5,892 |
| DBAG Expansion Capital Fund | 862 | 2,070 |
| DBAG Fund VI | 13,536 | 9,568 |
| Other | 28 | 29 |
| | **21,736** | **18,889** |

DBG Fonds I consists 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.

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 Group company 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. For the DBAG Expansion Capital Fund, this income amounts to 1.75 percent of the capital commitments of 142 million euros, or 1.75 percent of the historical cost of the fund companies' investments after the investment period has ended.

The fund company DBAG Fund VI (Guernsey) L.P. is managed by the managing partner DBG Fund VI GP (Guernsey) L.P. 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) L.P. 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 partly serve on 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 2013 to 31 October 2014, they were entitled to compensation totalling T€290 (previous year: T€288) for these services, which has been transferred in full to Deutsche Beteiligungs AG and recognised in "Other operating income".

Treuinvest Service GmbH and Deutsche Treuinvest Stiftung are related parties that act as trustees within the scope of a bilateral contractual trust arrangement for pension-related plan assets. Both companies together receive an annual net fee of T€7 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 2013/14, another T€20 (previous year: T€20) were allocated to the Foundation's endowment to pursue its tax-privileged objectives. At 31 October 2014, total allocations to the Foundation's endowment amounted to T€140. 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.

## 41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The key items in the accounts of Deutsche Beteiligungs AG containing financial instruments are carried completely (financial assets and long- and short-term securities) 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.

## 42. RISK MANAGEMENT

For information on risk management objectives and methods, please refer to note 34 and the discussion in the combined management report.

## 43. AUDIT FEES AND AUDIT-RELATED SERVICES

Total fees paid to the auditor are comprised of the following:

| | 2013/14 | | |
|---|---|---|---|
| *T€* | **Parent company** | **Subsidiaries** | **Total** |
| Audit consolidated/separate financial statements | 284 | 37 | 321 |
| Tax advisory services | 226 | 17 | 243 |
| Other consultancy services (not reimbursable) | 51 | 46 | 97 |
| | **561** | **100** | **661** |
| Other consultancy services (reimbursable) | 92 | 101 | 193 |
| | **653** | **201** | **854** |

Consultancy services were partially charged to DBAG funds and/or the portfolio companies.

## 44. MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

### Supervisory Board*

**ANDREW RICHARDS,**
*Bad Homburg v. d. Höhe (Chairman)*

Executive Director of PARE-Unternehmensberatung GmbH, Bad Homburg v. d. Höhe

Comparable offices in Germany and internationally
- PINOVA Capital GmbH, Munich (Chairman)

**GERHARD ROGGEMANN,**
*Hanover (Vice Chairman)*

Vice Chairman of Canaccord Genuity Limited, London, Great Britain (until 31 August 2014)

Senior Advisor of Edmond de Rothschild Private Merchant Bank LLP, London, Great Britain (since 1 September 2014)

Statutory offices
- Deutsche Börse AG, Frankfurt/Main (Vice Chairman)
- Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe
- GP Günter Papenburg AG, Schwarmstedt (Chairman)
- WAVE Management AG, Hanover (since 19 November 2013; Vice Chairman)

**ROLAND FROBEL,**
*Isernhagen*

Director of Administration and Finances, Dirk Rossmann GmbH, Burgwedel

Statutory offices
- SIMONA AG, Kirn (Vice Chairman)

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 (since 10 July 2014)

Comparable offices in Germany and internationally
- Dirk Rossmann GmbH, Burgwedel

**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 31 October 2014

## Board of Management*

**TORSTEN GREDE,**
*Frankfurt/Main (Spokesman)*

Statutory offices
- Homag Group AG, Schopfloch (until 10 October 2014, Chairman)

Comparable offices in Germany and internationally
- Clyde Bergemann Power Group, Inc., Delaware, USA
- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt (since 9 April 2014)
- Treuburg GmbH & Co. Familien KG, Ingolstadt (since 9 April 2014)

**DR ROLF SCHEFFELS,**
*Frankfurt/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 (Chief Financial Officer)*

Comparable offices in Germany and internationally
- DBG Fifth Equity Team GmbH & Co. KGaA, Frankfurt/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 31 October 2014

# 45. LIST OF SUBSIDIARIES AND ASSOCIATES

| **Name** | Domicile | Equity share (%) | Equity capital (T€) | Operating result of past financial year (T€) |
|---|---|---|---|---|
| **45.1 CONSOLIDATED COMPANIES** | | | | |
| *45.1.1 Consolidated companies* | | | | |
| DBG Advisors Kommanditaktionär GmbH & Co. KG | Frankfurt/Main | 33.33 | 7,556 | 4,370 |
| DBG Fourth Equity Team GmbH & Co. KGaA | Frankfurt/Main | 100.00 | 87 | (5) |
| DBG Management GmbH & Co. KG | Frankfurt/Main | 100.00 | 260 | 934 |
| DBG New Fund Management GmbH & Co. KG | Frankfurt/Main | 100.00 | 3 | 565 |
| Deutsche Beteiligungsgesellschaft mbH | Königstein/Taunus | 100.00 | 24,223 | 382 |
| DBAG Fund V Konzern GmbH & Co. KG | Frankfurt/Main | 99.00 | 64,308 | 7,884 |
| DBG Managing Partner GmbH & Co. KG | Frankfurt/Main | 20.00 | 6,945 | 11,795 |
| DBG Managing Partner Verwaltungs GmbH | Frankfurt/Main | 100.00 | 17 | (1) |
| DBAG Expansion Capital Fund Konzern GmbH & Co. KG | Frankfurt/Main | 99.00 | 11,678 | 309 |
| DBAG Fund VI Konzern (Guernsey) L.P. | St, Peter Port (Guernsey) | 99.99 | 24,573 | 799 |
| *45.1.2 Non-Consolidated companies* | | | | |
| Bowa Beteiligungsgesellschaft mbH & Co. KG | Frankfurt/Main | 100.00 | 0 | (7) |
| Bowa Geschäftsführungs GmbH | Frankfurt/Main | 100.00 | 61 | 2 |
| DBG Beteiligungsgesellschaft mbH | Frankfurt/Main | 100.00 | 104 | 6 |
| DBG Epsilon GmbH | Frankfurt/Main | 100.00 | 23 | (1) |
| DBG Fifth Equity Team GmbH & Co. KGaA | Frankfurt/Main | 100.00 | 3,946 | 494 |
| DBG Fourth Equity International GmbH | Frankfurt/Main | 100.00 | 35 | 0 |
| DBG Lambda GmbH | Frankfurt/Main | 100.00 | 19 | 0 |
| DBG My GmbH | Frankfurt/Main | 100.00 | 145 | (4) |
| DBG UK Management Ltd.[1] | London | 100.00 | – | – |
| DBV Drehbogen GmbH | Frankfurt/Main | 100.00 | 33 | (1) |
| Gizeh Verpackungen Beteiligungs-GmbH i. L. | Bergneustadt | 99.67 | 78 | 5 |
| DBG Alpha 5 GmbH | Frankfurt/Main | 100.00 | 25 | (4) |

| Name | Domicile | Equity share (%) | Equity capital (T€) | Operating result of past financial year (T€) |
|---|---|---|---|---|
| **45.2 JOINT VENTURES** | | | | |
| Q.P.O.N. Beteiligungs GmbH[2] | Frankfurt/Main | 49.00 | 25 | 1 |
| **45.3 ASSOCIATES** | | | | |
| DBG Asset Management, Ltd. | Jersey | 50.00 | 276 | (23) |
| DS Technologie Holding GmbH i. L. | Frankfurt/Main | 40.74 | 4,835 | 2,368 |
| ECF Breitbandholding GmbH[3] | Frankfurt/Main | 41.78 | – | – |
| Grohmann Engineering GmbH | Prüm | 24.01 | 30,134 | 4,926 |
| Plant Systems & Services PSS GmbH[3] | Bochum | 20.47 | – | – |
| RQPO Beteiligungs GmbH | Frankfurt/Main | 49.00 | 34 | 1 |
| RQPO Beteiligungs GmbH & Co. Papier KG | Frankfurt/Main | 44.10 | 0 | (8) |

1 Consolidated/separate financial statements not issued
2 Proportionate consolidation
3 Latest financial statements not available

## 45.4 OTHER COMPANIES

**Based on its investment, DBAG holds more than five percent of the voting rights in the following corporations:**

| | |
|---|---|
| Broetje-Automation GmbH | Wiefelstede |
| Clyde Bergemann Group | Delaware, USA |
| Coveright Surfaces Beteiligungs GmbH i. L. | Frankfurt/Main |
| FDG Holding S.à.r.l. | Luxemburg |
| Formel D GmbH | Troisdorf |
| Heytex Bramsche GmbH | Bramsche |
| Romaco GmbH | Karlsruhe |
| Spheros GmbH | Gilching |

Frankfurt/Main, 19 December 2014

The Board of Management

Torsten Grede Dr. Rolf Scheffels Susanne Zeidler