

## SHARE PRICE MOVEMENT AND LIQUIDITY

### SHARE PRICE CLEARLY OUTPERFORMED BENCHMARK INDICES

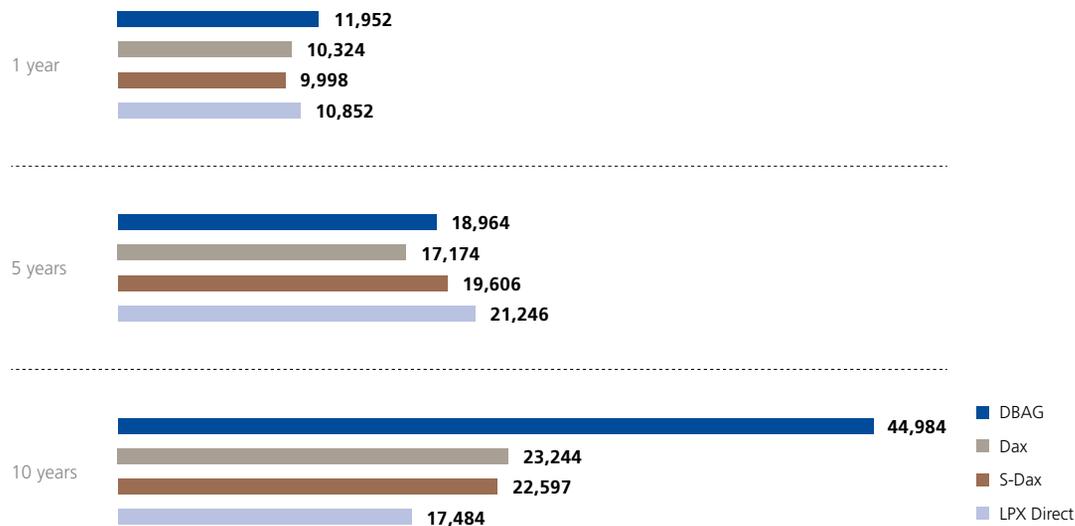
In financial year 2013/14, DBAG shares clearly outpaced key benchmark indices. Driven by a strong trend at the beginning of the financial year, they reached their peak price of 22.82 euros in Xetra trading in January 2014 and then largely moved sideways. Following the Annual Meeting, the share price declined, as has often been the case with our shares. The year's low of 18.50 euros was reached in mid-April, from which the shares quickly rebounded. After that, DBAG shares benefitted from the announced Homag realisation and fluctuated only within a narrow range of between 21 euros and 22 euros in a highly volatile market. At the end of the financial year, DBAG shares closed at 21.83 euros in Xetra trading.



*On 31 October 2014, LPX Direct consisted of 30 constituents with a market capitalisation of 46.9 billion euros. DBAG shares are the only German component in the index, with a weighting of 0.64 percent.*

### PERFORMANCE OF DBAG PORTFOLIO OVER ONE, FIVE AND TEN YEARS

*(Initial investment of 10,000 euros on 1 November of the years 2013, 2009 and 2004; €)*



In March 2014, a dividend of 0.40 euros per share and a surplus dividend of 0.80 euros per share were paid for financial year 2012/13, a total of 16.4 million euros. This corresponds to a dividend yield of 6.6 percent based on the net asset value per share at the outset of the financial year (less the dividend paid for the previous year), or 6.2 percent measured by the opening share price at the beginning of the year. The share price movement and dividend payment result in a total return of 19.5 percent for DBAG shareholders this financial year. DBAG shares thus outperformed major benchmark indices. Over this period, the Dax merely gained 3.2 percent, the S-Dax, in net terms, remained unchanged and the LPX Direct, an index of other private equity stocks, grew by 8.5 percent. Over longer periods of time, an investment in DBAG shares has also – in part significantly – outperformed investments in the LPX Direct, or the Dax and S-Dax.

### **SHARE LIQUIDITY: TRADING VOLUME AT HIGHEST LEVEL IN FIVE YEARS**

One particularly gratifying aspect is that the price movement of DBAG shares was accompanied by significantly improved share liquidity. At 7.2 million shares, compared with 6.1 million shares in the previous year, trading volume on German stock exchanges reached its highest level since the financial market crisis in 2008. This is all the more noteworthy since over-the-counter trading clearly gained in importance during the same period. The Bloomberg Information System identified another 2.4 million DBAG shares traded directly between buyers and sellers in financial year 2013/14. That means that almost one quarter of trading in DBAG shares took place over the counter. Five years ago, this platform was hardly ever used, whereas in 2012/13, OTC transactions accounted for almost 29 percent.

Apart from the turnover peak that is frequently observed in March, the month in which the Annual Meeting is held, monthly turnovers in DBAG shares were balanced more equally in 2013/14 than in the preceding year. Consistent marketability is an important feature for many institutional investors in assessing the quality of stocks. An average of 28,741 shares (previous year: 24,155) were traded daily on German stock exchanges. Some 72 percent of the turnover (previous year: 76 percent) was Xetra-traded. Relative to the free-float market capitalisation, shares in float ownership had a turnover rate of 1.00 (2012/13: 0.90).<sup>2</sup>

<sup>2</sup> Stock exchange turnover and OTC turnover, calculated with a free-float proportion of 70.0 percent

## RECOMMENDED APPROPRIATION OF PROFIT DIVIDEND POLICY UNCHANGED: SURPLUS DIVIDEND FOLLOWING SUCCESSFUL HOMAG REALISATION

One of our major financial objectives is to have the shareholders of Deutscheeteiligungs AG participate in the Company's performance through regular dividends. In pursuit of that objective, our dividend policy has remained unchanged for many years. It consists of two components: a base dividend and a surplus distribution which is disbursed in instances of particularly high realisation proceeds and sufficient liquidity. That policy will again be maintained for financial year 2013/14.



*Overview of dividend policy –  
management report:  
Objectives and strategy,  
page 61*

In accordance with the legal framework in Germany, the separate financial statements of Deutscheeteiligungs AG drawn up in conformity with the German Commercial Code (Handelsgesetzbuch – HGB) are decisive in determining DBAG's ability to pay dividends. The HGB-formatted annual profit is largely based on realised disposals. Apart from permanent value impairment, unrealised valuation movements are not considered in HGB accounting.

Following the profitable realisation of the investment in Homag, the base dividend is to remain unchanged at 0.40 euros per share. In addition, a surplus dividend of 1.60 euros is to be distributed to shareholders. In total, the Board of Management and the Supervisory Board will therefore recommend paying a dividend of 2.00 euros per share, or 27.4 million euros, to shareholders at the Annual Meeting. This equates to a dividend yield relative to net asset value per share at the outset of the financial year (less dividends paid for the previous year) of 10.4 percent. The average dividend yield for the past ten financial years – the period for which the present dividend policy has been in effect – is 9.3 percent.