Deutsche Beteiligungs AG

2010 2011

Interim Report

at 31 January 2011

Financial highlights (IFRS) at a glance

		1st quarter 2010/2011	1st quarter 2009/2010
New investment [1]	€mn	0.5	2.1
IFRS carrying amount of investments (31 January) [1]	€mn	125.4	92.0
Number of investments (31 January)		17	18
EBIT	€mn	9.1	11.7
Earnings before taxes (EBT)	€mn	9.4	11.8
Net income	€mn	10.0	9.3
Consolidated retained profit	€mn	83.1	61.9
Equity (31 January)	€mn	283.8	265.9
Cash flows from operating activities	€mn	(3.7)	(1.4)
Cash flows from investing activities	€mn	17.6	40.7
Cash flows from financing activities	€mn	0.0	0.0
Change in cash funds	€mn	14.0	39.4
Earnings per share [2]	€	0.73	0.68
Net asset value (equity) per share	€	20.75	19.44
Change in net asset value per share [3]	%	3.9	3.8
Employees (31 January)		52	47

[1] Without shelf companies and group companies mainly attributable to third parties
[2] In relation to weighted number of shares outstanding in each period
[3] Change in net asset value per share at the closing date in relation to opening net asset value per share at beginning of period, less the sum proposed for dividend payment

Deutsche Beteiligungs AG <DBAG>

Deutsche Beteiligungs AG is a leading German private equity company. We invest in successful companies whose products and services have gained them outstanding positions in their markets. Additionally, we manage assets entrusted to us by investors to invest through co-investment funds. Our accomplishments of recent years are rooted in our distinct focus on growth-driven, profitable, internationally operating companies. Drawing on our long years of investing experience, we aim to achieve attractive returns on buyout and expansion capital investments.

Contents

Letter to Shareholders

Good start to new financial year

Dear Shareholders,

Good news accompanies our start to the 2010/2011 financial year: A first closing held for the new co-investment fund that will be making expansion capital investments alongside Deutsche Beteiligungs AG documents investors' confidence in our investment team. Our portfolio companies continue to make good progress. A number of them have posted better-than-expected results for 2010 – our investee business Preh, for instance, an automotive supplier, generated record-high revenues and achieved its best level of earnings in the company's history.

Deriving from the portfolio's very satisfactory development, we also posted a positive first-quarter result: For the three months to 31 January 2011, we achieved net income of 10.0 million euros. Net asset value rose by 3.9 percent, or 0.72 euros, to 20.75 euros per share. In the equivalent period the previous year, we had recorded first-quarter net income of 9.3 million euros and a 3.8 percent increase in net asset value per share, mostly carried at the time by the rise in the price of Homag shares; these have now contributed less than one million euros to the net result of valuation.

In recent months, our investment team has been very intensively screening a stronger stream of investment opportunities – consisting both of majority interests up for sale, which would enable us to structure management buyouts, and of enquiries for expansion capital investments. Competition for attractive companies has once again become tough. This could be to our advantage in the coming months in our role as a vendor of companies from the portfolio. Conversely, this situation will naturally weigh on our position as a buyer. Irrespective of the stronger competition, both the number and quality of investment opportunities are clearly better than a year ago. Moreover, arranging the financing for acquisitions has become easier. Thus, we hope to complement the portfolio in the coming months and thereby lay the foundation for future value growth.

We have ample funds at our discretion for new investment: in addition to 120 million euros (after the recommended dividend payment on 24 March 2011) from our own balance sheet, we can drawn on commitments of more than 200 million euros to our buyout fund, plus another 70 million to our fund for expansion capital investments.

We also look confidently ahead to the development of the companies in the portfolio. Our investee businesses took the appropriate action during the recent crisis to strengthen them for the future and they are now profiting from it.

All in all, we expect positive momentum from the portfolio for the net result of valuation – the key item on our income statement. We are not, however, able to foresee what the valuation ratios in the quoted markets will be in three, six or nine months' time. Now that several multiples have surpassed historical averages, we are not unaware of the risk of falling multiples. The natural disaster that has hit Japan and its incalculable consequences for the region could also cloud the sentiment in the quoted markets. Such events can have serious implications for the global economy. Whether or not the portfolio companies' good levels of order intake and margin improvements will be mirrored in an equally positive net result of valuation is not predictable. Our forecast is therefore subject to conditions: Given a stable capital market setting and a persistent positive economic environment, we expect positive results in the coming quarters for Deutsche Beteiligungs AG.

The Board of Management of
Deutsche Beteiligungs AG

Quarterly financial report

Management's interim report on the first quarter (1 November 2010 to 31 January 2011)

The group and underlying conditions

Strategy: Investments in select core sectors; financing alongside co-investment funds

Deutsche Beteiligungs AG focuses the major part of its investments on companies whose business models are rooted in the outstanding engineering quality of their products and in specialised services. Companies such as these are found in the mechanical and industrial engineering sector, among automotive suppliers, in specialty chemicals, measurement and automation technology and among specialised service providers for different industries.

Deutsche Beteiligungs AG invests in established companies with a proven business model. Key conditions for an investment are a target company's profitability prospects, strong market position and unique propositions in its product and service offerings. This strategy excludes investments in early-stage and small companies.

The investment performance of Deutsche Beteiligungs AG is based, among other things, on the application of proven private equity work methods. These include an in-depth due-diligence process prior to making an investment and, during the holding period, supporting the portfolio companies' managements in implementing their corporate concepts by taking offices on advisory councils and supervisory boards.

Besides investing the assets of Deutsche Beteiligungs AG, an integral part of the financing strategy is to additionally invest the capital of other German and international private equity investors. Deutsche Beteiligungs AG manages the capital committed by these investors through co-investment funds. These funds co-invest alongside Deutsche Beteiligungs AG at the same terms in the same investee businesses and in the same instruments. Co-investment funds have independent decision-taking structures and operate on their own account. Deutsche Beteiligungs AG earns fee income for accessing investment opportunities and managing the investments of these funds. This fee income serves to cover a part of the operating costs of Deutsche Beteiligungs AG. Fees for management services to co-investment funds are value-related. During the investment phase,

fees are based on the capital committed by the fund's investors. In the subsequent period, they are measured by the historical cost of the investments remaining in the fund's portfolio.

Our investment activity is targeted at building the value of investments and realising that value after a period of four to seven years upon an investment's ultimate sale. That way, we aim to augment the value of Deutsche Beteiligungs AG on the long-term average by an amount that exceeds the cost of equity. We have achieved this target over the past ten-year period (2000/2001 to 2009/2010). The average return on net asset value – or equity – per share was 12.2 percent over that period. Shareholders of Deutsche Beteiligungs AG have profited from the attractiveness of the asset class of private equity, whose returns in the past have been superior to those of other, traditional asset classes.

M&A market continues to revive

The business climate in Germany's private equity market is showing continued improvement. The upbeat sentiment that has surfaced in sector surveys is now mirrored in stronger investment activity. In terms of value, private equity investments in Germany reached 4.44 billion euros in 2010, according to data issued by the German Private Equity and Venture Capital Association/Bundesverband Deutscher Kapitalbeteiligungsgesellschaften (BVK). That exceeds the crisis year of 2009 by some 60 percent.

The data for the segments of the market in which Deutsche Beteiligungs AG chooses to operate also confirm that general trend. Mid-market management buyouts in Germany experienced a pronounced recovery in 2010, after having receded in 2009 to levels recorded in 2001 and 2002. There were nearly twice as many transactions, and the total value of all completed transactions was clearly more than double the previous year's amount. The market is, nonetheless, still far from reaching the levels achieved in the period from 2005 to 2007: 2010 saw 24 transactions with a value of 2.8 billion euros (previous year: 13 transactions valued at 1.3 billion euros). The statistics relate exclusively to majority takeovers by financial investors, in which the target companies' managements co-invest, with a transaction value of 50 to 250 million euros for the debt-free company. The market for expansion capital investments exhibited a similar trend. Investments in the period from January to December 2010 were more than double the amount recorded in 2009 (801 million euros; 2009: 322 million euros), the BVK reported.

Availability of acquisition finance improved during 2010. In the second half of the year, a few banks returned to extending lending commitments for the full amount, at least for smaller buyouts. The funding volume, measured by a multiple of annual earnings, rose in the course of the year, but there were still transactions that were completely financed by equity. Mezzanine capital continued to play a subordinate role in buyout funding.

The deal flow – or access to potential investments – has clearly grown stronger in recent months. However, competition for attractive companies is also more intense. The reason for this is an overhang of funding available for private equity investment which was not invested during the crisis and the rapid upswing that followed, due to the low number of potential targets. Based on our observations, strong competition for a still limited stream of investment opportunities is currently driving prices.

Macroeconomic environment: Growth persists

Towards the year-end 2010, the upswing in Germany had slowed down slightly. Nevertheless, Germany ranked at the top in Europe this past year, posting growth of 3.6 percent. The German economy has recovered four-fifths of the drop it experienced in the wake of the recent recession. The data coming from different industries corroborate that trend: Germany's mechanical and industrial engineering sector generated revenues in real terms this past year that amount to more than 80 percent of those reached in its record year of 2008; there is talk of an "unprecedented race to regain lost ground" in the industry, which expects the upswing to endure and machine production to rise by ten percent in 2011. Like mechanical engineering, other sectors also report that the prime growth driver is the booming demand from Asia.

Elsewhere in Europe, growth was weaker; major economies such as France and Great Britain trailed behind in their growth rates, and the economies in southern Europe stagnated. Overall, however, recovery in the global economy is making good progress. In 2011, the world economy is expected to expand by 4.4 percent, and even stronger growth is forecast for the year thereafter – supported to a large extent by the prosperity in emerging countries. Without losing sight of possible risk factors such as rising commodity prices, the persistent fragility of the finance system and the consequences in the aftermath of the natural disaster in Japan, this, all in all, constitutes favourable underlying conditions for our portfolio companies.

Staff

At the quarterly reporting date, DBAG employed a staff of 47, plus five apprentices. One year ago, the staff numbered 42 and there were also five apprentices.

Current trading and financial performance

Earnings position: Portfolio companies' improved 2011 earnings forecasts bolster valuation

Deutsche Beteiligungs AG achieved net income of 10.0 million euros in the first quarter of financial year 2010/1011. After accounting for other comprehensive income, the gain led to a rise in net asset value per share to 20.75 euros at 31 January 2011, up from 20.03 euros at 31 October 2010. Adjusted for the proposed dividend of 1.40 euros per share, this equates to a return on equity of 3.9 percent. The comparative period in the previous year ended with net income of 9.3 million euros and a gain in net asset value of 3.8 percent [1].

A key determinant of the interim financial statements is the net result of investment activity; it consists of the net result of valuation and disposal and current income from financial assets.

The net result of valuation and disposal for the first quarter (12.4 million euros, after 12.2 million euros in the same period the previous year) derives from positive value movements of most of the investments in the portfolio. Whereas the price rise of Homag shares had a strong effect on the net result of valuation and disposal (7.0 million euros of 12.2 million euros) in the first quarter of the previous year, this investment now contributed only 0.7 million euros. The total value of the other, non-quoted companies in the portfolio advanced markedly. A prime influential factor for the gain was the improvement in forecast earnings by our investee businesses for the current year in comparison to 2010.

[1] Net asset value per share reported at the end of the first quarter in the preceding year was 19.61 euros. Based on a change in an accounting treatment, net asset value at 31 January 2010 was restated at 19.44 euros per share. The change in the accounting treatment is explained on pages 72 and 99 of the 2009/2010 Annual Report.

Income from financial assets, totalling 0.1 million euros, was virtually insignificant; in the comparative period the previous year, it had amounted to 2.4 million euros. This was chiefly due to a distribution of 2.2 million euros, which had concurrently led to a distribution-related write-down.

Personnel costs of 3.0 million euros are marginally below those of the first quarter of the preceding financial year (3.1 million euros), due largely to lower provisions for variable income components. Other operating income reached 2.8 million euros in the first quarter (same period the previous year: 3.3 million euros). In the prior year, a special effect of 0.6 million euros arising from the recognition of management fee income positively influenced this item. Other operating expense of 3.1 million euros was slightly above that of the previous year (3.0 million euros). This item contains higher expense for screening investment targets as well as allocations to provisions of 0.4 million euros for possible exposure to value-added tax risk.

Net interest in the amount of 0.2 million euros (same period the previous year: 0.1 million euros) reflects the current low interest rate level. The major part of the Company's liquidity is still held in low interest-bearing German government securities.

Other income/expense items ("Total other income/expense"), which can be regarded as net expense for business operations, amounted to -3.1 million euros. This exceeds the previous year's first-quarter amount by 0.3 million euros.

Financial position: Liquid assets regrouped

The liquid asset position of Deutsche Beteiligungs AG consists of two components: cash and securities. In the first quarter, all short-term securities matured; this, correspondingly, led to a rise in the Company's cash position in the accounts. In aggregate, liquid assets remained nearly unchanged over the first quarter; totalling 140.6 million euros, they only fell short of the opening amount at the start of the financial year by 0.1 million euros (140.7 million euros; 31 January 2010: 164.3 million euros). There are no liabilities to banks.

Key cash inflows came from Hochtemperatur Engineering GmbH, whose liquidation is in progress, and from two international buyout funds following realisations from their portfolios. Cash outflows relate, among other things, to investment income tax expenses and current operating costs.

Asset position and portfolio development

The portfolio of Deutsche Beteiligungs AG consisted of 17 investments at the quarterly reporting date. New investment in the first quarter totalled 0.5 million euros. The funding was channelled into two existing investments, including an international buyout fund. There are undrawn capital commitments to international buyout funds of 3.6 million euros currently remaining.

We measure the fair value of our investments on the basis of internal valuation guidelines at quarterly intervals. The principles and methods of valuation we employ are described in our Annual Report (pages 63ff. of the 2009/2010 Annual Report). Among the 17 investments in the portfolio are a number of older commitments that are meanwhile of subordinate significance for the portfolio value – for instance, international buyout funds in the liquidation phase. Based on the valuation method we employ, our investments may be subject to value fluctuations. Consequently, even larger investments may temporarily lose in significance for the value of the portfolio. At 31 January 2011, the following ten alphabetically ordered investments were the largest in the portfolio, measured by their IFRS value. They account for 90 percent of the total portfolio value. An extended list of investments is presented on page 23 of this report.

Management buyouts account for 85.2 percent of the total portfolio value of 125.4 million euros. Another 7.6 percent are attributable to expansion capital investments, and 7.1 percent fall to international buyout funds.

Company	Historical cost (€mn)	Share held by DBAG (%)	Business segment	Industrial sector
Clyde Bergemann Group	9.2	17.8	MBO	Mechanical and industrial engineering
Coperion GmbH	10.6	18.8	MBO	Mechanical and industrial engineering
DBG Eastern Europe II L.P.	5.8	14.9	Fund investment	Buyout funds
FDG S.A.	4.9	15.5	MBO	Industrial services
Grohmann GmbH	2.1	25.1	Expansion capital	Mechanical and industrial engineering
Heim & Haus GmbH	6.6	20.4	MBO	Consumer goods
Homag Group AG	21.4	16.8	MBO	Mechanical and industrial engineering
ICTS Europe Holdings B.V.	6.4	18.8	MBO	Industrial services
JCK KG	3.0	3.6	Expansion capital	Consumer goods
Preh GmbH	3.7	17.0	MBO	Automotive suppliers

Shares

Shares trading at premium to NAV

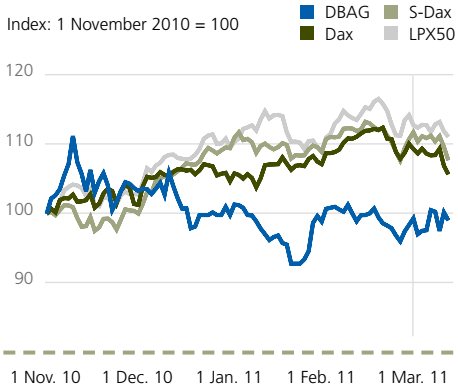
Recording relatively high levels of trading, shares in Deutsche Beteiligungs AG initially outperformed the benchmark indices, but then clearly fell behind beginning in mid-November. After the dividend announcement, however, the trend reversed. At the end of the quarter, DBAG shares had lost slightly (minus 1.1 percent) on the opening quotation at the start of the financial year, whereas the benchmark indices gained between seven and eight percent over the same period. DBAG shares are still one of the few comparative quoted private equity stocks that are trading at a premium to net asset value.

After stock market turnover had been on a continual decline over several quarters, it again increased in the first quarter of 2010/2011. Averaging some 30,900 shares with a value of approximately 648,000 euros daily, liquidity was over 80 percent higher than in the preceding quarter and the average recorded last financial year. Market capitalisation reached 284.5 million euros at the end of the quarter, of which some 227.2 million euros were in free-float ownership. DBAG shares ranked 27th among the 50 stocks indexed in the S-Dax.

At the end of January, Berenberg Bank published a research report on Deutsche Beteiligungs AG, stating an upside target of 24 euros over a horizon of two years and issuing a "buy" recommendation. The other analysts monitoring our shares either confirmed their recommendations or partly raised their upside targets subsequent to the presentation of the financial statements for the 2009/2010 financial year on 28 January 2011. Analysts' current ratings are regularly documented on our website at www.deutsche-beteiligung.de/IR.

Share performance from 1 November 2010 to 11 March 2011

in %



Potential, rewards and risks

Confident about portfolio companies' development; risk for valuations from changes in quoted markets

Our portfolio consists of very different companies. Many of them operate globally and have outstanding positions in their niche markets. Their businesses should profit from a general growth trend; nonetheless, many of these companies will not be immune to cyclical swings. In that respect, the global economic trend has an influence on our portfolio companies and, consequently, on the value of our financial assets. News from the German economy remains positive, but experts have voiced opinions that the optimism that has spread in Germany is not transferable to all of the world's major economic regions and that business activity may possibly lose some of its dynamism in the coming months.

Negative effects on the portfolio value may ensue not only directly from the portfolio companies' earnings and debt positions, but from changes in valuation ratios in the quoted markets as well. However, following a number of profitable realisations, the portfolio value in relation to equity is at present comparatively low. Liquid funds (including securities) still exceed the portfolio value. This momentarily puts into perspective the exposure to risk arising from global economic developments on net asset value per share. Based on the advanced stage of negotiations, it is possible that further realisations from the portfolio may take place this financial year.

Deutsche Beteiligungs AG, with its strong liquidity position of 140.6 million euros and substantial undrawn capital commitments to the DBAG Fund V and DBAG Expansion Capital Fund, is well placed to take advantage of investment opportunities in the coming years.

There are no risks perceivable that would endanger the Company as a going concern. The information contained in the risk management report of the Annual Report at 31 October 2010 therefore remains valid.

Report on expected developments: Portfolio to deliver positive contributions to income this financial year

The companies in the portfolio of Deutsche Beteiligungs AG are well positioned in the competitive field. They are reporting good levels of order intake and have for the most part presented budgets for 2011 that exceed those of the previous year in key financial data. Whether or not this will give rise to a positive valuation result and a consolidated profit will – based on the valuation logic common to our sector – also considerably depend on future movements in the quoted markets and the valuation ratios derived from them. Nevertheless, we are confident that the DBAG portfolio will deliver positive contributions to net income in the course of this financial year. Realisations from the portfolio could also contribute to net income – in the past, realisations generally achieved prices at an uplift to their most recent valuation.

For the period beyond this current financial year, we believe that Deutsche Beteiligungs AG is well equipped to take advantage of new investment opportunities as they arise, thereby laying the foundation for future value growth and attractive returns on equity.

Interim financial statements

at 31 January 2011

Consolidated income statement

for the period from 1 November 2010 to 31 January 2011

T€	1 Nov. 2010 to 31 Jan. 2011	1 Nov. 2009 to 31 Jan. 2010
Net result of investment activity		
Net result of valuation and disposal of investments and loans and receivables	12,409	12,179
Current income from investments and loans and receivables	104	2,374
Total net result of investment activity	**12,513**	**14,553**
Other income/expense		
Personnel costs	(2,983)	(3,144)
Other operating income	2,829	3,336
Other operating expense	(3,071)	(2,962)
Depreciation and amortisation on property, plant and equipment and intangible assets	(70)	(65)
Interest income	265	166
Interest expense	(70)	(77)
Total other income/expense	**(3,100)**	**(2,746)**
Net income before taxes	**9,413**	**11,807**
Income taxes	(1)	(10)
Net income after taxes	**9,412**	**11,797**
Minority interest (gains)/losses	599	(2,488)
Net income	**10,011**	**9,309**
Earnings per share in euros	0.73	0.68
Diluted earnings per share in euros	0.73	0.68

T€	1 Nov. 2010 to 31 Jan. 2011	1 Nov. 2009 to 31 Jan. 2010
Statement of comprehensive income		
Net income	**10,011**	**9,309**
Actuarial gains / (losses) on defined benefit plans / plan assets	(127)	(146)
Unrealised gains / (losses) on available-for-sale securities	(31)	0
Other comprehensive income	**(158)**	**(146)**
Total comprehensive income	**9,853**	**9,163**
Reconciliation of net income to consolidated retained profit:		
Net income	**10,011**	**9,309**
Profit carried forward from previous year	73,100	52,640
Consolidated retained profit	**83,111**	**61,949**

Consolidated statement of financial position

at 31 January 2011

Assets

T€	31 Jan. 2011	31. Oct. 2010
Non-current assets		
Intangible assets	25	25
Property, plant and equipment	885	841
Investments	138,411	129,853
Loans and receivables	4,962	4,742
Long-term securities	102,861	102,912
Other non-current assets	5,790	5,897
Total non-current assets	**252,934**	**244,270**
Current assets		
Receivables	2,986	2,899
Short-term securities	0	14,084
Other financial instruments	22	22
Income tax assets	15,646	12,684
Cash and cash equivalents	37,699	23,749
Other current assets	10,810	18,404
Total current assets	**67,163**	**71,842**
Total assets	**320,097**	**316,112**

Shareholders' equity and liabilities

T€	31 Jan. 2011	31. Oct. 2010
Shareholders' equity		
Subscribed capital	48,533	48,533
Capital reserve	141,394	141,394
Retained earnings	10,730	10,888
Consolidated retained profit	83,111	73,100
Total shareholders' equity	**283,768**	**273,915**
Liabilities		
Non-current liabilities		
Provisions for pension obligations	24	0
Minority interest	14,730	15,669
Deferred tax liabilities	126	130
Total non-current liabilities	**14,880**	**15,799**
Current liabilities		
Other current liabilities	1,889	6,894
Tax provisions	2,236	2,675
Other provisions	17,324	16,829
Total current liabilities	**21,449**	**26,398**
Total liabilities	**36,329**	**42,197**
Total shareholders' equity and liabilities	**320,097**	**316,112**

Consolidated cash flow statement

for the period from 1 November 2010 to 31 January 2011

Inflows (+) / Outflows (-) T€	1 Nov. 2010 to 31 Jan. 2011	1 Nov. 2009 to 31 Jan. 2010
Net income	10,011	9,309
Valuation gains (-) / losses (+) on financial assets and loans and receivables, depreciation and amortisation on property, plant and equipment and intangible assets	(12,280)	(11,847)
Gains (-) / losses (+) from disposals of non-current assets	(48)	(267)
Increase (+) / decrease (-) in non-current liabilities	(919)	653
Increase (-) / decrease (+) in income tax assets, increase (+) / decrease (-) in tax provisions	(3,401)	489
Increase (-) / decrease (+) in other assets (netted)	7,614	1,403
Increase (+) / decrease (-) in other liabilities (netted)	(4,668)	(1,095)
Cash flows from operating activities	**(3,691)**	**(1,355)**
Purchase of property, plant and equipment and intangible assets	(115)	(91)
Proceeds from disposals of financial assets and loans and receivables	4,090	43,865
Acquisition of non-current financial assets and investments in loans and receivables	(469)	(2,109)
Increase (-) / decrease (+) in securities	14,135	(919)
Cash flows from investing activities	**17,641**	**40,746**
Cash flows from financing activities	**0**	**0**
Change in cash funds from cash-relevant transactions	13,950	39,391
Cash funds at start of period	23,749	50,787
Cash funds at end of period	37,699	90,178

Consolidated statement of change in shareholders' equity

for the period from 1 November 2010 to 31 January 2011

T€	1 Nov. 2010 to 31 Jan. 2011	1 Nov. 2009 to 31 Jan. 2010
Subscribed capital		
At start and end of period	**48,533**	**48,533**
Capital reserve		
At start and end of period	**141,394**	**141,394**
Retained earnings and other reserves		
Legal reserve		
At start and end of period	403	403
First adoption IFRS		
At start and end of period	15,996	15,996
Provisions for actuarial gains / losses on defined benefit plans / plan assets		
At start of period	(5,269)	(2,204)
Change in the reporting period	(127)	(146)
At end of period	(5,396)	(2,350)
Revaluation reserve for unrealised gains / losses on available-for-sale securities		
At start of period	(242)	0
Change in the reporting period	(31)	0
At end of period	(273)	0
Retained earnings and other reserves at end of period	**10,730**	**14,049**
Consolidated retained profit		
At start of year	73,100	52,640
Net income	10,011	9,309
At end of period	**83,111**	**61,949**
Total	**283,768**	**265,925**

Condensed notes to the interim financial statements

for the first quarter of the 2010/2011 financial year

1. Basis of preparation

Deutsche Beteiligungs AG has prepared these consolidated interim financial statements at 31 January 2011 in conformity with the standards and interpretations of the International Accounting Standards Board (IASB), London, Great Britain, adopted by the European Union.

Furthermore, these consolidated interim financial statements at 31 January 2011 were drawn up in conformity with the rules of IAS 34 (Interim financial reporting).

2. Accounting and valuation policies

For these interim financial statements, the same accounting policies and methods of valuation and computation have been applied as for the most recent consolidated financial report for the year ended 31 October 2010 (see pages 97ff. of the Annual Report).

For the first time in the presentation of the consolidated financial statements at 31 October 2010, actuarial gains and losses arising from defined benefit plans and from plan assets have been recognised directly in equity through other comprehensive income. The change in the accounting treatment requires restating the comparative period. For the first quarter of the preceding 2009/2010 financial year, the change retrospectively had the following effects:

T€	Amount (declared)	Change in accounting treatment	Amount (restated)
Other non-current assets / (Pension provisions)	2,266	(2,327)	(61)
Retained earnings and other reserves	16,399	2,350	14,049
Personnel costs	3,167	(23)	3,144
Other comprehensive income / Actuarial gains / (losses) on plan assets	0	(146)	(146)

3. Seasonal and cyclical effects

Seasonal and cyclical effects are mirrored in the valuation of financial assets at fair value. Please see the discussion in the preceding section of this interim report for further information.

4. Unusual items

No unusual items have been recorded affecting assets, liabilities, equity, net income for the period, or cash flows, and which are unusual for the business operations of Deutsche Beteiligungs AG because of their nature, size, or incidence which have not been discussed in the preceding section of this interim report.

5. Changes in estimates of prior periods

There are no changes in estimates compared with the prior period.

6. Issuances, repurchases, and repayments of equity instruments and debt instruments

Equity or debt instruments were neither issued, repurchased, nor repaid in the first quarter of financial year 2010/2011.

7. Dividends paid

No dividends were paid in the first quarter of financial year 2010/2011.

8. Segment information

Segment information is not reportable, since only one segment exists (see description in the 2009/2010 Annual Report, page 118).

9. Related party transactions

The members of the Board of Management held the following numbers of shares in the Company at the reporting date: Mr von Hodenberg 30,000; Mr Grede 20,323; Mr Mangin 15,270; and Dr Scheffels 10,290. Of the members of the Supervisory Board, Mr Philipp Möller holds 1,000 shares in Deutsche Beteiligungs AG.

The 2010/2011 first-quarter loss of 0.6 million euros in minority interest contains a partial amount of 1.3 million euros that derives from a related party's former superior profit share entitlement, which has partly expired. The expiry of this profit entitlement led to an increase in net income. The profit entitlement arose from an indirect investment in the portfolio companies of DBAG Fund V by the investment team of Deutsche Beteiligungs AG; this investment was effected through a related party. Following new investments by DBAG Fund V, the conditions for this profit entitlement no longer exist.

Apart from this, there were no other related party transactions in the first quarter of the 2010/2011 financial year materially affecting the assets, financial or earnings position of the Group in this period.

10. Changes in the composition of the Group

There were no changes in the composition of the Group compared with the status at 31 October 2010 (see pages 96f. of the 2009/2010 Annual Report).

11. Changes in contingent liabilities and contingent assets

In the first quarter of financial year 2010/2011, there were no material changes in contingent liabilities and contingent assets.

12. Other information

There were no changes in the composition of the Board of Management in the first quarter of financial year 2010/2011.

Frankfurt am Main, 14 March 2011
The Board of Management

Consolidated interim financial statements

Portfolio companies

We invest in

- future-geared companies in select sectors, predominantly operating in capital goods industries and industrial services
- established companies with profitable business models, and
- companies with excellent prospects for development

Company	Revenues (2010) €mn	Number of staff	Core business
Clyde Bergemann Group Wesel/Glasgow/Delaware www.clydebergemann.de	US$469 mn (FY 2009/2010)	1,500	A developer and manufacturer of components for coal-fired power plants; Markets: worldwide
Coperion GmbH, Stuttgart www.coperion.com	345	1,700	A developer and manufacturer of compounding systems and bulk-materials handling equipment; Markets: worldwide
Coveright GmbH, Düsseldorf www.coveright.com	204	650	A developer and manufacturer of impregnated films for the furniture and building industries; Markets: worldwide
FDG Group, Orly, France www.fdg.fr	112	750	Non-food category management for supermarkets in select product lines; Markets: France and neighbouring countries
Grohmann GmbH, Prüm www.grohmann.com	72	550	A developer and provider of plants for industrial automation; Markets: Europe
Heim & Haus Holding GmbH, Düsseldorf www.heimhaus.de	122	500	A direct marketer of awnings, shutters and building components for private homes; Markets: Germany, Austria
Homag Group AG, Schopfloch www.homag-gruppe.de	718	5,050	A provider of woodworking machines and plants for the furniture and construction supplies industries; Markets: worldwide
ICTS Europe Holdings B.V., Amsterdam, NL www.ictseurope.com	340	10,000	A provider of security services for aviation and other areas; Markets: worldwide
JCK Holding GmbH Textil KG, Quakenbrück www.jck.de	467	782	A marketer of textiles; Markets: Germany
Preh GmbH, Bad Neustadt an der Saale www.preh.de	345	2,300	A developer and manufacturer of sophisticated driver operating and control elements for cars; Markets: Europe, USA

Financial calendar

Financial calendar 2011	
Report on the 1st quarter 2010/2011 Analysts' Conference Call	17 March 2011
Annual Meeting 2011, Frankfurt am Main (Hermann Josef Abs Room)	23 March 2011
Dividend payment	24 March 2011
Road show Frankfurt am Main	April 2011
Report on the first half-year 2010/2011	14 June 2011
LPEQ Investor Conference, London	14 June 2011
Road show Vienna	June 2011

Note

This Interim Report is published in German and in English. The German version of this report is authoritative.

Forward-looking statements

This report contains forward-looking statements related to the prospects and progress of Deutsche Beteiligungs AG. These statements reflect current views of the management of Deutsche Beteiligungs AG and are based on projections, estimates and expectations. Our assumptions are subject to risks and uncertainties, and actual results may vary materially. Although we believe these forward-looking statements to be realistic, there can be no guarantee.

Status: 14 March 2011

Registered office: Frankfurt am Main
Incorporated in the Commercial Register
at the District Court in Frankfurt am Main
Handelsregister B 52 491

Shareholder information

Deutsche Beteiligungs AG
Investor Relations and Public Relations
Thomas Franke
Kleine Wiesenau 1
60323 Frankfurt am Main, Germany
Telephone: +49 69 95787-361
Fax: +49 69 95787-391
E-Mail: IR@deutsche-beteiligung.de
Internet: www.deutsche-beteiligung.de

ISIN DE 0005508105
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