Deutsche Beteiligungs AG

Interim Report
at 31 July 2009

3rd Quarter 2008/2009

At a glance

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 management buyouts of growth-driven, profitable, internationally operating companies. The experience drawn from more than four decades of investment activity creates the platform on which to further develop our investment strategy.

Financial highlights		First nine months		3rd quarter	
		2008/2009	2007/2008	2008/2009	2007/2008
Investment [1]	€mn	4	9	2	0
IFRS carrying amount of investments (31 July) [1]	€mn	124	170		
Number of investments (31 July)	€mn	21	22		
EBIT	€mn	0.3	(8.7)	13.7	(7.5)
Earnings before taxes (EBT)	€mn	2.1	(4.7)	13.9	(6.3)
Consolidated loss/profit	€mn	(0.3)	(3.4)	12.1	(6.3)
Consolidated retained profit	€mn	23.5	66.9		
Equity (31 July)	€mn	239.0	292.5		
Cash flows from operating activities	€mn	1.1	1.0	7.3	8.9
Cash flows from investing activities	€mn	6.4	12.3	(0.8)	9.5
Cash flows from financing activities	€mn	(5.5)	(57.3)	0.0	0.0
Change in cash funds	€mn	2.1	(44.0)	6.5	18.4
Loss/earnings per share [2]	€	(0.02)	(0.25)	0.89	(0.46)
Cash flow per share [2] [3]	€	(0.33)	0.79	(0.37)	0.55
Net asset value (equity) per share (31 July)	€	17.48	21.39		
Change in net asset value per share [4]	%	(0.1)	(0.9)		
Employees (31 July)		46	44		

[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] Consolidated loss, less value changes to financial assets and loans and receivables, plus depreciation and amortisation on property, plant and equipment and intangible assets
[4] 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

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Letter to Shareholders

Profitable realisation spurs quarterly result

Dear Shareholders,

We concluded the first nine months of the current financial year posting a result close to break-even. That is an excellent achievement, considering the deep economic crisis that is still impacting the economies worldwide. It attests to the quality of our portfolio. After closing the preceding four quarters with a consolidated loss, the third quarter of the current 2008/2009 financial year saw a consolidated profit of 12.1 million euros. Thus, we ended the first nine months with a modest consolidated loss of less than 0.3 million euros. At 31 July 2009, net asset value per share was 17.48 euros – or 0.42 euros per share less than at the beginning of the financial year. Adjusting this decline for the dividend of 0.40 euros per share paid in March for the preceding year, net asset value per share at 31 July 2009 is almost level with the opening NAV at the onset of the year.

For the first nine months of the preceding 2007/2008 financial year, we had recorded a loss of 3.4 million euros; the third quarter closed with a negative 6.3 million euros.

This year's very good third-quarter result largely stems from two influential factors: Valuation ratios in the capital markets have improved – which is reflected in the price increase for Homag shares and, consequently, a valuation gain of 2.1 million euros from this investment. The greatest contribution towards the result, however, came from the realisation of our investment in Lewa GmbH. A contract to that end was signed in early July. The purchase price agreed for the investment exceeded the most recent valuation in the interim financial statements at 30 April 2009 by some ten million euros, rendering an equally positive contribution towards the net result of valuation and disposal.

Measured by sales proceeds in relation to the capital invested, the Lewa transaction is one of our most profitable of recent years. This successful divestment to a strategic investor in an onerous economic environment for nearly every type of M&A transaction demonstrates that even under adverse business conditions Deutsche Beteiligungs AG is capable of achieving good prices for its portfolio companies and realising the value built in past years. Analysts monitoring our shares took this transaction to reconfirm their buy recommendations – partly at higher price targets.

In line with these assessments, our shares registered a very positive performance. Gaining nearly 50 percent in the third quarter, they outpaced the benchmark indices. From the beginning of the financial year until today (11 September 2009) their value growth (share performance, including dividends) totals 56.3 percent – or considerably more on average than other private equity or S-Dax securities have achieved. We were also very pleased to note that DBAG shares are now trading considerably closer to their intrinsic value: The discount to net asset value per share decreased to about ten percent.

We took a prudent approach in making investments this financial year. We granted additional funds to two portfolio companies to fortify the capital structure for these businesses in a challenging economy. We did not enter into new investments. This was due, firstly, to the difficult environment prevailing for buyout financings and, secondly, to an inadequate stream of suitable investment opportunities. The equity need of many companies – particularly of those that match our investment criteria in respect of industrial sector, market position and prospects – is apparent. On the other hand, budgetary projections, which are necessary to determine commensurate purchase prices, frequently lack stability.

In recent weeks, we began to observe a gradual recovery in the deal-flow quality. Our sound capital resources, which grew further in the current fourth quarter following the completion of the Lewa transaction by some 21 to 129 million euros, and some 250 million euros in undrawn capital committed by fund investors put us in a position to take advantage of investment opportunities into the year 2012, even without further realisations from the portfolio and without raising new funds. That gives us a pivotal competitive edge.

What can we expect next? In recent months we emphasised that our portfolio consists of investments in companies operating in various industrial sectors, where the sharp downturn in economic activity is making itself felt to differing degrees. Order levels in Germany's mechanical and industrial engineering sector have not declined further by the time beeing, nevertheless a slight increase does not lead to a recovery from their steep plunge. The automobile industry profited from goverment stimulous programmes; however, production output is still much below the previous years' level. By contrast, other sectors have proved to be surprisingly robust. Thus, the picture we see is mixed: Some companies will reach their budgets in sales and earnings or even exceed them and outperform their previous year's results. Others will not be able to achieve this.

At the moment, it is not possible to reliably predict what impact this will have on the valuation of the portfolio at 31 October 2009 and, above all, what capital market ratios we will need to apply as a valuation basis at the end of this financial year. That is why we are still not making a forecast for the current financial year and beyond. We do, however, want to recall three facts that may help our shareholders assess the risk and rewards involved: Having received the proceeds from the realisation of Lewa, 54 percent of net asset value per share are now backed by liquid assets. Secondly, the value of the non-listed portfolio derives for the most part from investee businesses with no or only low debt. Finally, in the past two years – the period from the peak of the boom in summer 2007 until 31 July 2009 – net asset value per share has remained virtually unchanged, leaving aside the dividend paid and the price fall for Homag shares. Over the same period, there was practically no change in our liquidity position either. Against the backdrop of a global economic crisis, this is an altogether positive achievement.

The Board of Management of
Deutsche Beteiligungs AG

Quarterly financial report

Management's interim report for the first three quarters (1 November 2008 to 31 July 2009)

The Group and underlying conditions

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

Deutsche Beteiligungs AG focuses its investments on companies whose business models rest on the outstanding engineering quality of their products and related services. Companies such as these are found in the mechanical and industrial engineering sectors and among the highly innovative companies of the automotive supplies industry, and also in specialty chemicals, measurement and automation technology and among specialised service businesses for different industries.

Deutsche Beteiligungs AG exclusively invests in established companies with a proven business model. Key conditions for an investment are a target company's profitability and its prospects for development. This strategy excludes investments in companies undergoing restructuring and in early-stage and small companies.

The investment performance of Deutsche Beteiligungs AG is based, among other things, on the implementation of proven private equity work methods. These include, for instance, an in-depth, particularly thorough due-diligence process prior to making an investment and supporting the portfolio companies' managements in implementing their corporate concepts during the holding period.

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 pay management fees to Deutsche Beteiligungs AG for accessing investment opportunities and managing investments. This fee income serves to cover a part of the operating costs of Deutsche Beteiligungs AG.

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. In terms of performance indicators, this means augmenting the net asset value per share through the portfolio's value appreciation by an annual rate on the long-term average that exceeds the cost of equity of Deutsche Beteiligungs AG. We have reached this target over the past ten-year period (1998/1999 to 2007/2008). The average return on equity per share is 17.3 percent for this period: shareholders of Deutsche Beteiligungs AG have profited from the high returns achieved by the asset class of private equity, which have in the past been superior to those of other traditional asset classes.

Weakness in market for corporate transactions persists

Activity in the segment of mid-market management buyouts (transaction value 50 to 250 million euros for the debt-free company) slowed down noticeably in Germany in 2008. After five consecutive years of growth, transactions this past year have retreated to levels achieved in 2004 and 2005. The dispersion of the transactions over the course of the year is indicative of the growing negative effects the financial crisis has had on the buyout market: 20 out of 26 transactions were completed in the first half of 2008.

The extremely weak market activity in the second half of 2008 did not pick up in 2009. By the end of August 2009, only one single transaction was recorded in the mid-market segment – the segment in which we operate. A few others have been announced. This comes as no surprise in view of current economic conditions, which are marked by great uncertainty and a paralysed banking sector. However, we expect the market to revive somewhat in the coming months. We are presently observing that the buyout market, propelled by huge streams of liquidity in past years, is starting to adapt to the new market conditions. The structures of transaction opportunities currently under discussion differ from the classical debt-financed acquisitions of past years. Since the equity needs of many companies are apparently considerable, we expect attractive investment opportunities to emerge. These investments will also be made by way of capital increases in existing financing structures. In the months to come, we anticipate only a small number of debt-financed buyouts in our segment of the market.

Capacities still undergoing adaptation, despite slight growth trend

Despite some encouraging signals: In our estimation, the economic crisis persists unchanged. It has hit many sectors of industry and most of the world's major regions. Its depth and extent are unprecedented. Even if some economies – such as Germany – are gradually recording slight growth on a quarterly comparison, it will presumably take years for the economic output in major industrial countries to reach the levels achieved in 2007 or 2008. These events are impacting the demand for capital goods. As already stated elsewhere in this report, some companies in the portfolio have come to feel the repercussions and need to reduce capacities. Others are continuing their pattern of progress. In light of current conditions, it is hard to predict the way in which the companies will develop.

At the quarterly reporting date, Deutsche Beteiligungs AG employed a staff of 43, in addition to three apprentices. One year ago, the staff numbered 39 and there were two apprentices.

Business development and financial performance

Earnings position: Profitability of Lewa transaction and higher multiples mainstay of valuation result

Deutsche Beteiligungs AG achieved a consolidated profit of 12.1 million euros in the third quarter of the 2008/2009 financial year. For the nine-month period to 31 July 2009, there is a consolidated loss of 0.3 million euros.

Net asset value (equity) at 31 July 2009 is 17.48 euros per share, a loss of 0.42 euros against the beginning of the financial year. When taking account of the dividend of 0.40 euros per share paid on 27 March 2009 following the Annual Meeting, there is a slight negative change in net asset value per share of only two eurocents, or 0.1 percent, on an annual basis. For the first nine months of the preceding year, we recorded a consolidated loss of 3.4 million euros (-6.3 million euros in the third quarter) and a decline in net asset value per share of -0.9 percent (calculated on an annual basis).

The third quarter's very satisfactory result largely stems from two key influential factors: First, valuation multiples in the stock markets improved significantly in the period from April to July; consequently, the multiples we derived from the capital market and which we applied to our valuations at 31 July were higher than those at 30 April. The movement in valuation ratios is also reflected in the price of Homag shares. Up from 7.45 euros on 30 April to 8.25 euros on 31 July, the gain contributed 2.1 million euros towards the net result of valuation and disposal. The greatest contribution, however, came from the realisation of Lewa GmbH. The sales price agreed in the purchase contract (and which has since been paid) was required to be recognised in the financial statements at 31 July; it exceeded the valuation in the interim financial statements at 30 April 2009 (first half-year) by some ten million euros, which led to a corresponding positive contribution towards the third-quarter net valuation result, which reached a total of 17.3 million euros.

The reasons for the slight consolidated loss of 0.3 million euros for the nine-month period to 31 July can be summarised as follows: Gains from the divestment of Lewa and returns from international buyout funds were partially offset by negative value movements that are due to considerably lower corporate earnings compared with the previous year. For the first three quarters of 2008/2009, the net result of valuation and disposal of financial assets totalled 7.9 million euros. For the previous year's nine-month period, it had amounted to -11.8 million euros (thereof third quarter: -11.8 million euros). Current income from financial assets contributed 1.9 million euros towards the result (thereof third quarter: 1.9 million euros); this amount contains the dividend received from Homag AG. The preceding year saw current income of 7.1 million euros, of which 3.7 million euros were recorded in the third quarter, due to a special effect and – on the wave of opposite business conditions – higher dividends.

Operating costs up

Key expense items are linked to the nature of our business, which frequently involves one-off effects; comparisons with charges in the previous year's equivalent quarter or preceding periods are therefore not very conclusive. Specifically, personnel costs, amounting to 10.9 million euros, were up by almost two million euros compared to those at 31 July 2008 (8.9 million euros). The reason for this becomes evident by looking at the figures for the third quarter: The Lewa transaction is one of the most profitable realisations in the more recent history of Deutsche Beteiligungs AG, which – based on our performance-linked remuneration model – gives

rise to higher personnel costs. They amounted to 5.3 million euros for the third quarter of the current year; in the equivalent period the previous year, 2.3 million euros had fallen due.

Other operating income dropped by 3.5 million euros from 12.4 to 8.9 million euros. Of that amount, 2.8 million euros are attributable to the third quarter (previous year: 4.9 million euros). The decrease is partially (1.2 million euros) due to a special effect that had generated one-time income in financial year 2007/2008. Now that the volume of managed funds has receded after a number of realisations, fee income from management services to co-investment funds is also lower. Finally, there were less reimbursable costs for the screening of potential investments. Other operating expenses remained practically unchanged. They totalled 7.2 million euros for the first three quarters – as they did in the equivalent period the year before (thereof third quarter: 3.0 million euros, and 2.0 million euros in the previous year's third quarter). Expenses for screening potential investments decreased, since the stream of transaction opportunities was considerably weaker than a year ago. On the other hand, however, there was a special effect of nearly one million euros from a value adjustment on a receivable from a portfolio company.

Net interest amounted to 1.8 million euros for the first three quarters of 2008/2009; of that amount, 0.2 million euros were achieved in the third quarter. For the nine-month period of the prior year, net interest was 4.0 million euros, with 1.2 million euros falling to the third quarter, due to higher interest rates at that time. Currently, approximately two-thirds of our liquidity is held in low interest-bearing short-dated government guaranteed securities.

"Other income/expense" – the net sum of other income and expense items – was down. Net operating expense totalled 7.7 million euros for the first nine months of the financial year; of that amount 5.3 million euros are attributable to the third quarter (net sum for the previous year: -0.05 and -1.8 million euros, respectively). Expenses for the first three quarters of 4.9 million euros relate to performance-linked remuneration components.

Financial position: Cash assets remain high

In the nine months to 31 July 2009, cash inflows exceeded cash outflows. Thus, cash assets (cash and cash equivalents and short-dated securities) totalling 107.3 million euros at the end of the quarter on 31 July 2009 were up by 2.1 million euros against the beginning of the financial year (31 July 2008: 111.8 million euros). Key monetary transactions were, among other things, inflows from the profitable realisation of an investment from the portfolio of USA-based buyout fund Harvest Partners IV in the first quarter and, in the second quarter, inflows from distributions of other international buyout funds that are in the liquidation phase. In the third quarter, we received profit shares from several portfolio companies. Inflows from the divestment of Lewa were recorded in August 2009 – or subsequent to the reporting date; these will be accounted for in the annual financial statements. Cash outflows pertain to new investment (3.9 million euros), the dividend payment (5.5 million euros) and the utilisation of other short-term provisions in the second quarter. There are no liabilities to banks.

Asset position and portfolio development

There was no major change to the portfolio in the first nine months of the year, since the divestment of Lewa did not become effective until August. The number of investments remained unchanged at 21. New investment totalling 3.9 million euros (thereof third quarter: 1.6 million euros) mainly relates to follow-on financings and a capital call by DBG Eastern Europe II – this fund has invested in two further management buyouts. There are undrawn capital commitments of 1.3 million euros now remaining for this fund.

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 60 and 61 of the 2007/2008 Annual Report). Among the 21 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. The IFRS fair-value rules can temporarily cause a single investment's share of the portfolio to fluctuate considerably. At 31 July 2009, the following ten alphabetically ordered investments were the largest in the portfolio, measured by their IFRS value. They account for 94.7 percent of the total portfolio value. This past quarter, there was no change in the composition of the table below. An extended list of investments is presented on page 22 of this report.

Management buyouts account for 92.7 percent of the portfolio value. Another 4.6 percent are attributable to growth financing investments, and 2.7 percent fall to international buyout funds.

Our ten largest investments (IFRS value)	Historical cost	Share held by DBAG	Business segment	Industrial sector
in alphabetical order	€mn	%		
Clyde Bergemann Group	9.2	17.8	MBO	Mechanical and industrial engineering
DBG Eastern Europe II L.P.	5.2	14.9	Fund investment	Buyout fund
Grohmann GmbH	2.1	25.1	Growth finance	Mechanical and industrial engineering
Heim & Haus GmbH	6.4	20.4	MBO	Consumer goods
Hochtemperatur Engineering GmbH	0.7	27.6	MBO	Mechanical and industrial engineering
Homag Group AG	21.4	16.8	MBO	Mechanical and industrial engineering
ICTS Europe Holdings B.V.	6.0	18.8	MBO	Industrial services
JCK KG	3.3	3.6	Growth finance	Trade
Lewa GmbH (divested in August 2009)	5.0	13.6	MBO	Mechanical and industrial engineering
MCE AG	12.9	18.8	MBO	Industrial services

Shares

Very satisfactory performance

DBAG shares performed very satisfactorily in the third quarter: their quotation rose from 10.00 euros on 30 April to 14.98 euros on 31 July – an increase of 48 percent. DBAG shares clearly outperformed the Dax (which gained 12 percent), S-Dax (17 percent) and the LPX50, the benchmark for the performance of the 50 largest listed private equity companies worldwide (minus ten percent). The longer-term trend also presents a positive picture: Including the dividend, our shareholders achieved value growth of 56.3 percent since the onset of the financial year (status: 11 September 2009), whereas the Dax recorded a gain of only 11.3 percent since 1 November 2008 and the S-Dax 25.2 percent. Shares of other private equity companies (measured by the LPX50) lost an average of 7.9 percent.

Due to the rapid upswing in the price of DBAG shares over the last three months, the discount to net asset value at which our shares are traded has grown markedly smaller. It was down to 14 percent at 31 July 2009 (30 April 2009: 31 percent). Given that net asset value per share is covered to a high portion – namely 9.40 euros per share or approximately 54 percent – by cash and short-dated government-guaranteed securities (7.85 euros per share) or as a result of the Lewa sale (about 1.59 euros per share) is considered to be near liquidity, DBAG shares are still being traded at a notable discount to the portfolio.

Stock market turnover this current financial year has not reached the volumes achieved in the preceding period. Following the markets' overall liquidity trend, trading activity in DBAG shares also eased. In the nine months from November 2008 to July 2009, some 31,100 shares with an average value of 0.345 million euros were traded daily on German stock exchanges. In the equivalent period the previous year, stock market turnover, measured by trading

Share performance from 1 November 2008 to 11 September 2009
Index: 1 November 2008 = 100

volume in euros, was four times as high. With a market capitalisation of 204.9 million euros (31 July 2009, of which 194.6 million euros were in float ownership), DBAG shares ranked 16th among the 50 stocks indexed in the S-Dax.

Float ownership declined

On 10 August 2009, Mr Dirk Rossmann announced that he now owns 10.57 percent of the shares in Deutsche Beteiligungs AG (DBAG). According to his voting right announcement, he directly holds a 1.83 percent share and a further 8.74 percent through his Rossmann Beteiligungs AG, which had been invested in DBAG since 10 October 2008 with a 5.01 percent share. Thus, free float ownership (as defined by Deutsche Börse AG) receded to 89.43 percent.

Buy recommendations

The analysts monitoring our shares confirmed their opinions following the presentation of the second-quarter report and after publication of an ad-hoc announcement on 6 July 2009 on the realisation of Lewa GmbH. They continue to exclusively issue buy recommendations for our shares. Analysts' current ratings are regularly documented on our website at www.deutsche-beteiligung.de/IR.

Events after the quarterly balance sheet date

The divestment of Lewa GmbH, agreed in July 2009, was completed after the quarterly balance sheet date. The Company recorded cash inflows of some 21.7 million euros through this transaction; correspondingly, financial assets were lower.

Potential, rewards and risk

Developments in global economy influence risk exposure

The world economy is in a recession of historical dimensions. Economists perceive signs of it bottoming out at a low level; the data from a number of countries now seems to confirm this. However, economic output is still significantly below that of preceding years. Depending on the industrial sector and geographical positioning, the portfolio companies have been hit to different degrees by the downturn. A decisive issue for the development of our portfolio companies and, consequently, the value of the portfolio is how long the current economic crisis will last before the demand begins to noticeably pick up. Negative effects to the portfolio value may come not only directly from the portfolio companies' earnings and debt positions, but also from changes in valuation ratios in the capital markets. The latter have seen a significant increase recently.

Deutsche Beteiligungs AG, with its strong liquidity position of more than 100 million euros and substantial amounts of undrawn capital commitments to DBAG Fund V, is well placed to take advantage of investment opportunities as they arise 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 2008 therefore remains valid.

Report on expected developments: Company's performance not predictable for near-term range

The present economic environment still does not permit a sound performance forecast for the current 2008/2009 financial year. We are not in a position to predict the valuation ratios on the stock markets, which have recently been very volatile, or how deep the economic crisis will be and how long it will last. A change in valuation ratios on the stock markets could give rise to earnings opportunities or, on the other hand, lead to greater risk exposure; the adverse economy could still expose the portfolio companies to risk. This assessment has not changed compared with the preceding quarterly financial reports. What also remains unchanged: Given the quality of our portfolio companies, our long years of investing experience across all stages of economic cycles and our strong balance sheet, we are confident that Deutsche Beteiligungs AG will prevail in this extremely difficult year and beyond, and that the portfolio will be capable of shouldering the economic setback.

Consolidated income statement

for the period from 1 November 2008 to 31 July 2009

	1 Nov. 2008 to 31 July 2009	1 Nov. 2007 to 31 July 2008
	T€	T€
Net result of investment activity		
Net result of valuation and disposal of financial assets and loans and receivables	7,899	(11,767)
Current income from financial assets and loans and receivables	1,897	7,124
Total net result of investment activity	**9,796**	**(4,643)**
Other income/expense		
Personnel costs	10,884	8,923
Other operating income	8,858	12,392
Other operating expense	7,219	7,270
Depreciation and amortisation on property, plant and equipment and intangible assets	291	225
Interest income	2,143	3,985
Interest expense	337	5
Total other income/expense	**(7,730)**	**(46)**
Net income before taxes	**2,066**	**(4,689)**
Income taxes	435	340
Net income after taxes	**1,631**	**(5,029)**
Minority interest	(1,911)	1,622
Consolidated loss	**(280)**	**(3,407)**
Loss per share in euros	(0.02)	(0.25)
Diluted loss per share in euros	(0.02)	(0.25)
Carryover to consolidated retained profit:		
Consolidated loss	**(280)**	**(3,407)**
Profit carried forward from previous year	29,230	118,214
Dividend	(5,471)	(47,867)
Withdrawals from revenue reserves	0	17,033
Costs for retirement of shares	0	(17,033)
Consolidated retained profit	**23,479**	**66,940**

T€ = thousands of euros

Consolidated income statement

for the period from 1 May 2009 to 31 July 2009

	1 May 2009 to 31 July 2009	1 May 2008 to 31 July 2008
	T€	T€
Net result of investment activity		
Net result of valuation and disposal of financial assets and loans and receivables	17,347	(11,848)
Current income from financial assets and loans and receivables	1,893	3,719
Total net result of investment activity	**19,240**	**(8,129)**
Other income/expense		
Personnel costs	5,321	2,288
Other operating income	2,813	4,939
Other operating expense	2,954	1,939
Depreciation and amortisation on property, plant and equipment and intangible assets	97	75
Interest income	337	1,199
Interest expense	112	3
Total other income/expense	**(5,334)**	**1,833**
Net income before taxes	**13,906**	**(6,296)**
Income taxes	19	401
Net income after taxes	**13,887**	**(6,697)**
Minority interest	(1,786)	401
Consolidated profit/loss	**12,101**	**(6,296)**

Consolidated balance sheet

at 31 July 2009

Assets	31 July 2009	31 Oct. 2008
	T€	T€
Non-current assets		
Intangible assets	42	39
Property, plant and equipment	8,439	8,133
Financial assets	138,174	138,333
Loans and receivables	31	31
Other non-current assets	547	617
Total non-current assets	**147,233**	**147,153**
Current assets		
Receivables	3,336	3,705
Securities	69,196	69,164
Other financial instruments	64	22
Income tax assets	7,024	6,564
Cash and cash equivalents	38,148	36,072
Other current assets	5,775	9,582
Total current assets	**123,543**	**125,109**
Total assets	**270,776**	**272,262**

Shareholders' equity and liabilities	31 July 2009	31 Oct. 2008
	T€	T€
Shareholders' equity		
Subscribed capital	48,533	48,533
Capital reserve	141,394	141,426
Retained earnings	25,633	25,633
Consolidated retained profit	23,479	29,230
Total shareholders' equity	**239,039**	**244,822**
Liabilities		
Non-current liabilities		
Minority interest	11,189	9,297
Other provisions	785	914
Deferred tax liabilities	84	82
Total non-current liabilities	**12,058**	**10,293**
Current liabilities		
Other current liabilities	3,769	2,595
Tax provisions	4,470	4,123
Other provisions	11,440	10,429
Total current liabilities	**19,679**	**17,147**
Total liabilities	**31,737**	**27,440**
Total shareholders' equity and liabilities	**270,776**	**272,262**

Consolidated cash flow statement

for the period from 1 November 2008 to 31 July 2009

Inflows (+) / Outflows (-)	1 Nov. 2008 to 31 July 2009	1 Nov. 2007 to 31 July 2008
	T€	T€
Consolidated loss	(280)	(3,407)
Valuation gains (-) / losses (+) on financial assets and loans and receivables, depreciation and amortisation on property, plant and equipment and intangible assets	(4,184)	14,200
Gains (-) / losses (+) from disposals of non-current assets	(2,428)	(2,222)
Increase (+) / decrease (-) in non-current liabilities	1,765	(4,699)
Increase (-) / decrease (+) in income tax assets, increase (+) / decrease (-) in tax provisions	31	7,538
Increase (-) / decrease (+) in other assets (netted)	2,384	1,100
Increase (+) / decrease (-) in other liabilities (netted)	3,829	(11,505)
Cash flows from operating activities	**1,117**	**1,005**
Proceeds from disposals of property, plant and equipment and intangible assets	0	1
Purchase of property, plant and equipment and intangible assets	(600)	(658)
Proceeds from disposals of financial assets and loans and receivables	10,951	20,169
Acquisition of non-current financial assets and investments in loans and receivables	(3,889)	(7,238)
Increase (-) / decrease (+) in securities	(32)	0
Cash flows from investing activities	**6,430**	**12,274**
Payments for share repurchases	0	(9,421)
Payments to shareholders (dividends)	(5,471)	(47,867)
Cash flows from financing activities	**(5,471)**	**(57,288)**
Change in cash funds from cash-relevant transactions	2,076	(44,009)
Cash funds at beginning of period *	36,072	155,765
Cash funds at end of period *	**38,148**	**111,756**

* Cash funds in the reporting and the comparative period consist of deposits in banks. In the fourth quarter of financial year 2007/2008, a part of the cash in banks (69.2 million euros) was regrouped to short-dated securities guaranteed by German federal states. According to IAS 7, these securities do not constitute cash or cash equivalents, since their maturity is more than three months from the date of acquisition.

Consolidated cash flow statement

for the period from 1 May 2009 to 31 July 2009

Inflows (+) / Outflows (-)	1 May 2009 to 31 July 2009	1 May 2008 to 31 July 2008
	T€	T€
Consolidated profit / loss	12,101	(6,296)
Valuation gains (-) / losses (+) on financial assets and loans and receivables, depreciation and amortisation on property, plant and equipment and intangible assets	(17,045)	13,773
Gains (-) / losses (+) from disposals of non-current assets	(150)	(1,849)
Increase (+) / decrease (-) in non-current liabilities	1,775	(1,007)
Increase (-) / decrease (+) in income tax assets, increase (+) / decrease (-) in tax provisions	668	8,311
Increase (-) / decrease (+) in other assets (netted)	1,963	(2,918)
Increase (+) / decrease (-) in other liabilities (netted)	8,007	(1,158)
Cash flows from operating activities	**7,319**	**8,856**
Purchase of property, plant and equipment and intangible assets	(294)	(419)
Proceeds from disposals of financial assets and loans and receivables	354	9,917
Acquisition of non-current financial assets and investments in loans and receivables	(1,646)	0
Increase (-) / decrease (+) in securities	786	0
Cash flows from investing activities	**(800)**	**9,498**
Cash flows from financing activities	**0**	**0**
Change in cash funds from cash-relevant transactions	6,519	18,354
Cash funds at beginning of period	31,629	93,402
Cash funds at end of period	**38,148**	**111,756**

Consolidated statement of change in shareholders' equity

at 31 July 2009

	2008/2009	2007/2008
	T€	T€
Subscribed capital		
Opening subscribed capital and at 31 July	**48,533**	**48,533**
Capital reserve		
Opening balance	141,426	141,791
Share-based payments	1	41
Share-based payments (stock options exercised)	(33)	(407)
At 31 July	**141,394**	**141,425**
Retained earnings		
Legal reserve		
Opening balance and at 31 July	**403**	**403**
Other revenue reserves		
Opening balance	9,234	28,655
Share repurchases	0	(9,421)
At 31 July	**9,234**	**19,234**
First adoption IFRS		
Opening balance and at 31 July	**15,996**	**15,996**
Consolidated retained profit		
Opening balance	29,230	118,214
Dividend	(5,471)	(47,867)
Consolidated profit/loss	(280)	(3,407)
At 31 July	**23,479**	**66,940**
Total	**239,039**	**292,531**

Condensed notes to the interim financial statements

for the nine months to 31 July 2009

1. Basis of preparation

Deutsche Beteiligungs AG has prepared these consolidated interim financial statements at 31 July 2009 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 July 2009 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 2008 (see pages 85 ff. of the 2007/2008 Annual Report).

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. Please see the preceding section of this interim report for information on the business development.

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 securities and debt

We refer to the discussion on the business development in the preceding section of this interim report.

7. Dividends paid

In the second quarter of financial year 2008/2009, a dividend of 0.40 euros per no-par value share (in total: 5,470,543.60 euros) was paid.

8. Segment revenue and segment result

Segment data is not reportable, since only one segment exists (see description in the Annual Report 2007/2008, page 117).

9. Related party transactions

On 10 July 2009, Mr von Hodenberg purchased 10,000 shares in Deutsche Beteiligungs AG for 11.80 euros per share (or a total of 118,000 euros).

The members of the Board of Management held the following numbers of shares in the Company at the balance sheet date: Mr von Hodenberg 30,000; Mr Grede 20,323; Mr Mangin 15,270; and Dr Scheffels 10,290. Members of the Supervisory Board hold no shares in Deutsche Beteiligungs AG.

Apart from this, there were no related party transactions materially affecting the asset, financial or earnings position of the Group in the first three quarters of financial year 2008/2009.

10. Changes in the composition of the Group

In the third quarter of financial year 2008/2009, the interests which Deutsche Beteiligungs AG indirectly holds in Q.P.O.N. Beteiligungs GmbH were reduced from 50 percent to 49 percent. Q.P.O.N. Beteiligungs GmbH remains consolidated as a joint venture. The reduction of the interests in Q.P.O.N. Beteiligungs GmbH does not materially affect the asset, financial or earnings position of the DBAG Group.

Apart from this, there were no changes in the composition of the Group compared with the status at 31 October 2008 (see pages 85 ff. of the Annual Report 2007/2008).

11. Changes in contingent liabilities or contingent assets

In the nine months to 31 July 2009, there were no material changes in contingent liabilities or contingent assets.

12. Other information

There were no changes in the composition of the Supervisory Board and the Board of Management in the nine months to 31 July 2009.

The residual stock options were exercised in full in the second quarter of financial year 2008/2009. A charge of T€13 resulted from the exercise of these options.

13. Material events subsequent to the end of the period

Please refer to the preceding section of this interim report.

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

Conmpany	2008 sales	Number of staff	Core business
	€mn		
Clyde Bergemann Group, Wesel/Glasgow/Delaware www.clydebergemann.de	US$ 500 mn	1,300	A developer and manufacturer of components for coal-fired power plants; Markets: worldwide
Coperion GmbH, Stuttgart www.coperion.com	577	2,100	A developer and manufacturer of compounding systems and bulk-materials handling equipment; Markets: worldwide
Coveright GmbH, Düsseldorf www.coveright.com	248	760	A developer and manufacturer of impregnated films for the furniture and building industries; Markets: worldwide
Grohmann GmbH, Prüm www.grohmann.com	70	400	A developer and provider of plants for industrial automation; Markets: Europe
Heim & Haus Holding GmbH, Düsseldorf www.heimhaus.de	106	500	A direct marketer of awnings, shutters and building components for private homes; Markets: Germany, Austria
Hochtemperatur Engineering GmbH, Mainz-Kastel www.hte-group.com	60	150	A provider of plants and components for high-temperature processes; Markets: worldwide
Homag Group AG, Schopfloch www.homag-gruppe.de	856	5,330	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	295	11,000	A provider of security services for aviation and other areas; Markets: worldwide
JCK Holding GmbH Textil KG, Quakenbrück	346	715	A marketer of textiles; Markets: Germany
MCE AG, Linz, A www.mce-ag.com	919	6,600	A provider of industrial engineering and services for plants and infrastructure installations; Markets: Europe
Preh GmbH, Bad Neustadt an der Saale www.preh.de	305	2,000	A developer and manufacturer of sophisticated driver operating and control elements for cars; Markets: Europe, USA

Financial calendar

Listed Private Equity Day, Geneva	15 September 2009
Road show, London	16 September 2009
German Equity Forum, Frankfurt am Main	10 November 2009
Annual Press Conference (issuance of Annual Financial Statements) and Analysts' Conference 2008/2009, Frankfurt am Main	29 January 2010
Road show, New York	February 2010
Road show, London/Edinburgh	February 2010
Report on the 1st quarter 2009/2010 Analysts' Conference Call	17 March 2010
Annual Meeting 2010, Frankfurt am Main	24 March 2010

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: 11 September 2009

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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