



|platinumpartners|

**AMAA-2nd International Summit
- State of the Middle Market in Germany -**

Schloss Reinhartshausen, 1. Oktober 2009

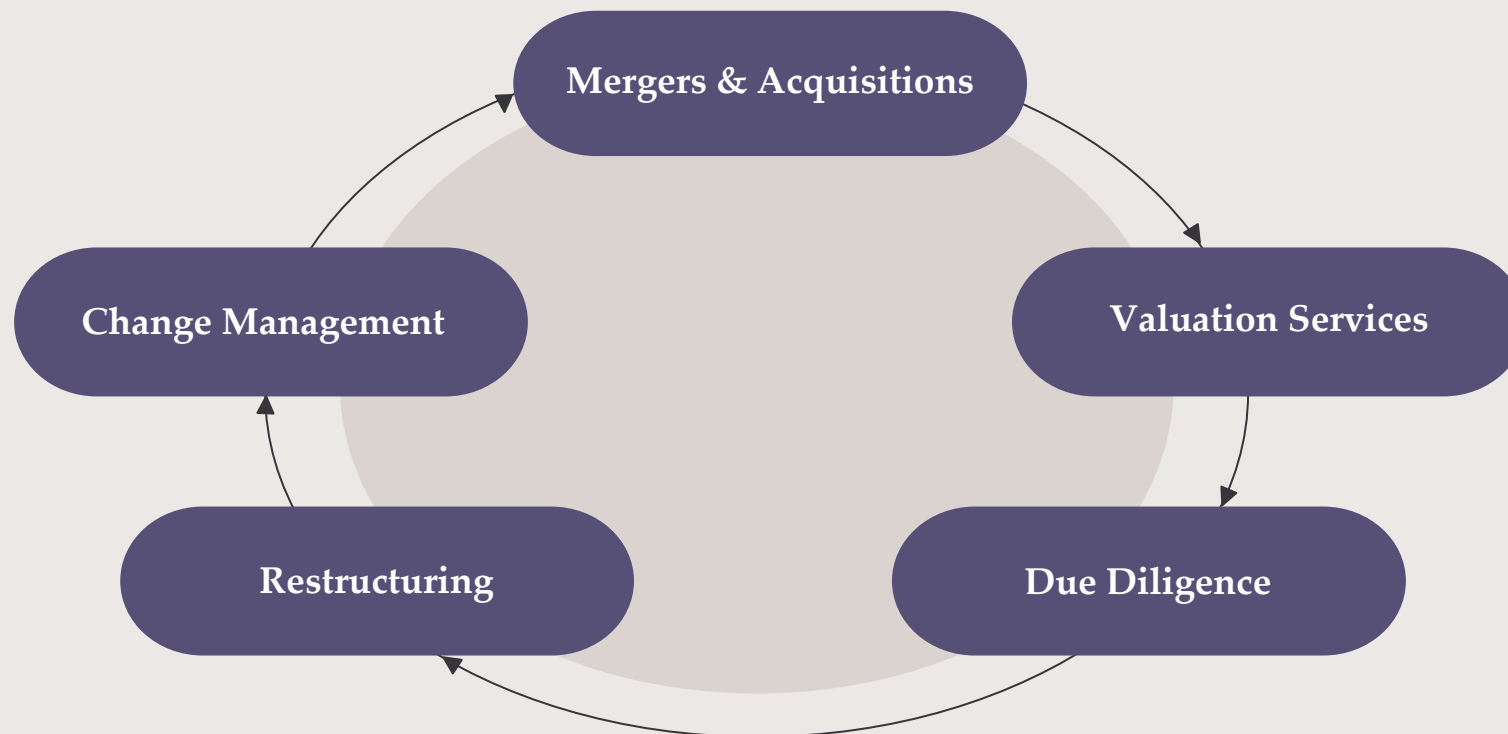
Agenda

1. **Brief Overview on Platinum Partners**
2. State of the Middle-Market in Germany
 1. Setting the Scene
 2. Business Environment
 3. Where to go from here?
3. Open Discussion
4. Appendix – Track record Platinum Partners

1. Platinum Partners

Our advisory services are focusing on recurring assistance to Key-Clients

From „Strategic Sparring Partner“ to „Operational Management Support“ alongside a (possible) Transaction



1. Platinum Partners

Basic Characteristics of our Advisory Concept

- Our Business is focused on the provision of sustainable advisory work to larger mid-cap corporate clients (“Key-Accounting” instead of “Sectors”)
- Thereby we focus on two main activities:
 - Corporate Finance
 - Corporate Restructuring/Change Management
- In addition we offer Valuation Services (Expert’s Opinion) and Financial Due Diligence. Such services are being supplemented by cooperation agreements with selected audit firms if needed for legal reasons or being sensible because of complexity.
- Our Objective is to support our clients not just in M&A but along different aspects and needs of a transaction. This starts even at “Corporate Development-level”.
- Providing “Senior Approach” (as much as possible) is close to our heart

1. Platinum Partners

Mergers & Acquisitions – International Partners



Jasper Corporate Finance LLP, Birmingham
www.jaspercf.co.uk



Weibull AS, Oslo
www.weibull.no



WestCap Polska Sp. z o.o., Warsaw
www.westcap.pl



Quadrum Partners Ltd., Zurich
www.quadrumpartners.com



Eureka Capital Markets, LLC, New York
www.eurekacap.com



ASIA **Quadrum Partners Ltd.** is a member of the network Asia2Europe (www.asia2europe.net). Therewith also contacts in Asia/Far East.

1. Office

Your contact

Platinum Partners office is located in Bad Homburg, near Frankfurt a. M.



Schwedenpfad 10
61348 Bad Homburg
Germany
Phone: +49 (0) 6172-27979-30
Fax: +49 (0) 6172-27979-20
www.platinum-partners.de



Karl-Michael Krüger
Managing Partner
Phone: +49 (0)6172-27979-27
Mobile: +49 (0)172 6767298
eMail: mkrueger@platinum-partners.de

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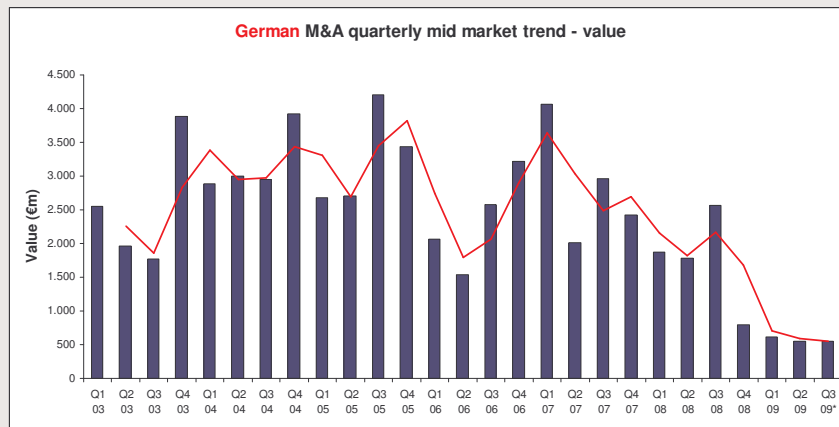
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2. State of the Middle-Market in Germany

2.1. M&A-Activity at lowest level for 6 years

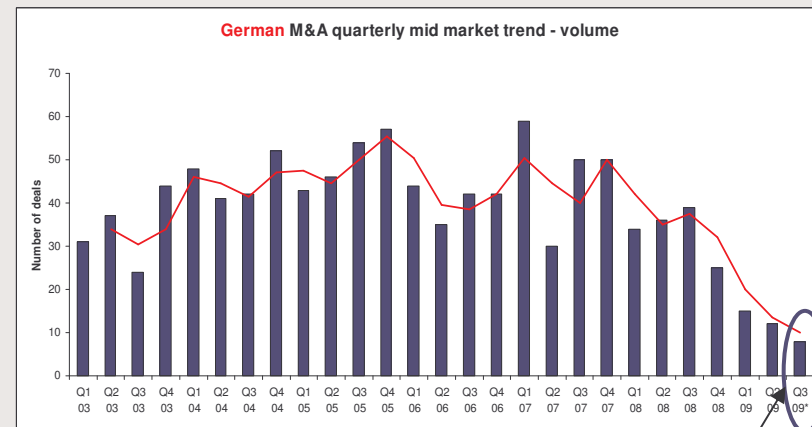
- Sharp decline in M&A-activity since 3rd quarter 2008
- Activity at a dramatically low level, no matter whether you look at it from a “value”- or “volume”-perspective

German M&A-quarterly-trend-**value**



Source: Mergermarket
 Middle-Market defined as: TV: €10m - € 250m

German M&A-quarterly-trend-**volume**



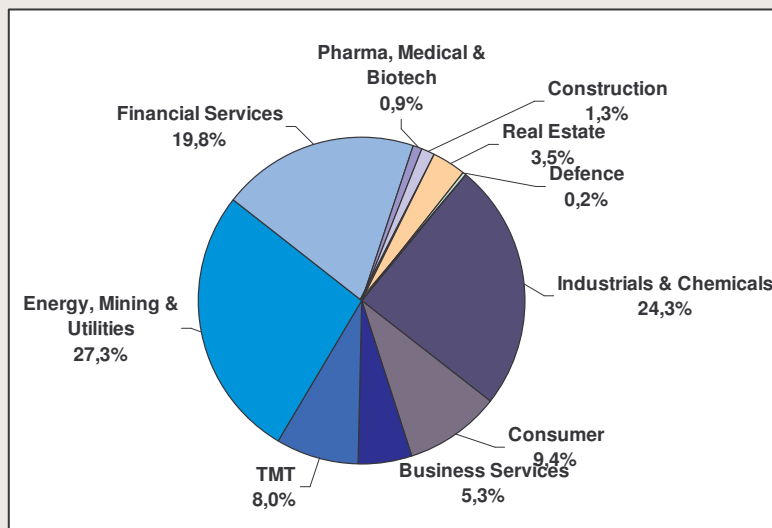
Only 8 transactions

2. State of the Middle-Market in Germany

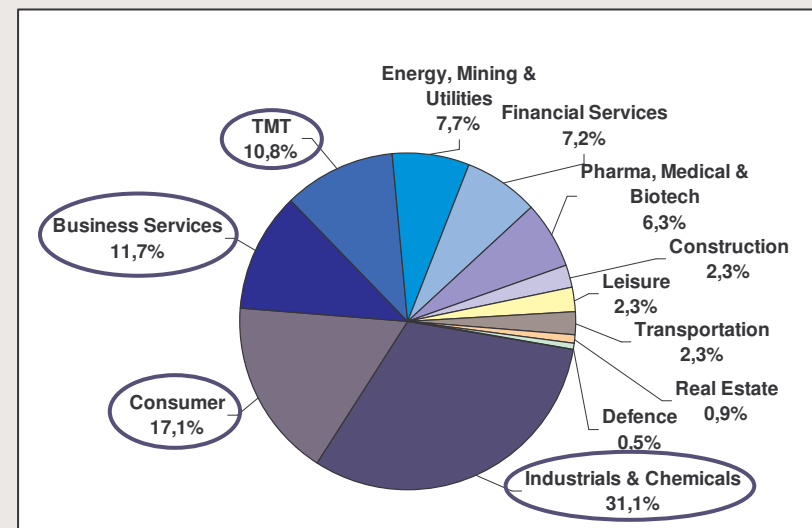
2.1. Analysis by Industry: "Consumer & Industrials" are most important

- Looking from a **Value-perspective** "Energy & Utilities" is dominating with 27.3%, followed by "Industrial & Chemicals" and "Financial Services".
- From a **Volume-point** of view "Consumer & Industrials" account for nearly half of all transactions in 2009 so far. Next important sectors are "Business Services" and "TMT".

German M&A sector YTD 2009 - **value**



German M&A sector YTD 2009 - **volume**

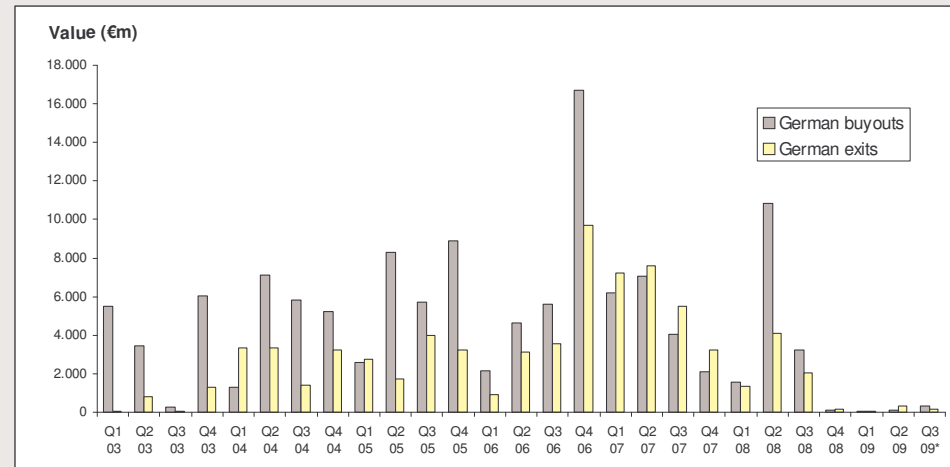


Source: Mergermarket

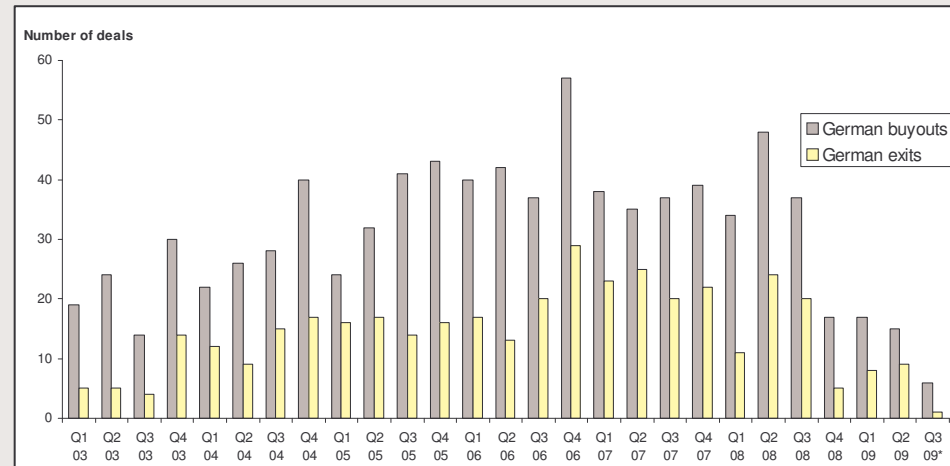
2. State of the Middle-Market in Germany

2.1. Deal-Activity in Private-Equity: Close to "Zero"

German M&A quarterly private equity trend - **value**



German M&A quarterly private equity trend - **volume**



Source: Mergermarket

2. State of the Middle-Market in Germany

2.1 International M&A-activities regarding Germany (Inbound):

Most important countries and sectors in 2008 were:

Most active countries (by „volume“) in 2008 (extract)

- 19 % USA
- 17 % Switzerland / Austria
- 16 % Benelux
- 15 % UK
- 6 % Nordic Countries
- 5% India
- 5 % Asia (others)

By sector-split

- 33 % Industrials
- 15 % TMT
- 12 % Business Services
- 10 % Pharma, Medical
- 9 % Construction
- 7 % Consumer

Following a survey of “Mergermarket” in 02/09 (100 Senior Executives were interviewed).

In the future:

Expected inbound-activity into Germany will result at

- 36 % from Europe
- 26% from Asia
- 17 % from North America
- 15% from Middle East

By sector-split

- 29 % Industrials
- 26 % Energy, Mining & Utilities
- 18% Financial Services
- 15 % Automotive
- 6 % Construction

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2. State of the Middle-Market in Germany

2.2. Business Environment – General Remarks & Characteristics

- Consumer spending in Germany is still relatively stable, last but not least because of
 - a traditionally high savings rate
 - limited increase in unemployment (so far)
 - a relatively high proportion of the population enjoying a stable income
- Industrial manufacturing is the problem because of its dependency from exports.
- Limited to no availability of financing
 - Foreign banks have practically exited the German market
 - Currently limited to no LBO-Financing
 - Most German Federal State banks are in difficulties
 - Limited number of remaining commercial banks being active
 - Merger of Commerzbank and Dresdner Bank
- Saving institutions primarily cover the smaller Mittelstand.
- Expected increased regulatory environment for banks and need for higher equity.

2. State of the Middle-Market in Germany

2.2. Business Environment – General Remarks & Characteristics

- Due to the crisis, clients concentrate on cost-cutting and operational improvement. Strategic decisions are on hold until they are in a better position to appraise the likely duration of the current downturn.
- Federal elections held on September 27 may have a positive impact as well as the G-20-summit in Pittsburgh of last week.
- Greatest concern currently is an increase in unemployment in autumn when short-time compensation-programmes are running out.
- Development of order-income in manufacturing under watch.

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2. State of the Middle-Market in Germany

2.3. Where to go from here?

- 2009 seems to be done, however a little pick-up in activity can be observed.
- Maybe result of General Elections and Pittsburgh cause some optimism.
- Potential degree of credit default risks within banks difficult to assess. Therefore debt-financing will remain difficult.
- German recovery will be dependent on comeback of worldwide economy due to dependency on exports.
- Our business follows strategic decisions. Currently they are largely on hold. Therefore an appraisal of the likely development for 2010 -as early as possible- is key!
- Currently, only the following M&A-situations may look promising
 - Strategic buyers with cash looking to benefit from the current situation
 - Family offices as alternative purchasers
 - Purchases out of insolvency-situations
 - Spin-off's of non-core-activities producing losses. Often the purchase-price is rather symbolic but working-capital financing requested plus loss-compensation (for 12-18 month).

3. Open Discussion

We look forward to your thoughts ...

and

thank you for your attention!



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Our Track Record

M&A - Employees had leading roles on the following deals:

Enterprise	Business	Details
Cogifer S.A.	Railway infrastructure	Advice to Vossloh AG on the acquisition
Coperion GmbH	Machine engineering for plastic production	MBO of Werner & Pfleiderer from Thyssen-Krupp as well as Wäschle and Buss by West Private Equity, West LB and Georg Fischer
EganaGoldpfeil (Holdings)	Jewellery- and Watchdivision	Advice to the shareholders and insolvency administrator on the sales process
eff-eff Fritz Fuss GmbH & Co. KGaA	Security systems	Advice to Caradon plc. on the acquisition
GFU Kiefer + Partner GmbH & Co. KG	IT-Services	Advice to the shareholders on the sale to Allgeier Holding AG
Hilmar Krautwurst GmbH	Consumer goods	Advice to the shareholders on the sale to Cesar S.A.
Martinswerke GmbH	Chemical industry	Advice to Alcan-algroup on the sale to Albermarle Corp. (USA)



Our Track Record

M&A- Employees had leading roles on the following deals:

Enterprise	Business	Details
MBB Liftsysteme AG	Lifting platforms for trucks	Advice to the shareholders on the sale to Palfinger AG
Mauser Werke GmbH & Co. KG	Industrial packaging	Advice to One Equity Partners on the acquisition
Pierburg Luftfahrtgeräte Union GmbH	Drive and control technology	Advice to Lucas Varity GmbH on the demerging of the Joint Ventures with Kolbenschmidt Pierburg into PLU
Röchling Getriebe GmbH	Gear production	Advice to Gebr. Röchling KG on the sale to the management
Viborg GmbH	Automotive tyre retail	Sale of an MBO company to a strategic buyer
WERU AG	Windows & doors	Advice to Caradon plc on the disposal

Our Track Record

Company Valuations - Employees had leading roles on the following deals:

Enterprise	Industry	Details
Campina AG	Consumer goods; food	Change of legal structure according to German corporation law
Heidelberger Druckmaschinen AG	Machine engineering	Fairness opinion on behalf of Heidelberger Druckmaschinen and Linotype-Hell AG due to merger
Pierburg-Kolbenschmidt AG	Automotive systems supplier	Valuation in the course of the acquisition of Kolbenschmidt AG by Rheinmetall AG and subsequent merger with Pierburg
Reckitt Benckiser AG	Consumer goods; care products	Squeeze-out of minority shareholders
Rheinelektra / Lahmeyer AG	Industrial energy	Fairness opinion on behalf of Rheinelektra AG and Lahmeyer AG due to merger

Our Track Record

Company Valuations - Employees had leading roles on the following deals:

Enterprise	Industry	Details
RWE Energie AG	Energy supply	Valuation in the course of a merger of RWE's regional energy suppliers
RWE / Lahmeyer / Heidelberg Druck	Conglomerate	Valuation of RWE Group as a prerequisite for the merger of Lahmeyer AG with RWE AG
Salamander AG	Conglomerate	Squeeze-out of minority shareholders
SEL Alcatel AG	Tele-communication	Squeeze-out of minority shareholders
STRABAG / Bau Holding	Construction	Valuation in the context of STRABAG-acquisition by Bau Holding (share capital increase by contribution in kind)

Our Track Record

Financial Due Diligence - Employees had leading roles in projects with following clients:

