



cutting through complexity™

GGC Financial Investors and German Industrial Targets

German-Arab Conference

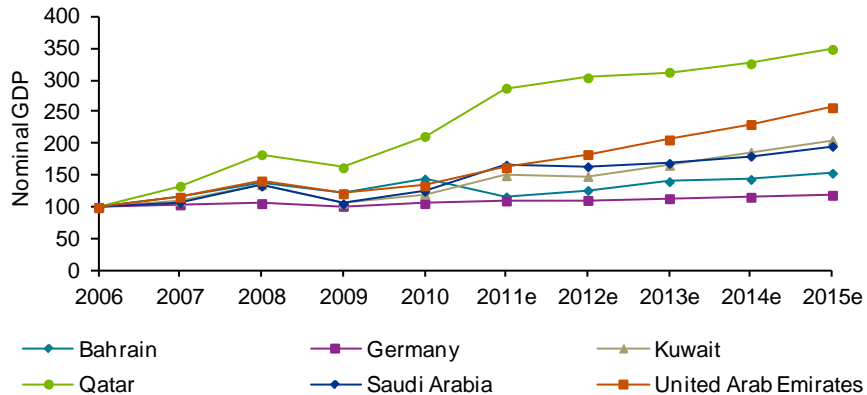
17 November 2011



Macroeconomic environment of GCC countries

Increasing economic power of GCC states ...

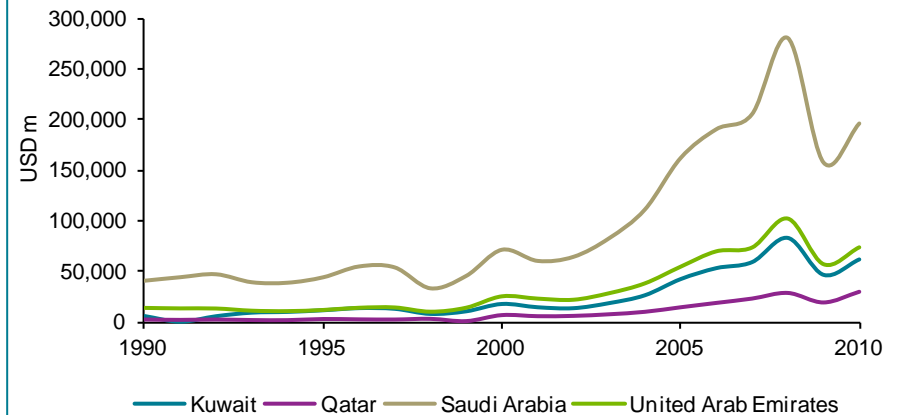
(Nominal GDP rebased)



Base year: 2006 = 100

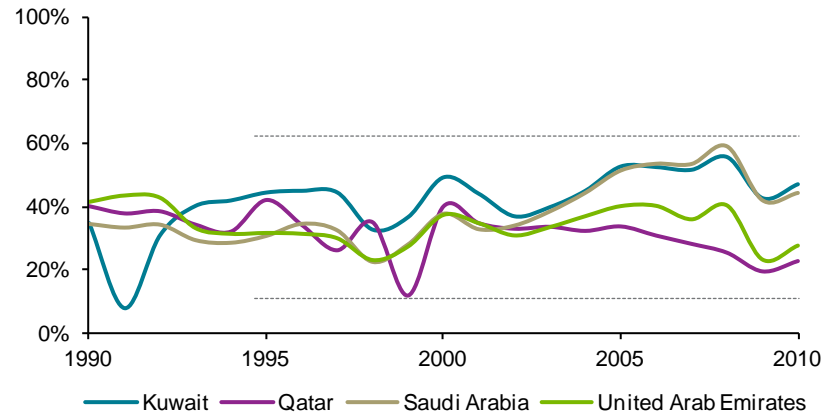
...supported also by income from petrol exports

(Values of net petroleum exports)



Dependance on petrol exports remains unchanged

(Share in % of net petrol revenues in GDP)



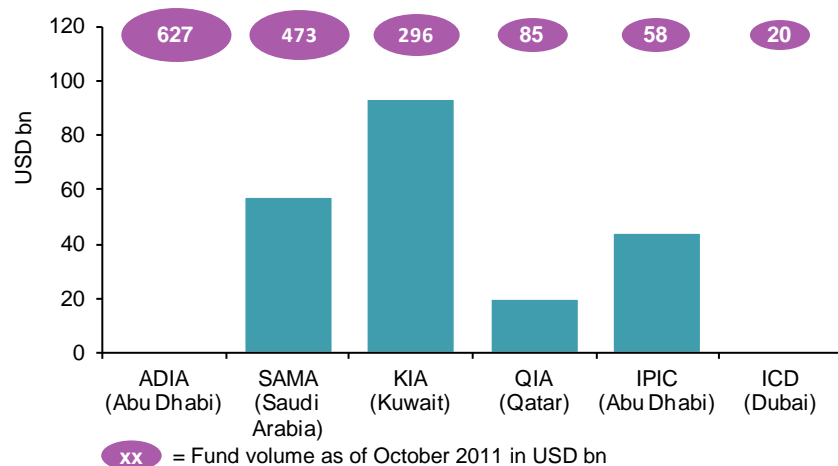
Challenges going forward

- Rising expectation in society to benefit from petrodollars
- Increasing importance of job creation (e.g. unemployment in Saudi Arabia was 10% in 2010)
- More investments with job-aspect (e.g. acquisition of SMEs, as they provide majority of workplaces all over the world)

Sovereign Wealth Funds of GCC countries

Growing fund volumes

(Change of fund volume of selected major GCC SWFs between 2010 and 2011)

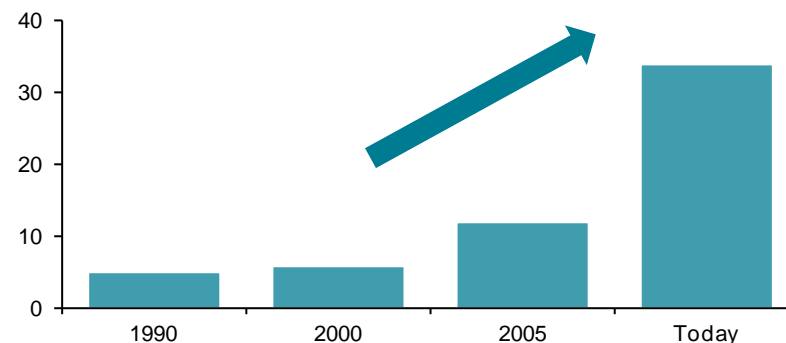


Continued income driven by raw material exports

- Qatar and Abu Dhabi driving forces
- Dubai and Bahrain currently struggling as of internal financing and political issues

Growing number of specialized SWFs

(Number of GCC SWFs)



Number of specialized investment funds increases

- SWFs drive specialization by initiating sector-specific funds
- Example Abu Dhabi
 - 2009: Mubadala GE Capital (debt investments)
 - 2008: Advanced Technology Investments Company (semiconductor industry)
 - 2006: Masdar (renewable energy)

Selected investments by GCC investors into German targets

United Arab Emirates



- 9% of **Daimler AG** acquired by Aabar Investments for approx. USD 2.7bn (2009)
- 70% of **MAN Ferrostaal AG** acquired by IPIC for approx. USD 950m (2009)
- **Almatis Group** acquired by Dubai International Capital for approx. USD 830m (2009)
- **Mauser AG** acquired by Dubai International Capital for approx. USD 1.1bn (2007)

Bahrain



- 8% of **BELTE AG** acquired by Gulf One Investment Bank BSC (2010)
- 100% of **Profine GmbH** acquired by Arcapita Bank BSC for approx. USD 780m (2007)
- 100% of **Armacell International GmbH** acquired by Investcorp Bank BSC for approx. USD 800m (2007)

Kuwait



- 12% of **Heliocentris Energy Solutions** acquired by Investor Group for approx. USD 4m (2011)
- **P21 GmbH** acquired by NTEC (2008)

Saudi Arabia



- **Ruukki Betonstahl GmbH** acquired by Al-Tuwairqi Group (2007)
- 100% of **Escador GmbH** acquired by AOME (2006)
- **Crossgate AG** acquired by Al Jomaih Holding Co LLC (2006)

Qatar

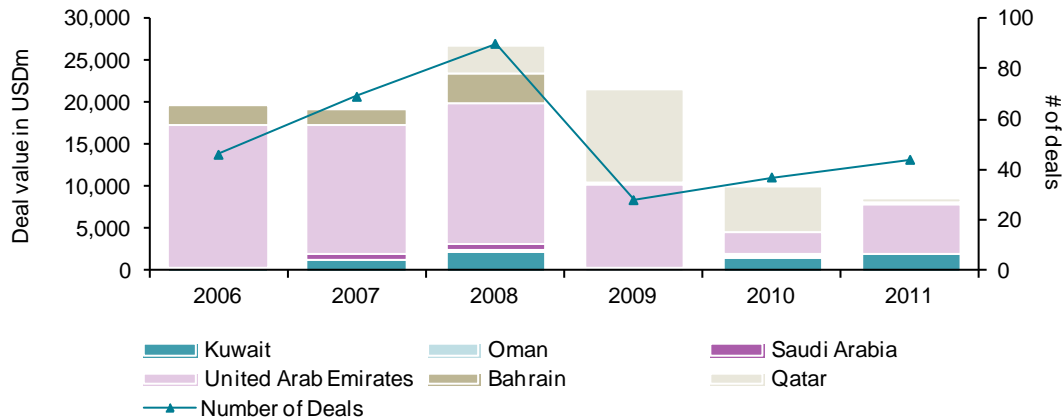


- 9% of **Hochtief AG** acquired by Qatar Holding LLC for approx. USD 530m (2010)
- 15% of **Volkswagen AG** acquired by Qatar Investment Authority for approx. USD 9,569.5bn (2009)
- 10% of **Porsche Automobil Holding SE** acquired by Qatar Holding LLC for approx. USD 390m (2009)
- 25% of **HWA AG** acquired by NBK Holding for approx. USD 50 m (2007)

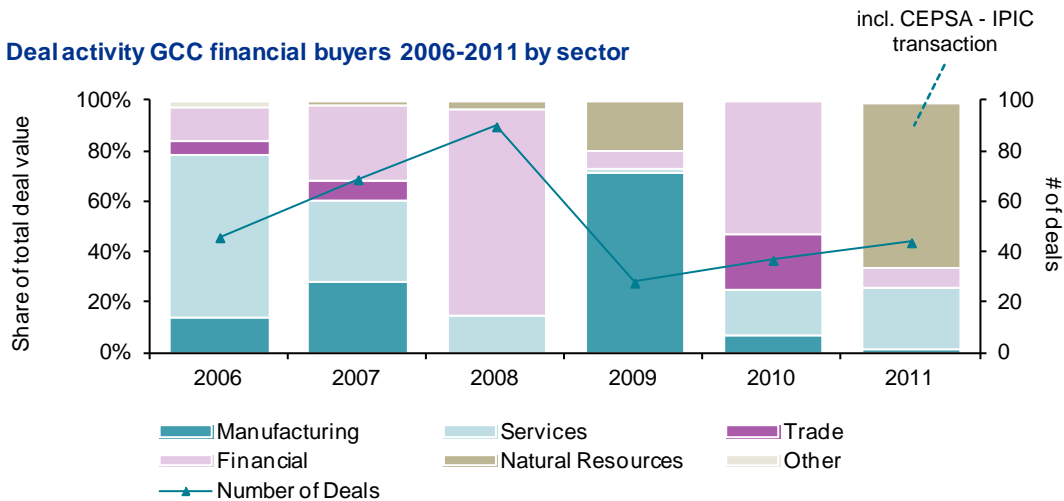


Worldwide deal activity by GCC buyers

Deal activity GCC financial buyers 2006-2011 by countries



Deal activity GCC financial buyers 2006-2011 by sector

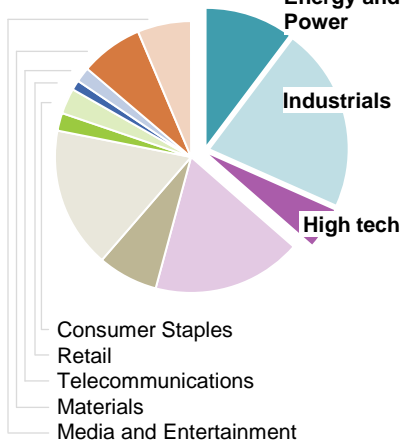


GCC M&A deal activity influenced by economic crises

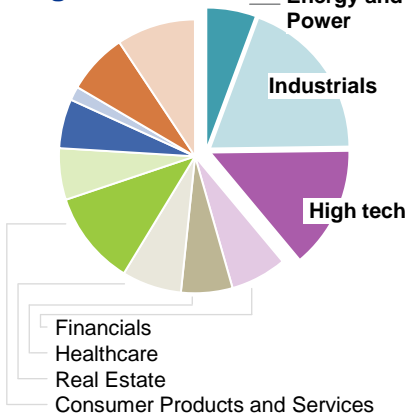
- Strongly declining number of deals in 2009 but only slightly declining deal value
- Deal activity (by value) mainly from UAE (Abu Dhabi - focused) investors respectively with increasing activity from Qatari investors
- 2008 dominated by investments into the financial industry (Barclays, Citi, Credit Suisse)
- 2009 dominated by investments into the manufacturing industry (Daimler, Ferrostaal, Porsche, VW)
- Starting 2010 UAE M&A activity driven by Abu Dhabi

The German opportunity

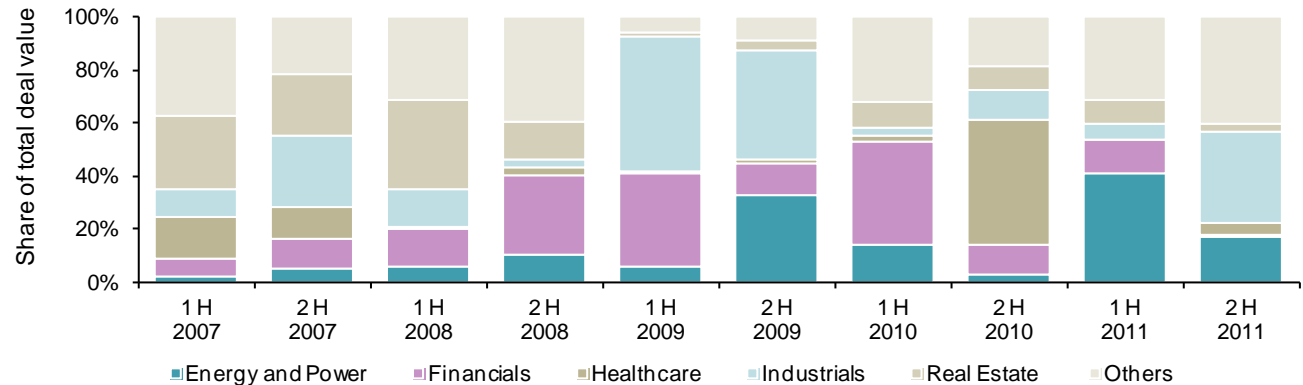
Deal value German targets 2007-2011



of deals German targets 2007-2011



German targets 2007-2011



Requirements

- + Long-term investment horizon
- + No Restructuring cases
- + Regional angle

Focus in Germany

Energy / Renewables

High tech

Industrials

Key Drivers

- + Research
- + Technological development
- + New materials

- + Global growth
- + Shift towards new markets and customers
- + Adjustment of products to new demands

The German outlook

German investment opportunities as of November 2011

	Total	PE	Family Owned	In the Market	IPO plan	Distressed
Automotive	19	8	3	7	--	1
Building/Construction	5	1	3	2	--	
Chemicals	10	8	--	4	--	
Consumer Market	25	7	5	10	--	
Diversified Industrials	25	13	2	13	--	
Healthcare	5	2	1	1	--	
Logistics & Business Services	14	4	3	3	--	
Technology, Media & Telecommunication	11	4	4	8	--	
Utilities & Renewables	15	3	--	5	--	
Total	129	50	21	53		1

Current trend in German middle market

- + Private Equity activities dominate German middle market transaction opportunities
- + Divestment plans and opportunities from family succession (Family Owned) follow