

GÜNTHER & PARTNER



WSG Barcelona Club

**Listed Corporate Bonds
for “Mittelstand – small
and mid cap companies”**

Frankfurt, 3.2.2012

Listed Corporate Bonds for small and mid cap companies (1)

- Own issue of corporate bonds
 - Attractive alternative and/or addition to traditional debt financing, i.e. bank debt
 - Independent financing source
 - Strong investor demand
- Multiple stock exchanges for corporate bonds
 - Stuttgart Bondm
 - Frankfurt Entry Standard
 - Hamburg/Hannover Mittelstandsbörse Deutschland
 - Munich m:access bonds
 - Duesseldorf mittelstandsmarkt

Listed Corporate Bonds for small and mid cap companies (2)

- Target investors
 - Retail, private investors
 - Small institutional funds
 - Only bonds with retail friendly denomination (EUR 1,000)
- Target issuers
 - Small and mid cap corporates (industry, service, new energies, ...)
 - Minimum requirements in terms of capital markets eligibility
 - Expert monitoring required (Bondm-Coach, Handelspartner, Listingpartner)
 - Issue size: ca. EUR 25 – 150 Mio.
- Stock exchanges
 - Relatively low standards and requirements
 - Admission of issuers by individual stock exchanges

„Klassischer Mittelstand“

- Industry, service, ...
- Sustainable business model
- Profitable
- Family owned
- Stock exchange-listed
- Germany and EU countries

PE-owned

- „Old Economy“
- Management co-ownership
- Growth (organic / acquisitive)
- Professional systems und Corporate Governance

Independent financing

- Banks not able or not willing to fulfil financing needs
- Prohibitive debt conditions (interest, collaterals, reporting)
- Growth financing
- Refinancing of existing bank or mezzanine debt

- Ownership
- Business model
- Size
- Profitability
- History
- Strategy
- Deployment of proceeds
- Rating
- Debt service availability (interest, repayment, refinancing)
- Systems
- Transparency
- Corporate Governance

- Both corporate and bond rating possible
 - Corporate rating usually sufficient
 - Bond rating necessary for secured bonds
- Required ratings: B and better
- Usual rating agencies
 - German: Creditreform Rating, Euler Hermes
 - International: S&P, Moody's, Fitch
- Prospect and rating in parallel
- Rating process: Desktop analysis, site visits, management presentation

Cost of issuance: Comparison Stuttgart/ Frankfurt

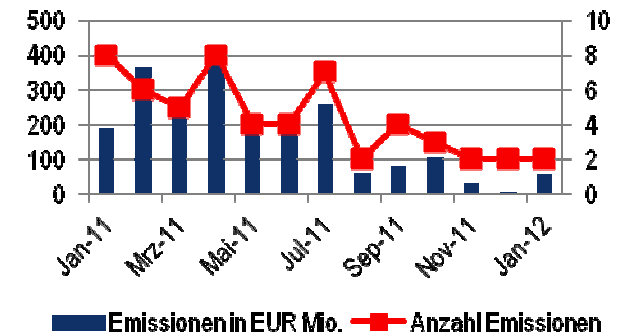
Stock exchange	Stuttgart	Frankfurt
<u>One-off cost</u>		
Prospectus	EUR 30-80,000 (dependent on complexity)	same
Rating	Corporate rating EUR 30,000 Bond rating (optional, additional) EUR 20,000	same
Placement fee exchange	0.75% of via stock exchange placed volume or 0.325% of total volume	0.75% of via stock exchange placed volume
Clearing house	0.2% of placed volume+ smaller fixed cost (e.g. holding charges)	same
Coach/Listing Partner	Front-up Fee EUR 25,000 Success fee 1.1% of placed volume	same
Marketing support	EUR 50-150,000	same
Sales	Provision 1-2% of placed volume	same
Marketing spend	0.5-1% of placed volume (could vary strongly)	same
<u>Ongoing cost</u>		
Clearing house	EUR 5,000 p.a.	EUR 13,500 p.a. (incl. Listing Fee Entry Standard)
Coach/Listing Partner	0.1% of placed volume	same

Disclaimer: The costs presented here are of an indicative nature. Actual costs may differ. This list is not comprehensive.

Positive outlook for 2012

- Total issue size so far EUR 4.2bn
- In second half of 2011 market was dry, bond prices were down
- Since December 2011 market is picking up
- Growing investor appetite
- Trend: Engagement of Placing Agents
- Analysts expect positive 2nd quarter 2012

New Issues Mittelstandsanleihen 2011



Currently available corporate bonds

Issuer	Sector	Rating	Coupon in %	Stock Exchange	Volume in EURm	In issue until
PCC SE	Chemicals, energy, logistics	-	5.00	FV FRA	20.00	28.02.2012
Ariston Real Estate	Real Estate	-	7.25	FV FRA	25.00	10.03.2012
Energy Payom	Renewable Energy	BBB	7.50	Bondm	50.00	20.03.2012
Uniwheels	Automotive	BB+	7.50	Bondm	50.00	20.03.2012
Windreich	Renewable Energy	BBB+	6.50	Bondm	75.00	14.07.2012
GIF Automotive Bond	Automotive	BB	8.50	Düsseldorf	15.00	21.08.2012
Albis Leasing AG	Leasing	BB+	7.63	HH	50.00	01.09.2012
Royalbeach	Consumer Goods	BB+	8.13	Bondm	25.00	25.09.2012
hkw Personalwertpapier	Temporary employment	BBB	8.25	Düsseldorf	10.00	30.10.2012

Prices Bondm-Index 2011



Source: Anleihen Bulletin, Börse Stuttgart, G&P

Joh. Friedrich Behrens AG (2011)

Corporate Profile

Market leading fastening manufacturer, family owned with
Turnover €100m / total debt €30m

Background

Revenue and profitability decline due to financial crisis 2008/09
Maturing syndicated loan resulting in refinancing need
Working capital requirement to finance growth

Project

Seeking alternative financing without changing shareholder
structure

Key measures

Negotiation of standstill agreement with the banks
Preparation of equity story
Issuance of €30m bond in the mid cap segment of the Stuttgart
Stock Exchange

Outcome

Successful bond placement led to lenders continuing to finance
No change in shareholder structure



Joh. Friedrich Behrens
Aktiengesellschaft

Advantages

<p>Cost efficient access to capital market</p> <ul style="list-style-type: none">• Attractive new source of capital• Access to private investors• Access to secondary market	<p>Broader financing options</p> <ul style="list-style-type: none">• Independent from banks• No collaterals necessary
<p>Low entry hurdles</p> <ul style="list-style-type: none">• Prospect• Rating• Publicity	<p>Visibility for issuer</p> <ul style="list-style-type: none">• Quality positioning as a “stock exchange-listed” company• One-of-a-kind in Europe

About Günther & Partner

- G&P was established in 2002 with head office in Munich and branch near Frankfurt and is managed by three partners with several professionals and industry-specific senior advisors
- G&P is an independent corporate finance advisor and supports clients in
 - Planning and implementation of financing alternatives
 - Support in capital market transactions
 - M&A transactions
- Our clients are
 - Entrepreneurs and family-owned businesses
 - Financial investors (private equity, banks, hedge funds)
 - Small-, mid- and large-cap companies
 - Management teams
- We have specific experience in the following industries and market segments
 - Mid-cap companies, particularly owner-managed or family-owned
 - Transport & Logistics
 - Construction / Building Materials / Infrastructure / Engineering
 - Automotive & Machinery
 - TMT (Telecoms / Media / Technology)
 - Healthcare Services & Medtech
 - Consumer Goods & Retail

What differentiates G&P from other corporate finance advisors?

- We provide comprehensive advice for corporate finance transactions and special situations, i.e. we advise our clients regarding the best possible achievement of their objectives and sustainable solutions for financing, M&A and buy-out processes
- We are experts for complex situations and have built a team that is outstanding for its
 - Extensive and international experience as entrepreneurs, consultants and senior managers
 - Expertise in capital market transactions
 - Professionalism, speed and reliability
 - Creativity and goal-oriented process skills
 - Analytical competence and mature judgment
 - Excellent network of national and international relationships
- We are success-oriented – also in our fee structure
- We cooperate with leading law firms, auditors, industry experts, management consultants and communication advisors
- Our partners personally manage every project during the entire process and support the client during all phases, from conception to successful implementation, during which we also offer to cover operational, executive and non-executive board positions if required

Financing

- Preparation of business plans. Analysis of key indicators and creditworthiness. Financial modelling
- Review of liquidity status/ cash management
- Determination of financing needs and debt capacity of corporate entities
- Detailed cash flow simulation under different financing scenarios
- Structuring and optimisation of equity and debt financing through the selection of adequate financial instruments and partners
- Identification of financing sources
- Leading or supporting negotiations regarding new or existing debt
- Process and communication management of the financing
- Ad hoc financial checks or audits

M&A

- Analysis and determination of transaction goals
- Preparation and analysis of business plans
- Evaluation of transaction components
- Stringent and discretionary process management
- Selection of adequate parties (long list/ short list)
- Implementation of marketing documents (profile, information memorandum)
- Approach of suitable investors
- Data room preparation
- Support of buyer due diligence
- Management coaching for investor presentations
- Preparation of deal conditions and negotiation tactics
- Support until final closing of the transaction
- Implementation and management of special trustee solutions

Capital Markets

- Preparation and description of investment story
- Preparation of business plans. Analysis of key indicators and creditworthiness. Financial modelling
- Selection of adequate financial instruments and markets
- Support in selecting placement strategy and partners
- Close cooperation with legal advisors
- Communication with media and placing agents
- Organisation and support of road shows
- Tight process management



Frank Günther

- Marketing
- Execution



André v. Holtzapfel

- Structuring and instruments
- Execution



Alain Fux

- Risk assessment/ Rating
- Execution



Viona Brandt

- Financial communication
- Execution

Frank Günther

CV and references



- 25 years of experience in financing advisory, M&A and restructuring
- Co-Head European Media Group, Co-Head Munich at Morgan Stanley
- Head of Germany at SalomonSmithBarney
- Global Client Relationship German Industrials at JPMorgan
- Head of Frankfurt Office at Booz Allen
- CEO and Head of the Supervisory Board at Rinol AG
- Member of the Supervisory Board at Premiere AG
- Frank Günther has studied economics at Mannheim university and holds a German Dipl.-Kfm. Degree
- Trained bank clerk at BW-Bank

A selection of transactions that Frank Günther has participated in as a senior manager:

Beiersdorf AG company in the US	Acquisition of a consumer goods
Robert Bosch GmbH Rexroth	Acquisition and financing Mannesmann
DaimlerChrysler AG Fusion (Global Share)	Capital structure for DaimlerChrysler
Deutsche Telekom AG EM-TV	IPO, ADR programme, High Yield Bond Financing (Convertible) and M&A
Formula 1 (Sale)	Financing (Bond) and Fairness Opinion
ProSieben	IPO and Financing (Bond)
Premiere	Restructuring and Sale to Permira
RINOL AG	Restructuring, Sale of subsidiary
Ströer financial investor	Acquisition of DSM and financing by

André v. Holtzapfel

CV and references



- 25 years of experience in international corporate financing with a focus on credit risk management and structured financings
- 4 years of transaction experience in private equity
- Member of the executive board at DZ Equity Partner, responsible for risk management in 60+ investments
- Managing Director and Co- Head Large Transactions Group Dresdner Bank Corporates & Markets (core credit risk management with authority up to EUR 300m)
- André v. Holtzapfel is a Bankbetriebswirt (Bankakademie Frankfurt)

A selection of transactions that André v. Holtzapfel has participated in as a senior manager:

- Many buy-out financings incl. secondaries (a.o. Honsel, Grohe, KTM, Empe, Tarkett, Breitenfeld)
- Equity financings (a.o. Konrad Hornschuch, Paidi Möbel, Melvo, Electrovac)
- Head of Advisory Board at Target Partners, Munich
- Member of Advisory and Strategy Board FINATEM Fonds, Frankfurt
- Development and implementation of a standardised mezzanine programme in cooperative banking alliance (MezzanineKompakt)

Alain Fux

CV and references



- 25 years of operational and corporate finance experience
- General Manager Germany/ France at Discovery Networks
- CFO at VOX Television/ Bertelsmann
- CEO of MultiThématiques/ Canal+ in Germany
- Booz Allen
- Commerzbank
- Alain Fux holds a German Dipl.-Kfm. degree (EAP Paris, Oxford, Berlin) and an MBA (INSEAD)

A selection of transactions that Alain Fux has participated in as a senior manager:

Bertelsmann AG	Various M&A projects; Financing, restructuring and Sale of VOX
Börsennotierte Privatbank	Sell side mandate
E.ON	Sale of PURON AG to Koch Industries
Financial investors	Mandates for many private equity and hedge funds
ProSiebenSat1	Advisory services to purchasing party
RWE Solutions	Management Equity Plan when sold to Advent
Schenck Process	Management Equity Plan when sold to HgCapital
Vatter GmbH	Distressed M&A/ Insolvency plan

Viona Brandt

CV and references



- 18 years of experience in capital markets, asset management, financial communication and investor/creditor relations
- JP Morgan: Investment Banking, Sales & Trading, Asset Management
- EM.TV & Merchandising AG (today: Constantin Medien AG): Director Investor Relations
- ESCADA AG: Head of Investor Relations
- Willy Bogner GmbH & Co. KGaA: Head of Corporate Communications
- Viona Brandt holds a German Diplom-Kauffrau degree (University Frankfurt)

A selection of transactions that Viona Brandt has participated in as a senior manager:

ESCADA AG	ADR programme
ESCADA AG	High Yield Bond (EUR 200m)
ESCADA AG	Capital increase and Convertible Bond (EUR 90m)
EM.TV & Merchandising AG	Convertible Bond (EUR 400m)
EM.TV & Merchandising AG	Capital Increase (EUR 488m)

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