

Letter to the Shareholders

Dear shareholders, dear business associates,

In the first half of the year, we sold the ASTERION Group to Exela for a net amount of EUR 15 million and Arti Grafiche to the Italian printing group AGH S.p.A. for a more symbolic consideration.

As of 30 June 2018, we estimate the value of our direct investments at EUR 20 million. The market value of our stocks was EUR 139 million, a non realised gain of EUR 27 million on the EUR 112 million spend on them. The cash and cash equivalents in the holding the intermediate companies amounted to EUR 154 million. With EUR 46 million due from the tax authorities, EUR 200 million is available for reinvestment. The net value of our total financial portfolio was EUR 359 million - a decline of 0.6% compared to the end of 2017. The DAX fell 4.7% during the same period. The net value per share remains virtually unchanged at EUR 71.

Our financial portfolio has developed as follows in the last 12 months:

(EUR million)	30.06.2017	31.12.2017	30.06.2018
Shares	118	145	139
Cash*	211	181	200
Direct Investments	34	35	20
Total	363	361	359

*As of 30 June 2018, including EUR 46 million tax receivables

Our five largest securities positions changed as follows in the first half of the year:

(EUR million)	31.12.2017	30.06.2018
Inv. AG TGV	11.2	12.7
Berkshire Hathaway	12.6	12.3
Ryman Healthcare	10.5	11.6
Brederode SA	9.9	11.2
Summerset Group Holdings	7.7	10.5
Balance	51.9	58.3

On balance, our five largest positions rose 12%. At the heart of our investment philosophy is capital preservation, therefore we will continue to invest cautiously.

We value openness and would be pleased to receive any suggestions for improvement or ideas for future transactions.

Best regards

A handwritten signature in blue ink, appearing to read 'Reimar Scholz', with a stylized initial 'R' and a long horizontal stroke at the end.

Reimar Scholz
Executive Board