

Press Release

DEG: New business in Africa at record high

- New commitments once more above the one billion-euro threshold despite the economic crisis
- Commitments in Africa for the first time above 25 per cent
- Over 160 million euros for climate-protection projects

For the third time in succession, DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, has achieved new business commitments of more than one billion euros. Last year, it provided
5 around 1.01 billion euros to finance private-sector investments in developing and emerging-market countries (2008: 1.22 billion euros). “It is particularly at a time of significantly declining cash-flow into developing countries that entrepreneurial development cooperation is required to boost private-sector commitment,” said Bruno Wenn,
10 chairman of DEG’s Board of Management, on the occasion of the annual press conference in Cologne.

Especially during the first six months of 2009, demand for long-term finance and venture capital had been lower than expected owing to the investment reserve of many companies. With the economy recovering
15 over the year and the reduced offer of commercial finance, the request for DEG finance considerably increased towards the end of the year. The total commitment of DEG – the portfolio at own risk – increased by approximately four per cent to 4.6 billion euros as per 31 December 2009.

20 **Regional and sectoral focuses**

For the first time, DEG made more than one-quarter of its new business in Africa, where it committed a total of 266 million euros, corresponding to an almost 50 per cent increase as against previous year (2008: 179 million euros). “By this, we managed to further expand
25 the promotion for this developmentally important continent in a challenging business year,” said Bruno Wenn. The majority of the commitments during the past year once more went to Asia, where DEG invested 463 million euros (2008: 451 million euros). In Latin America,

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30 new business was at 198 million euros (2008: 342 million euros) and in
the region of southeast and eastern Europe, new commitments
accounted for 80 million euros (2008: 249 million euros). An essential
part of DEG's mandate is to accompany German investors. Last year,
DEG co-financed foreign investments of German enterprises with an
amount of 137 million euros (2008: 165 million euros). The German
35 medium-sized company Schwenk, for instance, is currently building the
first cement works in Namibia with financial support of DEG.

As regards industries, DEG's focus was once more on the finance
sector. At 305 million euros, commitments in 2009 made up around 30
per cent of new business (2008: EUR 487 million euros; 40 per cent).
40 The focus was on financings for banks with a view to improving the
offer of financial services particularly for small and medium-sized
enterprise. As far as industrial companies are concerned, DEG's share
of new commitments accounted for 276 million euros, or approximately
27 per cent. These companies make a contribution to the creation of
45 qualified jobs on the one hand, and to boosting know-how and
technology transfer, on the other. With an amount of 251 million euros,
infrastructure measures almost made up one quarter of new business.
Projects of agribusiness and food industry accounted for 14 per cent.
The share of venture capital financing in form of participations and
50 mezzanine loans totalled 379 million euros and thus accounted for 37
per cent of new business.

DEG provided more than 160 million euros for projects with particularly
high contributions to climate protection.

Development effects

55 Together with the companies financed in 2009, DEG promoted around
196,000 jobs with 15,200 of them being new jobs. Furthermore, the co-
financed enterprises will contribute to government revenues to the
amount of approximately 570 million euros a year and generate annual
net foreign exchange of around 1.7 billion euros.

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60 An additional developmental accent is the Public-Private Partnership (PPP) Programme, which DEG has been running on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) since 1999. Last year, DEG supported 57 of these PPP projects with 9.9 million euros from public funds.

65 “In 2010, the promotion of small and medium sized enterprise will be of particularly high priority for us,” said DEG chairman Wenn with regard to the plans for the current year. “The importance of small and medium-sized enterprise for the private sector in developing countries cannot be prized enough.” Moreover, DEG is planning to further extend
70 climate finance, mainly in the field of renewable energy, in 2010. The commitment in the insurance sector is also intended to be enhanced further. For 2010, DEG assumes an economic recovery of the markets in its partner countries and an increasing demand for its long-term finance. It is therefore planning to once more step up its new business
75 volume to 1.1 billion euros for this year.

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