



Scherzer & Co.

Company presentation

Scherzer & Co. Aktiengesellschaft

As of November 30, 2010



Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary



Scherzer & Co.

Executive Summary

Scherzer & Co. AG is a Cologne, Germany-based investment holding company whose object is to pursue long-term capital appreciation for its shareholders through an investment strategy that is both safety-oriented and opportunistic.

From safety-oriented aspects investments are undertaken in takeover bid/squeeze-out stocks and value stocks where the market price appears underpinned on the downside. Price-stabilising features may be a “natural floor” in the case of structural measures, either announced or in progress, or excellent balance sheet and earnings quality in the case of value stocks.

It also invests in companies offering enhanced opportunity potential at predictable risk, focusing especially on select growth companies with a sustainable business model. However, the market is also analysed for special situations that can offer attractive risk-reward profiles for diverse reasons. In addition, the company gladly seizes upon opportunities to participate in promising capital measures or secondary placings.



Scherzer & Co.

Mission Statement

- As mid-term target, to build an **investment portfolio** with **equity financing** of at least **€100 million**
- To establish the company as one of the **top quoted investment holding companies** in the area of special situations and corporate actions.
- To position the company as a **relevant partner** for transactions in the area of special situations.
- To achieve **sustained capital appreciation**.



Management and Supervisory Board

Dr. Georg Issels

Managing Director, Scherzer & Co. AG, since 2002.
Managing Director, RM Rheiner Management AG, since 2008.

Dr. Hanno Marquardt
Chairman

Lawyer,
Partner in the law firm Schmitz Knoth Rechtsanwälte,
Bonn, Cologne, Berlin;

Rolf Hauschildt
Deputy Chairman

Investor,
Managing Director, VM Value Management GmbH,
Düsseldorf;

Dr. Dirk Rüttgers

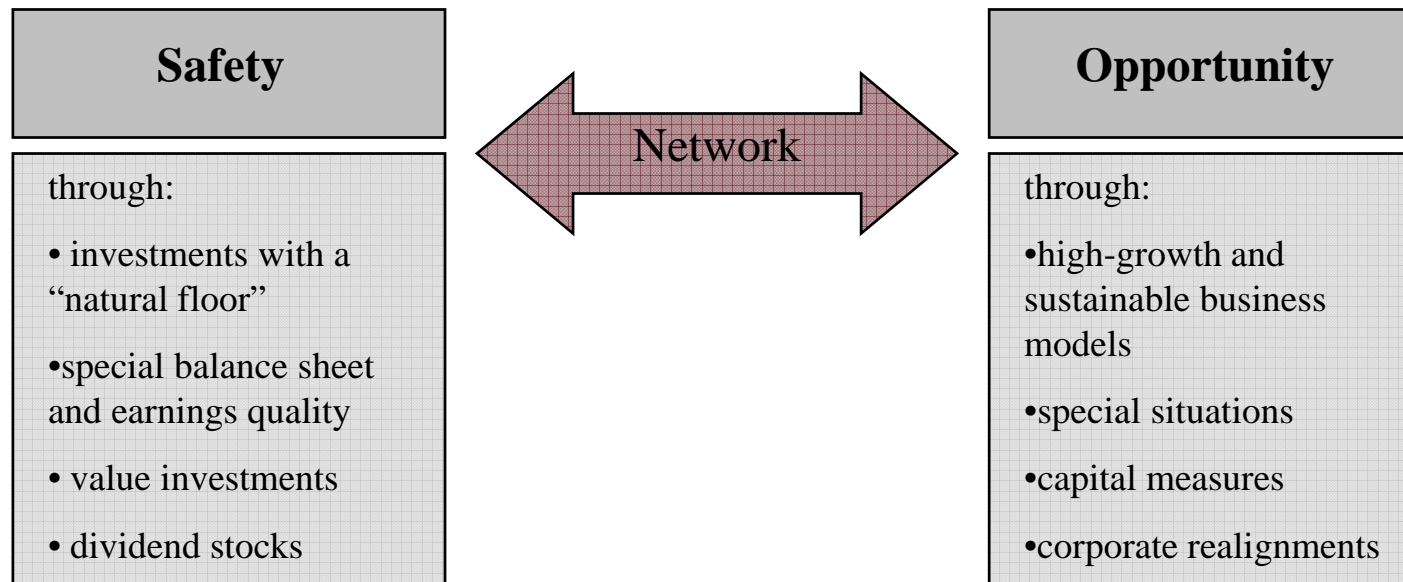
Asset Manager,
Managing Director, Silvius Dornier Verwaltungsgesellschaft mbH, Munich



Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary

Positioning: Concentration on two strategies



Risk-reduced capital appreciation while at the same time seizing upon interesting capital market opportunities.



Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary



Scherzer & Co.

Investment Strategy

Safety through...

- ... investments in companies with a “natural floor” (cash offers or expected cash offers).
- ... special balance sheet quality: net cash position, little/no debt, share price (significantly) below book value.
- ... strong and/or strategic principal shareholder.
- ... special earnings quality: sustained, positive earnings, as far as possible non-cyclical business, dividend continuity, sustained free cash flows

Selected Individual Positions (Safety-Oriented)

- SAF Simulation,
Analysis and Forecasting AG
Sector: Software,
Security code WKN AOJ D78,
Cash value / takeover in process
- buch.de
internetstores AG
Sector: e-Commerce,
Security code WKN 520 460,
Cash value / takeover candidate
- Generali Deutschland
Holding AG
Sector: Insurance,
Security code WKN 840 002,
Squeeze-out candidate



Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary



Scherzer & Co.

Investment Strategy

Opportunities through...

- ... investments in sustainable business models with appropriate growth potential.
- ... special situations.
- ... seizing upon opportunity potential presented by capital measures (restructurings, recapitalisations, growth finance).
- ... participating in corporate realignments.

Selected Individual Positions (Opportunistic)

- freenet AG
Sector: Telecommunications
Security code WKN A0E AMM,
Corporate action / high cash flow
- Biotest AG
Sector: Biotechnology
Security code WKN 522 720,
Special situation / development pipeline
- Xing AG
Sector: Internet
Security code WKN XNG 888,
Cash value / takeover candidate



Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary



Scherzer & Co.

The 10 Largest Equity Positions

(in order of market capitalisation based on share prices as of November 30, 2010)

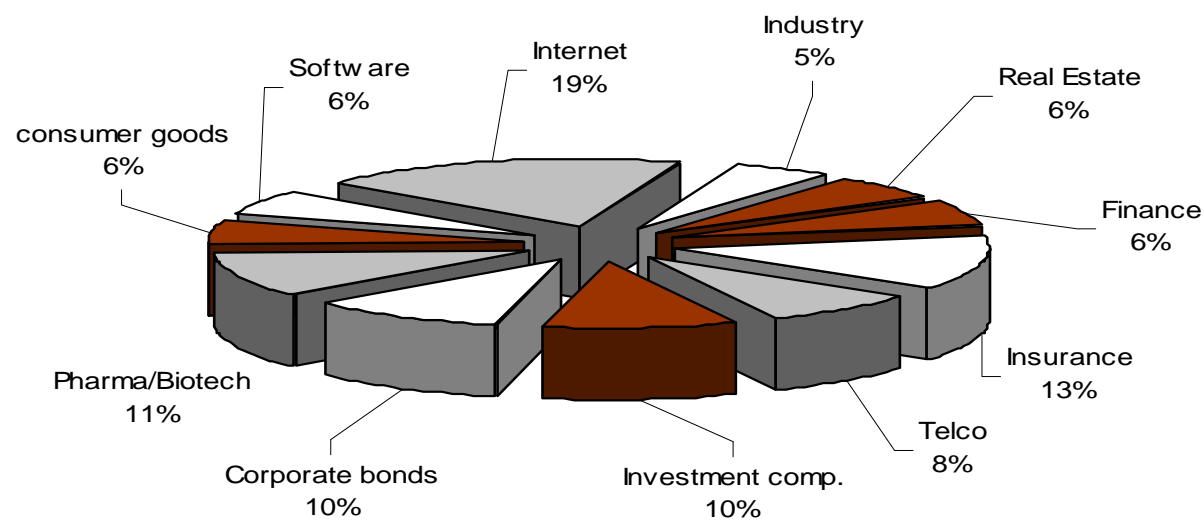
▪ WKN: 520 460	buch.de internetstores AG	<i>Safety</i>
▪ WKN: 522 720	Biotest AG, Ord.	<i>Opport.</i>
▪ WKN: 840 002	Generali Deutschland Holding AG	<i>Safety</i>
▪ WKN: A0EAMM	freenet AG	<i>Opport.</i>
▪ WKN: 800 100	Deutsche Postbank AG	<i>Safety</i>
▪ WKN: XNG 888	Xing AG	<i>Opport.</i>
▪ WKN: CLS 100	Celesio AG	<i>Opport.</i>
▪ WKN: 701 870	RM Rheiner Management AG	<i>Safety</i>
▪ WKN: 515 710	Dr. Hönle AG	<i>Opport.</i>
▪ WKN: AOJ D78	SAF Simulation, Analysis & Forecasting AG	<i>Safety</i>

These investments represent 63.3% of the total portfolio.



Scherzer & Co.

Investment by Sector as of 30.11.2010



Subsequent Improvement Volume

- An interesting corollary of investments in takeover bid/squeeze-out stocks are the successive, significant volumes of subsequent improvement rights (additional settlement claims).
- They represent potential claims arising from court arbitration awards sought in the wake of structural measures at listed companies.
- The volume tendered as of November 30, 2010 is approximately **74.2 million euros**.
- The subsequent improvement rights are not carried on the balance sheet.

Selected Project Completions

- Bank Austria AG: Squeeze-out completed in August 2008.
- Bayerische HypoVereinsbank AG: Squeeze-out completed in September 2008.
- Bayer Schering Pharma AG: Squeeze-out completed in September 2008.
- Kässbohrer Geländefahrzeug AG: Tendered under company agreement.
- Kölnische Rückversicherungs - Gesellschaft AG: Squeeze-out completed in February 2009.
- Ersol AG: Squeeze-out completed in September 2009.
- Altana AG: Tendered under public tender offer.
- D&S Europe AG: Squeeze-out completed in June 2010.
- Ergo Versicherungsgruppe AG: Squeeze-out completed in July 2010.



Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary



Scherzer & Co.

Development of Capital

- 1880 / 1910 Founded in 1880, articles of incorporation adopted in 1910 as Porzellanfabrik Zeh, Scherzer & Co. AG.
- August 2002 Capital converted to euro and no-par-value shares, subscribed capital (SC): € 883,750.00, divided into 883,750 shares.
- June 2005 Capital increase 13-for-1 at €1.05 - SC: €12,372,500
- December 2005 Capital increase 1-for-10 at € 1.18 - SC: € 13,609,750
- April 2006 Capital increase 1-for-3 at €1.45 - SC: €18,146,333
- May 2007 Capital increase 1-for-2 at € 1.60 - SC: € 27,219,499



Balance Sheet Figures as of 31 December 2009

	FY 2009	FY 2008
Securities classified as non-current assets	€20.55m	€23.25m
Securities classified as current assets	€19.73m	€11.84m
Total assets	€40.89m	€37.61m
Shareholders' equity	€29.45m	€24.08m
Subscribed capital	€ 27.22m	€ 27.22m
Bank liabilities	€10.59m	€13.27m
Equity ratio	72.02 %	64.04 %



Key P&L Figures as of December 31, 2009

	FY 2009	FY 2008
Profit/loss on ordinary activities	€6.00m	€- 19.89m
Net income/loss for the year	€5.37m	€- 19.90m



	FY 2009	FY 2008
Realised gains/losses	€ 1.19m	€ -3.07m
Dividend income	€0.54m	€2.00m
Other operating income	€6.45m	€1.49m
Write-downs to fair value at reporting date	€1.15m	€18.60m
Other operating expenses	€0.53m	€0.46m
Earnings before interest and tax (EBIT)	€6.27m	€-18.83m
Net interest income/expense	€0.28m	€-1.05m
Taxes on income	€0.63m	€-0.01m



Scherzer & Co.

Key P&L Figures as of June 30, 2010

	1H FY 2010	1H FY 2009	1H FY 2008
Realised gains/losses	€ 0.65m	€-0.52m	€3.03m
Dividend income	€ 1.01m	€0.43m	€1.80m
Other operating income,	€ 1.69m	€3.76m	€0.36m
thereof: Commercial accounting write-ups	€1.33m	€3.51m	€0.00m
Write-downs to fair value at reporting date	€2.09m	€1.45m	€4.88m
Other operating expenses	€0.43m	€ 0.33m	€0.37m
Earnings before interest and tax (EBIT)	€0.81m	€1.84m	€-0.07m
Net interest income/expense	€-0.21m	€-0.21m	€-0.62m
Earnings before tax (EBT)	€0.60m	€1.63m	€-0.69m

Events after 1st Half of 2010

- Investment in Kizoo AG sold at a gain of € 0.42m, investment in Jungheinrich AG sold at a gain of €0.25m.
- Biotest position added to after profit warning on 14 July 2010.
- Corporate bonds in a total volume of €6m, including, among others, Alcatel Lucent, Constantin Medien, Conti-Gummi, Hapag Lloyd and Phoenix-Pharma, added to the portfolio.
- Shares of Deutsche Postbank AG were tendered to Deutsche Bank AG.
- Based on a share price level of € 1.10, Scherzer & Co. AG is trading roughly 17% below the current market value of the portfolio positions as of 30.11.2010 net of the company's liabilities (subsequent improvement rights are not included in the portfolio's valuation).



Share Performance in 2010

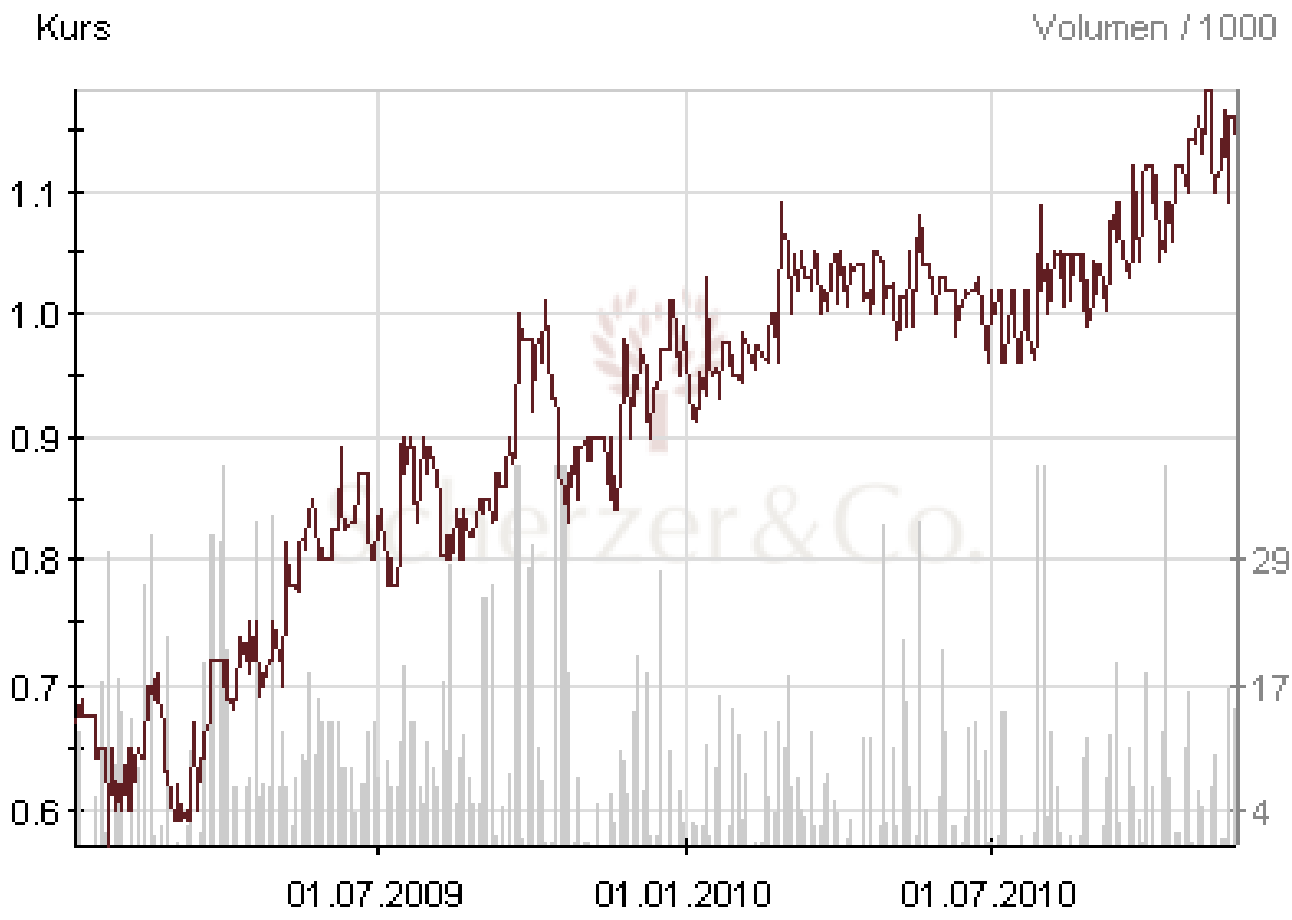
High / low in 2010 **€ 1.20 / € 0.92**

Market capitalisation on November 30, 2010 **€ 29.94m**

Share price on November 30, 2010 **€ 1.10**



Scherzer & Co.





Scherzer & Co.

1. Executive Summary
2. Positioning
3. Strategy / Safety
4. Strategy / Opportunity
5. Significant Individual Positions
6. Financials
7. Summary



Key Investment Highlights

- **Balanced risk mix** reduces the portfolio's volatility and lowers the correlation to the total market.
- **Opportunistic investment approach** allows interesting returns.
- Including **special situations** in the investment approach leads to higher income.
- Administrative costs minimised through an **intelligent compensation system**.
- **Active exercise of shareholder rights** optimises the return on the portfolio.



Listing

- Stock Exchange: Frankfurt Stock Exchange Entry Standard, Over-the-Counter Market at the Berlin, Düsseldorf and Stuttgart Exchanges, Xetra.
- Ticker Symbol: PZS
- Reuters: PZSG.DE (Xetra), PSZG.F (Frankfurt), PZSG.D (Düsseldorf) PZSG.BE (Berlin), PZSG.SG (Stuttgart).
- Bloomberg: PZS
- Research: Solventis Wertpapierhandelsbank
- Designated Sponsor: Close Brothers Seydler Bank AG
- WKN/ ISIN: 694 280 / DE 000 694 280 8
- Shareholders: Majority held by institutional investors; > 200 private shareholders



Scherzer & Co.

Financial Calendar

February 4, 2010	Close Brothers Seydler Bank AG, Small & Mid Cap Conference 2010
March 8, 2010	Supervisory Board Meeting
May 17, 2010	Supervisory Board Meeting
May 17, 2010	Annual General Meeting
July 29, 2010	Interim Report as of 30.06.2010
September 24, 2010	Supervisory Board Meeting
December 6, 2010	Supervisory Board Meeting



Scherzer & Co.

Contact Details

- Registered Office: Cologne, Germany
- Commercial Register: Cologne District Court, Reg. No. HRB 56235

- Company Address: Friesenstrasse 50,
50670 Köln
- Phone: + 49 (0)221 820 32-0
- Fax: + 49 (0)221 820 32-30
- E-mail: info@scherzer-ag.de
- Website: www.scherzer-ag.de



Scherzer & Co.

Disclaimer

This presentation contains statements about future developments as well as information derived from sources considered to be reliable by Scherzer & Co. AG. All statements in this presentation (including opinions, estimates, and assumptions) which are not historical facts, such as the future financial situation, the business strategy, plans and targets of the management of Scherzer & Co. AG are forward-looking statements. Such statements embody known and unknown risks, uncertainties, and other important factors which may cause the actual results to differ from the expected or assumed results. These statements take account of insights up to and including the time of preparation of the presentation and are based on numerous assumptions that may turn out to be correct or incorrect. While Scherzer AG endeavours to ensure that the information and facts supplied are exact, and that the opinions and expectations are fair and reasonable, no liability or guarantee is assumed for the completeness, correctness, reasonableness, or accuracy of any of the information and opinions contained herein.



Scherzer & Co.

Disclaimer

Scherzer AG reserves the right to make changes or additions to the information provided here without prior notice. Furthermore, attention is drawn to the fact that possibly the presentation may not contain all the information of Scherzer & Co. AG, or it may be reproduced incompletely or in summarised form.