

We invest in winners. That means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

WMF AG

This Swabian manufacturer of household, gastronomy and hotel industry goods traces its roots back to the year 1880, when the metal goods factory Straub & Schweizer from Geislingen merged with metal goods factory Ritter & Co. The resulting Württembergische Metallwarenfabrik Aktiengesellschaft (WMF AG) has now existed in this legal form for 132 years. Today, the company and its 6,000 employees generate annual revenues of EUR 1 billion.

The long-term existence of this company is based on a continuous willingness to innovate and take advantage of business opportunities. Starting with silver-plated hollow-ware, the product range was consistently expanded with cutlery, glass products, cookware and kitchen knives. WMF developed the world's first fully automated coffee machine in 1969. The purchase of 34% of shares in Schaerer AG, a Swiss manufacturer of coffee machines, in the year 2003 was a ground-breaking decision in the company's recent history, which made it possible to expand a still recent and strategically important business segment. The remaining 66% of shares were purchased in 2006, followed by the market introduction of a fully-automated coffee machine for private customers.

The acquisition of Schaerer AG for EUR 12 million has paid off. Today, this business seg-

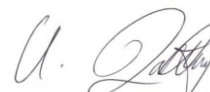
ment generates 30% of revenues and more than 70% (EUR 47 million) of the group's operating profits. The conversion of WMF from a traditional manufacturer to a lifestyle provider is accompanied by improved profitability (event: "Operating catalytics"). While the remaining business segments feature a combined EBIT margin of 3%, coffee machines impress with 16% margins. This success is closely linked with CEO Thorsten Klapproth, who has headed up the group since 2003. He owns a minority holding in the Crystal Capital holding company, which purchased 52% of WMF common stock in 2006 and subsequently provided the free shareholders with a public offer against payment of EUR 19.05 per common share and EUR 15.60 per preferred share (event: "Change in shareholder structure"). This holding in the company was further increased as a result of a share repurchase program approved in 2011 (event: "Change in capital structure").

In July 2012, Crystal Capital announced that it would sell its WMF holding to financial investor KKR. Free shareholders have received an identical offer for EUR 47.00 per common share and EUR 31.80 per preferred share. We will accept this offer for our common stock. We have been an ordinary and preferred shareholder of WMF AG since October 2009. We purchased the first shares at EUR 20 and EUR 15 respectively. Inspired by our three defined event categories, the share price has risen consistently since that time.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky