MBB Industries

Annual Report 2009

MBB Industries AG . Berlin

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Portrait of MBB Industries

MBB acquires, develops and sells majority holdings in medium-sized companies. Potential associate companies should possess essential value-enhancement potential and generate an annual turnover of at least €10m.

MBB's focus is on industrial companies, whereby MBB does not restrict its interests to specific industrial sectors. The aspect which is of decisive importance to MBB's success is its ability to identify companies with profit potential and to acquire them at favourable terms. MBB has many years of experience in the mergers and acquisitions process for selecting and acquiring holdings, which it employs in pursuit of this aim.

MBB does not lay down a particular duration for the holding. A holding is only sold on if a potential buyer offers a price which in MBB's estimation exceeds the value growth potential that MBB Industries would be capable of generating. The sale of holdings is subject to constant inspection and structured preparation.

MBB Industries in Numbers

Financial year (01.01.-31.12.)	2007 IFRS	2008 IFRS	2009 IFRS	Δ 2008 / 2009
Performance (figures)	**€ k**	**€ k**	**€ k**	**%**
Sales revenue	**113,648**	**199,346**	**116,581**	***-41.5***
Operating output	129,925	209,098	128,608	*-38.5*
Material expenses	-66,275	-123,016	-73,853	*-40.0*
Personnel expenses	-27,598	-47,670	-31,722	*-33.5*
EBITDA	21,262	19,544	9,968	*-49.0*
EBITDA-Margin	*18.7%*	*9.8%*	*8.6%*	*-12.8*
EBIT	14,368	14,442	5,409	*-62.5*
EBIT-Margin	*12.6%*	*7.2%*	*4.6%*	*-36.0*
EBT	12,818	11,793	3,864	*-67.2*
EBT-Margin	*11.3%*	*5.9%*	*3.3%*	*-44.0*
Consolidated net profit after minorities	**13,629**	**8,029**	**3,546**	***-55.8***
Numbers of shares	6,600,000	6,600,000	6,600,000	*0.0*
eps in €	2.07	1.22	0.54	*-55.8*
Balance sheet figures	**€ k**	**€ k**	**€ k**	**%**
Non-current assets	58,043	56,712	41,647	*-26.6*
Current assets	73,875	83,173	60,292	*-27.5*
Thereof cash and cash equivalents	26,946	25,085	34,339	*36.9*
Subscribed capital	6,600	6,600	6,600	*0.0*
Other equity	43,901	47,665	48,986	*2.8*
Equity total	50,501	54,265	55,586	*2.4*
Capital ratio	*38.3%*	*38.8%*	*54.5%*	*40.6*
Non-current liabilities and provisions	23,570	27,314	21,899	*-19.8*
Current liabilities and provisions	57,847	58,306	24,454	*-58.1*
Balance sheet total	**131,918**	**139,885**	**101,939**	***-27.1***
Net financial debt (net debt (-) / net cash (+))	787	-981	10,725*	*-1,193.3*
Employees (Key Date)	**Dec 31, 2007**	**Dec 31, 2008**	**Dec 31, 2009**	**%**
Technical Applications	1,532	1,485	751	*-49.4*
Industrial Production	245	246	270	*9.8*
Trading & Services	15	96	101	*5.2*
Total	**1,792**	**1,827**	**1,122**	***-38.6***

* This figure includes the physical gold stocks of €1.0m listed under Other Assets in the balance sheet.

Welcome Note from the Managing Board

Dear Shareholders,

2009 was a good year for MBB. Despite the ongoing financial and economic crisis, we were able to undertake our biggest holding disposal since the company's flotation. Our diverse portfolio allowed us to steer an on-balance, profitable course through the crisis, and we were able to prepare for the takeover of CT Formpolster from Continental as of January 1, 2010. Our highly experienced team thus began the new year with an exceptional capital ratio and, for the first time in the company's history, available cash reserves of well over €30m for financing further purchases – what more could we wish for?

In early May 2009, we sold the Reimelt Henschel group to the Zeppelin group, based in Friedrichshafen. Although only acquired in August 2007, Reimelt Henschel benefited from a considerable increase in earnings and profits following the takeover by MBB, thus strengthening its position as one of the world's leading plant manufacturers in the food industry. In the ensuing period, Reimelt Henschel became a highly desirable takeover target, and the considerable competition between the bidders meant that we were able to multiply our original input after not even two years. There is no doubt that luck had a hand in our purchasing a holding at the peak of the global growth euphoria, and then sell it off profitably in the middle of a major economic crisis. But it is above all ample proof of the attractiveness of MBB's business model and the superior competitive ability of our team. After all, both the sale of Huchtemeier Recycling and the flotation of Delignit in recent years could also be regarded as exceptional successes.

Practising the sale of holdings as a supreme discipline requires an attractive portfolio and a steady stream of new acquisitions. With respect to the former – our holdings portfolio – the good news is that a diversified portfolio such as ours is only subject to average levels of profit or loss; however, this is somewhat tempered by the bad news that we too have an automobile supply company in our portfolio, in the form of Delignit, which poses a considerable challenge at the moment. In the year 2009, Delignit lost almost 40 percent of its earnings in comparison to the previous year, and despite a balanced EBITDA, it contributed a significant loss to the overall figures. It will surprise nobody that we are assuming a lot of effort will be necessary for this holding in 2010, even taken into account that general conditions might improve. However, we are prepared to continue our dedication, because we are convinced of Delignit's ecologically unique business model.

The star in our portfolio is Hanke, a company in whose development we invested 5 million euros in the last year, and which was still able to post a high level of dividends, despite growth, investment and the world economic crisis. We have secured Hanke's superior competitive ability by investing in buildings and machines, thus ensuring a solid foundation for further growth. Just as successful was the crisis-resistant trading business in hygiene paper, the core activity of our Dortmund holding, Huchtemeier, which posted an increase in profits despite a drop in revenues.

Without going into all of our other holdings at this point, we would at least like to present what has turned into something of a hidden champion: DTS Systeme, which we acquired in 2008. As a supplier of IT systems, DTS Systeme has managed to overcome the challenges of the market reflected by budget cuts or cancellations, insolvent customers, and fearful credit insurers. They achieved this by cleverly expanding their business model and focusing on data centre service packages. We are proud that we have been able to hold earnings and profits at the same level as

the previous year, and we are convinced that DTS will enjoy quite considerable growth over the coming years.

2009 was a year characterised by the absence of new acquisitions. Nevertheless, over this period, we took the time to prepare the purchase of CT Formpolster from Continental, with effect from January 1, 2010. We regard CT Formpolster as an ideal addition to the OBO-Werke, the regional proximity and almost identical basic production resources forming the basis for expanding our plastics activities which are then to contribute around 30 million euros to the group revenue annually. The fact that a DAX company showed trust in MBB at a time in which large groups had little joy in selling subsidiaries to holding companies serves to strengthen us in our resolve to only conduct purchases when it is the business model and not the deal that is of interest. We would very much like to expand our portfolio in 2010 and accordingly, we are redoubling our efforts. The results, however, have so far been sobering. The few good companies available for sale have stimulated a price competition, resulting in a situation in which sales are concluded at prices which are – in our opinion – too high. We are convinced that this is all the more true bearing in mind that the purchasing prices of today will have to be justified in the light of the next economic crisis that the future holds in store. But we will stay on the ball and we do not intend to endanger our 14 years of unbroken profitability, neither through our next acquisition nor any subsequent one.

The good business year is also mirrored by the fact that a doubling in the dividend to 50 cents per share is to be proposed at the shareholder meeting of June 30, 2010. This is not due to a lack of faith in future acquisitions but simply because an extraordinary year deserves an extraordinary dividend, which – and this cannot be stressed enough – nevertheless will in no way restrict our scope of action. Our reliable dividend policy will offer both present and future shareholders a sound basis for an increase in the price of MBB shares, accompanied by a liquidity that represents a major portion of the market capitalisation, a portfolio with revenues of 120 million euros, and the highly experienced and efficient MBB team.

Yours sincerely

Dr. Christof Nesemeier

The Managing Board

Dr. Christof Nesemeier
Chief Executive Officer (CEO)

Dr. Christof Nesemeier is the Chief Executive Officer of MBB Industries. He is responsible for the strategic development of the company and also heads the holdings management section. Within the management team, he is also responsible for corporate finance and investor relations. Dr. Christof Nesemeier studied economics at the University of Münster and obtained his doctorate from the University of St. Gallen in Switzerland. Until 1996, he was a member of the management team of an international management consultancy. Dr. Christof Nesemeier is Chairman of the Board of Directors of Delignit AG and Deputy Chairman of the Board of Directors of InVision Software AG.

Gert-Maria Freimuth
Chief Investment Officer (CIO)

Gert-Maria Freimuth is the Chief Investment Officer of MBB Industries. He is the head of mergers & acquisitions, corporate communication and marketing. He is also responsible for the legal department. Gert-Maria Freimuth studied economics and Christian social ethics at the University of Münster. Until 1994 he worked in the corporate finance department of the Price Waterhouse auditing and consultancy company. Between 1994 and 1996 he was a member of the management at BDO Structured Finance GmbH. Together with Dr. Christof Nesemeier, he founded the company Nesemeier & Freimuth GmbH, which went on to become what is now the MBB Group. Gert-Maria Freimuth is the Deputy Chairman of the Board of Directors of Delignit AG.

Dr. Philipp Schmiedel-Blumenthal
Chief Operating Officer (COO)

Dr. Philipp Schmiedel-Blumenthal is a member of the MBB Managing Board, where he is responsible for holdings management. Dr. Schmiedel-Blumenthal studied economics at the European Business School (ebs) in Oestrich Winkel, and obtained his doctorate from the Leipzig Graduate School of Management (HHL). Until 2001, he was an investment manager at Pricap Venture Partners AG / Thomas J.C. Matzen Group. Dr. Philipp Schmiedel-Blumenthal has been part of the team at the MBB Industries group since 2002.

The Board of Directors

Dr. Peter Niggemann
Chairman of the Board of Directors

Dr. Peter Niggemann was born in 1965 and is Chairman of the Board of Directors as well as being a partner in the Freshfields Bruckhaus Deringer legal firm in Düsseldorf. After his banking training, which he completed at the Westdeutsche Landesbank Girozentrale in Münster/Düsseldorf, he studied law at the University of Cologne and at Georgetown University in Washington D.C. He obtained his doctorate from the University of Cologne in 1998. Since March 1998 he has been a lawyer at Freshfields Bruckhaus Deringer solicitors in Brussels, London and Düsseldorf. His main area of interest is in the field of European and German cartel law. He is also a visiting lecturer at the University of Cologne.

Dr. Jan C. Heitmüller
Deputy Chairman of the Board of Directors

Dr. Jan C. Heitmüller was born in 1965 and is the Deputy Chairman of the Board of Directors. As investor he focuses on undervalued private or public companies. Previously, he was a private equity manager at Lindsay Goldberg Vogel in Düsseldorf. He advised several LGB-funds that controlled more than $5b in equity capital. Furthermore, Dr. Heitmüller has more than ten years experience in industry and management consulting. He was CFO of the private water company Eurawasser Aufbereitungs- und Entsorgungs GmbH in Berlin and Head of Corporate Development at Thyssen Handelsunion AG, Düsseldorf. Dr. Heitmüller previously worked at Bossard Consultants and McKinsey & Co. His education brought him to the USA, Spain and Switzerland.

Dr. Matthias Rumpelhardt
Member of the Board of Directors

Dr. Matthias Rumpelhardt was born in 1960 and is the managing shareholder of the medium-sized holding firm Dacapo Beteiligungs GmbH, whose main activities are in the field of media in Europe. His considerable experience of joint business ventures stems both from his previous function as Chief Executive Officer of Ströer Media International, a joint venture by Ströer Out-of-Home Media AG and Oaktree Capital Management and his involvement in expansion activities in the emerging markets of Asia, India, and the Middle East. Dr. Rumpelhardt spent 20 years working for international business consultancy companies and most recently held the position of chief executive officer for Central Europe, in addition to being a member of the executive committee for Corporate Value Associates, a global strategy boutique. He is also head of the advisory council at RIB Software AG, Stuttgart. He studied at the Technische Universität Berlin, where he also wrote his doctorate, following a period spent working in venture capital in Canada.

Report by the Board of Directors

Throughout the fiscal year, the Board of Directors informed itself on a regular basis, in accordance with the duties and responsibilities bestowed on it by law and by the Articles of Association, regarding business and strategic developments within the company, as well as on current events and all essential business transactions and monitored the Managing Board in line with the Corporate Governance Codex. As a result, the Board of Directors was always informed about business policy, company planning, the risk situation, and the asset, financial and profit situation of MBB Industries AG and the MBB group.

This information was obtained through regular personal meetings between the Chairman of the Board of Directors and the members of the Managing Board, by way of regular briefings by the Managing Board on development of business, and also at the meetings of the Board of Directors, which took place on April 21, June 30, September 22 and November 26, 2009, in which all members of the Board of Directors and of the Managing Board of the company took part. During each of these meetings, the Board of Directors analysed the current business developments together with the Managing Board and discussed matters of strategic orientation. If there were any transactions which necessitated approval by the Board of Directors, as required by the Articles of Association or by legal regulations, the Board of Directors examined these and decided on their approval. Discussions concerned both the economic situation of MBB Industries AG and that of the individual portfolio companies. Detailed discussion was conducted between the Board of Directors and the Managing Board, concerning the sale of the Reimelt Henschel holding; discussions also centred on the impact that the economic and financial crisis has had on the group. Consequently, the Board of Directors was involved in all central decisions.

The Board of Directors also concerned itself with the subject of Corporate Governance and the German Corporate Governance Codex. In the reporting year, the Board of Directors and Managing Board undertook the necessary measures to conform extensively with the recommendations of the Codex. The few exceptions are listed in declaration issued jointly with the Managing Board pursuant to § 161 of the German Stock Corporation Act (AktG). This declaration is contained in the business report and can also be viewed on the company's Internet site at www.mbbindustries.com.

Personnel changes took place in 2009 by way of the appointment as of May 1, 2009 of Dr. Philipp Schmiedel-Blumenthal to the Managing Board. The addition of a new member to the Managing Board with responsibility as Chief Operating Officer can be regarded as a fitting reaction to the increase attained in recent years in the number of companies held in the Group's portfolio, while also serving to secure future growth from the point-of-view of management. As a result of the appointment of a third member to the Managing Board, Gert-Maria Freimuth has now been appointed Deputy Chairman of the Board, while the Chairman continues to be Dr. Christof Nesemeier. The composition of the Board of Directors remains unchanged. The MBB Industries AG Board of Directors is composed of three members. It is the view of the Board of Directors that this number of members is appropriate to the size of the Group. For this reason, in the fiscal year 2009, the Board of Directors again formed no committees.

MBB Industries' annual accounts as of December 31, 2009 and the joint management report for MBB Industries AG and the MBB Industries Group were compiled in accordance with the principles laid down in the Code of Commercial Law (HGB), and the group accounts for December 31, 2009 were compiled in line with the International Financial Reporting Standards (IFRS). They were audited by Verhülsdonk & Partner

GmbH Wirtschaftprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, who were selected by the annual meeting and commissioned by the Chairman of the Board of Directors, and issued with an unqualified auditor's opinion on March 30, 2010.

Furthermore, the report ('Dependency Report') by the MBB Industries AG Managing Board regarding relations with associated companies according to § 312 AktG was audited by the Verhülsdonk & Partner GmbH Wirtschaftprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, and the following unqualified auditor's opinion was furnished March 30, 2010:

"Based on the concluding results of our audit, there are no objections to be raised to the report. Pursuant to § 313 (3) AktG, we issue the following audit opinion:

'Based on the results of our statutory audit and our judgement we confirm that (1) the factual content in the report is correct, (2) the company's compensation with respect to the legal transactions listed in the report was not inappropriately high nor used to compensate disadvantages and (3) measures detailed in the report do not give reasons for a different evaluation than that made by the Managing Board.' "

The Board of Directors inspected the annual report compiled by the Managing Board, as well as the combined management report of MBB Industries AG and the Group, the profit appropriation proposal, the group report, and the dependency report, in accordance with the requirements of Section 312 of the Companies Act (AktG) and discussed them in detail with auditor at a meeting held on April 15, 2010. All questions raised by the Board of Directors were comprehensively answered by the auditor. The Board of Directors received the auditor's report in good time and taking note of its findings, accorded it its approval. Following the final results of the inspection conducted by the Board of Directors, there are no objections to be raised with respect to the annual report, the management report, the dependency report, and the group results. The annual report and group results were approved by the Board of Directors on April 15, 2010. The annual results for MBB Industries AG have therefore been established.

The Board of Directors agrees with the situational evaluation by the Managing Board in the combined management report. The Board of Directors concurs with the proposal by the Managing Board regarding the appropriation of earnings.

The Board of Directors thanks the Managing Board, the managers of the associate companies and all employees of the MBB Group for their great enthusiasm and for the good results obtained in the last year.

Berlin, April 15, 2010

The Board of Directors

Dr. Peter Niggemann
Chairman

Combined Management Report

MBB Industries AG (hereinafter also referred to as “MBB AG”) is a medium-sized investment company, which together with the companies in its portfolio, forms the MBB Industries Group (hereinafter also referred to as the “MBB Group”). The separate MBB AG financial statements are compiled in accordance with the German Commercial Code (HGB), while the consolidated financial statements are compiled in accordance with International Financial Reporting Standards (IFRSs).

MBB-AG and its holding portfolio achieved a positive result in 2009, as in all previous years, and forecasts a higher revenue for the year 2010 compared to 2009.

Consolidated Group revenue in 2009 came to €116.6m after €199.3m in 2008. Profit for the year was €3.5m, compared to €8.0m in 2008. Although the drop in revenue and earnings was partly due to the prevailing economic conditions at the time, it was largely the result of the sale of the Reimelt Henschel group in the second quarter of 2009.

The majority shareholding Delignit AG was also affected by ongoing financial and economic crisis in 2009, owing to its position as a supplier for manufacturer of utility vehicles. On the other hand, developments for the manufacturer of tissue products Hanke Tissue Sp. z o.o. were quite positive.

Due to the sale of the Reimelt Henschel group, the MBB Group was able to report net cash (cash, cash equivalents and marketable securities minus liabilities to banks) of €10.7m as of December 31, 2009; this figure includes the physical gold stocks of €1.0m listed under Other Assets in the balance sheet. This contrasts with the net financial liabilities that existed in the previous year.

In 2009, a dividend of €1.7m (25 cents per share) was paid for 2008. The equity of the MBB Group rose to €55.6m with a liquidity, including gold, of €35.3m. The equity ratio is 54.5%.

MBB-AG acquired its sixth holding, CT Formpolster GmbH, with effect from January 1, 2010, from a company of the Continental Group.

Business Performance and Background

Strategic Focus

MBB AG is an investment company which focuses on German small to medium-sized companies. The Company specialises in purchasing majority shareholdings in medium-sized industrial companies with revenues of more then €10m and significant value growth potential. Unsolved succession of ownership, financing or earnings problems, as well as plans for partial sell-offs from groups are ideal opportunities for MBB AG.

The objective is to sustainably increase the value of each of the portfolio companies. MBB AG is not bound to sell its investments. Indeed, one of the options for participating is to retain an investment within the MBB portfolio, provided earnings are sustainable.

Investees not only receive capital from MBB AG, but also gain access to an excellent level of management experience and a motivated and highly qualified team. This secures the success of the portfolio companies and guarantees the Company a high level of return on its employed capital.

Market Development

To date, the Company has operated exclusively on the German investment market. Any foreign portfolio companies joined the MBB Group as subsidiaries of their German parent companies.

According to the German Federal Statistical Office (source: Statistisches Jahrbuch 2009), there are 40,340 companies with revenues of more than €10m in Germany alone. MBB concentrates on acquiring companies in this revenue segment. According to a report by the Council of the German Chamber of Industry and Commerce from July 2009, the IHKs held 23,800 talks in 2008 on the subject of corporate succession; the number of entrepreneurs looking for a successor rose by 7% alone compared to the previous year. Also, according to statistical surveys conducted by the Institute for SME Research ("Institut für Mittelstandforschung"), the number of successions occurring in family companies with a revenue above €10m is put at around 700 per year. The number of transactions is expected to increase sharply in the years to come, partly driven by this development.

Moreover, the current financial and economic crisis is having the effect of improving the basic economic conditions for the acquisition of shareholdings by MBB AG. Concerns about how the economy is set to develop, the blocked access to the capital market and the restraint exercised by banks with regard to lending are leading to a rise in the number of companies and entrepreneurs open to investment by MBB AG. At the same time, the supply of private equity is decreasing in the market relevant to MBB AG as the refinancing of the business model is becoming more difficult. The Company estimates that this will continue to lead to less intense competition and falling purchase prices in 2010. The first signs of such a development were observed by MBB AG in 2009.

For the past two years, the business activities of SMEs active in the industrial sector have been facing an unusually severe economic downturn. Even if there are early signs of economic recovery, we view the low level of demand compared to previous years as a foundation on which to orient our portfolio companies and base our assessments of new companies to buy. Despite forecasts of growth, this is unlikely to change much in the mid-term.

This, accompanied by the uncertainty in the financial, commodities and sales markets, creates higher demands on the management of investees. Moreover, on the basis of our observations, we expect the high and unpredictable volatility on the markets to continue, low levels of debt financing, and a continuation or possibly even worsening of the global economic crisis.

In the MBB Group's key industries, we expect a slightly higher demand for polyurethane boards and a steady demand for tissue products. Furthermore, we expect the automobile sector to bottom out at the current level of demand with a gradual upturn followed by a subsequent recovery in sales and earnings for our Delignit holding. Finally, we expect the foam business of our new holding CT Formpolster to maintain a constant demand at its existing level. These developments are accompanied by rising commodity prices for lumber, pulp and chemical base materials, which we have to counter with product price increases and ongoing efficiency enhancement.

Furthermore, the exchange rates fluctuations between the euro and those currencies which play a significant role in the MBB Group's activities – the US dollar, British pound sterling, Rumanian leu and Polish zloty – will remain at extraordinary levels in terms of their range and speed, which will in turn place increasingly high demands on the financial management of the MBB Group also in 2010.

Market Position

MBB AG has enjoyed success on the market for investment in small to medium-sized companies for over 14 years. MBB AG is one of the leading investment companies in the German industrial SME sector for companies with revenue in excess of €10m, thanks to its experience, its existing network, the entities in its investment portfolio and its listing on the capital market. Moreover, this market position has improved as a result of the Group's strong growth. According to the Managing Board, MBB is well equipped and has sufficient market potential for further expansion of its position.

Stock Exchange Listing

One part of the aforementioned strategic development was MBB AG's IPO in the Entry Standard of the open market of the Frankfurt Stock Exchange in 2006 and the changeover to the Prime Standard in 2008. The 73.5% share of capital stock held by MBB AG's Managing Board secures the company's sustained and typical entrepreneurial corporate development.

Portfolio Companies

In May 2009, MBB-AG sold its 100% business share in Reimelt Henschel GmbH to Zeppelin Silos & Systems GmbH, a subsidiary of the Zeppelin group, based in Friedrichshafen. The companies of the Reimelt Henschel group produce components and systems for handling and processing raw materials for the food, chemical and pharmaceutical industry. Reimelt Henschel's process technology make it a world leader in the food industry. Zeppelin regards Reimelt Henschel as a strategic addition to its industrial business and a sustainable entry into the food industry. MBB sees strategic synergy potential for Zeppelin and Reimelt Henschel in their markets, which is capable of a greater increase in the value of the companies more than if the company had remained in the MBB Group. The companies of the Reimelt Henschel group were part of the technical applications segment prior to deconsolidation (due to the aforementioned sale).

At the end of the fiscal year 2009, MBB AG held five direct equity investments. As the direct portfolio companies of MBB AG have subsidiaries and second-tier subsidiaries, the consolidated group comprises a total of 17 entities and one equity method investees in addition to MBB AG. The entities are listed below according to parent, ownership interest and consolidation method:

- Delignit AG (80.55%)
    - Hausmann Verwaltungsgesellschaft mbH (100%)
    - Blomberger Holzindustrie B. Hausmann GmbH & Co. KG (99.4%)
        - S.C. Delignit Romania Srl. (100%)
    - S.C. Cildro S.A. (93.9%)
        - S.C. Cildro Service Srl. (100%)
- Hanke Tissue Sp. z o.o. (100%)
- OBO Modulan GmbH (100%)
    - OBO-Werke Verwaltungsgesellschaft mbH (100%)
    - OBO-Werke GmbH & Co. KG (100%)
        - OBO-Industrieanlagen GmbH (100%)
    - Jade 980. GmbH (100%)
- Huchtemeier Verwaltung GmbH (100%)
    - Huchtemeier Papier GmbH (80%)
        - KKS Hahn Konzert- und Veranstaltungs-Service GmbH (20% - at equity)
- DTS Beteiligungen GmbH & Co. KG (80%)
    - DTS Beteiligungen Verwaltungs GmbH (100%)
    - DTS Systeme GmbH (100%)

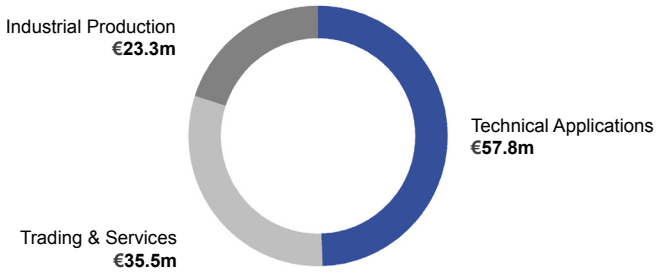
In December 2009, MBB-AG signed an agreement with a company of the Continental group to acquire 100% of the shares in ContiTech Formpolster GmbH, in Löhne. January 1, 2010 was agreed as the acquisition date. As of this date, the company will be integrated in the industrial production segment under the new name of CT Formpolster GmbH.

Prior to deconsolidation, the following companies of the Reimelt Henschel group were incorporated in the consolidated financial statements; the following indicates the participation rate and the respective consolidation:

- Reimelt Henschel GmbH (100%)
    - Dietrich Reimelt Pulsnitzer Maschinenbau GmbH (100%)
    - Reimelt Corporation (100%)
    - Reimelt (Canada) Limited (100% - unconsolidated)
    - Reimelt France E.U.R.L. (100%)
    - Reimelt Ltda., Brazil (90%)
    - Reimelt Korea Corp. (100% - unconsolidated)
    - Reimelt (GmbH) UK Ltd. (50% - at equity)
    - Reimelt Henschel Asia Ltd. (100% -unconsolidated)
        - Reimelt Henschel Trading (Shenzhen) Co. Ltd. (100% - unconsolidated)

Segments

The individual segments in which the MBB holdings operate represent different areas of business activity. These areas will be presented in the following sections. In order to avoid adversely affecting the business activities of the various holding companies, no detailed information on the individual companies will be published.



Distribution of revenue by segment for the year 2009

The following business segments will be presented:

Technical Applications

This segment comprises those holdings whose business model is based to a large extent on customer specifications, and for which company expertise and consultancy services form a considerable proportion of the service performed. The members of the Reimelt Henschel group of companies (up until their deconsolidation following the sale of the group) and the Delignit business group both belong to this segment.

The Reimelt Henschel group contributed – until deconsolidation – €34.0m to the revenue of the MBB Group for the year 2009 which corresponds to a share of 29.2%. Revenue for the whole of 2008 was €104.4m.

The Delignit Group develops, manufactures and sells ecological products based on the natural, renewable and CO_2-neutral raw material wood. As a development, project and series supplier for such technological sectors as the automotive and aviation industries, the business activities of the Delignit Group centre on creating and implementing technological and customised applications and systems. These are based on Delignit, a material primarily produced from beech wood. Unlike many other raw materials, wood is CO_2-neutral throughout its life cycle and thus ecologically superior to other materials. This means that using Delignit materials as a substitute for applications from non-renewable raw materials improves the environmental performance of customer products and fulfils their growing ecological demands.

In addition to the automotive and technological applications segments, the operations of the Delignit Group include the veneer segment with the sliced veneer activities of S.C. Cildro S.A.. The predecessors to the current Delignit Group were established over 200 years ago and remained under family ownership until MBB AG's investment in 2003.

The wood material activities conducted by Delignit represent 20.4% of the MBB Group's revenue, making it the second largest contributor to the total revenue, after Reimelt Henschel. In this year, external revenue fell by 38.5% compared to last year, to €23.8m.

Industrial Production

This segment comprises those holdings whose primary strengths lie in the manufacture of products which are relatively standardised. Accordingly, the Hanke and OBO holdings are classified as belonging to this segment. The recently acquired CT Formpolster GmbH will be part of this segment as of January 1, 2010.

OBO is an internationally operating supplier of polyurethane boards for use in model, mould and tool construction. The company has been a member of the MBB Group since 2003. The majority of OBO's customers are from the automotive industry. The entity had a share of 5.3% in the revenue of the MBB Group in 2009. Revenue was €6.2m in the fiscal year 2009, representing an decrease of 29.5% compared to the prior year.

Hanke produces raw tissue wadding, napkins, paper handkerchiefs, bathroom tissue and household paper rolls. It maintains a strong competitive position in the eastern European consumer goods market under the "aha" brand name. It also produces white and coloured tissue for many private-label suppliers throughout Europe. The Polish entity Hanke Tissue Sp. z o.o. in Kostrzyn constitutes the core of the entity's activities. The company was acquired by MBB AG in 2006.

Hanke's share in the group revenue is 14.7%, with an external revenue of €17.1m. This revenue figure represents a drop of 7.6% compared to the previous year, although this is exclusively as a result of currency movements.

Trading & Services

This segment comprises those holdings in the MBB portfolio who perform specialised services for their customers without conducting any production of their own, or who conduct trading services. The holdings in this segment are DTS and Huchtemeier.

Huchtemeier is an international paper trading group, and has been part of the MBB Group since 2006. In addition to special-purpose papers and semi-manufactured tissue for the paper processing industry, the company also markets paper hygiene products and serviettes for specialist wholesalers and large-area retailers. Huchtemeier has a paper trading history dating back over a century.

Huchtemeier has a 12.9% share in the revenue of the MBB Group for 2009. The company's external revenue of €15.0m is 17.1% lower than in the prior year.

DTS Systeme is a supplier of IT infrastructures and specialises in the IT fields of security, storage, virtualisation and data centres. It maintains its own computing centre, it offers numerous internet services. The company's business model comprises consultancy, planning and design, procurement, implementation and operation in the field of IT environments. DTS was founded in 1983 and was part of a regional business group until the involvement of MBB. It is based in Herford and maintains offices in Bochum, Bremen and Hannover.

DTS contributed €19.9m to the MBB Group's total revenue in 2009, corresponding to a share of 17.1%. In 2008, the absolute share of the Group's total revenue only amounted to €10.8m, due to its being acquired mid-year.

Employees

In 2009, eight people were employed at MBB AG, including Managing Board members. While the management serves MBB AG on the basis of service agreements, one employee was engaged in office management and one in financial controlling in 2009. In April 2009 a further employee was hired for deployment in group accounting.

The aim of the Managing Board at MBB AG is the sustained value development of the MBB Group. The five-member management team have together belonged to MBB for many years and hold approximately 75.5% of MBB AG's share capital. An appropriate level of fixed remuneration is supplemented by success-based bonus payments, which are subject to an upper limit. There are no gratuity or pension agreements.

In the fiscal year of 2009, the MBB Group had an average of 1,355 employees (compared with an average of 1,833 employees in the prior year).

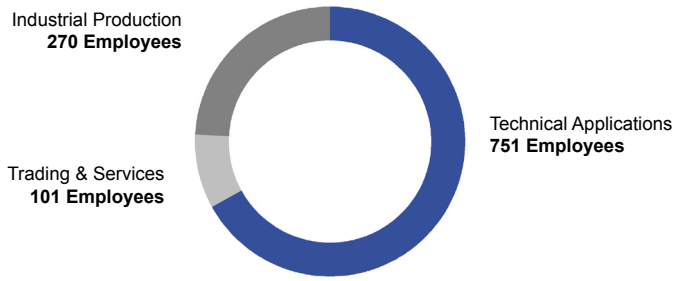
On the key date of 31.12.2009 (or 31.12.2008 respectively) the MBB Group had 1,122 employees (1,827 in the previous year), working in the following segments:

- Technical Applications: 751 employees (previous year: 1,485)
- Industrial Production: 270 employees (previous year: 246)
- Trading & Services: 101 employees (previous year: 96)

The workforce in the Technical Applications segment diminished compared to the previous year largely due to the deconsolidation of the Reimelt Henschel group. The workforce in the Industrial Production and the Trading & Services segments increased significantly compared to the previous year.

The distribution by country as of 31.12.2009 (31.12.2008) was as follows:

- 329 employees in Germany (previous year: 884)
- 561 employees in Romania (previous year: 649)
- 232 employees in Poland (previous year: 205)
- 0 employees in USA (previous year: 53)
- 0 employees in other countries (previous year: 36)



Distribution of employees by segment per December 31, 2009

MBB regards it as a significant factor of success to encourage and challenge employees. Both management and executive personnel who have a significant influence on the success of the business activities receive variable salary components which are also dependent on the results and value growth of the entities.

The number of employees in the existing portfolio companies of the MBB Group will remain largely constant in 2010, although individual portfolio companies may display different trends due to differences in capacity.

Results in Operations, Financial Position and Net Assets

MBB AG and the MBB Group can look back on a successful fiscal year 2009. The sale of Reimelt Henschel resulted in a considerable drop in sales. However, the resulting influx of funds and the realised return on the commitment underline the attractiveness of the MBB business model and will enable the company to engage in future acquisitions independently and from its own resources. This advantage can already be discerned in the current M & A process.

Sales and earnings of operational activities decreased significantly in comparison with the previous year, partly because of the ongoing financial and economic crisis. The financial and asset position of the Group has, however, improved significantly. There are good conditions for a stable development of revenue in 2010 compared to 2009. Based on the existing investment portfolio, this means an increase in revenue, caused in part by a general economic recovery. Furthermore the MBB group expects a growth in revenue through the acquisition of new companies. From the point of view of earnings, it should be noted with optimism that adjustments and improvements made in the holdings will take full effect in 2010. The following section first examines MBB-AG and than moves onto the MBB group.

MBB-AG

MBB AG recognised revenue of €0.8m (prior year: €1.9m) from the charging of management services to group entities in 2009. The sale of holding companies resulted in an income of €22.1m. Together with revenues with third parties and other operating income, the overall performance is €23.8m, which is significantly higher than the previous year's level of €2.4m.

This contrasts with the cost of purchased services of €0.8m (prior year €1.0m), which relates to the remuneration of MBB AG's management. It should be noted that the MBB-AG had direct costs of approximately €1.2m associated with the sale of Reimelt Henschel and provisions were established for contract risks, amounting to €1.5m.

Taking into account the personnel and overhead costs, which also include the expenses associated with the sale of Reimelt Henschel, the EBITDA came to €18.3m.

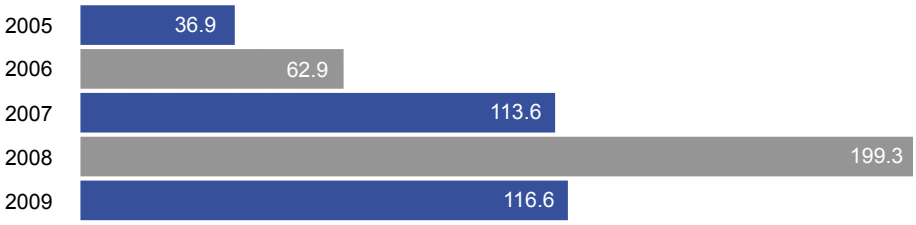
In addition, MBB AG recognised investment income of €0.5m, and an income from securities of €0.1m. MBB AG posted a profit for the period of €18.7m (prior year: €2.1m).

As in previous years, a dividend of €0.25 per share or €1.7m was paid in the year 2009. MBB AG's equity consequently rose to €42.7m (prior year €25.7m) as of the balance sheet date and led to a ratio of equity to total assets of 87.9%. MBB AG's cash and cash equivalents amounted to €32.3m at year-end (prior year: €10.6m), including gold stocks of €1.0m, accounted as other assets; net cash and cash equivalents rose to €28.4m (prior year: €4.4m). The unused portion of a credit line amounts to €6.1m and provides further financial leeway.

MBB Group

The consolidated financial statements as of December 31, 2009 were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

The MBB Group posted a consolidated revenue of €116.6m in 2009, after €199.3m in the previous year. Simultaneously, operating performance declined from €209.1m in 2008 to €128.6m in 2009. The other operating income of €9.2m mainly relates to income from deconsolidation of €4.3m.



Development of consolidated revenue (in €m)

The cost of materials in proportion to the overall performance rose from 61.3% to 61.9%. This is due to the sale of the Reimelt Henschel group and the resulting change in real net output ratio. The ratio of personnel costs to overall output, on the other hand, increased from 23.8% in 2008 to 26.6% in 2009, due to the negative scale-effects at lower overall utilisation level.

The EBITDA (earnings before interest, taxes, depreciation and amortisation) totalled €10.0m (previous year: €19.5m), a decrease on the prior year, and came to 8.4% of overall performance.

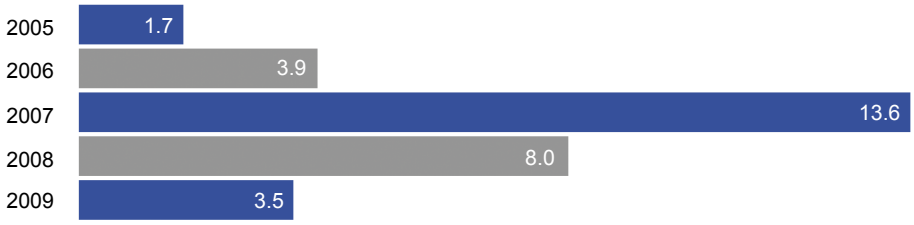
Amortisation, depreciation and write-downs of €4.6m (prior year: €5.1m) were recognised.

Disposals of fixed assets resulted primarily from the sale of Reimelt Henschel. In addition, €6.2m of investments in fixed assets were made, compared to €2.3m last year. Taking into account the depreciation, this results in a net investment of €2.2m, reflecting the fact that the MBB is also investing in the substance of its holding companies in the face of the current economic situation. An example is the investment in machinery and a logistics centre at Hanke Tissue. Investments were also made with respect to the operating lease.

The MBB Group recognised earnings before interest and taxes (EBIT) of €5.4m in the fiscal year ended, which was below last year's level of €14.4m.

Taking into account a negative financial result of €1.5m, earnings before tax (EBT) amounted to €3.9m (prior year: €11.8), which was 3.2% of revenue (prior year: 5.9%).

The MBB Group incurred income taxes of €1.1m and recognised a deferred tax income of €1.0m, such that net income tax of €0.1m was included in the consolidated profit.



Development of consolidated net profit (in €m)

Consolidated profit for the period after minority interests of €3.5m was also below the prior year's amount of €8.0m and contributed to an equity of €55.6m (prior year: €54.3m) in the consolidated balance sheet as of December 31, 2009. The MBB Group posted an equity ratio of 54.5% (prior year: 38.8%) in relation to consolidated total assets of €101.9m. The Managing Board therefore considers that the MBB Group has a solid equity base.

As of December 31, 2009, the MBB Group had financial liabilities (without lease liabilities) of €24.6m (prior year: €26.1m) and cash, cash equivalents and physical gold (€1.0m accounted under other assets) of €35.3 (prior year: €25.1m). Net cash (cash, marketable securities and physical gold stocks minus bank liabilities) amounted to €10.7m, which is far more than in the previous year, when a net debt of €1.0m was reported. The Managing Board therefore believes that the MBB Group currently has sufficient financing scope for the Group's business activities.

Hedging Activities

Transactions within the Group are normally carried out in euros, even though the volume of foreign currency revenue has increased considerably within the MBB Group, following the acquisition of the Reimelt Henschel Group. Since the portfolio companies secure any extraordinary foreign currency items themselves, there have so far not been any unsecured items of any appreciable magnitude at Group level. Consequently, the MBB has hitherto not conducted any exchange hedging with respect to other currencies at Group level. The Group does however perform monitoring to enable to conduct timely hedging activities if need be.

Remuneration Report

The Managing Board remuneration consists of a fixed component and a variable component. In addition, the members of the Managing Board also receive a refund for expenses in return for receipts and two also have a company car for professional use. Furthermore, D&O insurance without a deductible and an accident insurance has been concluded for the Managing Board. No other payments have been agreed (e.g. paid sick leave, pension entitlements, direct commitments or severance payments).

Of the following commitments of variable compensation for the management and Board of Directors, no claim for variable remuneration for 2009 arose, due to non-attainment of the aforementioned lower threshold.

MBB AG's management received variable remuneration of 9.0% of the amount of consolidated profit after tax and minority interests exceeding €6.6m and falling short of €19.8m in fiscal year. The distribution to the members of management and the Managing Board of MBB AG is based on the proposal of the Chairman of the Managing Board and the resolution of the Board of Directors.

The members of the Board of Directors receive a per-meeting fee. The Chairman of the Board of Directors receives twice the amount and the Deputy Chairman one and a half times the amount of the per-meeting fee. Furthermore, D&O insurance without a deductible has been concluded for the Board of Directors. In addition, the Chairman of the Board of Directors has a claim to 0.4% and the remaining members of the Board of Directors have a claim to 0.3% of the amount of consolidated profit after tax and minority interests exceeding €6.6m and falling short of €19.8m in fiscal year. The members of the Board of Directors also receive a refund for expenses in return for receipts.

Finally, the total variable remuneration of Management, Managing Board and Board of Directors may not be more than 25% of the annual surplus of MBB Industries AG, irrespective of the stated thresholds.

Please see the notes to the (consolidated) financial statements for a breakdown of remuneration of the Managing Board and the Board of Directors.

Opportunities

The Managing Board believes that the MBB group will have the following opportunities in the future:

- The significant increase in small and medium-sized entities up for sale owing to the financial and economic crisis presents opportunities for acquisitions at attractive prices.
- Above-average returns stand to be gained from successful investment in and conversion of small to medium-sized industrial entities.
- The current condition of the capital market makes the financing of small to medium-sized industrial entities difficult and increases the appeal of MBB AG as an investor.
- The continuous profitable development of MBB in the current difficult environment increases the attractiveness of MBB as a shareholder, borrower or business partner and will promote the importance of MBB as a holdings firm for the industrial middle market in Germany.
- The experience and the network of the current management team offer an excellent starting point for further growth of the MBB group.
- The diversification of the MBB group narrows the possible effects of abrupt changes in demand in individual markets, such as currently in the automobile market, across the entire group.

Risks

The large number of aforementioned opportunities and the current situation of the MBB Group suggest that the MBB Group will develop successfully in the medium term. However, the MBB Group faces the following risks:

- The optimisation of individual portfolio companies may not be successful or individual portfolio companies may be hit especially hard by the economic crisis. This may lead to a loss of the investment in extreme cases.
- The refinancing of individual portfolio companies or acquisitions may not be successful.
- A further, protracted cooling-down of the economy may lead to falling revenue and/or falling profits of existing investments of MBB AG. The value of the Delignit portfolio company could drop permanently as a result of the fall in turnover and profit already sustained.
- The international activities of MBB AG lead to investments abroad, which are liable to country-specific risks.
- Despite comprehensive risk management, the Group entities are subject to the general risks of their operations. In particular, the manufacturing entities of the Group may be exposed to, for example, warranties, environmental costs and production outages.
- CT Formpolster is subject to the general risks of the sustainable integration and optimisation process undergone by new holdings, which is not yet complete.

- MBB-AG could become exposed to risks from sales contract warranties; the portfolio companies could become exposed to risks from product liability or other legal liability risks.

Outlines of the Risk Management and Internal Control Systems

The MBB Group addresses the aforementioned risks by implementing a risk management system. Early steps would be taken to avoid disadvantages to the Group entities. These include:

- An integrated investment controlling system which continuously compares target, actual and forecast data at both portfolio company and MBB AG level by means of daily controlling (DAC) and monthly business unit controlling (BUC).
- A project controlling function (PUC), which defines, enhances and monitors the implementation of the optimisation measures in the Group and in each individual entity.
- Regular management meetings within MBB AG (MIC) and with the respective management of the portfolio companies (RAP).
- A structured mergers and acquisitions tool, which organises and reviews the success of the acquisition process (MAC) and the ongoing expansion of MBB's network.
- A central Group monitoring system (LOC) covering fundamental contract risks or legal disputes by the management and, if required, specialist legal firms.

The internal control system is an integral part of MBB's risk management. Its main objectives are to ensure the correct representation of all business transactions in the reporting and to prevent deviations from internal or external regulations. Based on the external accounting, this means the conformity of accounting to the applicable regulations is to be guaranteed. Therefore both the internal control system and risk management are structured in accordance with the accounting groups. Standard accounting regulations are in place for the companies of the MBB Group, including, for example, accounting standards, compliance with which is constantly monitored. External specialists are occasionally engaged with controlling individual accounting risks, for example in the context of actuarial assessment.

Declaration on Corporate Governance

MBB Industries AG is for the first time committed according to § 289a of the German Commercial Code (HGB) to publish a "Declaration on corporate governance" for the fiscal year 2009.

This Corporate Governance Statement has to include:

1. the declaration pursuant to § 161 of the Companies Act (AktG);
2. relevant information about the corporate governance practices that are beyond the legal requirements, along with mention of where they are publicly accessible;
3. description of the working methods of the Managing Board and Board of Directors as well as the composition and working methods of its committees, if the information is publicly available on the company's web site, reference can be made to this fact.

Ad 1.: The declaration pursuant to § 161 of the Companies Act (AktG)

On June 30, 2009 the Managing Board and Board of Directors gave this, the most recent statement in accordance with § 161 AktG at the time this report was compiled. It reads as follows:

The Managing Board and the Board of Directors of MBB Industries AG hereby declare that the recommendations of the 'Government Commission – German Corporate Governance Codex' in the wording of June 14, 2007 and the wording of June 6, 2008, respectively, pursuant to § 161 AktG, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette has been complied with since April 7, 2008 and continues to be complied with.

The following are the sole recommendations not to be applied:

- *3.8.*
  D&O Insurance: There is no deductible on the D&O insurance for Managing Board and Board of Directors members. We have absolutely no doubt that both our executive bodies and our employees perform their duties with all due care and attention. Moreover, the high level of the Managing Board's share participation constitutes a good incentive for conducting proper and responsible business management. We therefore regard the arrangement of such a deductible as unconducive.
- *5.3.*
  Board of Directors Committees: The MBB Industries AG Board of Directors comprises three members. The formation of Board of Directors committees is therefore not possible. We consider the given number of directors on the Board as sufficient with regard to both the relatively small size and prominence of the company.
- *5.4.1.*
  No age limit has been fixed for members of the Board of Directors. With due regard to the age of the members of the Board of Directors and the remaining available term duration, we see no need to fix an age limit.

- *7.1.2.*
  Publications: Consolidated financial statements and interim reports are published in accordance with the statutory deadlines, and as laid down by the German stock exchange. As a holding company focusing on majority stakes in medium-sized industrial companies, MBB Industries is called upon to consolidate numerous individual companies and also to perform regular initial consolidation and deconsolidation activities. Adherence to the deadlines proposed in the Corporate Governance Codex would therefore lead to a considerable increase in expense on the part of the company.

The Managing Board and Board of Directors will release a statement replacing the aforementioned statement on April 15, 2010. It will be published on www.mbbindustries.com and printed in the Annual Report for 2009.

Ad 2: Data on corporate governance practices

The Managing Board of MBB Industries AG complies with the applicable laws. No additional publicly accessible codified corporate governance practices exist. The Managing Board will consider in the future whether appropriate group-wide rules should be codified and published.

Ad 3: Working method of the Managing Board and the Board of Directors

As a German “Aktiengesellschaft”, the company has a dual management and control structure.

The members of the Managing Board are appointed by the Board of Directors and lead the Group at its own responsibility. The tasks of the Managing Board are distributed as follows: the CEO Dr. Christof Nesemeier is responsible for strategy, IR, HR and finance. Gert-Maria Freimuth (CIO) is Deputy Chairman of the Managing Board, responsible for mergers & acquisitions, IT, law and marketing. Dr. Philipp Schmiedel-Blumenthal (COO), member of the Managing Board since May 1, 2009, takes care of holdings management.

The Managing Board therefore continues to comprise the two founding members of MBB, accompanied since May 1, 2009 by Dr. Schmiedel-Blumenthal, who has worked for MBB since 2002. The members of the Managing Board are each appointed until June 30, 2012. Two other members of the management team are responsible for finance, IT and processes.

The MBB AG Board of Directors comprises the Chairman, Dr. Peter Niggemann, the Deputy Chairman, Dr. Jan C. Heitmüller, and Dr. Matthias Rumpelhardt. The Board of Directors was elected in its current composition at the Annual General Meeting in March 2006 and appointed until the close of the meeting that decides on the exoneration of the Board of Directors for the fourth fiscal year following the beginning of its term of office. The MBB Group is not employee-codetermined, and all members of the Board of Directors are therefore representatives of the shareholders. The Board of Directors advises the Managing Board and supervises the management.

The portfolio companies each have an independent operating management, which in a few cases also holds shares in the portfolio companies, although MBB AG never holds less than 75.1%. The managements of MBB AG and the portfolio company work closely together on the development of the respective company.

Due to the number of members on the Managing Board and Board of Directors in the reporting year, neither the Managing Board nor the Board of Directors formed committees.

To sum up, it is established that the continuity of MBB's Board of Directors and management persisted in 2009.

Notifications required pursuant to Section 289 Para. 4 and Section 315 Para. 4 of the German Commercial code (HGB)

Pursuant to §§ 289 and 315 HGB, the status report must contain the following points.

Composition of the subscribed capital

The share capital of €6,600,000.00 indicated in the balance sheet as of December 31, 2009 comprising 6,600,000 individual no par share certificates made out to the holder is fully paid up. Each share grants the owner one vote in the shareholders' meeting.

Limitations in relation to voting rights or the transfer of shares

There are no limitations in voting rights or the transfer of shares.

Direct or indirect interest in capital exceeding 10% of voting rights

On December 31, 2009, MBB Capital Management GmbH, Berlin, (formerly MBB Capital Münster GmbH, Münster) held 40.712% of voting rights (2,687,000 votes). On December 31, 2009, MBB Capital GmbH, Münster (formerly based in Berlin), held 30.303% of voting rights (2,000,000 votes). The shares of the two aforementioned companies are completely owned by MBB Capital Group GmbH, Münster, as a result of which the latter indirectly holds 71.015% of voting rights (4,687,000 votes). The shares in the MBB Capital Group GmbH are in turn held 50% each by Mr. Gert-Maria Freimuth and Dr. Christof Nesemeier, with the result that they are together indirectly entitled to 71.015% of voting rights (4,687,000 votes).

Holders of shares with special rights

No shares with special rights have been issued.

Type of voting control in the case of employee participation

There are no employee participations of this kind.

Legal regulations and statutory provisions regarding the appointment and withdrawal of members to and from the Managing Board and regarding amendments to the Articles of Association

Managing Board members are appointed and withdrawn in accordance with Sections 84f of the German Companies Act (AktG). Section 6 of the Articles of Association regulates the appointment and withdrawal of board members as follows: "The Managing Board comprises one or two persons. The determination of the number and the appointment of the board members, conclusion of the recruitment contracts and revocation of the appointment is conducted by the Board of Directors. If the Managing Board comprises several persons, the Board of Directors may appoint one member of the board as its Chairman or spokesman and one as the Deputy Chairman or spokesman of the board."

Pursuant to Section 179 Para. 1 AktG, any amendment to the Articles of Association requires resolution of the shareholder meeting. According to Section 24 of the Articles, any amendments – provided they are legally admissible, require a simple majority of votes cast at the shareholder meeting, whereby an abstention is not deemed as a cast vote.

Moreover, Section 11 Para. 2 of the Articles of Association regulates as follows: "The Board of Directors is only authorised to conduct amendments to the Articles when they concern their wording. In particular, the Board of Directors is authorised to modify the wording of the Articles of Association after fully or partially increasing the issued capital from the Authorised Capital I (Section 4 Para. 4 of the Articles) or following expiration of the authorisation period corresponding with the size of the capital increase from the Authorised Capital I."

Authorisations of the Managing Board, with special reference to the possibility of issuing or buying back shares

By resolution dated March 21, 2006, the shareholders' meeting authorised the Managing Board to increase the issued capital of the Company, subject to the approval of the Board of Directors, in the period up until March 21, 2011, once or several times by up to €2,500,000 in total in return for cash contributions and/or contributions in kind by issue of new bearer shares (Authorised Capital I). The Managing Board is authorised, subject to the approval of the Board of Directors, to exclude shareholder subscription rights in the following cases:

- For balancing fractional amounts,
- If the capital increase is in return for cash contributions and the total amount of the portion of the issued capital attributable to the new shares for which the subscription right is excluded does not exceed 10% of the issued capital existing at the time the new shares are issued and the issue price of the new shares is not significantly lower – in the sense of Section 203 Paras. 1 and 2, and Section 186 Para. 3 Sentence 4 of the German Companies Act – than the stock exchange price of previously listed shares of the same category and structure at the time that the issue price is finally set by the Board of Directors,
- If capital is increased in return for contributions in kind for the granting of shares for the purpose of acquiring companies, parts of companies or stakes in companies.

The Managing Board was authorised subject to the approval of the Board of Directors to lay down further details regarding the implementation of capital increases from the Authorised Capital I.

Moreover, the Company was authorised by resolution of the shareholders' meeting On June 30, 2009, pursuant to Section 71 Para. 1 No. 8 of the German Companies Act to purchase and sell its own shares between July 1, 2009 and December 29, 2010 to the value of 10% of the issued capital. Authorisation can be exercised fully or partially, and if exercised partially, several times, until the upper limit is reached, for a single or for several purposes. It may not be exercised for the purpose of trading in own shares. Acquisition is made via the stock market. The share purchase price may not be more than 10% above or below the share price established for the company on the day of acquisition by the opening auction in Xetra trading (or a comparable successor system to the Xetra system operating on the Frankfurt Stock Exchange). The Managing Board was authorised, subject to the approval of the Board of Directors, to offer the shares acquired on the basis of the above authorisation, wholly or partially, to third parties in the course of acquiring companies and/or company stakes, under exclusion of the shareholders' subscription rights and/or to redeem the acquired shares, wholly or partially without the need for a special resolution by the shareholder meeting. The price at which the shares are sold to a third party may be no more than 5% above or below the average value of the share prices established for the company on the three trading days preceding the acquisition by the midday auction in Xetra trading (or a comparable successor system to the Xetra system operating on the Frankfurt Stock Exchange).

Essential agreements conditional on a change in control following a takeover offer

There are no such agreements.

Compensation agreements in the event of a takeover offer with members of the Managing Board or employees

There are no such compensation agreements.

Events After the Balance Sheet Date

MBB Industries AG acquired CT Formpolster GmbH from a company of the Continental group with effect from January 1, 2010. There were no other material events after the end of the period under review.

Forecast

We believe that the results of fiscal year 2009 form a solid basis for the further development of the MBB Group. For the current fiscal year the Managing Board forecasts a turnover of €120m for the existing investment portfolio and an increased earnings level compared to the prior year, based on the expectancy of an improved economic situation; in addition, the process optimisations and adjustments undertaken in the portfolio companies should begin to take effect.

Furthermore, in the current market environment, the Managing Board considers the level of capital and liquidity as a good basis for growth by the acquisition of new subsidiaries.

MBB believes that the MBB Group will also grow through the acquisition of new shareholdings in 2010. No forecasts with regard to future acquisitions can be made. However, MBB's structured mergers and acquisitions process ensures the ongoing assessment of a range of new acquisition projects. When reviewing new entities, we pay attention to conformity to our investment criteria and extraordinary value growth potential. Moreover, we will take the exceptional economic conditions into account when considering possible acquisitions; assumptions about future economic activity and economic development are taken with due care. Even in 2010, any new group entity must be capable of making a sustained contribution to the continuous value growth pursued by the MBB Group.

Summary of the Report on Relationships With Affiliated Entities in Accordance With Sec. 312 AktG

The Company received appropriate consideration for all legal transactions and measures listed in the report on the relationships with affiliated companies, taking into consideration the circumstances which were known at the time of concluding the legal transactions and it was not disadvantaged by any measures taken or not taken.

Berlin, March 24, 2010

Dr. Christof Nesemeier
CEO

Gert-Maria Freimuth
CIO

Dr. Philipp Schmiedel-Blumenthal
COO

MBB Industries' abridged Financial Statement for 2009

Income Statement (HGB)	2009 € k	2008 € k
Revenue	1,486	1,868
Other operating income	22,283	549
Cost of purchased services	808	990
Personnel expenses	356	129
Depreciation and amortization of intangible assets, property, plant and equipment	29	30
Other operating expenses	4,349	1,068
Earnings of equity investments	517	2,112
Income from other securities and loans of financial assets	50	107
Other interest and similar income	240	510
Deprecation and amortization of securities of current assets	137	367
Interest and similar expenses	243	444
Result from ordinary activities	**18,654**	**2,118**
Income taxes	0	-1
Other taxes	0	6
Profit for the year	**18,654**	**2,114**
Prior period unappropriated retained earnings brought forward	1,384	921
Unappropriated retained earnings	**20,038**	**3,035**

Appropriation of the net income

The indicated net profit is composed of the profit for the year (EUR 18,653,771.83) together with the profit brought forward (EUR 1,384,660.43).

As in the previous years, the Managing Board and the Board of Directors will propose a dividend of €1,650,000.00 at the Annual Meeting on June 30, 2010, and, moreover a special dividend of 25 Cent per share (€1,650,000.00) on occasion of sale of Reimelt Henschel group.

Balance Sheet (HGB)

Assets	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Intangible assets	2	4
Property, plant and equipment	68	74
Financial assets	14,768	18,146
Non-current assets	**14,838**	**18,224**
Receivables and other assets	2,448	3,367
Securities	6,822	2,540
Cash on hand, bank balances	24,473	8,059
Current assets	**33,743**	**13,966**
Prepaid expenses	**2**	**0**
Total assets	**48,583**	**32,190**

Equity and liabilities	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Equity	42,692	25,688
Provisions	1,620	195
Liabilities	4,271	6,302
Deferred income	0	5
Total equity and liabilities	**48,583**	**32,190**

Consolidated Financial Statements 2009 (IFRS)

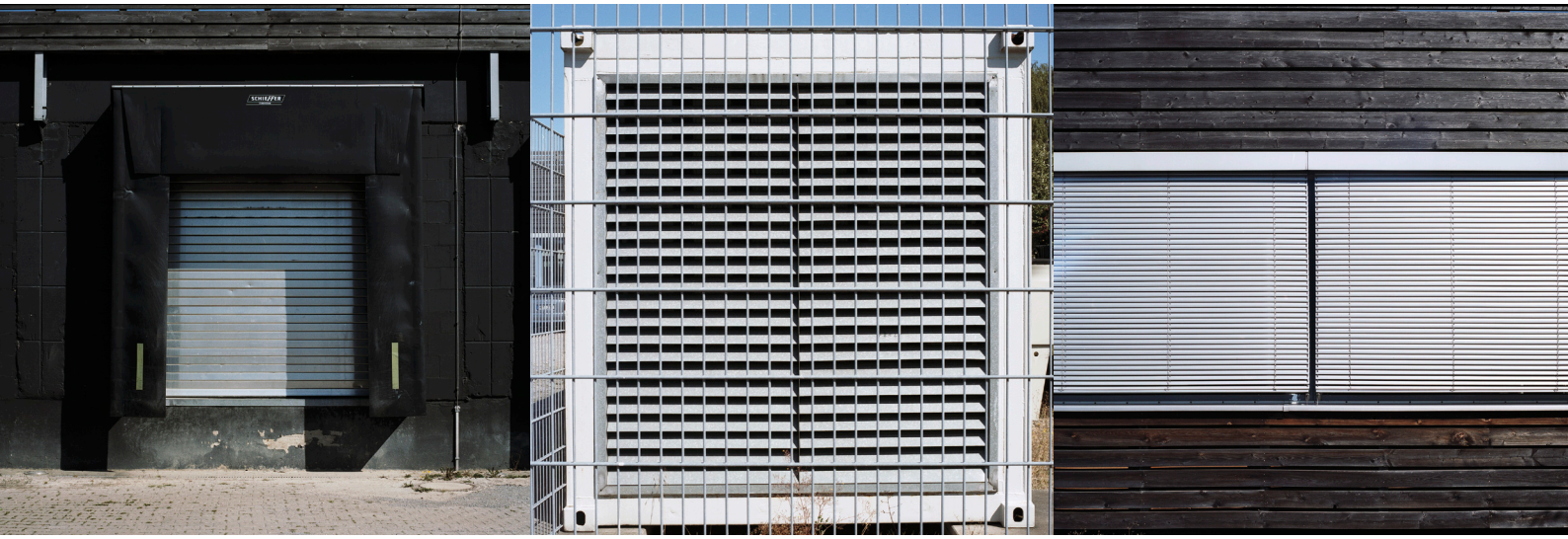
Consolidated income statement (IFRS)	Note
Revenue	III. 1.
Income from removals from consolidated group/ change in minority interests	
Reversal of credit difference from acquisition accounting	
Miscellaneous other operating income	
Other operating income	III. 2.
Increase (+) / Decrease (-) in work in process and finished goods	
Operating income	
Cost of raw materials, consumables and supplies	
Cost of purchased services	
Cost of materials	
Wages and salaries	
Social security, pensions and other benefit costs	
Personnel expenses	
Other operating expenses	III. 3.
Earnings before interest, taxes, depreciation and amortization (EBITDA)	
Amortization, depreciation and write-downs	
Earnings of associates	
Earnings before interest and taxes (EBIT)	
Write down of short term investments	III. 4.
Other interest and similar income	III. 5.
Interest and similar expenses	III. 4.
Financial result	
Earnings before taxes (EBT)	
Income taxes	III. 6.
Other taxes	
Earnings for the period	
Minority interests	
Consolidated profit for the year	
Earnings per share (€)	III. 7.

	2009			2008		
	Continuing Operations € k	Discontinued Operations € k	Total € k	Continuing Operations € k	Discontinued Operations € k	Total € k
	82,532	**34,049**	**116,581**	**94,939**	**104,407**	**199,346**
	4,254	0	4,254	0	0	0
	0	0	0	500	0	500
	2,427	2,558	4,985	5,936	2,030	7,966
	6,681	**2,558**	**9,239**	**6,436**	**2,030**	**8,466**
	-221	3,009	2,788	1,016	270	1,286
	88,992	**39,616**	**128,608**	**102,391**	**106,707**	**209,098**
	-42,253	-16,867	-59,120	-50,995	-50,452	-101,447
	-11,349	-3,384	-14,733	-10,789	-10,780	-21,569
	-53,602	**-20,251**	**-73,853**	**-61,784**	**-61,232**	**-123,016**
	-14,534	-11,193	-25,727	-16,643	-22,574	-39,217
	-3,754	-2,241	-5,995	-4,110	-4,343	-8,453
	-18,288	**-13,434**	**-31,722**	**-20,753**	**-26,917**	**-47,670**
	-9,062	-4,003	-13,065	-9,449	-9,419	-18,868
	8,040	**1,928**	**9,968**	**10,405**	**9,139**	**19,544**
	-3,967	-612	-4,579	-3,650	-1,484	-5,134
	20	0	20	32	0	32
	4,093	**1,316**	**5,409**	**6,787**	**7,655**	**14,442**
	-27	0	-27	-367	-4	-371
	333	156	489	574	210	782
	-1,773	-234	-2,007	-2,379	-681	-3,060
	-1,467	**-78**	**-1,545**	**-2,173**	**-476**	**-2,649**
	2,626	**1,238**	**3,864**	**4,614**	**7,179**	**11,793**
	240	-338	-98	-972	-2,415	-3,387
	-102	-12	-114	-37	-240	-277
	2,764	888	3,652	3,605	4,524	8,129
	-106	0	-106	-100	0	-100
	2,658	**888**	**3,546**	**3,505**	**4,524**	**8,029**
	0.40	0.13	0.54	0.53	0.69	1.22

Assets (IFRS)	Note	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Non-current assets	II.1.		
Franchises industrial rights and similar rights and assets		1,616	2,526
Goodwill	II.2.	1,960	5,540
Intangible assets		**3,576**	**8,066**
Land and buildings including buildings on third-party land	II.3.	19,513	27,130
Technical equipment and machines	II.3.	12,631	15,565
Other equipment, furniture and fixtures	II.3.	2,292	3,361
Payments on account and assets under construction	II.3.	1,846	726
Property, plant and equipment		**36,282**	**46,782**
Shares in affiliated entities		0	224
Investments in associates	II.4.	45	36
Equity investments		0	12
Other loans	II.5.	390	302
Financial assets		**435**	**574**
Deferred tax assets	II.10.	**1,354**	**1,290**
		41,647	**56,712**
Current assets			
Raw materials, consumables and supplies	II.6.	4,076	10,234
Work in process	II.6.	3,170	4,403
Finished goods	II.6.	6,348	7,458
Payments on account	II.6.	13	3,843
Inventories		**13,607**	**25,938**
Trade receivables	II.7.	6,466	27,605
Other assets	II.8.	5,880	4,545
Trade receivables and other assets		**12,346**	**32,150**
Securities	II.9.	**6,877**	**2,567**
Cash	V.	9	16
Bank balances	V.	27,453	22,502
Cash and bank balances		**27,462**	**22,518**
		60,292	**83,173**
Total assets		**101,939**	**139,885**

Equity and liabilities (IFRS)	Note	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Equity			
Subscribed capital	II.11.	6,600	6,600
Capital reserves	II.11.	15,251	15,251
Legal reserve	II.11.	61	61
Earnings carried forward	II.11.	30,018	28,976
Minority interests		3,656	3,377
		55,586	**54,265**
Non-current liabilities and provisions			
Liabilities to banks	II.13.	16,137	16,780
Other liabilities	II.14.	715	1,045
Liabilities		**16,852**	**17,825**
Pensions provisions	II.12.	**2,017**	**3,360**
Deferred taxes	II.10.	**3,030**	**6,129**
		21,899	**27,314**
Current liabilities and provisions			
Liabilities to banks	II.13.	8,452	9,286
Payments on account received	II.13.	105	8,044
Trade payables	II.13.	8,889	18,883
Other liabilities	II.14.	3,500	6,121
Accruals	II.15.	1,326	4,154
Liabilities		**22,272**	**46,488**
Tax provisions	II.15.	242	1,369
Other provisions	II.15.	1,940	10,449
Provisions		**2,182**	**11,818**
		24,454	**58,306**
Total Equity and liabilities		**101,939**	**139,885**

Consolidated statement of comprehensive income (IFRS)	Note	2009 € k	2008 € k
Consolidated profit for the year		3,546	8,029
Minority interests		106	100
Earnings for the period		**3,652**	**8,129**
Foreign currencies translation differences	II.11.		
Changes recorded in equity		-625	-2,338
Available-for-sale financial assets	II.11.		
Net value gain/(loss) on investments in available-for-sale financial instruments		-56	0
Other comprehensive income (OCI)		-681	-2,338
Total comprehensive income for the year		**2,971**	**5,791**
Attributable to			
Owners of the company		2,692	6,011
Non-controlling interests		279	-220



In the summer of 2005, a photographic project was initiated, entitled ‘An artistic documentation and interpretation of the work done by MBB’. The project is expanded as new holdings are added to the portfolio. All images shown in the annual report originate from this project, except the portraits.

Consolidated statement of cash flows	2009 € k	2008 € k
1. Cash flow from operating activities		
Earnings before interests and taxes (EBIT)	4,093	14,442
Adjustments for non-cash transactions:		
Depreciation and amortization of non-current assets	3,967	5,134
Loss/gain on disposal of assets	-6	-8
Income from removal from consolidated group	-4,254	0
Increase (+) / Decrease (-) in provisions	1,449	0
Other non-cash expenses and income	661	145
	1,817	**5,271**
Changes in working capital:		
Increase (+) / Decrease (-) in inventories, trade receivables and other assets	743	-5,475
Increase (+) / Decrease (-) in trade payables and other liabilities	-4,318	-7,048
	-3,575	**-12,523**
Income tax paid	-1,225	-1,482
Interest received	489	782
	-736	**-700**
Cash flow from operating activities	**1,599**	**6,490**
2. Cash flow from investing activities		
Cash received from disposals of property, plan and equipment	44	126
Cash inflow (+) / cash outflow (-) from investments in intangible assets	-417	-551
Cash inflow (+) / cash outflow (-) from investments in tangible assets	-5,093	-2,309
Cash inflow (+) / cash outflow (-) from investments in financial assets	-101	-173
Cash inflow (+) / cash outflow (-) from investments in available-for-sale financial assets	-4,420	0
Acquisition of consolidated companies	0	-1,342
Sale of consolidated companies (net of cash disposed of)	16,376	0
Cash flow from investing activities	**6,389**	**-4,249**

Consolidated statement of cash flows	2009 € k	2008 € k
3. Cash flow from financing activities		
Profit distributions to shareholders	-1,650	-1,650
Cash received from borrowings	1,310	959
Repayment of borrowings	-656	-2,918
Interest paid	-1,773	-3,060
Cash flow from financing activities	**-2,769**	**-6,669**
Cash and cash equivalents at the end of the period		
Changes in cash and cash equivalents (subtotal og 1 to 3)	5,219	-4,428
Effects of exchange rate changes (no cash effect)	-275	0
Cash and cash equivalents at the beginning of the period	22,518	26,946
Cash and cash equivalents at the end of the period	**27,462**	**22,518**
Composition of cash and cash equivalents		
Cash on hand, bank balances	27,462	22,518
Securities	0	0
Cash and cash equivalents at the end of the period	**27,462**	**22,518**

Consolidated statement of changes in equity

	Subscribed Capital	Capital reserve	Legal reserve
	€ k	€ k	€ k
January 1, 2008	**6,600**	**15,251**	**61**
Dividend paid	0	0	0
Subtotal	6,600	15,251	61
Decrease in minority interests	0	0	0
Currency translation differences	0	0	0
Consolidated profit for the year	0	0	0
Total comprehensive income for the year	**0**	**0**	**0**
December 31, 2008	**6,600**	**15,251**	**61**
Dividend paid	0	0	0
Subtotal	6,600	15,251	61
Amounts recorded directly in equity	0	0	0
Currency translation differences	0	0	0
Consolidated profit for the year	0	0	0
Total comprehensive income for the year	**0**	**0**	**0**
December 31, 2009	**6,600**	**15,251**	**61**

Retained earnings					
Currency translation differences € k	Available-for-sale financial assets € k	Earned consolidated equity € k	Attributable to owners of MBB AG € k	Minority interests € k	Consolidated Equity € k
416	**0**	**24,199**	**46,527**	**3,974**	**50,501**
0	0	-1,650	-1,650	0	-1,650
416	0	22,549	44,877	3,974	48,851
0	0	0	0	-377	-377
-2,018	0	0	-2,018	-320	-2,338
0	0	8,029	8,029	100	8,129
-2,018	**0**	**8,029**	**6,011**	**-220**	**5,791**
-1,602	**0**	**30,578**	**50,888**	**3,377**	**54,265**
0	0	-1,650	-1,650	0	-1,650
-1,602	0	28,928	49,238	3,377	52,615
0	-56	0	-56	0	-56
-798	0	0	-798	173	-625
0	0	3,546	3,546	106	3,652
-798	**-56**	**3,546**	**2,692**	**279**	**2,971**
-2,400	**-56**	**32,474**	**51,930**	**3,656**	**55,586**

Notes to the Consolidated Financial Statements for Fiscal Year 2009

I. Methods and Principles

1. Basic Information on the Accounting

1.1 Corporate Information

MBB Industries AG (hereinafter referred to as "MBB", "MBB-AG" or the "parent") has its registered office at Joachimstaler Straße 34, 10719 Berlin, Germany. It is recorded in the commercial register of district court Berlin-Charlottenburg under No. HRB 97470. Since June 20, 2008 MBB Industries AG has been listed in the Prime Standard of the Frankfurt Stock Exchange under the security identification number A0ETBQ. MBB is the parent company of the MBB group.

MBB Industries AG acquires, develops and sells majority shareholdings in medium-sized companies. MBB's focus is on industrial firms, but is not limited to specific industries. The Company is specialised in companies with revenues of €10m or more and is geared primarily towards majority shareholdings in companies that offer significant value growth potential.

The consolidated financial statements of MBB Industries AG for fiscal year 2009 will be presumably approved and released for publication by the Board of Directors on April 15, 2010.

1.2 Accounting Policies

Since MBB Industries AG is listed on the regulated market (Prime Standard), MBB's consolidated financial statements are compiled in accordance with IFRS. The consolidated financial statements as of December 31, 2009 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. The term IFRS also covers the International Accounting Standards (IAS) still in effect, the International Financial Reporting Standards (IFRS) as well as the Interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). In addition, the regulations of § 315a HGB have been applied.

All applicable IFRS, IFRIC and SIC have been adopted in the consolidated financial statement for the fiscal year ending December 31, 2009.

Adoption of new and revised Standards

In the fiscal year 2009, the following IAS/IFRS/IFRIC were endorsed for use by the EU or are to be adopted for the first time. They have for the most part only minimal or no effect on the consolidated financial statements of MBB.

- IAS 1 (as revised in 2007) Presentation of Financial Statements, has been adopted to the effect that the income statement was extended to a comprehensive income statement and appropriate changes to the statement of changes in equity have been made.
- IAS 23 Borrowing Costs; no effect because no qualifying assets are produced.
- IFRS 2 Share based payments, this form of remuneration is not used by MBB or the subsidiaries included in the consolidated financial statements.

- IFRIC 13 Customer Loyalty Programmes; customer loyalty programmes within the scope of IFRIC 13 are not used.
- Amendments to the regulations of "Puttable Financial Instruments and Obligations Arising on Liquidation" in IAS 32, IAS 1, IFRS 7, IAS 39 as well as IFRIC 2 as endorsed by the EU on January 21, 2009 have no impact on the group financial statements.
- Amendments summarised in the IASB Publication "Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" which have an effect on IAS 1, IAS 27, IAS 18, IAS 21 and IAS 36, endorsed by the EU on January 23, 2009, have no impact on the group financial statements.
- On January 23, 2009 the EU endorsed the "Annual Improvements Project", which besides editorial changes could have an impact on presentation, recognition and measurement. There were no material impacts on the group financial statements.
- IFRS 4 and IFRS 7 with regard to disclosures on the measurement of financial instruments at fair value and liquidity risks were endorsed by the EU on March 5, 2009. If applicable, such disclosures have been made in these financial statements for the first time.
- Amendments to IAS 39 and IFRIC 9, endorsed by the EU on March 12, 2009, clarify the accounting for embedded derivatives are not applicable in these financial statements because the group does not use derivatives.
- IFRIC 15 Agreements for the Construction of Real Estate, endorsed on July 22, 2009, has no impact on the presentation of business operations in these financial statements.
- Amendments to IAS 39 and IFRS 7, endorsed on October 15, 2008 and September 9, 2009, have no effects because there have been no reclassifications.

The following amendments by the IASB were not adopted previously in these consolidated financial statements. As far as the amendments concern the MBB, the future impacts to the group financial statements are currently being evaluated. For the major part, endorsement by the EU is still outstanding.

- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions, issued by the IASB on June 18, 2009, have no effect on the group financial statements.
- In June 2009 IAS 27 Consolidated and Separate Financial Statements (revised 2008) and IFRS 3 Business Combinations have been endorsed by the EU. The revised and expanded standards are required to be applied for fiscal years beginning on or after June 30, 2009.
- Amendments to IAS 39 from July 2008 with regard to risk positions qualifying for hedge accounting were endorsed by the EU on September 15, 2009. The regulations have no impact on these group financial statements.
- Amendments to IAS 1, endorsed by the EU on September 25, 2009, with regard to the formal structure of the standard will have no impact on the group financial statements.

- IFRIC 17 Distributions of Non-Cash Assets to Owners was endorsed by the EU on November 27, 2009. This interpretation is not applicable to MBB because non-cash assets are not distributed.
- IFRIC 18 Transfer of Assets from Customers endorsed on November 27, 2009 is applicable to fiscal years beginning on or after July 1, 2009.This interpretation will have no impact on the presentation of business operations in consolidated financial statements.
- Amendments of the second annual improvement project are only applicable for fiscal years beginning on or after January 1, 2010 and have not been endorsed by the EU as of the balance sheet date.
- Amendments of IAS 32 Classification of Right Issued endorsed by the EU on December 23, 2009 are compulsory for fiscal years beginning after February 1, 2010.
- Amendments to IAS 24 Related Party Disclosures have not yet been endorsed by the EU and are applicable at the earliest for fiscal years beginning after January 1, 2011.
- IFRS 9 Financial Instruments was issued by the IASB on November 12, 2009 and has so far not been endorsed by the EU.
- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement and IFRIC 19 Extinguished Financial Instruments with Equity Instruments are applicable for the first time for fiscal years beginning on January 1, 2011 and have not yet been endorsed by the EU.

1.3 Changes of legal and organizational structure in 2009

At the beginning of May 2009, MBB sold the Reimelt Henschel group. The sale of Reimelt Henschel group is a successful example of the group's business strategy. The result components of the discontinued operation are summarised in the following presentation. The presented amounts of assets and liabilities disposed of relate to the disposal date.

	December 31, 2009 € k
Consideration received in cash	26,000
Assets and liabilities disposed of	
Current assets	
Cash and cash equivalents	9,624
Trade receivables	23,466
Inventories	13,889
Other assets	1,061
Non-current assets	
Deferred taxes	305
Financial assets	229
Property, plant and equipment	11,309
Intangible assets	994
Goodwill	3,033
Current liabilities	
Liabilities to banks	1,231
Other liabilities	33,576
Non-current liabilities	
Liabilities to banks	3,821
Deferred tax liabilities	2,253
Net assets disposed of	**23,029**

	December 31,2009 € k
Gain on disposal of subsidiary	
Consideration received	26,000
Net assets disposed of	23,029
Preliminary gain on disposal	2,971
Earnings from subsequent cessation of assumed risks	2,550
Expenses relating to the disposal of the subsidiary	-1,267
Gain on disposal	**4,254**
Net cash inflow on disposal of subsidiary	
Consideration received in cash and cash equivalents	26,000
Less: cash and cash equivalent balances disposed of	9,624
Net cash inflow	16,376
Cash flow of operating activities	-4,940
Cash flow of investing activities	-55
Cash flow of finance activities	2,687
Net cash flows	**-2,308**

2. Consolidated Group

In addition to MBB, the entities listed below are included in the consolidated financial statements. The share in capital is computed by multiplying the respective shares. Companies shown in bold have investments in the companies listed below.

Consolidated entities

Name and registered office of the entity	Share in capital in %
Affiliated entities (fully consolidated)	
OBO Modulan GmbH, Stadthagen, Germany	100.00
OBO-Werke GmbH & Co. KG, Stadthagen, Germany	100.00
OBO-Werke Verwaltungsgesellschaft mbH, Stadthagen, Germany	100.00
OBO-Industrieanlagen GmbH, Stadthagen, Germany	98.96
Jade 980.GmbH	100.00
Delignit AG, Blomberg, Germany	
Hausmann Verwaltungsgesellschaft mbH, Blomberg, Germany	80.55
Blomberger Holzindustrie B. Hausmann GmbH & Co. KG, Blomberg, Germany	80.06
S.C. Delignit Romania Srl., Drobeta Turnu Severin, Romania	80.06
S.C. Cildro S.A., Drobeta Turnu Severin, Romania	75.66
S.C. Cildro Service Srl., Drobeta Turnu Severin, Romania	75.66
Huchtemeier Verwaltung GmbH, Dortmund, Germany	100.00
Huchtemeier Papier GmbH, Dortmund, Germany	80.00
Hanke Tissue Sp. z o.o., Kostrzyn, Poland	100.00
DTS Beteiligungen GmbH & Co. KG, Herford, Germany	80.00
DTS Beteiligungen Verwaltungs GmbH, Herford, Germany	80.00
DTS Systeme GmbH, Herford, Germany	80.00

Up until the date of disposal of Reimelt Henschel GmbH and its affiliates, the following entities were also included in this consolidated financial statement. Besides Reimelt Henschel GmbH, Rödermark, the companies Dietrich Reimelt Pulsnitzer Maschinenbau GmbH, Reimelt Corporation, USA, Reimelt Ltda., Brazil, and Reimelt France E.U.R.L, France, were fully consolidated. Reimelt (GmbH) UK Ltd., Great Britain, was included in the consolidated financial statements using the equity method.

The following entity is included in the consolidated financial statements using the equity method:

Name and registered office of the entity	Share in capital in %
Associates	
KKS Hahn Konzert- und Veranstaltungs-Service GmbH, Leverkusen, Germany	20.00

The list of shareholdings is set out in an annex to the notes.

3. Consolidation Principles

The consolidated financial statements comprise the financial statement as of December 31 for each financial year with respect to MBB Industries AG and its subsidiaries. The subsidiaries' financial statements have been prepared on the basis of uniform accounting policies and on the same balance sheet date as the financial statements of the parent.

The date of the balance sheet of the subsidiaries included in the group financial statements is December 31 of the current financial year.

Subsidiaries

Acquisition accounting is performed in accordance with the purchase method. Under this method, the purchase cost of the shares acquired is offset against the acquired subsidiary's equity allocable to the parent at the acquisition date. All identifiable assets, liabilities and contingent liabilities are carried at fair value and transferred to the consolidated balance sheet. Any excess of cost over the fair value of the net assets attributable to the group is recognised as goodwill.

If the fair value of the net assets attributable to the group is higher than the acquisition cost of the shares, there is a credit difference. If this remains after reassessment of the purchase price allocation or the determination of the fair values of the purchased assets, liabilities and contingent liabilities, it is immediately taken to profit and loss.

The share of assets, liabilities and contingent liabilities of the subsidiary attributable to minority interests is also carried at fair value. Goodwill is, however, only disclosed if it is allocable to the group.

Receivables and liabilities between consolidated entities are eliminated. The same applies to intercompany profits, revenue, income and expenses.

The earnings of the subsidiaries acquired or sold during the fiscal year were included in the consolidated income statement from the date the acquisition came into effect or until the date of disposal, respectively.

Associates

Entities in which MBB holds between 20.0% and 50.0% of capital stock and on which MBB has a significant influence are classified as associates and accounted for using the equity method. The carrying amount of the equity investment in the balance sheet is written up or down by the group's share in profits and losses of the associate. The amount of the loss allocated is generally limited to the cost of the associate.

For acquisitions of associates, the purchase method is used by analogy. Associates acquired or disposed of during the fiscal year are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

4. Presentation of Accounting Policies

General

The group financial statements have been prepared on the basis of historical costs, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The balance sheet was classified into current and non-current assets and current and non-current liabilities. To determine the consolidated net profit the statement of comprehensive income was prepared using the "nature of expense" method.

Reporting Currency

The consolidated financial statements are compiled in euros, as this is the currency on which most group transactions are based. Unless indicated otherwise, all amounts have been rounded to thousands of euros (€ k). Figures are stated in euros (€), thousands of euros (€ k) and millions of euros (€ m).

Foreign Currency Translation

Every entity within the group determines its own functional currency. The items contained in the financial statements of the respective entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on the balance sheet date. All exchange differences are taken to profit or loss. Excluded from this are differences on foreign currencies transactions that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Deferred taxes attributable to exchange differences on those foreign currency transactions are also dealt with in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets and liabilities of the foreign operation are translated to euros using the closing rate. Income and expenses are translated using the weighted average rate

for the fiscal year. The resulting exchange differences are recorded as a separate component of equity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the date of acquisition.

The following exchange rates were used (for EUR 1.00):

December 31, 2009	Closing rate	Average rate
Romanian leu (RON)	4.2282	4.2373
Polish zloty (PLN)	4.1082	4.3273

December 31, 2008	Closing rate	Average rate
Romanian leu (RON)	3.9852	3.6827
Polish zloty (PLN)	4.1724	3.5131
US dollars (USD)	1.4097	1.4713
Brazil real (BRL)	3.3214	2.6823

Intangible Assets

Intangible assets not acquired as part of a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value on the date of acquisition.

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditures for certain projects are recognised as an internally-generated intangible asset if the following criteria are cumulatively met. Completion of the project is technically feasible. There are both the intention and the ability to complete the intangible asset and to use or sell it. It is assumed that the intangible asset will generate probable future economic benefits. In addition, the group has adequate technical, financial and other resources available to complete the development and the capability exists to reliably measure the expenditure attributable to the intangible asset.

If the criteria are not met, development expenditure is recognised in profit or loss for the period in which it is incurred.

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses (disclosed under amortization). Intangible assets (excluding goodwill) are amortised on a straight-line

basis over their estimated useful life. The amortization period and the amortization method are reviewed at the end of each fiscal year.

With the exception of goodwill, the group has no intangible assets with an indefinite useful life.

The cost of new software is recognised as an intangible asset if these costs are not an integral part of the related hardware. Software is amortised over a term of up to three years using the straight-line method.

Patents are amortised over a useful life of 10 years.

Costs incurred in order to restore or maintain the future economic benefits that the entity had originally expected are recognised as an expense.

Gains and losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Goodwill

Goodwill from business combinations is the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity.

Goodwill is not subject to systematic amortization, but tested for impairment using an impairment test at least once a year in accordance with the provisions of IAS 36. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, expected to benefit from the synergies of the combination.

An impairment loss is recognised for goodwill if the recoverable amount of the cash-generating unit is less than its carrying amount. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, Plant and Equipment

Property, plant and equipment are reported at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable acquisition taxes incurred in relation to the acquisition, as well as any directly attributable costs of bringing the asset to its location and to its working condition for its intended use. Subsequent expenditure such as repair and maintenance costs incurred after the non-current assets have been commissioned are recorded as expenses in the period in which the costs are incurred. If it is probable that significant additional future economic benefits will accrue to the entity above the standard of performance originally assessed for the asset, these expenses are capitalised as subsequent cost of property, plant and equipment.

Assets newly identified in a business combination are measured at fair value (market value) at acquisition date and depreciated in the subsequent periods.

Depreciation is calculated over the estimated useful life using the straight-line method based on a residual carrying amount of €0. The following estimated useful lives are used for the individual groups of assets:

- Buildings and land improvements: 10 to 25 years
- Technical equipment and machines: 10 to 12 years
- Computer Hardware: 3 years
- Other furniture and fixtures: 5 to 13 years

Properties are not systematically written off.

The useful lives, depreciation methods and residual carrying amounts for property, plant and equipment are reviewed in each period.

If items of property, plant and equipment are sold or scrapped, the corresponding costs of purchase and accumulated depreciation are derecognised, and any profit or loss realised from the disposal is reported in the income statement.

Leasing

The determination of whether an agreement is or contains a lease is made on the basis of the economic substance of an arrangement. This requires an estimation as to whether the fulfilment of the arrangement is dependent on the use of a specific asset or specific assets and whether the arrangement conveys a right to use the asset.

Assets under a finance lease, where all risks and rewards incidental to ownership of the asset substantially transferred to the group are measured at fair value of the leased asset or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The leased assets are written off systematically.

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability by paying interest on the remaining balance of the liability with a constant periodic rate of interest. Remaining lease payments at the balance sheet date are presented in the balance sheet according to their maturity. Payments for operating leases are recognised as an expense in profit or loss for the term of the leasing agreement.

The group does not act as lessor.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred, unless borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets. In this case, borrowing costs form a part of the cost of such assets. In the financial year, MBB neither acquired nor produced qualifying assets.

Impairment of Non-Financial Assets

Non financial assets are tested for impairment if events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the impairment test, the recoverable amount of the asset or cash-generating unit must be calculated. The recoverable amount is defined as either “fair value less costs to sell” or “value in use”, whichever is the higher. Fair value less costs to sell is defined as the amount obtainable from the sale of an asset or a cash-generating unit between two knowledgeable, willing parties, less the costs of disposal. An asset’s or cash-generating unit’s value in use is determined by the present value of the estimated cash flows expected to be generated from its current use. Impairment losses are recognised for an asset in profit or loss, if the recoverable amount is lower than its carrying amount; the carrying amount is reduced to the recoverable amount of the asset.

Impairment for an asset in prior years is reversed when there is an indication that the impairment no longer exists or has decreased. The reversal is posted as a gain in the income statement. The increase in value (or reduction of an impairment loss) of an asset is, however, only recorded to the extent that it does not exceed the carrying amount that would have applied if no impairment losses had been recognised in prior years (taking into account regular amortization or depreciation).

Investments and Other Financial Assets

Financial assets as defined by IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The financial assets are measured at fair value on initial recognition.

The classification of financial assets into measurement categories is determined upon initial recognition. Where permissible, any reclassifications deemed necessary are performed at the end of the fiscal year.

As of December 31, 2009 December the group only had loans and receivables as well as available-for-sale financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables extended are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. These assets are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss for the period when the loans and receivables are derecognised or written down as well as through the amortization process.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as one of the three categories above. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, and any gain or loss is recognised in a separate item under equity. On derecognition of the investment or identification of impairment, any cumulative gain or loss that was recognised directly in equity is recognised in profit or loss. For investments that are actively traded in organised financial markets, fair value is determined by reference to market bid prices quoted on the stock exchange at the close of business on the balance sheet date. Market values were available for the available-for-sale financial assets recognised by the group as of December 31, 2009 and December 31, 2008.

Financial assets are tested for impairment as of each balance sheet date. If it is probable that the Company will not be able to collect all amounts due according to the contractual terms of loans, receivables, or held-to-maturity financial investments carried at amortised cost, an impairment loss or allowance is recorded on the receivables with effect on income. The impairment loss is defined as the difference between the carrying amount of the asset and the present value of estimated future cash flows measured using the effective interest method. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. If the amount of an impairment loss recognised in profit and loss in a prior period decreases and the decrease in the impairment (i.e., a write-up) can be objectively related to an event occurring after the impairment loss, the impairment is reversed and the amount of the reversal recognised in profit and loss. However, after reinstatement an asset may not be carried at an amount exceeding the carrying value that would have ensued had no impairment been recognised. The financial asset is derecognised when it is classified as uncollectible.

As in the prior year, the carrying amounts of the financial assets and liabilities approximate their fair values.

Inventories

Inventories are measured at the lower of cost and net realisable value (selling price less necessary selling costs). Raw materials, consumables and supplies as well as purchased goods are measured at cost using the average cost method or the lower market price at the balance sheet date. Cost of work in process and finished goods includes both the cost of direct materials and labour as well as pro rata materials and production overheads based on the assumption of normal capacity utilization. Adequate allowances are recorded for inventory risks arising from slow-moving stock and reduced saleability.

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial Liabilities

All loans and borrowings are initially recognised at the fair value less directly attributable transaction costs. They are not designated as measured at fair value through profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortization process.

Finance lease liabilities are recognised at the present value of minimum lease payments.

Current financial liabilities are recognised at their repayment or settlement value.

Provisions

A provision is recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the group expects some or all of a provision to be reimbursed, the reimbursement is only recognised as a separate asset when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Non-current liabilities and provisions are carried at their present value. Where the effect of the time value of the money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. In the discounting process, the increase in the provision reflecting the passage of time is recognised as borrowing costs.

Accruals are recognised for obligations where an exchange of services has taken place and the amount of the consideration can be determined with reasonable assurance. Accruals are recognised under other liabilities.

Pensions and Other Post-Employment Benefits

Pension obligations are measured pursuant to IAS 19. Payments for contributions to defined contribution pension plans are recognised as an expense in profit or loss. For defined benefit plans, the obligation is presented as a pension provision on the balance sheet. The pension obligations are viewed as part of a defined benefit plan and measured using the projected unit credit method. An interest rate of 5.5% (prior year: 5.75%) was applied.

Actuarial gains and losses are immediately posted to profit or loss.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Discounts, rebates and VAT or other charges are taken into account. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods
Revenue is recognised when the significant risks and rewards incidental to ownership of the goods have passed to the buyer. This is generally the case upon delivery of the goods.

Long-Term Construction Contracts from Plant Construction
Income from a contract specifically negotiated for the construction of an asset is recognised as revenue by reference to the stage of completion.

Interest Income
Interest income is recognised when the interest has accrued (using the effective interest rate, i.e. the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends
Revenue is recognised when the group's right to receive the payment is established.

Taxes

Current Income Tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax
Deferred income taxes are recognised using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. However, no deferred tax liabilities may be recognised from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. However, no deferred tax assets may be recognised for deductible temporary differences arising on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Future changes to the tax rate must be taken into account if a law has already been enacted or is substantively enacted as of the balance sheet date.

Deferred taxes are recorded as tax income or expense in the income statement unless they relate to items recorded directly in equity; in this case, the deferred taxes are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset if the group has a legally enforceable right to offset current tax assets and current tax liabilities and if they relate to income taxes levied by the same taxation authority on the same taxable entity.

Contingent Assets and Contingent Liabilities

Contingent liabilities are either possible obligations, whose existence will be confirmed by the occurrence or non occurrence of one or more future events which could lead to an outflow of resources or present obligations that do not meet the recognition criteria of a liability. They are disclosed separately in the notes unless an outflow of resources embodying economic benefits is remote. The group has no contingent liabilities with the exception of legal claims arising in the ordinary course of business.

Under IFRS 3.37, contingent liabilities are recognised in business combinations if the fair value can be reliably measured.

Contingent assets are not stated in the balance sheet. However, they are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements pursuant to IFRS requires some estimates and assumptions. These have an influence on the amounts calculated for assets, liabilities and financial obligations as of the balance sheet date as well as on the disclosure of income and expenses. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below.

Impairment of Non-Financial Assets
The group determines at each balance sheet date whether there is evidence that non-financial assets are impaired. Goodwill with an indefinite useful life is tested for impairment at least once a year and when there are indications of impairment. Other non-financial assets are tested for impairment if there is any indication that the carrying amount exceeds the recoverable amount. Estimating the value in use requires

management to make an estimate of the expected future cash flows from the asset or cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Pensions and Other Post-Employment Benefits
The cost of providing post-employment benefits under defined benefit plans is determined using actuarial calculations. The actuarial valuation involves making assumptions about discount rates, expected income from plan assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. As of December 31, 2009, the provision for pensions and similar obligations amounted to €2,017k (2008: €3,360k).

Provisions
The recognition and measurement of other provisions is based on an estimation of the probability of a future outflow of resources as well as past experience and the circumstances as of the balance sheet date. The actual obligation can deviate from the amounts accrued.

Deferred Tax Assets
A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. In estimating the amount of deferred tax assets, a judgement from management is required with regard to the expected time of occurrence and the size of the future taxable profits as well as future tax planning strategies.

II. Notes to the Consolidated Balance Sheet

1. Non-Current Assets

The development of non-current assets is presented in the following statement of changes in non-current assets.

Statement of Changes in Non-Current Assets of the MBB Group as of December 31, 2009

	Total costs € k	Additions in the fiscal year € k	Additions from acquisition accounting € k	Re-classification € k	Disposals from removal from the consolidated group € k
I. Intangible assets					
1. Franchises, industrial rights and similar rights and values	3,949	417	0	547	1,307
2. Goodwill	7,367	0	0	-547	3,033
	11,316	**417**	**0**	**0**	**4,340**
II. Property, plant and equipment					
1. Land, land rights and buildings, including buildings on third-party land	36,820	2,641	0	0	13,195
2. Technical equipment and machines	35,397	492	0	100	2,505
3. Other equipment, furniture and fixtures	11,513	650	0	0	2,104
4. Payments on account and assets under construction	726	1,310	0	-100	90
	84,456	**5,093**	**0**	**0**	**17,894**
III. Financial assets					
1. Investments in affiliated entities	224	0	0	0	224
2. Investments in associates	36	11	0	0	2
3. Equity investments	12	0	0	0	12
4. Other loans	302	90	0	0	4
	574	**101**	**0**	**0**	**242**
Total	**96,346**	**5,611**	**0**	**0**	**22,476**

Disposals in the fiscal year	Exchange rate differences	Total amortization, depreciation and write-downs	Carrying amount at the end of the fiscal year	Carrying amount at the end of the prior year	Amortization, depreciation and write-downs in the fiscal year
€ k	€ k	€ k	€ k	€ k	€ k
0	0	1,990	1,616	2,526	322
0	0	1,827	1,960	5,540	0
0	**0**	**3,817**	**3,576**	**8,066**	**322**
15	-3	6,735	19,513	27,130	685
410	-19	20,424	12,631	15,565	2,989
7	-45	7,715	2,292	3,361	583
0	0	0	1,846	726	0
432	**-67**	**34,874**	**36,282**	**46,782**	**4,257**
0	0	0	0	224	0
0	0	0	45	36	0
0	0	0	0	12	0
0	2	0	390	302	0
0	**2**	**0**	**435**	**574**	**0**
432	**-65**	**38,691**	**40,293**	**55,422**	**4,579**

Statement of Changes in Non-Current Assets of the MBB Group as of December 31, 2008

	Total cost € k	Additions in the fiscal year € k	Additions from acquisition accounting € k	Re-classification € k	Disposals from removal from the consolidated group € k
I. Intangible assets					
1. Franchises, industrial rights and similar rights and values	2,569	551	957	0	0
2. Goodwill	2,626	0	4,766	0	0
	5,195	**551**	**5,723**	**0**	**0**
II. Property, plant and equipment					
1. Land, land rights and buildings, including buildings on third-party land	36,666	206	0	0	0
2. Technical equipment and machines	34,332	1,204	354	180	0
3. Other equipment, furniture and fixtures	10,977	435	932	0	0
4. Payments on account and assets under construction	1,468	464	0	-180	0
	83,443	**2,309**	**1,286**	**0**	**0**
III. Financial assets					
1. Investments in affiliated entities	401	0	0	0	0
2. Investments in associates	47	36	0	0	0
3. Equity investments	2	12	0	0	0
4. Loans to affiliated entities	1,013	0	0	0	0
5. Other loans	496	125	0	0	0
	1,959	**173**	**0**	**0**	**0**
Total	**90,597**	**3,033**	**7,009**	**0**	**0**

Disposals in the fiscal year	Exchange rate differences	Total amortization, depreciation and write-downs	Carrying amount at the end of the fiscal year	Carrying amount at the end of the prior year	Amortization, depreciation and write-downs in the fiscal year
€ k	€ k	€ k	€ k	€ k	€ k
128	0	1,423	2,526	1,663	614
0	-25	1,827	5,540	780	7
128	**-25**	**3,250**	**8,066**	**2,443**	**621**
33	-19	9,690	27,130	28,761	1,217
680	7	19,832	15,565	16,789	2,531
834	3	8,152	3,361	2,626	764
1,063	37	0	726	1,505	0
2,610	**28**	**37,674**	**46,782**	**49,681**	**4,512**
177	0	0	224	397	0
47	0	0	36	47	0
2	0	0	12	2	0
1,013	0	0	0	248	0
319	0	0	302	496	0
1,558	**0**	**0**	**574**	**1,190**	**0**
4,296	**3**	**40,924**	**55,422**	**53,314**	**5,133**

2. Goodwill

The goodwill reported relates to the acquisitions of the Romanian Delignit entities (Technical Applications segment), Hanke Tissue Sp. z o.o., Kostrzyn, Poland (Industrial Production segment) and DTS group (Trading & Services segment).

The decline of the goodwill is due to the sale of the Reimelt Henschel group.

Goodwill is tested for impairment on the basis of cash generating units; as a result there was no need to record any impairment losses.

The impairment tests were based on the recoverable amount by reference to the value in use of the cash-generating units, the calculation of which was derived from forecast earnings from a five-year plan. Budget figures were calculated taking into account current and future probabilities, the expected economic development and other circumstances. The budget figures for the last budget year were used for the standard year (perpetual annuity). As in the previous year, a discount rate of 12% was used. No growth discount was applied in the standard year for reasons of prudence.

The conducted impairment tests did not lead to an impairment loss for the cash generating units. Management believe that any sensibly conceivable change in the key assumptions would not lead to the carrying amount exceeding the recoverable amount of the respective cash generating unit.

3. Property, Plant and Equipment

For the development of all non-current assets including property, plant and equipment and financial assets, please see the presentation in the statement of changes in non-current assets.

4. Investment in an Associate

As of December 31, 2009 the group has a share of 20% in KKS Hahn Konzert- und Veranstaltungs-Service GmbH, Leverkusen, Germany.

The latest financial statement of the company shows the following key figures:

KKS	2008 € k	2007 € k
Total assets	674	665
Liabilities	286	245
Revenue	2,125	2,082
Profit for the year	162	153

In the previous year, the group had a share of 50% of Reimelt (GmbH) UK Ltd., Enfield, Great Britain. In the course of the sale of Reimelt Henschel group, this share was disposed of.

5. Other Loans

The other loans entail essentially long-term fixed deposits to safeguard “Altersteilzeit” (German special phased retirement scheme) obligations in the event of insolvency of €0,4m (previous year: €0.3m).

6. Inventories

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Raw materials, consumables and supplies	4,076	10,234
Work in process	3,170	4,403
Finished goods	6,348	7,458
Payments on account	13	3,843
Total	**13,607**	**25,938**

For continued operations, write downs of inventory amounting to €226k were recognised on raw materials, consumables and supplies. In the reporting period there were no reversals of write downs.

7. Trade Receivables

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Trade receivables	7,006	28,659
Less specific bad debt allowance	-540	-1,054
Total	**6,466**	**27,605**

Trade receivables disclosed are classified as loans and receivables and measured at amortised cost.

All trade receivables are due within one year.

Trade receivables are written down as required. Indicators of valuation allowances are the absence of incoming payments und information about changes in customers’ solvency. The concentration of credit risk is limited due to the customer base being large and unrelated.

8. Other non-current Assets

Other assets with a maturity within one year are broken down as follows:

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Tax receivables	1,948	1,917
Prepaid expenses	1,042	647
Physical gold stock	975	0
Receivables from factoring	525	624
Other assets	1,390	1,357
Total	**5,880**	**4,545**

9. Securities

The securities amounting to €6,877k (previous year: €2,567k) are bonds and shares held for sale.

10. Deferred Taxes

The amount of deferred tax assets and deferred tax liabilities from temporary differences on December 31, 2009 and December 31, 2008 are shown in the following table:

Deferred tax assets		Deferred tax liabilities	
Dec. 31, 2009 € k	Dec. 31, 2008 € k	Dec. 31, 2009 € k	Dec. 31, 2008 € k
1,354	1,290	3,030	6,129

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Deferred tax liabilities	-3,030	-6,129
Deferred tax assets	1,354	1,290
Total	**-1,676**	**-4,839**

	Dec. 31, 2009 € k
Temporary differences from intangible assets	180
Goodwill	413
Unused tax losses	425
Provisions for pensions	314
Provisions	22
Deferred tax assets	**1,354**

	Dec. 31, 2009 € k
Temporary differences from intangible assets	120
Property, plant and equipment	2,837
Receivables	27
Provisions	46
Deferred tax liabilities	**3,030**

11. Equity

For the development of equity, we refer to the "Consolidated Statement of Changes in Equity" which is published separately to these notes.

Capital Stock

The capital stock of MBB amounts to €6.6m and is paid in full. It is divided into 6,600,000 bearer shares (no par value shares).

In fiscal year 2006, the capital stock was increased by € 4,838,000.00 in the course of a capital increase from the capital reserves and by a further €1.6m from € 162,000.00 to €6.6m through the issue of new shares.

The shares were held as follows:

	Dec. 31, 2009 number of shares	%	Dec. 31, 2008 number of shares	%
MBB Capital Management GmbH	2,687,000	40.712	2,687,000	40.712
MBB Capital GmbH	2,000,000	30.303	2,000,000	30.303
LRI Invest S.A.	222,000	3.364	222,000	3.364
Flowerfield Holding GmbH	152,993	2.318	143,982	2.182
Tolea GmbH	130,200	1.973	130,000	1.970
Dacapo Beteiligungs GmbH	30,000	0.455	30,000	0.455
Dr. Philipp Schmiedel-Blumenthal	11,903	0.180	11,903	0.180
Greenstone Advisory GmbH	0	0.000	9,011	0.137
Dr. Matthias Rumpelhardt	2,000	0.030	2,000	0.030
Freefloat	1,363,904	20.665	1,364,104	20.668
Total	**6,600,000**	**100.00**	**6,600,000**	**100.000**

100% of shares in MBB Capital GmbH and MBB Capital Management GmbH are held by MBB Capital Group GmbH, in which Gert-Maria Freimuth and Dr. Christof Nesemeier each hold a 50% share.

100% of the shares in Tolea GmbH are held by Anton Breitkopf.

98% of the shares in Flowerfield Holding GmbH are held by Dr. Philipp Schmiedel-Blumenthal.

In 2009, Greenstone Advisory GmbH and Flowerfield Holding GmbH merged. Until the merger, Flowerfield Holding GmbH held 100% of the shares in Greenstone Advisory GmbH.

100% of the shares in Dacapo Beteiligungs GmbH are held by Dr. Matthias Rumpelhardt.

MBB Capital Group GmbH, Münster, Germany, has an indirect shareholding of 71.02% in MBB via its wholly-owned subsidiaries MBB Capital Management GmbH, Berlin (former MBB Capital Münster GmbH, Münster), and MBB Capital GmbH, Münster (former Berlin), Germany.

On the basis of the resolution of the annual general meeting of March 21, 2006, the Managing Board was authorised, with the approval of the Board of Directors, to increase the Company's capital stock once or several times in the period up to March 21, 2011. It may do so up to an amount of € 2,500,000.00 by issue of no par value bearer shares in return for cash and/or non-cash contributions (approved capital I).

Furthermore, based on the annual meeting's resolution dated June 30, 2009, MBB was authorised to purchase and sale its own shares up to a maximum of 10% of the share capital as from July 1, 2009 to December 29, 2010.

Capital reserves

As in the prior year, the capital reserves stand at €15,251k. The capital reserves resulted from the share premium that flowed to the Company from the issue of new shares.

Legal Reserve

In 2006, 5% of the parent's profit for the year was added to the legal reserve.

Revenue Reserves

Currency Translation Differences
Foreign currency translation differences result from using the modified closing rate method.

Items of profit and loss, presented in foreign currency in the single entity financial statements, are translated at the average exchange rate for the period into the functional currency and equity is translated at historical rates from initial consolidation into the functional currency.

The application of IFRIC 16 (Hedges of a net investment in a foreign operation) has resulted in the offsetting of discrepancies from the translation of loans in euro to the functional currency of the Romanian companies with the currency translation reserve. A hedging relationship exists between the Romanian companies and the company Blomberger Holzindustrie B. Hausmann GmbH & Co. KG (included in the consolidated financial statements).

Available for sale investment reserve
The reserve for available for sale investments represents the cumulative gains or losses arising on the revaluation of investments. These are shown in the total comprehensive income.

Reserve for earned consolidated equity
This item includes the group's profits less dividends paid. On July 1, 2009 a dividend of 25 cent per share was paid out (as in the previous year).

12. Provisions for Pensions and Similar Obligations

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Pension provisions at the beginning of the fiscal year	3,360	3,356
- Reversal in connection with the sale of subsidiaries	-1,338	0
- Utilization	-265	-260
+ Addition to provisions (service cost)	0	34
+ Addition to provisions (interest cost)	117	187
+ / - Actuarial losses/gains	143	43
Pension provisions at the end of the fiscal year	2,017	3,360

The following actuarial assumptions were used:

Interest rate	5.5%	5.75%
Increase in pensions	2.0%	2.0%

The pension plans are not funded. The liabilities correspond to the obligation (DBO).

The amounts of income and expenses recognised in the income statement are as follows:

	2009 € k	2008 € k
Addition to provisions (service cost)	0	-34
Addition to provisions (interest cost)	-117	-187
Actuarial gains (+) / losses (-)	-143	-43
Total	**-260**	**-264**

The expected benefits from the pension plans for 2010 amount to €0.3m, without CT Formpolster acquired on January 1, 2010.

13. Liabilities

The maturities of the liabilities are as follows:

December 31, 2009	Remaining term			
	up to 1 year € k	between 1 and 5 years € k	more than 5 years € k	Total € k
Liabilities to banks	8,452	14,850	1,287	24,589
Payments received on account	105	0	0	105
Trade payables	8,889	0	0	8,889
Other liabilities	3,500	420	295	4,215
Accruals	1,326	0	0	1,326
Total	**22,272**	**15,270**	**1,582**	**39,124**

December 31, 2008	Remaining term			
	up to 1 year € k	between 1 and 5 years € k	more than 5 years € k	Total € k
Liabilities to banks	9,286	14,609	2,171	26,066
Payments received on account	8,044	0	0	8,044
Trade payables	18,883	0	0	18,883
Other liabilities	6,121	1,045	0	7,166
Accruals	4,154	0	0	4,154
Total	**46,488**	**15,654**	**2,171**	**64,313**

Liabilities to banks are subject to fixed and variable interest at rates of between 3.5% and 17.2% (prior year: 3.9% and 21.99%). The interest rate of 17.2% relates to low finance liabilities in RON. Land and buildings, technical equipment and machines, and inventories and receivables have been pledged as collateral. The carrying amount of the pledged assets amounts to €27,914k as December 31, 2009 (prior year: €44,777k).

14. Other Liabilities

Other liabilities are as follows:

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Other non-current liabilities		
Pension fund	295	0
Lease liabilities	420	1,045
	715	**1,045**
Other current liabilities		
Wages and salaries	632	656
Lease liabilities	443	764
Social insurance	459	503
Wage tax	188	878
VAT	305	331
Commissions	0	1,756
Other	1,473	1,233
	3,500	**6,121**
Total	**4,215**	**7,166**

15. Provisions

Current provisions and accruals are as follows:

	Jan. 1, 2009	Acquisition accounting	Utilisation	Reversal	Addition	Dec. 31, 2009
Provision for contractual risks	4,461	2,866	87	0	0	1,508
Restructuring	581	0	31	550	355	355
Bonuses	15	0	0	15	47	47
Long-service awards	266	236	1	0	1	30
Warranties	3,481	3,481	0	0	0	0
	8,804	**6,583**	**119**	**565**	**403**	**1,940**
Phased retirement	714	84	138	0	90	582
Others	1,243	775	247	221	240	240
Financial statement preparation and audit costs	402	109	220	6	128	195
Vacation	928	817	111	0	138	138
Outstanding invoices	1,384	365	1,000	11	106	114
Variable salary and commissions	345	328	17	0	34	34
Flextime	637	403	232	0	11	13
Employer's liability insurance	146	52	94	0	10	10
	5,799	**2,933**	**2,059**	**238**	**757**	**1,326**
Total	**14,603**	**9,516**	**2,178**	**803**	**1,160**	**3,266**

For the main provisions, with the exception of the provision for contractual risks, the outflow of resources is expected in the following fiscal year. This provision represents possible risks from the sale of the Reimelt Henschel group. Because the case is pending, it is currently not possible to estimate the potential timing of an outflow of resources from this provision.

Tax Provisions

The tax provisions are as follows:

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Corporate income tax	232	808
Trade tax	10	522
Other taxes	0	39
Total	**242**	**1,369**

16. Rent and Lease Obligations

Operating Leases and Rent

	Dec. 31, 2009 € k	Dec. 31, 2008 € k
Minimum lease payments from operating leases	649	5,431

As of the balance sheet date, the group has outstanding obligations from non-cancelable operating leases due as follows:

Within one year	383	2,109
After one year but not more than five years	266	3,322
More than five years	0	0
Minimum rent payments	1,095	1,424

As of the balance sheet date, the group has outstanding obligations from rental agreements due as follows:

Within one year	685	534
After one year but not more than five years	410	890
More than five years	0	0
Cost of operating leases and rental agreements in the reporting year *)	1,201	1,102

*) Figures refer to continued operations.

Leases are concluded with an average term of three years (36 months).

Finance Leases

The following assets are used as part of finance leases:

	2009 € k	2008 € k
Technical equipment and machines		
Cost as of Jan, 1	4,487	4,279
Change in consolidated group	-553	0
Additions	0	208
Cost as of Dec, 31	3,934	4,487
Depreciation as of Jan, 1	-2,319	-1,207
Additions	-214	-1,112
Change in consolidated group	388	0
Depreciation as of Dec, 31	-2,145	-2,319
Carrying amount	**1,789**	**2,168**
Furniture and fixtures		
Cost as of Jan, 1	521	167
Change in consolidated group	0	354
Additions	0	0
Cost as of Dec, 31	521	521
Depreciation as of Jan, 1	-63	-20
Additions	-104	-43
Depreciation as of Dec, 31	-167	-63
Carrying amount	**354**	**458**

Future minimum lease payments for the above finance leases are as follows:

	within 1 year	1-5 Years	more than 5 Years
Lease payments	485	452	0
Discounted amounts	42	32	0
Present values	**443**	**420**	**0**

III. Notes to the Income Statement

The following comments are only made for the continuing operations, unless no different information is given.

1. Revenue

Revenue decreased compared to 2008 by a total of €82.8m to €116.6m. Revenues from continued operations amount to €82,5m (prior year: €94,9m). The development of revenue is explained in the management report. The segment report contains a breakdown in which revenue is split primarily by business segment and then by geographic segment.

2. Other Operating Income

	2009 € k	2008 € k
Income from deconsolidation	4,254	0
Income from the reversal of provisions	803	4,708
Income from refinancing	538	0
Other own work capitalised	419	0
Income from remuneration in kind	204	118
Income from securities	107	123
Income from rent	54	42
Income relating to other periods	38	27
Insurance indemnification	27	71
Income from the reversal of bad debt allowances	15	22
Income from the refund of mineral oil and electricity tax	9	11
Income from the disposal of non-current assets	7	37
Purchase price reduction	0	500
Exchange gains	2	194
Income from debt consolidation	0	148
Other	204	438
Total	**6,681**	**6,436**

3. Other Operating Expenses

	2009 € k	2008 € k
Maintenance costs	1,456	2,053
Rents and leases	1,201	1,102
Travel/vehicle costs	890	828
Legal and consulting costs	662	858
Other services	535	691
Bank charges and fees	373	489
Bad debts and bad debt allowances	362	256
Insurance	345	444
Expense from the disposal of non-current assets	291	111
Telephone, postage, fax	265	282
Exchange losses	246	239
Advertising costs	146	424
Fees and contributions	134	116
Office supplies	116	89
Expenses relating to other periods	59	277
Prime Standard Entry	0	168
Other	1,981	1,022
Total	**9,062**	**9,449**

4. Finance Costs

	2009 € k	2008 € k
Interest	1,453	1,982
Write down of short term securities	27	367
Interest expense from finance leases	77	81
Other interest and similar expenses	243	316
Total	**1,800**	**2,746**

5. Finance Income

	2009 € k	2008 € k
Interest	69	353
Other interest and similar income	264	221
Total	**333**	**574**

6. Taxes

	2009 € k	2008 € k
Trade tax	-136	567
Corporate income tax	865	163
Deferred taxes	-969	242
Other tax expense	102	37
Total	**-138**	**1,009**

More detailed information about deferred tax assets and deferred tax liabilities are shown under point I.4.16b) “Deferred Taxes”. A combined income tax rate of 30% is applied for German subsidiaries. For foreign subsidiaries, the future local tax rate is applied.

Reconciliation between income tax expense and the product of accounting profit multiplied by the group’s applicable tax rate for fiscal years 2009 and 2008 is as follows:

	2009 € k	2008 € k
Consolidated net profit after minorities	2,524	4,577
Current tax expense	-240	972
Effective tax rate	-9.5%	21.2%
Consolidated profit before taxes	2,524	4,577
Applicable (statutory) tax rate	30.0%	30.0%
Expected tax income	757	1.373
Differences from foreign tax rates	215	349
Tax-free income from the sale of equity investments	-1,276	0
Income from reversal of the credit difference	0	-150
Other tax effects	64	-600
Tax expense recognised in profit and loss	**-240**	**972**

7. Earnings per Share

Earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	Continued operations		Discontinued operations	
	2009 €	2008 €	2009 €	2008 €
Profit attributable to ordinary equity holders of the parent	2,658,240.96	3,504,847.61	887,958.39	4,524,130.51
Weighted average number of ordinary shares for earnings per share	6,600,000	6,600,000	6,600,000	6,600,000
Earnings per share	0.403	0.531	0.135	0.686

The profit for the year amounts to €3,546k (prior year: €8,029k), corresponding to earnings per share of €0.54 (prior year: €1.22).

IV. Segment Report

Information by Segment

Segment reporting has been prepared by applying IFRS 8 (operating segments). Consequently, an operating segment is a component of an entity for which discrete financial information is available and which is regularly reviewed by the entity chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments.

For management purposes, the following segments are defined:

Technical Applications

This segment comprises those holdings whose business model is based to a large extent on customer specifications, and for which company expertise and consultancy services form a considerable proportion of the service performed. The Delignit business group belongs to this segment. Reimelt Henschel group was also a part of this segment until its disposal.

The Delignit group develops, manufactures and sells ecological products based on the natural, renewable and carbon neutral raw material wood. As a development, project and series supplier for such technological sectors as the automotive and aviation industries, the business activities of the Delignit group center on creating and implementing technological and customised applications and systems. These are based on Delignit material, which is produced primarily from beech wood. Unlike many other raw materials, wood is carbon neutral throughout its life cycle and thus superior to other materials from an ecological perspective. Using Delignit materials as a substitute for applications based on non-renewable raw materials thus improves customers' environmental performance and fulfils their continually rising ecological requirements.

Besides the AUTOMOTIVE and TECHNOLOGICAL APPLICATIONS divisions, the operating business of the Delignit group also comprises a VENEER division that includes S.C. Cildro S.A., a company specialised in sliced veneers. Delignit was founded over 200 years ago and owned by the founding family until it was acquired by MBB Industries AG in 2003.

Industrial Production

The segment industrial production comprises those holdings whose primary strengths lie in the production of products which are relatively standardised. Accordingly, the Hanke and OBO holdings belong to this segment.

OBO is an international supplier of polyurethane boards for use in model, mold and tool construction. The majority of OBO's customers are mainly in the automotive industry.

Hanke produces raw tissue wadding as well as napkins, handkerchiefs, bathroom tissue and household rolls. It is the "aha" label that gives Hanke its strong competitive position in the Eastern European consumer goods market. It also produces white and coloured tissue for many private-label suppliers throughout Europe. The Polish entity Hanke Tissue Sp. z o.o. in Kostrzyn constitutes the core of the entity's activities.

Trading & Services

This segment comprises those holdings in the MBB portfolio who perform specialised services for their customers without conducting any production of their own, or who conduct trading activities. The holdings in this segment are DTS and Huchtemeier

Huchtemeier is an international paper trading group. In addition to its specialty papers and tissue semi finished products for the paper converting industry, it also markets hygiene paper products and napkins for wholesalers and retailers. Huchtemeier has been trading in paper for over a century.

DTS Systeme is an IT infrastructure provider specialising in such fields as IT security, storage, virtualisation, and data centres. The company offers a wide variety of Internet services from its computer centre in the region of East Westphalia-Lippe. The business model comprises consultancy services, conceptual design, procurement, and the implementation and operation of IT environments. DTS was founded in 1983, until acquisition by MBB Industries AG it was part of a regional company-group. DTS' registered office is in the city of Herford, it also maintains offices in the cities of Bochum, Bremen and Hanover.

The accounting policy for the segments complies with the accounting policy described under Point 4. The segment result correlates with the EBIT of the individual segments, because segment control is exercised through this.

Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties.

The following segment disclosures for the group operating segments are made for the continuing operations.

Financial year as of December 31, 2009

	Technical applications € k	Industrial Production € k	Trading & Services € k	Reconciliation € k	Group € k
Revenue third parties	23,762	23,313	34,815	642	82,532
Other segments	567	1,143	5	-1,715	0
Total revenue	**24,329**	**24,456**	**34,820**	**-1,073**	**82,532**
Earnings (EBIT)	**-1,752**	**3,143**	**538**	**2,164**	**4,093**
Amortization and depreciation	1,990	1,229	645	103	3,967
Share of profit of an associate	0	0	20	0	20
Capital expenditure	467	4,755	288		
Investments in associates	0	0	45		
Segment assets	**33,131**	**23,637**	**6,658**		
Segment liabilities	**7,796**	**3,791**	**4,268**		

Financial year as of December 31, 2008

	Technical applications € k	Industrial Production € k	Trading & Services € k	Reconciliation € k	Group € k
Revenues third parties	39,170	27,332	28,412	25	94,939
Other segments	573	1,634	6	-2,213	0
Total revenue	**39,743**	**28,966**	**28,418**	**-2,188**	**94,939**
Earnings (EBIT)	**1,280**	**2,933**	**493**	**2,081**	**6,787**
Amortization and depreciation	1,851	1,513	230	56	3,650
Share of profit of an associate	0	0	32	0	32
Capital expenditure	1,057	1,030	946		
Investments in associates	**0**	**0**	**36**		
Segment assets	**37,198**	**18,984**	**9,127**		
Segment liabilities	**7,783**	**2,941**	**6,264**		

Reconciliation of EBIT to profit for the year

	2009 € k	2008 € k
Total EBIT of segments	**4,093**	**6,787**
Financial result	-1,467	-2,173
EBT	2,626	4,614
EBT from discontinued operations	1,238	7,179
Income taxes	-98	-3,387
Other taxes	-114	-277
PAT	3,652	8,129
Minority interests	-106	-100
Profit for the year	**3,546**	**8,029**

Reconciliation of segment assets to assets

	2009 € k	2008 € k
Technical application segment	33,131	37,198
Industrial production segment	23,637	18,984
Trading & services segment	6,658	9,127
Total segment assets	**63,426**	**65,309**
Deferred tax assets	1,354	969
Current financial resources	34,339	13,153
Financial assets	435	36
Other assets	2,385	1,036
Assets from discontinued operations	0	59,382
Total assets	**101,939**	**139,885**

Reconciliation of segment liabilities to equity and liabilities

	2009 € k	2008 € k
Technical application segment	7,796	7,783
Industrial production segment	3,791	2,941
Trading & services segment	4,268	6,264
Total segment liabilities	**15,855**	**16,988**
Consolidated capital	55,586	54,266
Deferred tax liabilities	3,030	4,074
Liabilities to banks	24,589	24,113
Lease liabilities	863	1,630
Other liabilities	2,016	315
Liabilities from discontinued operations	0	38,499
Total equity and liabilities	**101,939**	**139,885**

The segment liabilities do not include any liabilities from taxes, finance leases or liabilities to banks.

Information by Region

Revenue From External Customers

	2009 € k	2008 € k
Europe	79,902	90,645
North America	2,305	4,082
Other	326	212
Total	**82,532**	**94,939**

Non-Current Assets

Non-current assets of the group are solely in Europe.

V. Notes to the Consolidated Cash Flow Statement

The cash flow statement has been prepared pursuant to IAS 7 (Cash Flow Statements). The cash flows in the cash flow statement are subdivided into operating, investing and financing activities, and the total cash flows from these three areas correspond to the change in cash and cash equivalents.

The consolidated cash flow statement was compiled using the indirect method.

The cash and cash equivalents reported are not subject to any restrictions on disposal by third parties. The group did not make any payments for extraordinary transactions. Payments for income taxes are reported separately.

VI. Financial Risk Management Objectives and Policies

Financial Assets und Liabilities

Financial liabilities in the group consist of long and short-term liabilities to banks; short term accounts payables and other long and short term liabilities. Group assets include, essentially, cash and cash equivalents, securities and trade receivables. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are set out in the balance sheet. It amounts to €43,281k (previous year: €55,231k). Business contacts are only entered into with creditable partners. Evaluation of creditworthiness, especially of key accounts, is based on available financial information and internal data records. Trade receivables exist with respect to a number of customers from different branches and regions. Continuous monitoring is performed with regard to outstanding debts. Normally, the term of payment is 30 days without deductions. Overdue receivables have not been adjusted, if there were no changes in customers' creditworthiness and settlement is expected. At the reporting date, approximately 20% of receivables were older than 30 days.

Regarding the maturities of the financial liabilities, we refer to point II.13 "liabilities" and II.14. "Other liabilities".

Accounting policy of financial assets and financial liabilities is presented under point I.4.10 "Investments and other financial assets" and I.4.13 "Financial Liabilities".

Available for sale financial instruments (securities) are measured at fair value. Neither in the current nor in the last financial statements were there any financial liabilities at fair value through profit and loss in the group. Derivatives and hedging transactions were not carried out. There were no reclassifications in 2009 or 2008.

Capital risk management

The group's aim in managing its capital structure (equity plus liabilities minus cash and cash equivalents) is to reach its growth targets by financial flexibility and to optimize its financial costs at the same time. This strategy has not changed.

The capital structure is monitored at least semi-annually. The costs of capital, securities as collateral and the unused credit facilities are monitored.

For the reporting period, the structure of capital is as follows:

	Dec. 31, 2009	Dec. 31, 2008
Equity in € k	55,586	54,265
- as % of total assets	54.5%	38.8%
Liabilities and provisions in € k	46,353	85,620
- as % of total assets	45.5%	61.2%
Current liabilities in € k	24,454	58,306
- as % of total assets	24.0%	41.7%
Non-current liabilities in € k	21,899	27,314
- as % of total assets	21.5%	19.5%
Net debt equity ratio*	0.20	1.12

* calculated as liabilities minus cash and cash equivalents, securities and gold stock in relation to equity

The group is obliged to meet certain equity ratios based on the agreement of several financial covenants when taking out loans.

Financial risk management

Management monitors and controls financial risk centrally. Financial risks are always monitored at least quarterly.

The group's main risks from financial instruments include liquidity and credit risks. Business connections are principally established only with creditworthy partners. To evaluate the creditworthiness of key accounts information from rating agencies, other available information and internal recordings are used. In addition, trade receivables are permanently monitored. As a result, MBB has no significant concentration of credit risk. The maximum credit risk equals the carrying amounts of the financial assets recognised in the balance sheet.

The group controls liquidity risk by holding appropriate reserves, by monitoring and meeting the agreed conditions as well as by planning and coordinating cash in and outflows.

Market risks

Market risks result from fluctuations in foreign exchange rates (exchange rate risk) or interest rates (interest rate risk). Due to the minor relevance of exchange rate risks for the group there were no forward contracts as of December 31, 2009 to hedge the

respective risk. The group largely avoids exchange rate risks by invoicing in € or in local currency.

By raising credits at variable interest levels, the group is exposed to interest rate risks. These risks are controlled by a reasonable proportion of fixed and variable interest agreements. Hedges by derivatives (e.g. interest rate swap or interest future contracts) are not performed. On the balance sheet date, there were liabilities with variable interest rates to the amount of €16,524k. If interest rates had been 2% higher (lower) with all other variables held constant, post tax profit for the year would have been €330.5k lower (higher).

Fair value risk

The financial instruments not recognised at fair value within the MBB group primarily comprise cash and cash equivalents, trade receivables, other current assets, liabilities to banks, trade payables and other liabilities.

The carrying amount of cash and cash equivalents approximates fair value due to the high liquidity of these instruments. The carrying amount of receivables and payables subject to normal trade credit terms carried at cost also approximates fair value.

VII. Other Notes

Managing Board

MBB's Managing Board comprised the following members in fiscal year 2009:

- Dr. Christof Nesemeier, business administration graduate, Chairman (Responsible for strategies, IR, personnel and finance)
- Gert-Maria Freimuth, business administration graduate, Deputy Chairman (Responsible for mergers & acquisitions, IT, law and marketing)
- Dr. Philipp Schmiedel-Blumenthal, business administration graduate, member of the Managing Board since May 1, 2009 (responsible for investment management)

Dr. Christof Nesemeier is Chairman of the Board of Directors of Delignit AG und Deputy Chairman of the Board of Directors of Invision Software AG, Ratingen. Gert-Maria Freimuth is Deputy Chairman of the Board of Directors of Delignit AG, Blomberg.

Board of Directors

MBB's Board of Directors comprised the following members in the fiscal year 2009:

- Dr. Peter Niggemann, Chairman
- Dr. Jan C. Heitmüller, Deputy Chairman
- Dr. Matthias Rumpelhardt, member

Dr. Matthias Rumpelhardt is also Deputy Chairman of the Board of Directors of RIB Software AG, Stuttgart.

Management Remuneration

The Managing Board remuneration consists of a fixed component and a variable component. The Managing Board and management also receive a refund for expenses in return for receipts. Furthermore, both D&O insurance with no deductible and accident insurance were taken out. As members of the board, Dr. Christof Nesemeier and Gert-Maria Freimuth also each have a company car for business use. No other payments have been agreed (e.g. paid sick leave, pension entitlements, direct commitments or severance payments).

In fiscal year 2009, the expenses for the fixed remuneration were as follows:

- Dr. Christof Nesemeier, CEO
  counterparty to MBB Capital GmbH
  € 240,000.00
- Gert-Maria Freimuth, CIO
  counterparty to MBB Capital GmbH
  € 216,000.00
- Dr. Philipp Schmiedel-Blumenthal, COO
  € 120,000.00 since May 2009

Two members of the Managing Board also personally received supervisory board compensation for Delignit AG of €14k (Dr. Christof Nesemeier) and €10.5k (Gert-Maria Freimuth) for 2009.

For the 2009 financial year, the management of MBB Industries AG receives a total variable remuneration of 9% of the amount of net consolidated earnings after taxes and minority interests exceeding €6,600k and below €19,800k. The distribution amongst members of the management und the Managing Board of MBB AG is based on a proposal by the CEO and by resolution of the Board of Directors.

Ultimately, the variable compensation of management, Managing Board and Board of Directors may not exceed 25% of the annual net profit of MBB Industries AG – irrespective of aforementioned thresholds.

Net consolidated earnings after taxes and minority interests for the fiscal year 2009 amount to € 3,546,199.35. Thus the Managing Board, management and Board of Directors are not entitled to a variable remuneration.

Related Party Transactions

Parties are considered to be related if they have the ability to control the MBB group or exercise significant influence over its financial and operating policies.

The following persons are related parties

a. Managing Board

Please refer to the comments on Managing Board remuneration. With the exception of the stated emoluments, there were no other transactions with the MBB group.

b. Members of MBB's Board of Directors

The members of the Board of Directors received fixed compensation of € 18,000 in fiscal year 2009. The fixed compensation is distributed to the Board of Directors as follows:

- Chairman, Dr. Peter Niggemann, € 8,000.00
- Deputy Chairman, Dr. Jan C. Heitmüller, € 6,000.00
- Member, Dr. Matthias Rumpelhardt, € 4,000.00

Pursuant to a resolution by the general meeting on June 30, 2008, the Board of Directors additionally receives variable compensation of 1% in total of the amount of net earnings in the fiscal year exceeding €6,600k and falling below the amount of €19,800k (net consolidated earnings after taxes and minority interests). Similar to management and the Managing Board, the Board of Directors also agreed to limit the measurement base for variable compensation to 25% of net earnings. Consequently, the Board of Directors is not entitled to a variable compensation in 2009.

Related Companies

The affiliated entities included in the consolidated financial statements are regarded as related parties. Transactions between the Company and its subsidiaries were eliminated on consolidation and are not explained in these notes or they are of minor importance and common in the industry.

Related parties also include entities described as affiliated entities of the aforementioned related parties. In the course of the year, group entities carried out the following transactions with related parties which do not belong to the group:

MBB Capital Group GmbH, Münster, Germany, has an indirect shareholding in MBB via its wholly-owned subsidiaries MBB Capital Management GmbH, Berlin (former MBB Capital Münster GmbH, Münster), and MBB Capital GmbH, Münster (former Berlin), Germany.

Pursuant to a framework agreement dated November 20, 2006, MBB pays MBB Capital GmbH, Berlin, on a monthly basis for the Managing Board activities of Mr. Gert-Maria Freimuth and Dr. Christof Nesemeier. Please see the above comments concerning the amount of fixed and variable remuneration.

Employees

The average number of employees in fiscal years 2009 and 2008 breaks down as follows:

	2009	2008
Technical Applications	1,010	1,524
Industrial Production	247	246
Trading & Services	98	63
Total	**1,355**	**1,833**

The number of employees as of the balance sheet dates in 2009 and 2008 breaks down as follows:

	Dec. 31, 2009	Dec. 31, 2008
Technical Applications	751	1.485
Industrial Production	270	246
Trading & Services	101	96
Total	**1,122**	**1,827**

Auditors' Fees

The fee recognised for auditors in the fiscal year 2009 breaks down as follows:

	2009 € k
Auditing	182
Tax services	19
Other services	4
Total	**205**

Events After the Balance Sheet Date

With effect from January 1, 2010 OBO Modulan GmbH acquired via Jade 980. GmbH 100% of the shares in CT Formpolster GmbH. The purchase price was €350k. Other than this, there were no significant events after the balance sheet date.

Other Financial Obligations

As far as other financial obligations are concerned, please see our comments in section II.16.1: Operating Leases.

Contingent Liabilities

20% of the shares in Hanke Tissue Sp. z o.o., Kostrzyn, Poland, are subject to a subinvestment, whereby the subinvestors are entitled to (after a prepaid dividend of €336k, which is sole claim of MBB) 20% of the profit distributions, liquidation proceeds and gains on disposal for the fiscal years. MBB is initially entitled to all of the gains on disposal of the shares of €2,650k plus interest.

In connection with the sale of a second-tier subsidiary, MBB Industries AG submitted an absolute guarantee to the purchaser in order to secure against potential warranty risks of €350k in total. The guarantee decreases to €75k as of December 31, 2008 in accordance with the terms of the agreement. The remaining amount will be time barred 60 months after the date of transfer. The Managing Board currently does not expect the guarantee to be utilised.

As part of the disposal of Reimelt Henschel group, a bank guarantee of €1m for possible contractual claims was offered to the purchaser. The bank guarantee is unlimited, but agreed returnable on January 2, 2011.

Declaration pursuant to § 161 AktG

As listed company MBB Industries AG must publish an annual declaration of their compliance with the recommendations of the “Government Commission German Corporate Governance Codex” pursuant to § 161AktG. The Managing Board and the Board of Directors will make this declaration on April 15, 2010.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group in the remainder of the financial year.

Berlin, March 30, 2010

Dr. Christof Nesemeier
CEO

Gert-Maria Freimuth
CIO

Dr. Philipp Schmiedel-Blumenthal
COO

Shareholdings of MBB industries AG, Berlin, Germany, as of December 31, 2009

Equity investment	Registered office	Share in capital	Local Currency (LC)	Equity in LC k	Earnings in LC k
Delignit AG	Blomberg	80.55%	EUR	14,231	130
Blomberger Holzindustrie B. Hausmann GmbH & Co. KG	Blomberg	99.40%	EUR	1,327	-1,727
S.C. Delignit Romania Srl.	Drobeta Turnu Severin	100.00%	RON	12,857	-3,668
S.C. Cildro S.A.	Drobeta Turnu Severin	93.93%	RON	16,473	-5,337
S.C. Cildro Service Srl.	Drobeta Turnu Severin	100.00%	RON	-1,645	81
Hausmann Verwaltungsgesellschaft mbH	Blomberg	100.00%	EUR	99	1
OBO Modulan GmbH	Stadthagen	100.00%	EUR	336	-5
OBO-Werke GmbH & Co KG	Stadthagen	100.00%	EUR	896	11
OBO-Werke Verwaltungsgesellschaft mbH	Stadthagen	100.00%	EUR	34	0
OBO-Industrieanlagen GmbH	Stadthagen	100.00%	EUR	159	-61
Jade 980. GmbH	Stadthagen	100.00%	EUR	25	0
Huchtemeier Verwaltung GmbH	Dortmund	100.00%	EUR	21	-1
Huchtemeier Papier GmbH	Dortmund	80.00%	EUR	290	53
KKS Hahn Konzert- und Veranstaltungs-Service GmbH	Leverkusen	20.00%	EUR	0	0
Hanke Tissue Sp. z o.o.	Kostrzyn	100.00%	PLN	26,549	11,260
DTS Beteiligungen GmbH & Co. KG	Herford	80.00%	EUR	1,489	-11
DTS Beteiligungen Verwaltungs GmbH	Herford	100.00%	EUR	27	1
DTS Systeme GmbH	Herford	100.00%	EUR	542	37

Independent Auditors' Report

We have audited the consolidated financial statements prepared by MBB Industries AG comprising the balance sheet, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the summarised management report and group management report for the period from January 01, 2009 through December 31, 2009. The preparation of the consolidated financial statements and the summarised management report and group management report in accordance with the IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB are the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the consolidated financial statements and the summarised management report and group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB ["Handelsgesetzbuch": German Commercial Code] and the German generally accepted standards for the audits of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements and the summarised management reporting and group management reporting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the summarised management report and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the financial statements of the entities included in the consolidated financial statements, the determination of entities to be included in the consolidation, the accounting and consolidation principles used and significant estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The summarised management report and group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, March 30, 2010

Verhülsdonk & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

signed
Hillesheim
Wirtschaftsprüfer
[German Public Auditor]

signed
Grote
Wirtschaftsprüfer
[German Public Auditor]

Corporate Governance Codex

Declaration by the Managing Board and Board of Directors of MBB Industries AG with respect to the German Corporate Governance Codex pursuant to § 161 AktG

The Managing Board and the Board of Directors of MBB Industries AG hereby declare that the recommendations of the 'Government Commission – German Corporate Governance Codex' in the wording of June 6, 2008 and the wording of June 18, 2009, respectively, pursuant to § 161 AktG has been complied with and continues to be complied with.

The following are the sole recommendations not to be applied:

3.8.
D&O Insurance: There is no deductible on the D&O insurance for Managing Board and Board of Directors members. We have absolutely no doubt that both our executive bodies and our employees perform their duties with all due care and attention. While the deductible for Managing Board members is to be applied once the current contracts have expired, we regard the deductible for members of the Board of Directors as inappropriate in view of the amount of the fixed compensation for board members.

5.3.
Board of Directors Committees: The MBB Industries AG Board of Directors comprises three members. The formation of Board of Directors committees is therefore not possible. We consider the given number of directors on the Board as sufficient with regard to both the relatively small size and prominence of the company.

5.4.1.
No age limit has been fixed for members of the Board of Directors. With due regard to the age of the members of the Board of Directors and the remaining available term duration, we see no need to fix an age limit.

7.1.2.
Publications: Consolidated financial statements and interim reports are published in accordance with the statutory deadlines, and as laid down by the German stock exchange. As a holding company focusing on majority stakes in medium-sized industrial companies, MBB Industries is called upon to consolidate numerous individual companies and also to perform regular initial consolidation and deconsolidation activities. Adherence to the deadlines proposed in the Corporate Governance Codex would therefore lead to a considerable increase in expense on the part of the company.

Berlin, April 15, 2010

Dr. Peter Niggemann
Chairman of the Board of Directors

Dr. Christof Nesemeier
CEO

Corporate Governance Report

Stock Currently Held by Board Members

Managing Board	Number of held share	Stake in %
MBB Capital Management GmbH	2,687,000	40.712%
MBB Capital GmbH	2,000,000	30.303%
Flowerfield Holding GmbH	152,993	2.318%
Dr. Philipp Schmiedel-Blumenthal	11,903	0.180%

On December 31, 2009, MBB Capital Management GmbH, Berlin, (formerly MBB Capital Münster, Münster) held 40.712% of voting rights (2,687,000 votes). On December 31, 2009, MBB Capital GmbH, Münster (formerly based in Berlin), held 30.303% of voting rights (2,000,000 votes). The shares of the two aforementioned companies are completely owned by MBB Capital Group GmbH, Münster, as a result of which the latter indirectly holds 71.015% of voting rights (4,687,000 votes). The shares in the MBB Capital Group GmbH are in turn held 50% each by Gert-Maria Freimuth and Dr. Christof Nesemeier, with the result that they are together indirectly

Entitled to 71.015% of voting rights (4,687,000 votes).

Dr. Philipp Schmiedel-Blumenthal is 98% stakeholder and Chief Executive Officer of Flowerfield Holding GmbH.

Board of Directors	Number of held shares	Stake in %
Dacapo Beteiligungs GmbH	30,000	0.455%
Dr. Matthias Rumpelhardt	2,000	0.030%

Dr. Matthias Rumpelhardt is proprietor and Chief Executive Officer of Dacapo Beteiligungs GmbH.

In 2009 were no transactions by board members, that were subject to notification.

Remuneration of the Managing Board

Managing Board remuneration consists of a fixed component and a variable component. In addition, the members of the Managing Board also receive a refund for expenses in return for receipts. Dr. Christof Nesemeier and Gert-Maria Freimuth also have a company car each for business purposes. Furthermore, D&O insurance without a deductible and a accident insurance has been concluded for the Managing Board. No other payments have been agreed (e.g. paid sick leave, pension entitlements, direct commitments or severance payments). Furthermore there are no agreements for the case of an early or regular termination of the Managing Board positions or due to a change of control at the company.

In the fiscal year 2009, the fixed remunerations were as follows:

- Dr. Christof Nesemeier, CEO, Chairman,
  counterparty to MBB Capital GmbH, € 240,000.00
- Gert-Maria Freimuth, CIO, Deputy Chairman,
  counterparty to MBB Capital GmbH, € 216,000.00
- Dr. Philipp Schmiedel-Blumenthal, COO, member
  € 120,000.00 since May 2009

Dr. Christof Nesemeier also personally received Board of Directors remuneration from Delignit AG for 2009 of € 14,000; Gert-Maria Freimuth received Board of Directors remuneration from Delignit AG of € 10,500.

MBB AG's management is entitled to variable remuneration of 9.0% of the amount of consolidated profit after tax and minority interests exceeding €6.6m and falling short of €19.8m in fiscal year 2009. The distribution between the members of management and the Managing Board of MBB Industries AG is done on proposal by the Chairman of the Board of Directors by decision of the Board of Directors. Moreover, the total variable remuneration of the management together with the comparable variable remuneration for the Board of Directors may not be more than 25% of the annual surplus of MBB Industries AG, irrespective of these thresholds.

The consolidated profit after tax and minority interests for the fiscal year 2009 is € 3,546,199.35. Accordingly, the Managing Board management and Board of Directors are not entitled to a variable remuneration.

Remuneration of the Board of Directors

The members of the Board of Directors receive a per-meeting fee of € 1000. The Chairman of the Board of Directors receives twice the amount and the Deputy Chairman one and a half times the amount of the per-meeting fee. Furthermore, D&O insurance without a deductible has been concluded for the Board of Directors. Furthermore the expenses of the Board of Directors are reimbursed in return for receipts. The members of the Board of Directors received fixed a remuneration of € 18,000 for the fiscal year 2009: The fixed remuneration is distributed among the members as follows:

- Chairman, Dr. Peter Niggemann, € 8,000.00,
- Deputy Chairman, Dr. Jan C. Heitmüller, € 6,000.00,
- Member, Dr. Matthias Rumpelhardt, € 4,000.00.

By resolution of the shareholder meeting held on June 30, 2008, members of the Board of Directors are also entitled to variable remuneration for the fiscal year 2009 of together 1% of the amount of consolidated profit after tax and minority interests exceeding € 6,600,000 and falling short of € 19,800,000. Moreover, the total variable remuneration of the Board of Directors together with the comparable variable remuneration for the Managing Board and senior management may not be more than 25% of the annual surplus of MBB Industries AG, irrespective of these thresholds. The Board of Directors don't get a variable remuneration for 2009 thereof.

Financial Calendar

Quarterly Financial Report Q1/2010:
May 28, 2010

Annual Meeting 2010:
June 30, 2010 10:00 am
at the Ludwig-Erhard-Haus
Fasanenstraße 85, 10623 Berlin

Half-Year Financial Report 2010:
August 31, 2010

Deutsches Eigenkapitalforum
November 22-24, 2010
Frankfurt am Main

Quarterly Financial Report Q3/2010:
November 30, 2010

End of the fiscal year:
December 31, 2010

Contact

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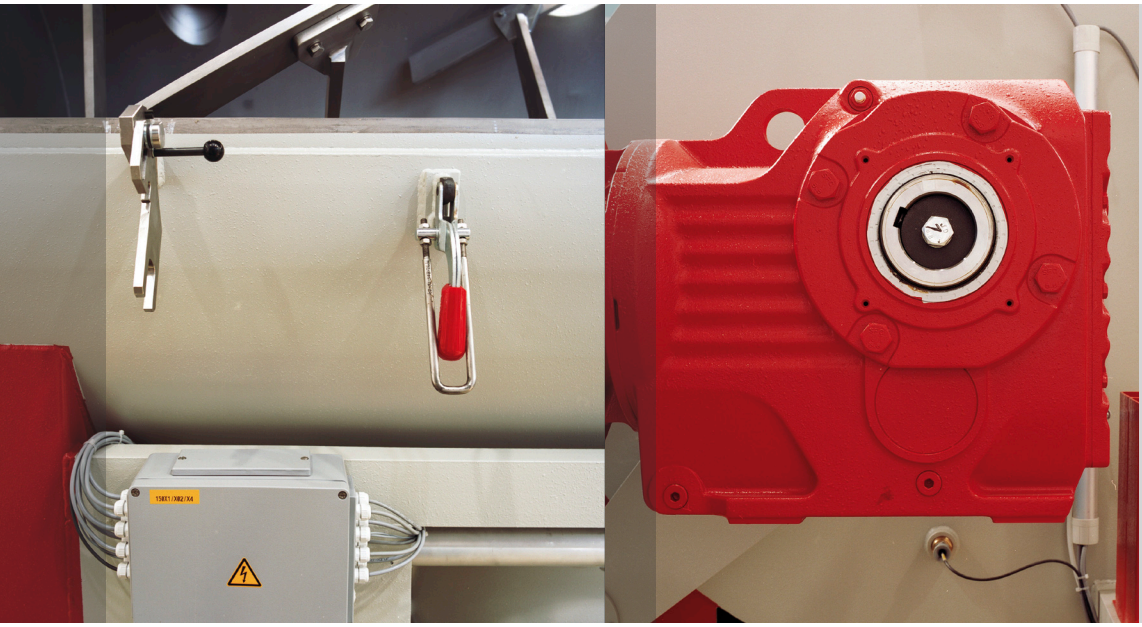

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