



Half-Year Financial Report 2010

MBB Industries AG . Berlin



Half-Year Financial Report 2010

MBB Industries AG

MBB Industries in Numbers¹

| Half-Year (January 01-June 30) (unaudited) | 2009 IFRS | 2010 IFRS | Δ 2009 / 2010 |
|---|---------------------|---------------------|------------------|
| Performance (figures) | €k | €k | % |
| Sales revenue | 41,279 | 58,845 | 42.6 |
| Operating output | 43,274 | 60,948 | 40.8 |
| Material expenses | -26,439 | -41,004 | 55.1 |
| Personnel expenses | -9,124 | -11,708 | 28.3 |
| EBITDA | 3,977 | 3,299 | -17.0 |
| <i>EBITDA-Margin</i> | <i>9.9%</i> | <i>5.6%</i> | <i>-43.4</i> |
| EBIT | 2,124 | 1,298 | -38.9 |
| <i>EBIT-Margin</i> | <i>5.3%</i> | <i>2.2%</i> | <i>-58.5</i> |
| EBT | 1,365 | 839 | -38.5 |
| <i>EBT-Margin</i> | <i>3.4%</i> | <i>1.4%</i> | <i>-58.8</i> |
| Consolidated net profit after minorities | 1,429 | 1,149 | -19.6 |
| + Result from discontinued operations | 888 | - | - |
| Numbers of shares | 6,600,000 | 6,600,000 | 0.0 |
| eps in € | 0.22 | 0.17 | -19.6 |
| + result from discontinued operations | 0.13 | - | - |
| Balance sheet figures | Dec. 31, 2009 €k | June 30, 2010 €k | % |
| Non-current assets | 41,647 | 44,628 | 7.2 |
| Current assets | 60,292 | 66,634 | 10.5 |
| Thereof cash and cash equivalents | 34,339 | 33,247 | -3.2 |
| Subscribed capital | 6,600 | 6,600 | 0.0 |
| Other equity | 48,986 | 50,074 | 2.2 |
| Total equity | 55,586 | 56,674 | 2.0 |
| <i>Capital ratio</i> | <i>54.5%</i> | <i>50.9%</i> | <i>-6.6</i> |
| Non-current liabilities and provisions | 21,899 | 25,147 | 14.8 |
| Current liabilities and provisions | 24,454 | 29,441 | 20.4 |
| Balance sheet total | 101,939 | 111,262 | 9.1 |
| Net debt (-) / net cash (+) ² | 10,725 | 10,399 | -3.0 |
| Employees (Key Date) | Dec. 31, 2009 | June 30, 2010 | % |
| Technical Applications | 751 | 759 | 1.1 |
| Industrial Production | 270 | 365 | 35.2 |
| Trading & Services | 101 | 99 | -2.0 |
| Total | 1,122 | 1,223 | 9.0 |

¹ Comparative figures of 2009 entail only the figures of the continued operations. The result from discontinued operations for 2009 is presented in detail in the explanatory notes.

² This figure includes the physical stocks of gold, which is presented in balance sheet under the position Other assets.

Message from the Managing Board

Dear Shareholders,

Operating earnings (EBITDA) for the first half of the year 2010 for continuing operations fell from €4.0m to €3.3m compared to the previous year, while earnings per share - already taking into account the sale of the Reimelt-Henschel group - dropped from 22 cents to 17 cents. This was caused by higher raw materials prices, the ongoing negative result of the Delignit group and the one-off cost of integrating our new holding, CT Formpolster GmbH. In the first six months, equity capital rose slightly to €56.7m (capital ratio 50.9%), while the group's net cash remained virtually unchanged at €10.4m. The result for the first six months was positive, particularly for the second quarter, but still lower than expected. This notwithstanding, MBB's substance and cash position remain at an excellent level, allowing the shareholders at the annual meeting held in Berlin on June 30, 2010 to approve a dividend doubled to 50 cents per share; moreover considerable funding remains available for financing the expansion of MBB by means of acquisitions.

The Hanke holding continued its positive trend in the first six months. Despite the price of raw cellulose almost doubling compared to the previous year, the holding still succeeded in maintaining its positive result level and generated an increase in revenue. Furthermore, as planned, the new logistics centre became operational during the first half year. Now that cellulose prices have finally started falling slightly for the first time in the last 12 months, we predict further increases in revenue and result for Hanke for the second half of the year.

DTS Systeme was able to attract new customers for its data centre and associated services in the first half of the year, a profitable development due to the increasing trend towards outsourcing IT services. The company attained a further milestone with the purchase of ICSmedia in Münster, in August 2010, both in terms of the regional expansion of its business activities and through the strategic addition of a data centre in Münster. Consequently, we expect revenue and profit for DTS to increase in the second half of the year.

OBO profited considerably both from the recovery in the automotive industry and the currency developments between the euro and the US-dollar. It generated a 10% increase in revenue compared to the previous year and achieve sustainable positive results. This trend is continuing. The new holding, CT Formpolster, acting in association with OBO, contributed a revenue level for the first half year that was slightly below that of the previous year, with a mildly negative result. Both of these circumstances are not in accordance with our plans, even if essential factors are the one-off cost of integrating the company in the MBB structure, coupled with the considerable rise in the prices of raw materials. For the second half of the year, we traditionally expect to see a stronger level of business and to observe synergies and optimization measures taking hold.

At Huchtemeier, both revenue and result remain on the level of the previous year, and we continue to expect the company to maintain its development in accordance with plans.

However, it is the business level of Delignit that remains disappointing and exercises a key influence on our overall result. The second quarter did see a reduction in the negative contribution to the overall result compared to the previous quarter, but the restrained demand for Delignit products coupled with the unsatisfactory market situation remain important factors. A key issue here is that the market for commercial vehicles is still far removed in absolute terms from the level that it had before the crisis, and,

in addition, the recovery trend is largely buoyed by exports and special purchases, in which the proportion of installed Delignit products is lower, and consequently, Delignit is only able to enjoy a disproportionately low profit compared to the relative rate of growth. The managing board and board of directors of Delignit both intend to implement a strategic reorientation of the company and plan to decide on short notice on a package of measures, which is currently being formulated. We regard Delignit's broad-based, ecologically oriented product range and its innovative system solutions as highly positive factors for the company's future success and intend to continue accompanying the company as its majority shareholder.

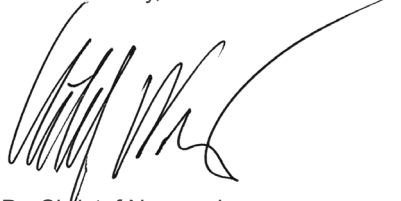
Overall, the results of our holdings portfolio for the first half year are not in accordance with our plans; nevertheless the development of the company continues to be positive and remains suited for implementing the sustained value growth of our portfolio. For the second half of the year, we thus expect a rise in individual results, also based on the current capacity utilisation levels.

In the first half of 2010, the supply of companies offered for sale in our target segment was low, largely comprising businesses that required a high level of restructuring, which as such do not fit in with MBB's activities. Nevertheless, we have so far succeeded in acquiring two companies, CT Formpolster and ICSmedia, which not only match our selection criteria but also complement our existing activities or display synergies with them. Since the current supply of companies has meanwhile become significantly higher, and their quality has increased commensurately, we assume that acquisitions of new holdings are likely in the second half year. On the other hand, we are not planning any company sales.

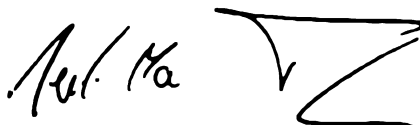
At the end of the first half of 2010, Dr. Schmiedel-Blumenthal left MBB at his own request, after working for the company for eight years, most recently as COO. The managing board will forthwith once more comprise the two founding shareholders, who will permanently take on the tasks performed by Dr. Schmiedel-Blumenthal.

We continue to forecast MBB Industries' annual revenue for 2010 at €120m, whereby the result for the second half year will, according to current estimations, be above that of the first six months; on the other hand, the overall annual operating result for 2010 will not be above that of the previous year, contrary to earlier forecasts.

Yours faithfully,



Dr. Christof Nesemeier
Chief Executive Officer



Gert-Maria Freimuth
Chief Investment Officer

Berlin, August 31, 2010

Interim Group Management Report

MBB Industries AG is a medium-sized investment company, which together with the companies in its portfolio, forms the MBB Group.

General and Business Conditions

Despite recent positive reports, the worldwide financial crisis is still placing increased strain on the real economy. This will continue to impact on the economic trends in our companies' markets. Nevertheless, we have noted a slight enhancement in certain areas of business. The aforementioned circumstances could lead to the value development of MBB's existing portfolio slowing down with respect to previous years. At the same time, we note that the number of holding companies on offer is being maintained at the current high level, whereby the number of companies that have come out of the crisis relatively unscathed and with positive future prospects was relatively low in the first half of 2010; we meanwhile face a significant improvement in the offer situation of companies matching MBB's requirements. Also, the recently observed competition among buyers, which tends to lead to inflated prices, has eased up. However, it should be stated that our strong equity base and cash position with our large number of successful references means that we are recognised as a potential buyer, which makes us confident that we will be able to make the most of our future chances to grow through acquisition.

Earnings, Assets, and Financial Situation

The first six months of the fiscal year 2010 showed an uneven picture, influenced by the continuing financial and economic crisis. Accordingly, this had varying effects on the MBB Group's individual holdings. In particular, our listed holding Delignit continues to face serious challenges resulting from the continuing drop in revenue, forcing it to post a considerable loss for the year 2009. Earnings for the second quarter of 2010 recorded a loss, as in the first quarter, albeit significantly lower than in the first quarter. See also the segment report.

Thanks to the solid base inherited from the financial year 2009, the asset and financial situations continue to be positive. For a comparison of the figures please keep in mind that in line with IFRS 5 the sale of the Reimelt-Henschel group affects the previous year's figures, in that Reimelt-Henschel is no longer included, thus allowing better comparison. In this context, we also note that this year's figures include CT Formpolster GmbH, acquired by MBB with effect from January 1, 2010.

The MBB Group increased its consolidated revenue for the first six months of the year by 42.6% to €58.8m compared with the corresponding period of the previous year (€41.3m). Operating output for the same period increased from €43.3m for the first six months of 2009 to €60.9m in the first half of 2010. Earnings from the dissolution of the passive difference from capital consolidation result from the acquisition of the CT Formpolster GmbH.

The other operative income of €0.9m increased compared to the previous year (€0.0m) and stem from foreign exchange gains, allocations of benefits in kind, earnings from securities and from the reverse of provisions.

Material costs increased relative to the sum of operating output and changes in inventories of €59.2m from 65.6% to 69.2% for the first six months of 2010 compared

with same period of the previous year. This was triggered by changes in the holding portfolio, which in turn affected the group's real net output ratio.

The EBITDA (earnings before interest, tax, depreciation and amortisation) reached a level of €3.3m (€4.0m in the previous year), representing a fall compared to the previous year. At the same time, the EBITDA margin with respect to overall performance fell from 9.9% to 5.6%, partly due to the change in composition of the holdings portfolio. After depreciation and amortisation of €2.0m, the EBIT (earnings before interest and tax) of the MBB group for the six month period is at €1.3m (compared to €2.1m the previous year). After deduction of the financial result of minus €0.5m, the EBT (earnings before tax) is €0.8m (previous year €1.4m). Tax earnings of €0.4m resulted essentially from the recognition of tax loss, leading to a result for the period of €1.2m. Finally, the consolidated profit after minorities for the first half-year was €1.1m, which is lower than the profit level of the previous year's period of €1.4m.

The consolidated interim financial statements of June 30, 2010 show an equity capital of €56.7m (€55.6m on December 31, 2009). Oriented to the consolidated balance sheet total of €111.3m, the MBB Group has a capital ratio of 50.9%, which is – due to the higher balance sheet total – below the ratio of 54.5% on December 31, 2009. The rise in balance sheet total is the result of a higher Working Capital caused by the rise in the sum of operating output and changes in inventories.

On June 30, 2010, the MBB Group shows liabilities to banks of €24.5m (€24.6m on December 31, 2009) and cash and cash equivalents, short-term securities and physical stocks of gold of €34.9m (€35.3m on December 31, 2009). This puts the MBB Group's balance from the above liabilities and cash positions (net debt / net cash) at €10.4m net cash, which is a slight decrease against December 31, 2009 and March 30, 2010 respectively, for which net cash of €10.7m and €10.6m respectively was reported. In comparison to the reporting date December 31, 2009 it is necessary to take into account the purchase price for CT Formpolster GmbH of €0.4m in the first quarter.

Development of the Segment

The following business segments will be considered:

- Technical Applications
- Industrial Production
- Trading & Services

In comparison with the previous year, revenues rose in the Technical Applications segment in the first half-year. Revenues from the technical applications segment - in which Delignit is now the sole holding - were €14.4m in the first six month (prior year €12.7m, excluding Reimelt Henschel), the EBIT of minus €0.9m is below the prior year with minus €0.7m (excluding Reimelt Henschel) of these minus €0.9m minus €0.8m are attributable to the first quarter and minus €0.1m to the second quarter.

The Industrial Production segment shows a marked increase in revenues. Revenue for the Production segment was €26.1m until June 30, 2010 after €12.8m in the same period 2009. The increase is - as already stated in the report for the first quarter - mostly the result of the acquisition of CT Formpolster GmbH on January 1, 2010, which since that date has belonged to the industrial production segment. The EBIT of €1.9m also

represents a marked increase compared to the equivalent period of the previous year (€1.0m), albeit with no contribution from the CT Formpolster GmbH yet.

Revenues in the Trading & Services segment rose to €18.4m (€17.0m in the equivalent period of the previous year). The EBIT €0.3m in this segment significantly undercut last year's level of €0.8m. As of the beginning of August (i.e. after the reporting date), the segment also includes ICSmedia GmbH, Münster, a 100% holding of DTS Beteiligungen GmbH & Co. KG. For further details regarding ICSmedia, see the supplementary report that follows.

Employees

Currently standing at 1,223, the number of employees in the MBB Group has increased compared to 1,176 on the previous half-year closing date, mainly caused by the acquisition of CT Formpolster GmbH with effect from January 1, 2010. Adjusted for this effect, the number of employees in our holdings decreased by 40, whereby capacity adjustments in the Delignit Group were offset by the increase in the number of employees at Hanke Tissue.

Chances and Risks Report

The chances and risks involved in the business development of the MBB Group are described in the Combined Management Report for 2009, available for download on our website. This already made mention - as did the quarterly report of March 31, 2010 - of the particular risk of a decline in the portfolio value of our holding Delignit AG. Even though the loss in the second quarter was significant lower than in the first quarter of 2010, it should be mentioned, that alongside overcapacities and low margins in the plywood market, the sliced veneer division also made an ongoing negative contribution to earnings. Due to the poor results and the unchanged timid market performance for Delignit products, the managing board and the board of directors of Delignit have decided to examine a market and supply-side realignment of the Delignit group and to decide at short notice on their implementation.

Over and above this, no essential changes have occurred since December 31, 2009 with respect to the described chances and risks. The risk management system of MBB Industries AG allows the early recognition of risks and the immediate adoption of measures.

Supplementary Report

Dr. Schmiedel-Blumenthal left MBB on July 31, 2010, after resigning from his managing board mandate as COO by June 30, 2010 at his own request. His functions will be taken over by the two remaining members of the managing board. Dr. Schmiedel-Blumenthal is still a shareholder of MBB with a shareholding of approximately 2.5%.

The annual meeting of June 30, 2010 approved a dividend of €0.50 per share, which was double that of the previous year. The dividend of €3.3m was paid out on July 1, 2010.

DTS Beteiligungen GmbH & Co. KG - an 80% holding of MBB - acquired 100% of the shares in ICSmedia GmbH, Münster, on August 5, 2010. ICSmedia is a regional

provider of IT system solutions and operates its own data centre. In addition to its housing, hosting and Internet providing activities, ICSmedia offers high quality consultancy services as well as modern application outsourcing. ICSmedia employs 11 people, generating a profitable annual revenue of approximately €1.4m in 2009 and will expand the business of DTS Systeme in the Trade & Services segment. Münster will be the latest addition to the existing DTS sites in Herford, Bochum, Bremen, Hanover and Rhine-Main.

Otherwise, no events of significance have taken place since the end of the reporting period.

Forecast Report

The managing board of MBB continues to forecast annual sales for the MBB Group at €120m in 2010. The result for the second half-year of 2010 is forecasted to be higher than the first half-year, but the operative total profit of 2010 is forecasted not to be above the total profit of the prior year - in contrast to previous forecasts.

Berlin, August 31, 2010

The Managing Board

IFRS Consolidated Interim Financial Report

Comparative figures from 2009 comprise only the figures for continued operations. The result from discontinued operations for 2009 is presented in detail in the explanatory notes.

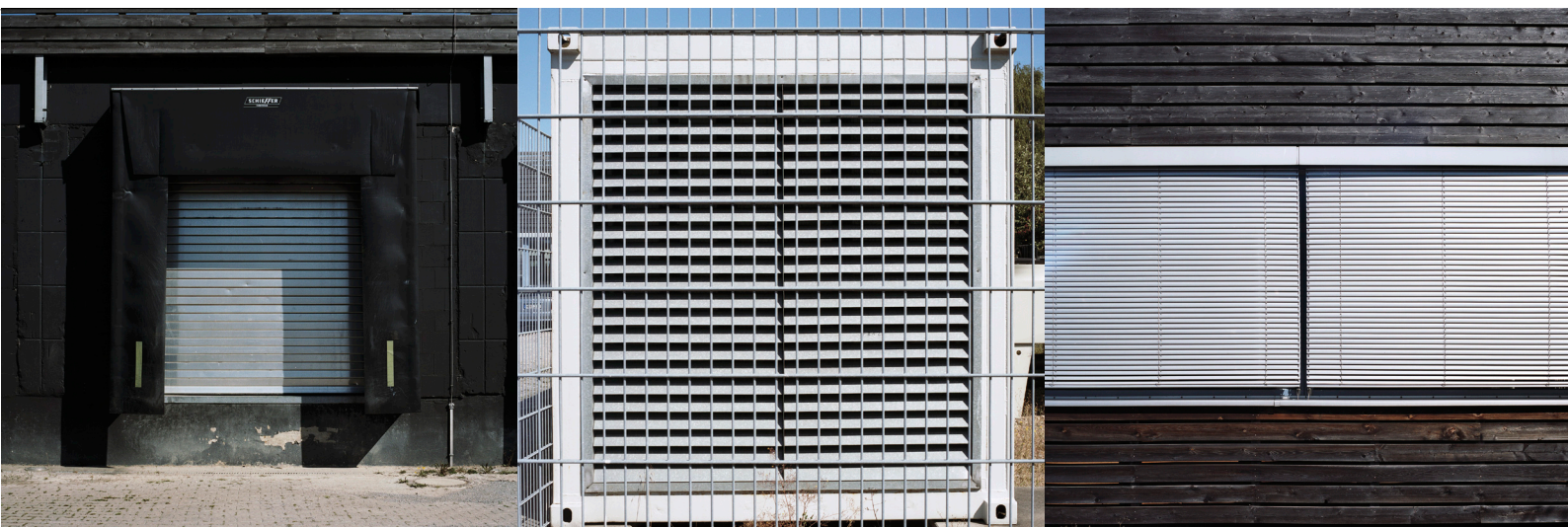
Half Year

| Consolidated Income Statement (IFRS) (unaudited) | 01.01.10-30.06.10 T€ | 01.01.09-30.06.09 T€ |
|--|-------------------------|-------------------------|
| Revenue | 58,845 | 41,279 |
| Reversal of credit difference from acquisition accounting | 828 | 0 |
| Income from removal from consolidated group | 0 | 2,986 |
| Other operating income | 886 | 3 |
| Increase (+) / Decrease (-) in work in process and finished goods | 389 | -994 |
| Operating output | 60,948 | 43,274 |
| Cost of raw materials, consumables and supplies | -30,371 | -20,996 |
| Cost of purchased services | -10,633 | -5,443 |
| Cost of materials | -41,004 | -26,439 |
| Wages and salaries | -9,220 | -7,184 |
| Social security, pensions and other benefit costs | -2,488 | -1,940 |
| Personnel expenses | -11,708 | -9,124 |
| Other operating expenses | -4,937 | -3,734 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 3,299 | 3,977 |
| Amortisation, depreciation and write-downs | -2,001 | -1,853 |
| Share of profit or loss of associates | 0 | 0 |
| Earnings before interest and taxes (EBIT) | 1,298 | 2,124 |
| Other interest and similar income | 294 | 145 |
| Interest and similar expenses | -753 | -904 |
| Financial result | -459 | -759 |
| Earnings before taxes (EBT) | 839 | 1,365 |
| Income taxes | 386 | -32 |
| Other taxes | -46 | -47 |
| Profit from continuing operations | 1,179 | 1,286 |
| Profit from discontinued operations | 0 | 888 |
| Earnings for the period | 1,179 | 2,174 |
| Minority interests | -30 | 143 |
| Consolidated profit | 1,149 | 2,317 |
| Earnings per share (€) | 0.17 | 0.35 |

Quarter

| Consolidated Income Statement (IFRS) (unaudited) | 01.04.10-30.06.10 T€ | 01.04.09-30.06.09 T€ |
|--|-------------------------|-------------------------|
| Revenue | 29,088 | 20,470 |
| Income from removal from consolidated group | 0 | 2,986 |
| Other operating income | 419 | -642 |
| Increase (+) / Decrease (-) in work in process and finished goods | 323 | -293 |
| Operating output | 29,830 | 22,521 |
| Cost of raw materials, consumables and supplies | -14,391 | -10,279 |
| Cost of purchased services | -5,762 | -2,797 |
| Cost of materials | -20,153 | -13,076 |
| Wages and salaries | -4,588 | -3,650 |
| Social security, pensions and other benefit costs | -1,213 | -731 |
| Personnel expenses | -5,801 | -4,381 |
| Other operating expenses | -2,615 | -1,169 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 1,261 | 3,895 |
| Amortisation, depreciation and write-downs | -898 | -1,001 |
| Share of profit or loss of associates | 0 | 0 |
| Earnings before interest and taxes (EBIT) | 363 | 2,894 |
| Other interest and similar income | 237 | 59 |
| Interest and similar expenses | -373 | -458 |
| Financial result | -136 | -399 |
| Earnings before taxes (EBT) | 227 | 2,495 |
| Income taxes | 192 | 141 |
| Other taxes | -23 | -24 |
| Profit from continuing operations | 396 | 2,612 |
| Profit from discontinued operations | 0 | -662 |
| Earnings for the period | 396 | 1,950 |
| Minority interests | -90 | -31 |
| Consolidated profit | 306 | 1,919 |
| Earnings per share (€) | 0.04 | 0.29 |

| Condensed Statement of Comprehensive Income (unaudited) | 01.01.10-30.06.10 T€ | 01.01.09-30.06.09 T€ |
|---|-------------------------|-------------------------|
| Consolidated profit | 1,149 | 2,174 |
| Differences from currency translation | -442 | -1,345 |
| Net value gain (+) / loss (-) on available for sale financial assets | 381 | 0 |
| Total comprehensive income | 1,088 | 829 |
| Thereof attributable to the shareholders of MBB | 1,153 | 1,218 |
| Thereof attributable to minority interests | -65 | -389 |



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 originate from this project.

| Balance Sheet Assets (IFRS) | June 30, 2010 (unaudited) €k | Dec. 31, 2009 (audited) €k |
|--|------------------------------------|----------------------------------|
| Non-current assets | | |
| Franchises, industrial rights and similar rights and assets | 1,576 | 1,616 |
| Goodwill | 1,960 | 1,960 |
| Intangible assets | 3,536 | 3,576 |
| Land and buildings including buildings on third-party land | 19,122 | 19,513 |
| Technical equipment and machines | 14,569 | 12,631 |
| Other equipment, furniture and fixtures | 2,222 | 2,292 |
| Payments on account and assets under construction | 2,995 | 1,846 |
| Property, plant and equipment | 38,908 | 36,282 |
| Investments in associates | 45 | 45 |
| Other loans | 395 | 390 |
| Financial assets | 440 | 435 |
| Deferred taxes | 1,744 | 1,354 |
| | 44,628 | 41,647 |
| Current assets | | |
| Raw materials, consumables and supplies | 5,115 | 4,076 |
| Work in progress | 3,675 | 3,170 |
| Finished goods | 6,680 | 6,348 |
| Payments on account | 75 | 13 |
| Inventories | 15,545 | 13,607 |
| Trade receivables | 10,244 | 6,466 |
| Other assets | 7,563 | 5,880 |
| Trade receivables and other assets | 17,807 | 12,346 |
| Securities | 10,540 | 6,877 |
| Cash | 25 | 9 |
| Bank balances | 22,717 | 27,453 |
| Cash on hand, bank balances | 22,742 | 27,462 |
| | 66,634 | 60,292 |
| Total assets | 111,262 | 101,939 |

| Balance Sheet Equity and liabilities (IFRS) | June 30, 2010 (unaudited) €k | Dec. 31, 2009 (audited) €k |
|--|------------------------------------|----------------------------------|
| Equity | | |
| Subscribed capital | 6,600 | 6,600 |
| Capital reserve | 15,251 | 15,251 |
| Legal reserve | 61 | 61 |
| Retained Earnings | 31,171 | 30,018 |
| Minority interests | 3,591 | 3,656 |
| | 56,674 | 55,586 |
| Non-current liabilities and provisions | | |
| Liabilities to banks | 15,495 | 16,137 |
| Other liabilities | 722 | 715 |
| Liabilities | 16,217 | 16,852 |
| Pension provisions | 5,228 | 2,017 |
| Deferred tax liabilities | 3,702 | 3,030 |
| | 25,147 | 21,899 |
| Current liabilities and provisions | | |
| Liabilities to banks | 9,003 | 8,452 |
| Payments on account received | 52 | 105 |
| Trade payables | 11,354 | 8,889 |
| Other liabilities | 4,498 | 3,500 |
| Accruals | 1,786 | 1,326 |
| Liabilities | 26,693 | 22,272 |
| Tax provisions | 106 | 242 |
| Other provision | 2,642 | 1,940 |
| Provisions | 2,748 | 2,182 |
| | 29,441 | 24,454 |
| Total equity and liabilities | 111,262 | 101,939 |

| Consolidated Cash Flow Statement (Jan. 1-June 30) (unaudited) | | 2010 €k | 2009 €k |
|---|--|---------------|---------------|
| 1. Cash flow from operating activities | | | |
| Earnings before interest and taxes (EBIT) | | 1,298 | 3,440 |
| Adjustments for non-cash transactions: | | | |
| Depreciation and amortisation of non-current assets | | 2,001 | 2,466 |
| Income from removal from consolidated group | | 0 | 2,986 |
| Increase (+) / Decrease (-) of provisions | | 312 | 1,409 |
| Other non-cash expenses and income | | -1,520 | -5,481 |
| Subtotal | | 793 | 1,380 |
| Changes in working capital: | | | |
| Increase (-) / decrease (+) in inventories, trade receivables and other assets | | -2,451 | -8,101 |
| Increase (+) / decrease (-) in trade payables and other liabilities | | 1,062 | 1,085 |
| Subtotal | | -1,389 | -7,016 |
| Income tax paid | | -195 | -1,447 |
| Interest received | | 294 | 301 |
| Cash flow from operating activities | | 801 | -3,342 |
| 2. Cash flow from investing activities | | | |
| Cash received from disposals of property, plant and equipment | | 0 | 64 |
| Cash inflow (+) / Cash outflow (-) from investments in intangible assets | | -48 | 259 |
| Cash inflow (+) / Cash outflow (-) from investments in tangible assets | | -1,195 | 208 |
| Cash inflow (+) / Cash outflow (-) from investments in financial assets | | -5 | -38 |
| Cash inflow (+) / Cash outflow (-) from available-for-sale investments | | -3,282 | 0 |
| Acquisition (-) / Sale (+) of consolidated entities | | -353 | 16,375 |
| Cash flow from investing activities | | -4,883 | 16,868 |

| Consolidated Cash Flow Statement (Jan. 1-June 30) (unaudited) | 2010 €k | 2009 €k |
|--|---------------|---------------|
| 3. Cash flow from financing activities | | |
| Cash received from borrowings | 551 | 3,997 |
| Repayment of borrowings | -642 | -1,780 |
| Interest paid | -547 | -1,138 |
| Cash flow from financing activities | -638 | 1,079 |
| Cash and cash equivalents at the end of the period | | |
| Change in cash and cash equivalents (subtotal of 1 to 3) | -4,720 | 14,605 |
| Effects of exchange rate changes (no cash effect) | 0 | -1,098 |
| Cash and cash equivalents at the beginning of the period | 27,462 | 25,085 |
| Cash and cash equivalents at the end of the period | 22,742 | 38,592 |

Consolidated Statement of Changes in Equity
(unaudited)

| | Subscribed capital | Legal reserve | Capital reserve |
|---------------------------------------|-----------------------|------------------|--------------------|
| | €k | €k | €k |
| January 1, 2009 | 6,600 | 61 | 15,251 |
| Dividend paid | 0 | 0 | 0 |
| Subtotal | 6,600 | 61 | 15,251 |
| Amounts directly recognised in equity | 0 | 0 | 0 |
| Currency translation differences | 0 | 0 | 0 |
| Consolidated profit for the year | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 |
| December 31, 2009 | 6,600 | 61 | 15,251 |
| Dividends paid | 0 | 0 | 0 |
| Subtotal | 6,600 | 61 | 15,251 |
| Amounts directly recognised in equity | 0 | 0 | 0 |
| Currency translation differences | 0 | 0 | 0 |
| Consolidated profit | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 |
| June 30, 2010 | 6,600 | 61 | 15,251 |

| Retained earnings | | | | | | |
|-------------------|--|--|--|--|-----------------------------|------------------------------|
| | Currency translation differences €k | Available-for-sale financial assets €k | Earned consolidated equity €k | Attributable to shareholders of MBB AG €k | Minority interests €k | Consolidated equity €k |
| | -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 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | -2,400 | -56 | 32,474 | 51,930 | 3,656 | 55,586 |
| | 0 | 381 | 0 | 381 | 0 | 381 |
| | -407 | 0 | 0 | -407 | -35 | -442 |
| | 0 | 0 | 1,179 | 1,179 | -30 | 1,149 |
| | -407 | 381 | 1,179 | 1,153 | -65 | 1,088 |
| | -2,807 | 325 | 33,653 | 53,083 | 3,591 | 56,674 |

Consolidated Interim Financial Report Explanatory Notes

Financial Statement

The interim financial report of the MBB Group for the period January 1, 2010 to June 30, 2010 was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, published by the International Accounting Standards Board (IASB), and conforms to IAS 34.

Accounting and Valuation Methods

The accounting and valuation principles correspond in general with those applied in the Group financial statements as of December 31, 2009. The financial statements are affected by accounting and valuation methods as well as assumptions and estimates which affect the level and recognition of assets, liabilities and contingent liabilities on the balance sheet and of the income and expenses items. Sales-related figures are accrued throughout the year.

IFRS 3 (revised 2008) was adopted in the current period for the first time. The standard is applicable to business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after July 1, 2009.

Results from discontinuing operations (supplement to 2009)

MBB sold the Reimelt Henschel group at the beginning of May 2009. For a better comparison of the group half-year financial statements 2010 and 2009 the comparative figures of 2009 comprise only the figures from continuing operations. The contribution of the discontinued operations to the results for the half year and the second quarter of 2009 are presented in the following table.

| Consolidated Income Statement (IFRS) (unaudited) | 01.01.09-30.06.09 €k | 01.04.09-30.06.09 €k |
|--|-------------------------|-------------------------|
| Revenue | 34,049 | 12,567 |
| Other operating income | 2,558 | 1,099 |
| Increase (+) / Decrease (-) in work in process and finished goods | 3,009 | 292 |
| Operating output | 39,616 | 13,958 |
| Cost of materials | -20,251 | -7,193 |
| Personnel expenses | -13,434 | -5,594 |
| Other operating expenses | -4,003 | -1,475 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 1,928 | -304 |
| Amortisation, depreciation and write-downs | -612 | -244 |
| Earnings before interest and taxes (EBIT) | 1,316 | -548 |
| Financial result | -78 | -18 |
| Earnings before taxes (EBT) | 1,238 | -530 |
| Income taxes | -338 | -140 |
| Other taxes | -12 | 8 |
| Profit from discontinued operations | 888 | -662 |

Segment Reporting

The following business segments will be considered:

- 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 companies of the Delignit group belong to this segment.

- Industrial Production

This segment includes 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, as does CT Formpolster GmbH, which was acquired on January 1, 2010.

- Trading & Services

This segment contains those holdings in the MBB portfolio that 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.

| First Half-Year 2010 (unaudited) | Technical Applications €k | Industrial Production €k | Trading & Services €k | Reconciliation €k | Group €k |
|-------------------------------------|---------------------------------|--------------------------------|-----------------------------|----------------------|---------------|
| Third parties | 14,074 | 25,734 | 18,436 | 600 | 58,844 |
| Other segments | 286 | 392 | 2 | -680 | 0 |
| Total revenue | 14,360 | 26,126 | 18,438 | -80 | 58,844 |
| Earnings (EBIT) | -878 | 1,887 | 305 | -16 | 1,298 |
| Amortisation and depreciation | 632 | 949 | 289 | 131 | 2,001 |
| Share of profit of associates | 0 | 0 | 0 | | |
| Capital expenditure | 87 | 1,113 | 43 | | |
| Investments in associates | 0 | 0 | 45 | | |
| Segment assets | 32,688 | 32,180 | 7,813 | | |
| Segment liabilities | 8,146 | 9,475 | 4,935 | | |

| First Half-Year 2009 (unaudited) | Technical Applications €k | Industrial Production €k | Trading & Services €k | Reconciliation €k | Group €k |
|-------------------------------------|---------------------------------|--------------------------------|-----------------------------|--------------------------|---------------|
| Third parties | 12,148 | 12,062 | 17,035 | 34 | 41,279 |
| Other segments | 505 | 721 | 0 | -1,226 | 0 |
| Total revenue | 12,653 | 12,783 | 17,035 | -1,192 | 41,279 |
| Earnings (EBIT) | -712 | 955 | 822 | 1,059² | 2,124 |
| Amortisation and depreciation | 1,034 | 502 | 290 | 27 | 1,853 |
| Share of profit of associates | 0 | 0 | 0 | | |
| Capital expenditure | 44 | 284 | 72 | | |
| Investments in associates | 0 | 0 | 36 | | |
| Segment assets | 35,548 | 17,743 | 8,196 | | |
| Segment liabilities | 9,339 | 2,232 | 4,871 | | |

² Due to the fact that Reimelt Henschel is not included in the segment Technical Applications, the Income from removal from consolidated groups in the amount of 3.0m increased the EBIT in the column Reconciliation in comparison with last year's presentation.

Changes to Contingent Liabilities

With effect from January 1, 2010 a further subinvestment (in the form of so called “phantom shares”) in Hanke Tissue Sp. z o.o., Kostrzyn, Poland, has been established with respect to the general manager of the company. The subinvestor is entitled to both 3% of the profit and any proceeds from sale or liquidation. The shares were transferred from MBB (2.4%) and existing subinvestors (0.6%). This means that after a prepaid dividend of €336k, which is claimed solely by MBB, subinvestors are collectively entitled to 22.4% of the profit distribution.

Similarly, in the case of a liquidation or company sale, subinvestors collectively hold 22.4% of potential liquidation proceeds or sale earnings, whereby in the event of the company being sold, €2,650k of the proceeds from the sale accrue solely to MBB (after settlement of the aforementioned 3% share).

Business Transactions with Affiliated Companies and Persons

Business transactions between fully consolidated subsidiaries and non-fully consolidated subsidiaries are conducted in arm's length terms.

Changes in Consolidated Subsidiaries

On January 1, 2010 MBB Industries AG acquired - through its subsidiary OBO Modulun GmbH - 100% of the shares of CT Formpolster GmbH, Löhne, and now incorporates the company in its consolidated financial statements. CT Formpolster GmbH produces polyether foams with a variety of technical attributes. Its customers comprise the mattress industry, upholstered furniture producers, caravan makers and vehicle manufacturers.

By making the acquisition, MBB Industries AG can be seen to be continuing its successful acquisition strategy. For the segment industrial production a considerable synergetic potential in terms of raw material purchasing as well as further development of production procedures are expected.

The cost of CT Formpolster GmbH was €377.5k and was paid in cash. On the acquisition date the following assets and liabilities were acquired.

| Assets and Liabilities CT Formpolster GmbH | | €k |
|---|--|--------------|
| Current Assets | | |
| Cash and cash equivalents | | 25 |
| Trade and other receivables | | 3,239 |
| Inventories | | 1,709 |
| Non-current assets | | |
| Intangible assets | | 24 |
| Plant and equipment | | 3,209 |
| Current liabilities | | |
| Trade payables | | 1,901 |
| Other payables and provisions | | 990 |
| Non-current liabilities | | |
| Pensions | | 3,389 |
| Deferred tax liabilities | | 722 |
| Net assets | | 1,204 |

The fair values of the receivables acquired correspond to their carrying amounts. As a result of the acquisition, a bargain purchase of €826k was indicated under Other Revenues in the income statement on the acquisition date. Since the acquisition date, CT Formpolster GmbH's contribution to the group half year revenue and earnings were €11,601k and €-115k respectively.

Events Following the End of the Reporting Period

For information regarding events following the end of the reporting period we refer to the Supplementary Report section on page 9.

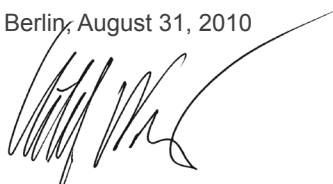
Audit Inspection

The condensed interim financial report as of June 30, 2010 and the interim group management report have neither been subjected to an audit in accordance with § 317 HGB nor reviewed by an auditor.

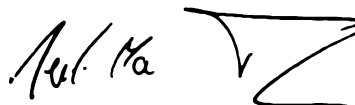
Affirmation of Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, 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.

Berlin, August 31, 2010



Dr. Christof Nesemeier
Chief Executive Officer



Gert-Maria Freimuth
Chief Investment Officer

Financial Calendar

Analyst Conference within the German Equity Forum
November 22, 2010
Frankfurt am Main

Quarterly Financial Report Q3/2010:
November 22, 2010

End of fiscal Year
December 31, 2010

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