



**Half-Year Financial  
Report 2011**

MBB Industries AG . Berlin



**Half-Year Financial Report 2011**

**MBB Industries AG**

## MBB Industries in figures

Half-year (1 January - 30 June) (unaudited)	2010 IFRS continuing operations	2011 IFRS continuing operations	Change 2010/ 2011
<b>Earnings figures</b>	<b>€ thou</b>	<b>€ thou</b>	<b>%</b>
<b>Revenue</b>	<b>49.446</b>	<b>51.916</b>	<b>5,0</b>
Operating performance	49.681	52.115	4,9
Total performance	52.277	53.531	2,4
Cost of materials	-35.195	-32.359	-8,1
Staff costs	-10.104	-11.613	14,9
EBITDA	3.399	4.421	30,1
<i>EBITDA margin</i>	<i>6,8%</i>	<i>8,5%</i>	<i>25,0</i>
EBIT	1.680	2.649	57,7
<i>EBIT margin</i>	<i>3,4%</i>	<i>5,1%</i>	<i>50,0</i>
EBT	1.290	2.657	106,0
<i>EBT margin</i>	<i>2,6%</i>	<i>5,1%</i>	<i>96,2</i>
<b>Earnings from continuing operations</b>	<b>1.550</b>	<b>2.258</b>	<b>45,7</b>
Earnings from discontinued operations	-401	36	
<b>Consolidated net profit after non-controlling interests</b>	<b>1.149</b>	<b>2.294</b>	<b>99,7</b>
Number of shares	6.600.000	6.600.000	0,0
eps in €	0,17	0,35	99,7
<b>Figures from the statement of financial position</b>	<b>31 Dec. 2010 € thou</b>	<b>30 June 2011 € thou</b>	<b>%</b>
Non-current assets	39.445	37.577	-4,7
Current assets	52.304	52.141	-0,3
Of which cash and cash equivalents*	33.147	31.526	-4,9
Issued capital (share capital)	6.600	6.600	0,0
Other equity	40.833	41.713	2,2
Total equity	47.433	48.313	1,9
<i>Equity ratio</i>	<i>51,7%</i>	<i>53,8%</i>	<i>4,1</i>
Non-current liabilities and provisions	24.390	21.973	-9,9
Current liabilities and provisions	19.926	19.432	-2,5
<b>Total assets</b>	<b>91.749</b>	<b>89.718</b>	<b>-2,2</b>
Net debt (-)/net cash (+) *	14.846	14.582	-1,8
<b>Employees</b>	<b>31 Dec. 2010</b>	<b>30 June 2011</b>	<b>%</b>
Technical Applications	178	177	-0,6
Industrial Production	383	373	-2,6
Trade & Services	104	102	-1,9
<b>Total</b>	<b>665</b>	<b>652</b>	<b>-2,0</b>

\* This figure includes securities and physical gold stocks.

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## Welcome Note from the Managing Board

Dear Shareholders,

Compared to the previous year, MBB has increased earnings per share close to 100% from 17 to 35 cents. Thus, with sales increasing only slightly by 5.0% to €51.9 million, the highly positive earnings performance from first quarter continued in the second quarter of 2011 as well. At the same time, the company still has solid foundations with an equity ratio of more than 53%, cash and cash equivalents of over €31 million and net cash of €14.6 million. Therefore, at the annual meeting on July 7, a substantial dividend of 33 cent per share was paid.

Over the last six months, the situation at MBB was predominantly shaped by three key developments:

At the heart of the encouraging increase in earnings is the turnaround at Delignit AG, which was jointly initiated and financed by MBB starting in the past financial year and is now bearing fruit. After the first half of the year, Delignit reported positive net earnings, a significant drop in debt and solid equity ratios. Delignit is therefore back on track with MBB's benchmark of substantial corporate development.

In April and May, we focused our paper activities on Hanke and sold our investment in Huchtemeier Papier, Dortmund. What is particularly interesting about this is that our 80% share was bought by members of the founding Voßschulte family, which has been developing the company with us since 2006. In return, we have now assumed all shares in Hanke Tissue in Poland and are looking forward to the further development of this highly successful MBB company, for which we are planning continuing growth in future with significant investments in machinery and technology.

In July – after the end of the quarter – the expansion of DTS business activities accelerated by the acquisition was continued. Effective 1 October 2011, we have acquired eld datentechnik from the Löffelhardt Group in Stuttgart and are thereby continuing what began in the middle of last year with the acquisition of ICSmedia from Aschendorff Verlag in Münster. The revenue of the DTS Group has again risen to significantly more than €40 million for the whole year and the new pillar for southern Germany should enable substantial synergies and new customers for the Group, which will also experience positive momentum thanks to the rapid developments on the market for cloud computing. The DTS Group is now perspective our highest revenue-generating company.

All in all, we are highly satisfied with recent developments and feel no cause for concern, even given the resurgent sense of crisis. Our diversification, solid substance and investments in employees and state-of-the-art technologies are a good preparation for whatever kind of volatile scenario may arise in future.

Thus, our main focus is currently on MBB's growth through company acquisitions, which means that – in addition to the solid development of our existing portfolio – we will regularly report to you as our shareholders on “new family members” in future as well.

Yours,



Dr. Christof Nesemeier  
Chief Executive Officer



Gert-Maria Freimuth  
Chief Investment Officer

Berlin, August 31, 2011

## Consolidated Interim Group Management Report

MBB Industries AG (hereinafter also “MBB-AG”) forms the MBB Industries Group (hereinafter also the “MBB Group”) together with its portfolio companies.

### Business and economic conditions

The business conditions at our portfolio companies improved significantly in the second quarter of the year. Our portfolio companies report on high incoming orders and encouraging order backlogs. The upswing throughout the economy is also driving up commodities prices and reducing the margins on our products. We are therefore facing the challenge of implementing higher product prices on the market.

### Net assets, financial position and results of operations

Starting from the basis of the past financial year of 2010, the net assets and financial position are developing positively. In accordance with IFRS 5, the income statement and the following information take into account the sale of Huchtemeier Papier GmbH in 2011, the increased shareholding in Hanke Tissue and the loss of the majority in the Romanian Delignit companies in 2010 such that the prior-year figures no longer include the “discontinued operations” (companies no longer in the Group as at 30 June 2011), thereby improving the comparability of the “continuing operations”.

In the first six months of the financial year, the consolidated revenue of the MBB Group rose by 5.0% as against the same period of the previous year to €51.9 million (previous year: €49.4 million).

Other operating income was down year-on-year at €1.0 million (€1.8 million) and, in addition to exchange gains, offsetting income from benefits in kind and income from securities, also included income from the reversal of provisions. The income from the deconsolidation of Huchtemeier Papier is reported separately at €0.4 million.

The ratio for cost of materials to total operating revenue declined from 70.8% in the first six months of the previous year to 62.1%.

EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to €4.4 million (previous year: €3.4 million). After depreciation and amortisation of €1.8 million, EBIT (earnings before interest and taxes) for the MBB Group in the first half of the year was €2.6 million (previous year: €1.7 million). Considering the balanced financial result, EBT (earnings before taxes) amounted to €2.7 million (previous year: €1.3 million). Earnings from continuing operations totalled €2.3 million (previous year: €1.6 million). The consolidated net profit after non-controlling interests amounted to €2.3 million or €0.35 per share including earnings of discontinued operations.

The consolidated statement of financial position as at 30 June 2011 reported equity of €48.3 million (31 December 2010: €47.4 million). Based on total consolidated assets of €89.7 million, the equity ratio thus equals 53.9%, representing a significant increase compared to 31 December 2010 (51.7%).

As of 30 June 2011, the MBB Group had liabilities to banks of €16.9 million (31 December 2010: €18.3 million) and cash and cash equivalents including securities and physical gold reserves of €31.5 million (31 December 2010: €33.1 million). The net figure for the above liabilities and cash positions (net debt/net cash) was therefore net cash of €14.6 million, virtually unchanged as against 31 December 2010 when net cash of €14.8 million was reported.

## Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & Services

In the first six months, revenue in the Technical Applications segment rose slightly compared to the previous year. The external revenue of the Technical Applications segment – namely the Delignit Group as the only equity interest in this segment – amounted to €13.8 million (previous year: €12.5 million) in the first six months; EBIT at €0.7 million, was up significantly on the previous year's figure of €-0.5 million. It should be noted that both the 2011 figures and the prior-year figures contain continuing operations only – they therefore do not include the discontinued Romanian companies.

The Industrial Production segment revenue was stable year-on-year with external revenue of €26.3 million for the period from 1 January to 30 June 2011. EBIT is slightly higher year-on-year at €1.8 million (€1.6 million).

In the Trade & Services segment, revenue rose to €11.2 million as against the previous year (€10.1 million). At €0.7 million, the segment's EBIT, which included income from the deconsolidation of Huchtemeier of €0.4 million, was up on the previous year's figure of €-0.3 million.

## Employees

The number of employees in the MBB Group falls slightly at 652 as at 30 June 2011 after 665 as at 31 December 2010.

## Report on risks and opportunities

The risks and opportunities of the business development of the MBB are described in the Group management report for the 2010 financial year, which is available on our Internet site.

There have been no significant changes in the risks and opportunities presented since 31 December 2010. The risk management system of MBB Industries AG is appropriate for detecting risks early on and taking direct measures.

## Supplementary report

The annual meeting of July 7, 2011 approved a dividend of €0.33 per share for the business year 2010. The dividend of €2.178m was paid out on July 8, 2011.

As part of an asset deal effective 1 October 2011, DTS IT AG, a member of MBB Group, will have fully acquired the business activities of eld datentechnik GmbH, Fellbach, via a subsidiary. As a distributor for IT infrastructure systems, eld datentechnik GmbH operates throughout Germany and is specialised in IP-access- and storage-technology. The eld datentechnik unit supplements the specific DTS computing service range for second generation cloud computing.

Other than this, there have been no significant events since the end of the reporting period.

## Report on expected developments

For the 2011 and 2012 financial years, the Managing Board is still forecasting increases in revenue as against 2010 for its current portfolio and a positive overall earnings level.

Berlin, August 31, 2011

The Managing Board

## IFRS interim consolidated financial statements

The comparative figures for 2010 – and the 2011 figures – include only the information for continuing operations. A breakdown of the results of the discontinued operations can be found in the notes to the interim consolidated financial statements.

IFRS consolidated statement of comprehensive income half year (unaudited)	1 Jan. - 30 Jun. 2011	1 Jan. - 30 Jun. 2010
	€ thou	€ thou
<b>Revenue</b>	<b>51.916</b>	<b>49.446</b>
Increase (+)/decrease (-) in finished goods and work in progress	199	235
<b>Operating performance</b>	<b>52.115</b>	<b>49.681</b>
Bargain purchase	0	828
Income from deconsolidation	449	0
Other operating income	967	1.768
<b>Total performance</b>	<b>53.531</b>	<b>52.277</b>
Cost of raw materials and supplies	-25.207	-26.473
Cost of purchased services	-7.152	-8.722
<b>Cost of materials</b>	<b>-32.359</b>	<b>-35.195</b>
Wages and salaries	-9.663	-8.137
Social security and pension costs	-1.950	-1.967
<b>Staff costs</b>	<b>-11.613</b>	<b>-10.104</b>
Other operating expenses	-5.138	-3.579
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>4.421</b>	<b>3.399</b>
Amortisation and depreciation expense	-1.772	-1.719
<b>Earnings before interest and taxes (EBIT)</b>	<b>2.649</b>	<b>1.680</b>
Other interest and similar income	510	173
Interest and similar expenses	-502	-563
<b>Net finance costs</b>	<b>8</b>	<b>-390</b>
<b>Earnings before taxes (EBT)</b>	<b>2.657</b>	<b>1.290</b>
Income tax expense	-204	470
Other taxes	-50	-46
<b>Profit or loss for the period</b>	<b>2.403</b>	<b>1.714</b>
Non-controlling interests (continuing operations)	-145	-164
<b>Profit or loss from continuing operations</b>	<b>2.258</b>	<b>1.550</b>
Profit or loss from discontinued operations	36	-401
<b>Consolidated net profit for the period</b>	<b>2.294</b>	<b>1.149</b>
Earnings per share (in €)	0,35	0,17



IFRS consolidated statement of comprehensive income quarter (unaudited)	1 Apr.- 30 Jun. 2011	1 Apr.- 30 Jun. 2010
	€ thou	€ thou
<b>Revenue</b>	<b>24.254</b>	<b>24.124</b>
Increase (+)/decrease (-) in finished goods and work in progress	115	318
<b>Operating performance</b>	<b>24.369</b>	<b>24.442</b>
Other operating income	453	1.482
<b>Total performance</b>	<b>24.822</b>	<b>25.924</b>
Cost of raw materials and supplies	-9.391	-12.317
Cost of purchased services	-4.605	-5.126
<b>Cost of materials</b>	<b>-13.996</b>	<b>-17.443</b>
Wages and salaries	-5.367	-4.093
Social security and pension costs	-949	-912
<b>Staff costs</b>	<b>-6.316</b>	<b>-5.005</b>
Other operating expenses	-2.783	-1.857
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>1.727</b>	<b>1.619</b>
Amortisation and depreciation expense	-872	-878
<b>Earnings before interest and taxes (EBIT)</b>	<b>855</b>	<b>741</b>
Other interest and similar income	425	117
Interest and similar expenses	-249	-287
<b>Net finance costs</b>	<b>176</b>	<b>-170</b>
<b>Earnings before taxes (EBT)</b>	<b>1.031</b>	<b>571</b>
Income tax expense	-11	239
Other taxes	-27	-23
<b>Profit or loss for the period</b>	<b>993</b>	<b>787</b>
Non-controlling interests (continuing operations)	-59	-112
<b>Profit or loss from continuing operations</b>	<b>934</b>	<b>675</b>
Profit or loss from discontinued operations	0	-369
<b>Consolidated net profit for the period</b>	<b>934</b>	<b>306</b>
Earnings per share (in €)	0,14	0,05

IFRS consolidated statement of comprehensive income half year - part 2 (unaudited)	1 Jan. - 30 Jun. 2011	1 Jan. - 30 Jun. 2010
	€ thou	€ thou
<b>Consolidated net profit</b>	<b>2.294</b>	<b>1.149</b>
Non-controlling interests	145	164
<b>Profit or loss for the period</b>	<b>2.439</b>	<b>1.313</b>
Changes due to currency translation		
Changes recognised in equity	-139	-442
Net profit recognised in the reporting period from the revaluation of financial assets in the "available for sale" category	-2	381
<b>Other comprehensive income after taxes (OCI)</b>	<b>-141</b>	<b>-61</b>
<b>Comprehensive income for the reporting period</b>	<b>2.298</b>	<b>1.252</b>
Of which attributable to:		
Shareholders of the parent company	2.152	1.113
Non-controlling interests	146	139

Statement of financial position Assets (IFRS)	30 Jun. 2011 unaudited € thou	31 Dec. 2010 audited € thou
<b>Non-current assets</b>		
Concessions, industrial property rights and similar rights	1.729	1.792
Goodwill	1.816	1.816
<b>Intangible assets</b>	<b>3.545</b>	<b>3.608</b>
Land and buildings including buildings on third-party land	15.019	15.239
Technical equipment and machinery	8.762	9.524
Other equipment, operating and office equipment	2.297	2.323
Advance payments and assets under development	1.107	935
<b>Property, plant and equipment</b>	<b>27.185</b>	<b>28.021</b>
Investments in associates	0	45
Investment securities	4.684	5.083
Other loans	318	363
<b>Financial assets</b>	<b>5.002</b>	<b>5.491</b>
<b>Deferred tax assets</b>	<b>1.845</b>	<b>2.325</b>
	<b>37.577</b>	<b>39.445</b>
<b>Current assets</b>		
Raw materials and supplies	5.603	3.741
Work in progress	2.879	2.474
Finished goods	6.292	6.581
<b>Inventories</b>	<b>14.774</b>	<b>12.796</b>
Trade receivables	7.831	8.325
Other current assets	2.694	3.119
<b>Trade receivables and other current assets</b>	<b>10.525</b>	<b>11.444</b>
Gold and commodities	1.823	1.852
Securities	11.342	8.568
<b>Available-for-sale financial assets</b>	<b>13.165</b>	<b>10.420</b>
Cash in hand	8	6
Bank balances	13.669	17.638
<b>Cash in hand, bank balances</b>	<b>13.677</b>	<b>17.644</b>
	<b>52.141</b>	<b>52.304</b>
<b>Total assets</b>	<b>89.718</b>	<b>91.749</b>

Statement of financial position Equity and liabilities (IFRS)	30 Jun. 2011 unaudited € thou	31 Dec. 2010 audited € thou
<b>Equity</b>		
Issued capital	6.600	6.600
Capital reserves	15.251	15.251
Legal reserve	61	61
Retained earnings	24.330	23.153
Non-controlling interests	2.071	2.368
	<b>48.313</b>	<b>47.433</b>
<b>Non-current liabilities</b>		
Pension provisions	4.814	5.164
Liabilities to banks	13.516	13.430
Other provisions	681	1.907
Other liabilities	149	965
Deferred tax liabilities	2.813	2.924
	<b>21.973</b>	<b>24.390</b>
<b>Current liabilities</b>		
Liabilities to banks	3.428	4.871
Other liabilities	2.588	3.043
Tax provisions	280	257
Provisions with the nature of a liability	3.943	1.954
Trade payables	9.173	9.777
Advance payments received	20	24
	<b>19.432</b>	<b>19.926</b>
<b>Total liabilities and equity</b>	<b>89.718</b>	<b>91.749</b>

Consolidated statement of cash flows (1 January - 30 June) (unaudited)	2011 € thou	2010 € thou
<b>1. Cash flow from operating activities</b>		
<b>Earnings before interest and taxes (EBIT)</b>	<b>2.649</b>	<b>1.680</b>
<b>Adjustments for non-cash transactions</b>		
- Write-downs on non-current assets	1.772	1.719
- Increase (+)/decrease (-) in provisions	664	312
- Income from deconsolidation	-449	0
- Other non-cash expenses/income	-171	-971
	<b>1.816</b>	<b>1.060</b>
<b>Change in working capital:</b>		
- Increase (-)/decrease (+) in inventories, trade receivables and other assets	-3.133	-3.283
- Decrease (-)/increase (+) in trade payables and other liabilities	879	1.062
	<b>-2.254</b>	<b>-2.221</b>
- Income taxes paid	-231	-46
- Interest received	510	173
	<b>279</b>	<b>127</b>
<b>Cash flow from operating activities</b>	<b>2.490</b>	<b>646</b>
<b>2. Cash flow from investing activities</b>		
- Investments (-)/divestments (+) of intangible assets	-45	-48
- Inflows (+)/outflows (-) for divestments/investments in property, plant and equipment	-844	-1.024
- Investments (-)/divestments (+) of financial assets	45	-5
- Investments (-)/divestments (+) of available-for-sale financial assets and securities	-2.348	-3.282
- Acquisition of sub-holding	-2.000	0
- Disposal (+)/Acquisition (-) of consolidated companies (less cash and cash equivalents sold/received)	513	-353
<b>Cash flow from investing activities</b>	<b>-4.679</b>	<b>-4.712</b>
<b>3. Cash flow from financing activities</b>		
- Proceeds from borrowing financial loans	0	551
- Repayments of financial loans	-1.268	-642
- Interest payments	-502	-563
<b>Cash flow from financing activities</b>	<b>-1.770</b>	<b>-654</b>
<b>Cash and cash equivalents at end of period</b>		
Change in cash and cash equivalents (Subtotal 1-3)	-3.959	-4.720
Effects of changes in foreign exchange rates (non-cash)	-8	0
Cash and cash equivalents at start of reporting period	17.644	27.462
<b>Cash and cash equivalents at end of period</b>	<b>13.677</b>	<b>22.742</b>
<b>Composition of cash and cash equivalents</b>		
- Cash in hand	8	9
- Bank balances	13.669	22.733
<b>Reconciliation to liquidity reserve on 30 June</b>		
<b>Cash and cash equivalents at end of period</b>	<b>13.677</b>	<b>22.742</b>
- Gold	1.823	1.050
- Securities	16.026	11.065
<b>Liquidity reserve on 30 June</b>	<b>31.526</b>	<b>34.857</b>

Statement of changes in consolidated equity (unaudited)									
	Retained earnings								
	Issued capital	Capital reserves	Legal reserve	Currency translation difference	Available for sale financial assets	Generated consolidated equity	Share of MBB AG shareholders of	Non-controlling interests	Consolidated equity
	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou
<b>1 Jan. 2010</b>	<b>6.600</b>	<b>15.251</b>	<b>61</b>	<b>-2.400</b>	<b>-56</b>	<b>32.474</b>	<b>51.930</b>	<b>3.656</b>	<b>55.586</b>
Dividends paid	0	0	0	0	0	-3.300	-3.300	0	-3.300
Subtotal	6.600	15.251	61	-2.400	-56	29.174	48.630	3.656	52.286
Amounts recognised in other comprehensive income	0	0	0	0	661	0	661	0	661
Currency translation difference	0	0	0	301	0	0	301	190	491
Consolidated net profit	0	0	0	0	0	-6.844	-6.844	89	-6.755
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>301</b>	<b>661</b>	<b>-6.844</b>	<b>-5.882</b>	<b>279</b>	<b>-5.603</b>
Change from capital increase of Delignit AG	0	0	0	0	0	0	0	1.220	1.220
Change from deconsolidation	0	0	0	2.317	0	0	2.317	-2.787	-470
<b>31 Dec. 2010</b>	<b>6.600</b>	<b>15.251</b>	<b>61</b>	<b>218</b>	<b>605</b>	<b>22.330</b>	<b>45.065</b>	<b>2.368</b>	<b>47.433</b>
Dividends paid	0	0	0	0	0	0	0	0	0
Subtotal	6.600	15.251	61	218	605	22.330	45.065	2.368	47.433
Amounts recognised in other comprehensive income	0	0	0	0	-2	0	-2	0	-2
Currency translation difference	0	0	0	-140	0	0	-140	1	-139
Consolidated net profit	0	0	0	0	0	2.294	2.294	145	2.439
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-140</b>	<b>-2</b>	<b>2.294</b>	<b>2.152</b>	<b>146</b>	<b>2.298</b>
Non-controlling interests DTS IT AG	0	0	0	0	0	0	0	440	440
Change from acquisition of sub-holding	0	0	0	0	0	-975	-975	-1.025	-2.000
Change from deconsolidation	0	0	0	0	0	0	0	142	142
<b>30 Jun. 2011</b>	<b>6.600</b>	<b>15.251</b>	<b>61</b>	<b>78</b>	<b>603</b>	<b>23.649</b>	<b>46.242</b>	<b>2.071</b>	<b>48.313</b>

## Notes to the interim consolidated financial statements

### Accounting

The half-year financial report of the MBB Group for the period 1 January 2011 to 30 June 2011 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

### Accounting policies

The accounting policies adopted are the same as those of the consolidated financial statements as at 31 December 2010. The preparation of the financial statements was influenced by recognition and measurement policies in addition to assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to sales are deferred intra-year.

### Result of discontinued operations

Effective 1 January 2011, MBB Industries AG sold its interest in Huchtemeier Verwaltung GmbH and thereby its 80% share in Huchtemeier Papier GmbH. This sale is shown as a discontinued operation in line with IFRS 5. The comparative figures for 2010 include the results of the Romanian companies S.C. Cildro S.A., S.C. Cildro Service Srl. and S.C. Delignit Romania Srl., which were majority sold in 2010, in the results of discontinued operations.

Result of discontinued operations	1 Jan. - 30 Jun. 2011	1 Jan. - 30 Jun. 2010
	€ thou	€ thou
<b>Revenue</b>	<b>4.047</b>	<b>14.385</b>
Other operating income	7	226
Increase (+)/reduction (-) in inventories of finished goods and work in progress	0	154
<b>Operating performance</b>	<b>4.054</b>	<b>14.765</b>
Cost of raw materials and supplies	-3.675	-10.591
Cost of purchased services	-25	-1.001
<b>Cost of materials</b>	<b>-3.700</b>	<b>-11.592</b>
Wages and salaries	-167	-1.357
Social security and pension costs	-29	-436
<b>Staff costs</b>	<b>-196</b>	<b>-1.793</b>
Other operating expenses	-93	-1.358
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>65</b>	<b>22</b>
Amortisation and depreciation expense	-5	-282
<b>Earnings before interest and taxes (EBIT)</b>	<b>60</b>	<b>-260</b>
Other interest and similar income	0	0
Interest and similar expenses	-22	-190
<b>Net finance costs</b>	<b>-22</b>	<b>-190</b>
<b>Earnings before taxes (EBT)</b>	<b>38</b>	<b>-450</b>
Income tax expense	0	-85
Other taxes	0	0
<b>Profit or loss for the period</b>	<b>38</b>	<b>-535</b>
Non-controlling interests (continuing operations)	-2	134
<b>Profit or loss from discontinued operations</b>	<b>36</b>	<b>-401</b>
Earnings per share (in €)	0,01	-0,06

## Segment reporting

MBB's management divides the segments as reported in the interim Group management report.

1 Jan. - 30 Jun. 2011 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Reconciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	13.755	26.316	11.236	609	51.916
Other segments	416	118	12	-546	0
<b>Total revenue</b>	<b>14.171</b>	<b>26.434</b>	<b>11.248</b>	<b>63</b>	<b>51.916</b>
<b>Earnings (EBIT)</b>	<b>654</b>	<b>1.761</b>	<b>742</b>	<b>-508</b>	<b>2.649</b>
Amortisation and depreciation expense	328	1.089	341	14	1.772
Share of the profit from the associated company	0	0	0	0	0
Investments	20	415	296		
Investments in associates	0*	0	0		
<b>Segment assets</b>	<b>16.603</b>	<b>32.101</b>	<b>6.757</b>		
<b>Segment liabilities</b>	<b>4.748</b>	<b>8.742</b>	<b>2.621</b>		

\* Figures as of 30 June 2011 were not available at the time of production of this report

\*\* The shares held in the Romanian companies are reported in the Technical Applications segment at a value of €1.

1 Jan. - 30 Jun. 2010 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Reconciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	12.540	26.255	10.051	600	49.446
Other segments	1.273	100	2	-1.375	0
<b>Total revenue</b>	<b>13.813</b>	<b>26.355</b>	<b>10.053</b>	<b>-775</b>	<b>49.446</b>
<b>Earnings (EBIT)</b>	<b>-514</b>	<b>1.638</b>	<b>-26</b>	<b>582</b>	<b>1.680</b>
Amortisation and depreciation expense	331	949	309	130	1.719
Share of the profit from the associated company	0	0	0	0	0
Investments	87	1.113	43		
Investments in associates	0	0	0		
<b>Segment assets</b>	<b>17.389</b>	<b>32.180</b>	<b>5.406</b>		
<b>Segment liabilities</b>	<b>5.871</b>	<b>9.475</b>	<b>2.380</b>		

Segment liabilities do not include any obligations arising from taxes, finance leases or liabilities to banks.



### Changes in the scope of consolidation

DTS IT AG was founded by way of notarised contract on 1 March 2011 with its headquarters in Herford. It was entered in the commercial register on 4 March 2011. The object of the company is the management of its own assets, including in particular forming and acquiring, investing in, managing and selling companies in Germany and abroad, particularly in the field of information technology. The initial capital of the company was €2,200 thousand, divided into 2,200,000 no-par value shares. MBB Industries AG holds 80% in the company. On 5 April 2011, DTS Systeme GmbH and ICSmedia GmbH were regrouped under DTS IT AG. The three companies form the DTS Group.

Effective 1 January 2011, the shares in Huchtemeier Verwaltungs GmbH, Dortmund, and thereby the 80% stake in Huchtemeier Papier GmbH, Dortmund, were sold to Mr. Alfred Voßschulte. The following table shows the calculation of the gain on disposal generated.

	30 Jun. 2011 € thou
<b>Consideration received in the form of cash</b>	<b>515</b>
<b>Assets and liabilities disposed of due to loss of control</b>	
<b>Current assets</b>	
Cash and cash equivalents	2
Trade receivables	1.278
Inventories	204
Other current assets	577
<b>Non-current assets</b>	
Deferred taxes	390
Financial assets	45
Property, plant and equipment	11
Intangible assets	5
<b>Non-controlling interests</b>	<b>-141</b>
<b>Current liabilities</b>	
Loans payable	89
Liabilities	3.299
<b>Non-current liabilities</b>	
Provisions for pensions	225
Deferred taxes	6
<b>Net assets sold</b>	<b>-966</b>
<b>Gain on the disposal of subsidiaries</b>	
Consideration received	515
Net assets sold	-966
<b>Gain on disposal</b>	<b>449</b>
<b>Net inflow of cash from the sale of subsidiaries</b>	
Cash and cash equivalents received	515
Less cash and cash equivalents disposed of with the sale	2
<b>Net inflow</b>	<b>513</b>
<b>Cash flow from discontinued operations</b>	<b>1 Jan. - 30 Jun. 2011</b>
Cash flow from operating activities	126
Cash flow from investing activities	-3
Cash flow from financing activities	-125
<b>Net cash flow from discontinued operations</b>	<b>-2</b>

**Changes in contingent liabilities**

There were no changes in contingent liabilities as against 31 December 2010.

**Related party transactions**

Business transactions between Group companies that are fully consolidated and Group companies that are not fully consolidated are conducted as at arm's length.

**Events after the end of the reporting period**

For information on events after the end of the reporting period, please see the supplementary report on page 4 of the interim Group management report.

**Review**

The condensed interim financial statements as at 30 June 2011 and the interim Group management report were neither audited in accordance with section 317 HGB nor were they reviewed by an auditor.

**Responsibility statement**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group 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 for the remaining months of the financial year.

Berlin, August 31, 2011

The Managing Board

## Financial Calendar

**Analysts' Conference**  
**German Equity Forum**  
**Frankfurt/Main**

22 November 2011, 12:45 pm, "London" room

**Quarterly Financial Report Q3/2011**

30 November 2011

**End of the financial year**

31 December 2011

We would like to take this opportunity to mention our **RSS feed**, with which you can subscribe to and read the latest news from the company on your computer screen free of charge. This is a quick and convenient way to stay up-to-date: [www.mbbindustries.com/RSS](http://www.mbbindustries.com/RSS)

We would also like to draw your attention to our **MBB newsletter**, which you can subscribe to at [www.mbbindustries.com/newsletter](http://www.mbbindustries.com/newsletter). You will then always receive the latest news from MBB Industries AG by e-mail.

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