



**Half-Year Financial
Report 2013**

MBB Industries AG . Berlin

MBB Industries in figures

Half-year (unaudited)	2013	2012	Δ 2013 / 2012
	IFRS	IFRS	
Earnings figures	€ thou	€ thou	%
Revenue	114,338	89,820	27.3%
Operating performance	114,477	89,685	27.6%
Total performance	115,537	92,928	24.3%
Cost of materials	-72,329	-58,107	24.5%
Staff costs	-25,391	-18,417	37.9%
EBITDA	11,419	10,854	5.2%
<i>EBITDA margin</i>	<i>10.0%</i>	<i>12.1%</i>	
EBIT	8,885	8,391	5.9%
<i>EBIT margin</i>	<i>7.8%</i>	<i>9.4%</i>	
EBT	8,502	7,974	6.6%
<i>EBT margin</i>	<i>7.4%</i>	<i>8.9%</i>	
Consolidated net profit after non-controlling interests	6,312	5,760	9.6%
Number of shares	6,600,000	6,600,000	
eps in €*	0.98	0.89	
Figures from the statement of financial position	30 Jun. € thou	31 Dec. € thou	%
Non-current assets	48,906	46,573	5.0%
Current assets	109,407	102,079	7.2%
Of which cash and equivalents**	46,172	45,234	2.1%
Issued capital (share capital)	6,456	6,456	0.0%
Other equity	52,671	50,955	3.4%
Total equity	59,127	57,411	3.0%
<i>Equity ratio</i>	<i>37.3%</i>	<i>38.6%</i>	
Non-current liabilities	43,408	37,733	15.0%
Current liabilities	55,778	53,508	4.2%
Total assets	158,313	148,652	6.5%
Net debt (-) or net cash (+)**	19,403	31,464	-38.3%
Employees	30 Jun.	31 Dec.	%
	1,056	998	5.8%

* Based on the number of shares in circulation at the publication date.

** This figure includes physical gold stocks and securities.

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Welcome Note from the Managing Board

Dear shareholders,

The positive development of MBB Industries AG has continued during the first-half of 2013. I gladly report increasing revenues and record earnings of €0.98 per share for this period.

To continue the positive development, MBB focusses on further investments. Last year acquired MBB Fertigungstechnik GmbH has established its subsidiary MBB Technologies (China) Ltd. in Changzhou, a large metropolitan city in China, in June of this year. Hanke pushes forward with its new paper machine to double capacities. Delignit starts an investment program of €1.5m expanding and modernizing its machinery park. CT Formpolster and OBO will also invest in the expansion of capacities.

All these investments are on their way despite the dividend payment of €0.50 per share in the first half year.

Recent positive development of MBB is reflected in the share price, which increased about 143% in the last twelve months and several analysts of our share see even more room for our share price to increase.

For the future our aim remains to continue this positive revenue-, earnings- and share price-development without compromising our solid financial position or limiting our scope for further acquisitions.

My sincere thanks go to Gert-Maria Freimuth for the successful and good cooperation in the managing board of MBB. I am glad to continue this cooperation in a new constellation after his change to the supervisory board and his election as its chairman.

I would be delighted if you accompany MBB as our shareholder on our future path.

Sincerely,



Dr. Christof Nesemeier
Chief Executive Officer

Berlin, 30 August 2013

Consolidated Interim Group Management Report

MBB Industries AG is a family-owned, medium-sized corporation that forms the MBB Industries Group (hereinafter also the “MBB Group”) together with its portfolio companies.

Business and economic conditions

Business conditions at our portfolio companies have developed positively in the first half of the year. To date, the impact of the euro zone debt crisis has been manageable for the MBB Group. Providing it does not intensify further, we do not expect the crisis to have a significant effect on our companies. Our portfolio companies are continuously reporting incoming orders and encouraging order backlogs. However, increased price competition on some markets does imply margin challenges for individual portfolio companies.

Results of operations, financial position and net assets

The Group’s results of operations, net assets and financial position are positive. In the first half year of the financial year, the consolidated revenue of the MBB Group increased by 27.3% year-on-year to €114.3 million (previous year: €89.8 million).

Other operating income decreased slightly year-on-year to €1.1 million (previous year: €1.5 million) and are related in particular to income from the sale of securities and income from securities as well as investment subsidies.

In the first half year of 2013 the ratio of the cost of materials to operating performance, which is defined as total of revenue and changes in inventories and which amounted to €114.5 million (previous year: €89.7 million), declined to 63.2% after 64.8% in the same period of the previous year.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by 5.2% to €11.4 million (previous year: €10.9 million). After depreciation and amortisation of €2.5 million, EBIT (earnings before interest and taxes) for the MBB Group amounted to €8.9 million in the first half year (previous year: €8.4 million). Taking into account a financial result of €-0.4 million, EBT (earnings before taxes) amounted to €8.5 million (previous year: €8.0 million). The consolidated net profit after non-controlling interests totalled €6.3 million (previous year: €5.8 million) or €0.98 per share (based on 6,455,799 shares outstanding) in the first half-year.

The consolidated statement of financial position as at 30 June 2013 reported equity of €59.1 million (31 December 2012: €57.4 million). Based on total assets of €158.3 million, the equity ratio declined slightly to 37.3% compared with 38.6% as of 31 December 2012.

As of 30 June 2013, the MBB Group had financial liabilities of €26.8 million (31 December 2012: €13.8 million) and cash and cash equivalents including securities and physical gold reserves of €46.2 million (31 December 2012: €45.2 million). Accordingly, net cash from the aforementioned liabilities and cash positions of the MBB Group amounted to €19.4 million compared with €31.5 million as of 31 December 2012. The increase in financial liabilities is primarily attributable to the refinancing of the purchase of land and buildings of MBB Fertigungstechnik GmbH at the start of 2013.

Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & Services

The Technical Applications segment saw significant revenue growth compared with the first six months of the previous year. This was due to the full recognition of revenues generated by MBB Fertigungstechnik GmbH, which was not the case in the first quarter of 2012, where the Technical Applications segment consisted solely of Delignit AG. In the first six months of 2013, the Technical Applications segment recorded external revenue of €70.9 million (previous year: €46.2 million). Segment EBIT increased to €7.4 million after €6.4 million in the previous year; the prior-year figure also included income from the first-time consolidation of MBB Fertigungstechnik GmbH in the amount of €1.7 million.

The Industrial Production segment recorded moderate revenue growth. External revenue for the period from 1 January to 30 June 2013 amounted to €27.4 million after €26.2 million in the same period of the previous year. By contrast, EBIT decreased from €1.6 million in the previous year to €1.3 million in the period under review.

Revenue in the Trade & Services segment decreased slightly year-on-year at €16.1 million (previous year: €16.9 million). Segment EBIT also decreased slightly at €0.1 million (previous year: €0.2 million).

Employees

The number of people employed by the MBB Group increased from 998 as of 31 December 2012 to 1,056 as of 30 June 2013.

Report on risks and opportunities

The risks and opportunities for the business development of the MBB Group are described in the Group management report for the 2012 financial year, which is available on our website.

There have been no significant changes in the risks and opportunities presented since 31 December 2012. The risk management system of MBB Industries AG is appropriate for detecting risks at an early stage and taking immediate countermeasures.

Report on post-balance sheet date events

There have been no significant events since the end of the reporting period.

Report on expected developments

Providing that the economy continues on its current path, the management is forecasting rising revenue in its existing investment portfolio and positive earnings on the whole in the 2013 and 2014 financial years.

The Management considers the Group's equity and liquidity situation to be important factors in allowing it to grow in the current market environment, both organically and by acquiring new portfolio companies, while ensuring that it is in a position to act at all times and even in the event of new global crises.

Berlin, 30 August 2013

Dr. Christof Nesemeier
Chief Executive Officer

IFRS Interim Consolidated Financial Statements 2013

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan. - 30 Jun. 2013 € thou	1 Jan. - 30 Jun. 2012 € thou
Revenue	114,338	89,820
Increase (+) /decrease (-) in finished goods and work in progress	139	-135
Operating performance	114,477	89,685
Gain from a bargain purchase	0	1,737
Other operating income	1,060	1,506
Total performance	115,537	92,928
Cost of raw materials and supplies	-58,910	-46,850
Cost of purchased services	-13,419	-11,257
Cost of materials	-72,329	-58,107
Wages and salaries	-18,482	-13,546
Social security and pension costs	-6,909	-4,871
Staff costs	-25,391	-18,417
Other operating expenses	-6,398	-5,550
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	11,419	10,854
Amortisation and depreciation expense	-2,534	-2,463
Earnings before interest and taxes (EBIT)	8,885	8,391
Other interest and similar income	187	276
Interest and similar expenses	-570	-693
Net finance costs	-383	-417
Earnings before taxes (EBT)	8,502	7,974
Income tax expense	-1,955	-1,937
Other taxes	-83	-58
Profit or loss for the period	6,464	5,979
Non-controlling interests	-152	-219
Consolidated net profit	6,312	5,760
Earnings per share (in €)	0.98	0.89

IFRS statement of comprehensive income - quarter (unaudited)	1 Apr. - 30 Jun. 2013 € thou	1 Apr. - 30 Jun. 2012 € thou
Revenue	58,836	58,434
Increase (+)/decrease (-) in finished goods and work in progress	157	280
Operating performance	58,993	58,714
Other operating income	456	925
Total performance	59,449	59,639
Cost of raw materials and supplies	-31,161	-31,555
Cost of purchased services	-6,954	-6,231
Cost of materials	-38,115	-37,786
Wages and salaries	-9,231	-8,719
Social security and pension costs	-3,421	-3,491
Staff costs	-12,652	-12,210
Other operating expenses	-3,192	-3,462
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	5,490	6,181
Amortisation and depreciation expense	-1,246	-1,471
Earnings before interest and taxes (EBIT)	4,244	4,710
Other interest and similar income	133	166
Interest and similar expenses	-298	-439
Net finance costs	-165	-273
Earnings before taxes (EBT)	4,079	4,437
Income tax expense	-921	-1,814
Other taxes	-38	-36
Profit or loss for the period	3,120	2,587
Non-controlling interests	-82	-21
Consolidated net profit	3,038	2,566
Earnings per share (in €)	0.47	0.40

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan. - 30 Jun. 2013	1 Jan. - 30 Jun. 2012
	€ thou	€ thou
Consolidated net profit	6,312	5,760
Non-controlling interests	152	219
Profit or loss for the period	6,464	5,979
Currency translation changes recognised in equity	-587	324
Net loss (-) / profit (+) from available-for-sale financial assets	-933	944
Other comprehensive income after taxes	-1,520	1,268
Comprehensive income for the reporting period	4,944	7,247
Of which attributable to:		
- Shareholders of the parent company	4,793	7,109
- Non-controlling interests	151	138

Statement of financial position	30 Jun. 2013	30 Jun. 2012
Assets (IFRS)	unaudited	audited
	€ thou	€ thou
Non-current assets		
Concessions, industrial property rights and similar rights	2,939	3,038
Goodwill	1,816	1,816
Advance payments	191	84
Intangible assets	4,946	4,938
Land and buildings including buildings on third-party land	21,585	22,275
Technical equipment and machinery	7,186	7,644
Other equipment, operating and office equipment	3,177	3,297
Advance payments and assets under development	5,625	2,392
Property, plant and equipment	37,573	35,608
Investments in associates	0	0
Investment securities	5,328	4,932
Other loans	126	162
Financial assets	5,454	5,094
Deferred tax assets	933	933
	48,906	46,573
Current assets		
Raw materials and supplies	5,917	4,907
Work in progress	3,142	2,905
Finished goods	6,939	7,082
Advance payments	2,436	3,468
Inventories	18,434	18,362
Trade receivables	17,928	17,588
Receivables from construction contracts	27,634	22,721
Receivables associates	94	115
Other current assets	4,473	2,991
Trade receivables and other current assets	50,129	43,415
Gold and commodities	1,620	2,245
Securities	10,105	8,188
Available-for-sale financial assets	11,725	10,433
Cash in hand	18	10
Bank balances	29,101	29,859
Cash in hand, bank balances	29,119	29,869
	109,407	102,079
Total assets	158,313	148,652

Statement of financial position	30 Jun. 2013	30 Jun. 2012
Equity and liabilities (IFRS)	unaudited	audited
	€ thou	€ thou
Equity		
Issued capital	6,456	6,456
Capital reserves	14,395	14,395
Legal reserve	61	61
Retained earnings	35,729	34,164
Non-controlling interests	2,486	2,335
	59,127	57,411
Non-current liabilities		
Financial liabilities	18,241	11,224
Other liabilities	499	732
Pension provisions	18,448	18,173
Other provisions	1,533	4,153
Deferred tax liabilities	4,687	3,451
	43,408	37,733
Current liabilities		
Financial liabilities	8,085	2,116
Advance payments received	4,503	12,305
Trade payables	12,626	10,957
Other liabilities	4,748	4,864
Provisions with the nature of a liability	12,714	11,225
Tax provisions	3,527	3,421
Other provisions	9,575	8,620
	55,778	53,508
Total equity and liabilities	158,313	148,652

Consolidated statement of cash flows (unaudited)	1 Jan. - 30 Jun. 2013	1 Jan. - 30 Jun. 2012
	€ thou	€ thou
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	8,885	8,391
Adjustments for non-cash transactions		
Write-downs on non-current assets	2,534	2,463
Increase (+) / decrease (-) in provisions	-1,390	1,245
Bargain purchase	0	-1,737
Loss (+) / gain (-) from the disposal of PPA	-20	-160
Other non-cash expenses / income	-617	205
	507	2,016
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-6,786	-6,686
Decrease (-) / increase (+) in trade payables and other liabilities	-4,993	-3,280
	-11,779	-9,966
Income taxes paid	-896	-451
Interest received	187	276
	-709	-175
Cash flow from operating activities	-3,096	266
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	-124	-202
Investments(-) / divestments(+) property, plant and equipment	-4,087	-2,812
Investments (-) / divestments (+) financial assets	36	39
Investments (-) / divestments (+) of available-for-sale financial assets and securities	-2,621	3,541
Disposal (+) / acquisition (-) of consolidated companies	0	-10,028
Cash flow from investing activities	-6,796	-9,462
3. Cash flow from financing activities		
Profit distribution to shareholders	-3,228	-2,841
Reacquired rights	0	-1,000
Proceeds from borrowing financial loans	13,664	2,387
Repayments of financial loans	-678	-2,425
Interest payments	-570	-693
Cash flow from financing activities	9,188	-4,572
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-704	-13,768
Effects of changes in foreign exchange rates (non-cash)	-46	8
Changes in consolidated companies	0	29,045
Cash and cash equivalents at start of reporting period	29,869	15,643
Cash and cash equivalents at end of period	29,119	30,928
Composition of cash and cash equivalents		
Cash in hand	18	13
Bank balances	29,101	30,915
Reconciliation to liquidity reserve on 30 Jun.	2013	2012
Cash and cash equivalents at end of period	29,119	30,928
Gold	1,620	2,229
Securities	15,433	9,809
Liquidity reserve on 30 Jun.	46,172	42,966

Statement of changes in consolidated equity (unaudited)									
				Retained earnings					
	Issued capital	Capital reserves	Legal reserves	Currency translation difference	Available for sale financial assets	Generated consolidated equity	Share of shareholders of MBB AG	Non-controlling interests	Consolidated equity
	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou
1 Jan. 2012	6,600	15,251	61	-817	557	22,002	43,654	2,046	45,700
Dividends paid	0	0	0	0	0	-2,841	-2,841	0	-2,841
Subtotal	6,600	15,251	61	-817	557	19,161	40,813	2,046	42,859
Amounts recognised in other comprehensive income	0	0	0	0	1,045	0	1,045	0	1,045
Currency translation difference	0	0	0	779	0	0	779	-121	658
Consolidated net profit	0	0	0	0	0	13,439	13,439	410	13,849
Total comprehensive income	0	0	0	779	1,045	13,439	15,263	289	15,552
Buy-back of ordinary shares	-144	-856	0	0	0	0	-1,000	0	-1,000
31 Dec. 2012	6,456	14,395	61	-38	1,602	32,600	55,076	2,335	57,411
Dividends paid	0	0	0	0	0	-3,228	-3,228	0	-3,228
Subtotal	6,456	14,395	61	-38	1,602	29,372	51,848	2,335	54,183
Amounts recognised in other comprehensive income	0	0	0	0	-933	0	-933	0	-933
Currency translation difference	0	0	0	-586	0	0	-586	-1	-587
Consolidated net profit	0	0	0	0	0	6,312	6,312	152	6,464
Total comprehensive income	0	0	0	-586	-933	6,312	4,793	151	4,944
30 Jun. 2013	6,456	14,395	61	-624	669	35,684	56,641	2,486	59,127

Notes to the Interim Consolidated Financial Statements

Accounting

The half year financial report of the MBB Group for the period 1 January to 30 June 2013 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 applied in the consolidated financial statements for the year ended 31 December 2012. The preparation of the financial statements was influenced by recognition and measurement policies as well as assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

Segment reporting

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

1 Jan. - 30 Jun. 2013 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	70,852	27,409	16,077	0	114,338
Other segments	35	100	85	-220	0
Total revenue	70,887	27,509	16,162	-220	114,338
Earnings (EBIT)	7,396	1,332	127	30	8,885
Amortisation and depreciation	846	1,173	493	22	2,534
Investments	368	3,626	520		
Investments in associates*	0	0	0		
Segment assets	65,131	33,963	8,772		
Segment liabilities	50,092	9,062	4,456		

1 Jan. - 30 Jun. 2012 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	46,248	26,163	16,908	501	89,820
Other segments	285	130	49	-464	0
Total revenue	46,533	26,293	16,957	37	89,820
Earnings (EBIT)	6,432	1,609	221	129	8,391
Amortisation and depreciation	593	1,223	453	194	2,463
Investments	814	1,177	424		
Investments in associates*	0	0	0		
Segment assets	63,952	30,136	8,226		
Segment liabilities	54,808	9,208	4,720		

* The shares of the Romanian Companies are reported in the Technical Applications segment.

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

Dividends paid

On 18 June 2013, MBB Industries AG distributed a dividend of €3.2 million (€0.5 per share).

Changes in contingent liabilities

There were no changes in contingent liabilities as against 31 December 2012.

Related party transactions

Business transactions between fully consolidated Group companies and unconsolidated Group companies are conducted at arm's-length conditions.

Events after the end of the reporting period

For events after the end of the reporting period, see the report on post-balance sheet date events on page 4 of the interim Group management report.

Review

The condensed interim consolidated financial statements as at 30 June 2013 and the interim Group management report were neither audited in accordance with section 317 of the German Commercial Code (HGB) nor 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.

Berlin, 30 August 2013

Dr. Christof Nesemeier
Chief Executive Officer

Financial Calendar

**WGZ-Conference
Düsseldorf**

19 September 2013

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

11 - 13 November 2013

Quarterly Report Q3/2013

29 November 2013

End of the financial year

31 December 2013

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 free of charge. This is a quick and convenient way of staying up-to-date: www.mbb.com/RSS

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

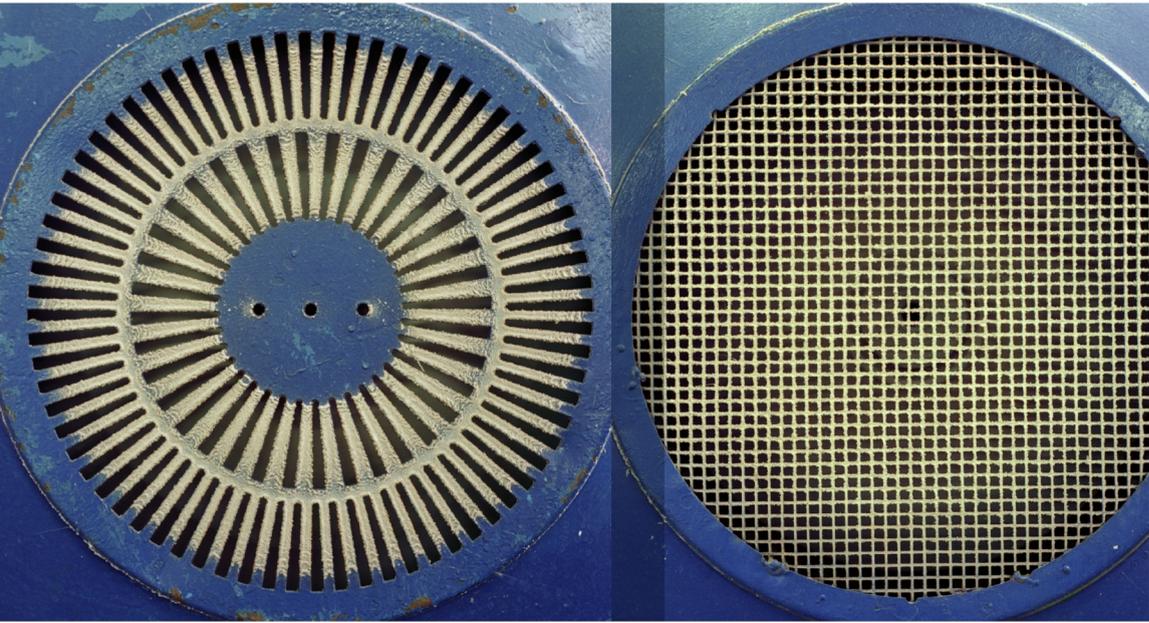
Contact

MBB Industries AG
Joachimstaler Strasse 34
10719 Berlin, Germany
Tel.: 030 - 844 15 330
Fax.: 030 - 844 15 333
www.mbb.com
request@mbb.com

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Joachimstaler Straße 34
10719 Berlin, Germany

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