



Quarterly Financial Report

September 30, 2013

MBB Industries AG . Berlin

MBB Industries in figures

Nine months (unaudited)	2013	2012	Δ 2013 / 2012
	IFRS	IFRS	
Earnings figures	€ thou	€ thou	%
Revenue	172,788	151,025	14.4%
Operating performance	172,633	151,061	14.3%
Total performance	174,297	155,386	12.2%
Cost of materials	-109,541	-98,371	11.4%
Staff costs	-37,682	-30,553	23.3%
EBITDA	17,232	17,317	-0.5%
<i>EBITDA margin</i>	<i>10.0%</i>	<i>11.5%</i>	
EBIT	13,426	13,616	-1.4%
<i>EBIT margin</i>	<i>7.8%</i>	<i>9.0%</i>	
EBT	12,850	12,910	-0.5%
<i>EBT margin</i>	<i>7.4%</i>	<i>8.5%</i>	
Consolidated net profit after non-controlling interests	9,500	9,119	4.2%
Number of shares	6,600,000	6,600,000	
eps in €*	1.47	1.41	
Figures from the statement of financial position	30 Sep. € thou	31 Dec. € thou	%
Non-current assets	52,356	46,573	12.4%
Current assets	115,417	102,079	13.1%
Of which cash and equivalents**	52,573	45,234	16.2%
Issued capital (share capital)	6,456	6,456	0.0%
Other equity	56,714	50,955	11.3%
Total equity	63,170	57,411	10.0%
<i>Equity ratio</i>	<i>37.7%</i>	<i>38.6%</i>	
Non-current liabilities	48,210	37,733	27.7%
Current liabilities	56,393	53,508	5.4%
Total assets	167,773	148,652	12.9%
Net debt (-) or net cash (+)**	24,263	31,464	-22.9%
Employees	30 Sep.	31 Dec.	%
	1,056	998	5.8%

* Based on the number of shares outstanding at the publication date.

** This figure includes physical gold stocks and securities.

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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

The economic environment is still challenging. While the eurozone has since overcome the longest recession in its history, thanks to substantial support from the European Central Bank, growth is still at a low level. The eurozone and the global economy are expected to grow by 1.1% and 2.9% respectively in 2013.

The business conditions for our subsidiaries were stable in the third quarter as well. Our equity investments still have high order backlogs and steady incoming orders. However, price pressure on sales markets and rising commodities prices in some cases mean that there will still be margin challenges for individual equity investments.

Results of operations, financial position and net assets

The Group's results of operations, net assets and financial position are positive. In the first nine months of the financial year, the consolidated revenue of the MBB Group increased by 14.4% year-on-year to €172.8 million (previous year: €151.0 million). This is due in part to the full inclusion of the revenue of MBB Fertigungstechnik in 2013, which was only included pro rata in the previous year (from the date of first-time consolidation).

Other operating income fell slightly as against the previous year to €1.7 million (previous year: €2.6 million) and relates in particular to a removal of a financial liability, income from sales of securities, income from securities and investment subsidies.

The ratio of cost of materials to the total operating performance of €172.6 million in the first nine months of 2013 (previous year: €151.1 million) declined to 63.5% after 65.1% in the same period of the previous year.

EBITDA (earnings before interest, taxes, depreciation and amortisation) fell by 0.5% to €17.2 million (previous year: €17.3 million). After depreciation and amortisation of €3.8 million, the MBB Group's EBIT (earnings before interest and taxes) amounted to €13.4 million in the first nine months (previous year: €13.6 million). Taking into account net finance costs of €0.6 million, EBT (earnings before taxes) amounted to €12.9 million (previous year: €12.9 million). The consolidated net profit after non-controlling interests was €9.5 million (previous year: €9.1 million) or €1.47 per share (based on 6,455,799 shares outstanding) in the first nine months.

The consolidated statement of financial position as at 30 September 2013 reported equity of €63.2 million (31 December 2012: €57.4 million). Based on total consolidated assets of €167.8 million, the equity ratio declined slightly to 37.7% as against 38.6% as at 31 December 2012.

As at 30 September 2013, the MBB Group had financial liabilities of €28.3 million (31 December 2012: €13.8 million) and cash and cash equivalents including securities and physical gold reserves of €52.6 million (31 December 2012: €45.2 million). Accordingly, net cash from the above liabilities and cash positions of the MBB Group amounted to €24.3 million compared to €31.5 million as at 31 December 2012. The rise in financial liabilities is essentially due to the refinancing of the purchase of land and buildings of MBB Fertigungstechnik GmbH at the start of 2013 and the investments at our Polish subsidiary Hanke in 2013.

Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & Services

The Technical Applications segment saw significant year-on-year revenue growth in the first nine months. This is due to the full inclusion of the revenue of MBB Fertigungstechnik, which was not yet included in the first quarter of 2012. In the first nine months of 2013, external revenue in the Technical Applications segment amounted to €106.6 million (previous year: €86.7 million). Segment EBIT increased to €11.1 million after €10.6 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 posted slight growth in revenue. The segment's external revenue for the period from 1 January to 30 September 2013 amounted to €40.9 million after €39.5 million in the same period of the previous year. By contrast, EBIT decreased from €2.5 million in the previous year to €2.1 million in the period under review. In connection with the investments at Hanke, the expenses for the associated recruitment drive and staff training led to a decline in EBIT.

Revenue in the Trade & Services segment climbed slightly year-on-year to €25.3 million (previous year: €24.3 million). Segment EBIT also rose slightly to €0.4 million (previous year: €0.3 million).

Employees

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

Supplementary report

On 15 November 2013, through Delignit AG, MBB Industries AG acquired all shares in DHK automotive GmbH, Oberlungwitz, and all shares in HTZ Holztrocknungs GmbH, Oberlungwitz. The companies supplement the product range of Delignit AG and will boost the Technical Applications segment.

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 overall in the 2013 and 2014 financial years.

The management considers the Group's equity and liquidity situation to be important factors in enabling it to grow in the current market environment, both organically and through the acquisition of new equity investments, while ensuring that it is in a position to act at all times and even in the event of new global crises.

Berlin, 29 November 2013

Dr. Christof Nesemeier
Chief Executive Officer

IFRS Consolidated Interim Financial Statements for 2013

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan. - 30 Sep. 2013 € thou	1 Jan. - 30 Sep. 2012 € thou
Revenue	172,788	151,025
Increase (+) / decrease (-) in finished goods and work in progress	-155	36
Operating performance	172,633	151,061
Gain from a bargain purchase	0	1,737
Other operating income	1,664	2,588
Total performance	174,297	155,386
Cost of raw materials and supplies	-89,703	-80,791
Cost of purchased services	-19,838	-17,580
Cost of materials	-109,541	-98,371
Wages and salaries	-27,536	-22,145
Social security and pension costs	-10,146	-8,408
Staff costs	-37,682	-30,553
Other operating expenses	-9,842	-9,145
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	17,232	17,317
Amortisation and depreciation expense	-3,806	-3,701
Earnings before interest and taxes (EBIT)	13,426	13,616
Other interest and similar income	276	314
Interest and similar expenses	-852	-1,020
Net finance costs	-576	-706
Earnings before taxes (EBT)	12,850	12,910
Income tax expense	-2,929	-3,413
Other taxes	-122	-113
Profit or loss for the period	9,799	9,384
Non-controlling interests	-299	-265
Consolidated net profit	9,500	9,119
Earnings per share (in €)	1.47	1.41

IFRS statement of comprehensive income - quarter (unaudited)	1 Jul. - 30 Sep. 2013 € thou	1 Jul. - 30 Sep. 2012 € thou
Revenue	58,450	61,205
Increase (+) / decrease (-) in finished goods and work in progress	-294	171
Operating performance	58,156	61,376
Other operating income	604	1,082
Total performance	58,760	62,458
Cost of raw materials and supplies	-30,793	-33,941
Cost of purchased services	-6,419	-6,323
Cost of materials	-37,212	-40,264
Wages and salaries	-9,054	-8,599
Social security and pension costs	-3,237	-3,537
Staff costs	-12,291	-12,136
Other operating expenses	-3,444	-3,595
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	5,813	6,463
Amortisation and depreciation expense	-1,272	-1,238
Earnings before interest and taxes (EBIT)	4,541	5,225
Other interest and similar income	89	38
Interest and similar expenses	-282	-327
Net finance costs	-193	-289
Earnings before taxes (EBT)	4,348	4,936
Income tax expense	-974	-1,476
Other taxes	-39	-55
Profit or loss for the period	3,335	3,405
Non-controlling interests	-147	-46
Consolidated net profit	3,188	3,359
Earnings per share (in €)	0.49	0.52

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan. - 30 Sep. 2013 € thou	1 Jan. - 30 Sep. 2012 € thou
Consolidated net profit	9,500	9,119
Non-controlling interests	299	265
Profit or loss for the period	9,799	9,384
Currency translation changes recognised in equity	-316	638
Net loss (-) / profit (+) from available-for-sale financial assets	-496	1,109
Other comprehensive income after taxes	-812	1,747
Comprehensive income for the reporting period	8,987	11,131
Of which attributable to:		
- Shareholders of the parent company	8,688	10,866
- Non-controlling interests	299	265

Statement of financial position Assets (IFRS)	30 Sep. 2013 unaudited € thou	31 Dec. 2012 audited € thou
Non-current assets		
Concessions, industrial property rights and similar rights	2,994	3,038
Goodwill	1,816	1,816
Advance payments	214	84
Intangible assets	5,024	4,938
Land and buildings including buildings on third-party land	21,516	22,275
Technical equipment and machinery	6,873	7,644
Other equipment, operating and office equipment	3,240	3,297
Advance payments and assets under development	8,637	2,392
Property, plant and equipment	40,266	35,608
Investments in associates	0	0
Investment securities	6,021	4,932
Other loans	112	162
Financial assets	6,133	5,094
Deferred tax assets	933	933
	52,356	46,573
Current assets		
Raw materials and supplies	6,053	4,907
Work in progress	2,643	2,905
Finished goods	7,213	7,082
Advance payments	2,283	3,468
Inventories	18,192	18,362
Trade receivables	17,808	17,588
Receivables from construction contracts	27,879	22,721
Receivables associates	55	115
Other current assets	4,931	2,991
Trade receivables and other current assets	50,673	43,415
Gold and commodities	1,738	2,245
Securities	10,522	8,188
Available-for-sale financial assets	12,260	10,433
Cash in hand	21	10
Bank balances	34,271	29,859
Cash in hand, bank balances	34,292	29,869
	115,417	102,079
Total assets	167,773	148,652

Statement of financial position Equity and liabilities (IFRS)	30 Sep. 2013 unaudited € thou	31 Dec. 2012 audited € thou
Equity		
Issued capital	6,456	6,456
Capital reserves	14,395	14,395
Legal reserve	61	61
Retained earnings	39,624	34,164
Non-controlling interests	2,634	2,335
	63,170	57,411
Non-current liabilities		
Financial liabilities	22,272	11,224
Other liabilities	517	732
Pension provisions	18,598	18,173
Other provisions	1,517	4,153
Deferred tax liabilities	5,306	3,451
	48,210	37,733
Current liabilities		
Financial liabilities	5,556	2,116
Advance payments received	4,730	12,305
Trade payables	11,737	10,957
Other liabilities	6,843	4,864
Provisions with the nature of a liability	11,941	11,225
Tax provisions	3,571	3,421
Other provisions	12,015	8,620
	56,393	53,508
Total equity and liabilities	167,773	148,652

Consolidated statement of cash flows (unaudited)	1 Jan. - 30 Sep. 2013 € thou	1 Jan. - 30 Sep. 2012 € thou
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	13,426	13,616
Adjustments for non-cash transactions		
Write-downs on non-current assets	3,806	3,701
Increase (+) / decrease (-) in provisions	1,184	7,066
Bargain purchase	0	-1,737
Loss (+) / gain (-) from the disposal of PPA	-20	-194
Other non-cash expenses / income	-435	-128
	4,535	8,708
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-7,088	-15,000
Decrease (-) / increase (+) in trade payables and other liabilities	-4,315	4,295
	-11,403	-10,705
Income taxes paid	-1,046	-1,128
Interest received	276	314
	-770	-814
Cash flow from operating activities	5,788	10,805
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	-471	-260
Investments(-) / divestments(+) property, plant and equipment	-8,059	-3,501
Investments (-) / divestments (+) financial assets	50	91
Investments (-) / divestments (+) of available-for-sale financial assets and securities	-3,359	631
Disposal (+) / acquisition (-) of consolidated companies	0	-10,028
Cash flow from investing activities	-11,839	-13,067
3. Cash flow from financing activities		
Profit distribution to shareholders	-3,228	-2,841
Reacquired rights	0	-1,000
Proceeds from borrowing financial loans	15,288	684
Repayments of financial loans	-800	-2,028
Interest payments	-721	-902
Cash flow from financing activities	10,539	-6,087
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	4,488	-8,349
Effects of changes in foreign exchange rates (non-cash)	-65	33
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	34,292	36,372
Composition of cash and cash equivalents		
Cash in hand	21	17
Bank balances	34,271	36,355
Reconciliation to liquidity reserve on 30 Sep.	2013	2012
Cash and cash equivalents at end of period	34,292	36,372
Gold	1,738	2,433
Securities	16,543	12,680
Liquidity reserve on 30 Sep.	52,573	51,485

Statement of changes in consolidated equity (unaudited)									
	Issued capital	Capital reserves	Legal reserves	Retained earnings			Share of shareholders of MBB AG	Non-controlling interests	Consolidated equity
	€ thou	€ thou	€ thou	Currency translation difference € thou	Available for sale financial assets € thou	Generated consolidated equity € 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	-496	0	-496	0	-496
Currency translation difference	0	0	0	-316	0	0	-316	0	-316
Consolidated net profit	0	0	0	0	0	9,500	9,500	299	9,799
Total comprehensive income	0	0	0	-316	-496	9,500	8,688	299	8,987
30 Sep. 2013	6,456	14,395	61	-354	1,106	38,872	60,536	2,634	63,170

Notes to the Interim Consolidated Financial Statements

Accounting

The nine-month financial report of the MBB Group for the period 1 January to 30 September 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 is influenced by accounting policies and 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 Sep. 2013 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	106,621	40,861	25,306	0	172,788
Other segments	46	147	156	-349	0
Total revenue	106,667	41,008	25,462	-349	172,788
Earnings (EBIT)	11,109	2,093	412	-188	13,426
Amortisation and depreciation	1,282	1,733	758	33	3,806
Investments	1,661	6,031	858		
Investments in associates*	0	0	0		
Segment assets	64,960	36,756	9,036		
Segment liabilities	53,021	9,231	4,450		

1 Jan. - 30 Sep. 2012 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	86,682	39,509	24,334	500	151,025
Other segments	358	169	56	-583	0
Total revenue	87,040	39,678	24,390	-83	151,025
Earnings (EBIT)	10,588	2,527	288	213	13,616
Amortisation and depreciation	1,006	1,797	697	201	3,701
Investments	1,250	2,156	659		
Investments in associates*	0	0	0		
Segment assets	71,423	31,038	8,229		
Segment liabilities	69,449	9,378	3,553		

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

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

Dividend

MBB Industries AG distributed a dividend of €3.2 million (€0.50 per share) on 18 June 2013.

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, please see the supplementary report on page 4 of the interim Group management report.

Review

The condensed interim consolidated financial statements as at 30 September 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, 29 November 2013

Dr. Christof Nesemeier
CEO

Financial Calendar

End of the financial year

31 December 2013

Annual Report 2013

30 April 2014

Quarterly Report Q1/2014

30 May 2014

Annual General Meeting 2014

30 June 2014

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 will keep you up to date quickly and conveniently: www.mbb.com/RSS

There is also the **MBB newsletter** that can be subscribed to at www.mbb.com/newsletter. You will then always receive the latest news from MBB Industries AG by e-mail.

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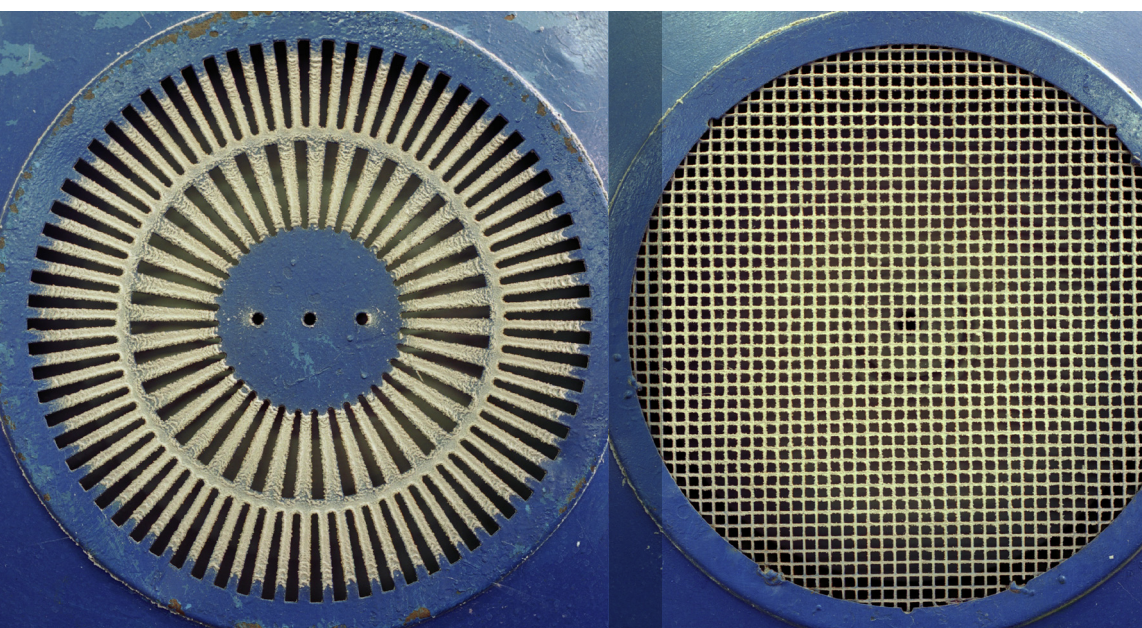
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