



QUARTERLY FINANCIAL REPORT SEPTEMBER 30, 2016

MBB SE, Berlin

MBB in figures

Nine months (unaudited)	2016	2015	Δ 2016 / 2015
	IFRS	IFRS	
Earnings figures	€ thou	€ thou	%
Revenue	242,741	186,571	30.1
Operating performance	243,999	186,184	31.1
Total performance	245,601	190,467	28.9
Cost of materials	-156,006	-119,893	30.1
Staff costs	-52,329	-42,454	23.3
EBITDA	23,690	17,419	36.0
<i>EBITDA margin</i>	<i>9.7%</i>	<i>9.4%</i>	
EBIT	18,080	12,245	47.7
<i>EBIT margin</i>	<i>7.4%</i>	<i>6.6%</i>	
EBT	17,241	11,408	51.1
<i>EBT margin</i>	<i>7.1%</i>	<i>6.1%</i>	
Consolidated net profit after non-controlling interests	11,114	8,947	24.2
Number of shares	6,600	6,600	
eps in €*	1.69	1.36	24.3
Dividend in € thou	3,886	3,754	3.5
Dividend per share in €	0.59	0.57	3.5
Figures from the statement of financial position	30 Sep € thou	31 Dec € thou	%
Non-current assets	104,708	98,530	6.3
Current assets	141,631	124,044	14.2
there of cash and equivalents**	58,399	53,976	8.2
Issued capital (share capital)	6,587	6,587	0.0
Other equity	90,661	81,152	11.7
Total equity	97,248	87,739	10.8
<i>Equity ratio</i>	<i>39.5%</i>	<i>39.4%</i>	
Non-current liabilities	67,909	60,429	12.4
Current liabilities	81,182	74,406	9.1
Total assets	246,339	222,574	10.7
Net debt (-) or net cash (+)**	5,861	8,091	-27.6
Employees	1,438	1,343	7.1

* Based on the average number of shares outstanding.

** This figure includes physical gold stocks and securities.

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Interim Group management report

MBB SE is a medium-sized, family-owned company that forms the MBB Group together with its subsidiaries.

Business and economic conditions

The German economy is continuing to grow in the second half of the year, although the pace of growth is more moderate than in the first half. Due to the vote for Brexit in the UK and the result of the US presidential elections, the global economic environment is uncertain, but no direct negative effects can be determined yet. The German federal government anticipates economic growth of 1.8% in 2016.

The sub-markets relevant to MBB showed positive developments.

MBB's subsidiaries continue to have high order backlogs and reported very solid incoming orders. This development has accelerated significantly, particularly in the field of e-mobility solutions, as the automotive industry is increasingly investing in this area.

Results of operations, financial position and net assets

The Group's results of operations, financial position and net assets continue to be positive. In the first nine months of the 2016 financial year, the consolidated revenue of the MBB Group was up 30.1% year-on-year at €242.7 million (previous year: €186.6 million). Excluding the Aumann Group that was acquired at the end of 2015, the MBB Group would have generated revenue of €210.2 million in the first nine months of 2016, which equates to organic growth of 12.6%.

Other operating income of €1.6 million (previous year: €4.3 million) includes income from sales of securities and other income from securities of €0.9 million in addition to other income of €0.7 million.

The ratio of cost of materials to the total operating performance of €244.0 million in the first nine months of the year (previous year: €186.2 million) dropped from 64.4% in the same period of the previous year to 63.9%.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by 36.0% to €23.7 million (previous year: €17.4 million). After depreciation and amortisation of €5.6 million, EBIT (earnings before interest and taxes) amounted to €18.1 million (previous year: €12.2 million). Adjusted for net finance costs of minus €0.8 million, EBT (earnings before taxes) amounted to €17.2 million (previous year: €11.4 million). The consolidated net profit after non-controlling interests was €11.1 million (previous year: €8.9 million) or €1.69 per share in the first nine months.

The consolidated statement of financial position as at 30 September 2016 reported equity of €97.2 million (31 December 2015: €87.7 million). Based on total consolidated assets of €246.3 million, the equity ratio was 39.5% after 39.4% as at 31 December 2015.

As at 30 September 2016, the MBB Group had financial liabilities of €52.5 million (31 December 2015: €45.9 million) and cash and cash equivalents including securities and physical gold reserves of €58.4 million (31 December 2015: €54.0 million). Accordingly, net cash from the above liabilities and cash items of the MBB Group amounted to €5.9 million compared to €8.1 million as at 31 December 2015. The reduction in net cash is the expected result of extensive investing activities, an increase in working capital in line with growth, and the dividend payment of €3.9 million on 1 July 2016.

Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & Services

Revenue and EBIT in the Technical Applications segment increased substantially. In the first nine months of 2016, external revenue in this segment amounted to €148.7 million (previous year: €101.0 million) and segment EBIT amounted to €12.7 million (previous year: €7.5 million). The increase in EBIT was thereby largely driven by the positive development in the field of e-mobility.

The Industrial Production segment saw an increase in revenue. In the period from 1 January to 30 September 2016, external revenue in this segment amounted to €63.5 million, after €60.5 million in the same period of 2015. EBIT of €3.1 million saw a year-on-year increase as compared to €2.4 million in the same period of the previous year.

Revenue in the Trade & Services segment significantly increased year-on-year to €30.6 million (previous year: €25.1 million). This segment's EBIT grew substantially to €1.2 million. In the previous year, it amounted to €-187 thousand. This growth was attributable to a very positive development of the DTS Group.

Employees

The number of people employed by the MBB Group increased by 7.1%, from 1,343 as at 31 December 2015 to 1,438 as at 30 September 2016. In addition, the MBB Group employed 79 trainees as at 30 September 2016.

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 2015 financial year, which is available on our website. There have been no significant changes in the risks and opportunities presented since 31 December 2015. The risk management system of MBB SE is appropriate for detecting risks at an early stage and taking immediate countermeasures.

Supplementary report

On 21 November 2016, MBB SE announced that MBB Technologies GmbH will be transformed into Aumann AG. In the future, Aumann AG will pool MBB SE's machine manufacturing activities. Aumann AG is the parent company of Aumann GmbH, Aumann Berlin GmbH, Aumann Immobilien GmbH, Aumann North America Inc., MBB Fertigungstechnik GmbH and MBB Technologies (China) Ltd.

Mr Ingo Wojtynia, the former managing partner of the Aumann Group acquired in 2015, will contribute his 25% share in individual Aumann companies to Aumann AG. As a result, 93.5% of the shares in Aumann AG will in future be held by MBB SE and 6.5% by Ingo Wojtynia. Ludger Martinschledde and Rolf Beckhoff have been appointed as members of the Managing Board of Aumann AG. The Chairman of the Supervisory Board is Gert-Maria Freimuth, co-founder and Chairman of the Board of MBB SE.

Report on expected developments

Based on the current business development and excellent incoming orders, the Executive Management is forecasting total revenue of more than €310 million with earnings of at least €2.10 per share for the 2016 financial year and already sees good conditions for success in the 2017 financial year.

The Executive Management considers the Group's equity and liquidity situation a sound basis for a further positive development in the current market environment, both through organic growth and through the acquisition of new companies, while ensuring that it remains in a position to act at all times and even in the event of new global crises.

Berlin, 30 November 2016



Dr Christof Nesemeier
Chief Executive Officer



Anton Breitkopf
Chief Financial Officer



Dr Gerrit Karalus
Chief Investment Officer



Klaus Seidel
Chief Technical Officer

IFRS interim consolidated financial statements for 2016

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Sep 2016 € thou	1 Jan - 30 Sep 2015 € thou
Revenue	242,741	186,571
Increase (+) / decrease (-) in finished goods and work in progress	1,258	-387
Operating performance	243,999	186,184
Other operating income	1,602	4,283
Total performance	245,601	190,467
Cost of raw materials and supplies	-124,116	-93,449
Cost of purchased services	-31,890	-26,444
Cost of materials	-156,006	-119,893
Wages and salaries	-41,042	-31,626
Social security and pension costs	-11,287	-10,828
Staff costs	-52,329	-42,454
Other operating expenses	-13,576	-10,701
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	23,690	17,419
Amortisation and depreciation expense	-5,610	-5,174
Earnings before interest and taxes (EBIT)	18,080	12,245
Other interest and similar income	501	388
Interest and similar expenses	-1,340	-1,225
Net finance costs	-839	-837
Earnings before taxes (EBT)	17,241	11,408
Income tax expense	-4,850	-2,121
Other taxes	-208	-194
Profit or loss for the period	12,183	9,093
Non-controlling interests	-1,069	-146
Consolidated net profit	11,114	8,947
Earnings per share (in €)	1.69	1.36

IFRS consolidated statement of comprehensive income (unaudited)	1 July - 30 Sep 2016 € thou	1 July - 30 Sep 2015 € thou
Revenue	83,386	62,145
Increase (+) / decrease (-) in finished goods and work in progress	-6	50
Operating performance	83,380	62,195
Other operating income	476	535
Total performance	83,856	62,730
Cost of raw materials and supplies	-42,598	-30,762
Cost of purchased services	-11,415	-8,789
Cost of materials	-54,013	-39,551
Wages and salaries	-13,703	-10,534
Social security and pension costs	-3,805	-3,624
Staff costs	-17,508	-14,158
Other operating expenses	-4,228	-3,426
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	8,107	5,595
Amortisation and depreciation expense	-1,893	-1,661
Earnings before interest and taxes (EBIT)	6,214	3,934
Other interest and similar income	90	79
Interest and similar expenses	-493	-425
Net finance costs	-403	-346
Earnings before taxes (EBT)	5,811	3,588
Income tax expense	-1,315	-485
Other taxes	-68	-64
Profit or loss for the period	4,428	3,039
Non-controlling interests	-499	-11
Consolidated net profit	3,929	3,028
Earnings per share (in €)	0.60	0.46

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Sep 2016 € thou	1 Jan - 30 Sep 2015 € thou
Consolidated net profit	11,114	8,947
Non-controlling interests	1,069	146
Profit or loss for the period	12,183	9,093
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-231	55
Available for sale financial assets	1,550	-3,293
Other comprehensive income after taxes	1,319	-3,238
Comprehensive income for the reporting period	13,502	5,855
there of attributable to:		
- Shareholders of the parent company	12,441	5,761
- Non-controlling interests	1,061	94

Statement of financial position Assets (IFRS)	30 Sep 2016 unaudited € thou	31 Dec 2015 audited € thou
Non-current assets		
Concessions, industrial property rights and similar rights	5,166	5,606
Goodwill	11,874	11,874
Advance payments	0	153
Intangible assets	17,040	17,633
Land and buildings including buildings on third-party land	34,645	31,406
Technical equipment and machinery	17,781	19,442
Other equipment, operating and office equipment	4,940	4,424
Advance payments and assets under development	4,552	3,260
Property, plant and equipment	61,918	58,532
Investment securities	19,023	14,976
Other loans	728	740
Financial assets	19,751	15,716
Deferred tax assets	5,999	6,649
	104,708	98,530
Current assets		
Raw materials and supplies	9,242	8,888
Work in progress	4,737	4,032
Finished goods	10,389	9,419
Advance payments	3,150	948
Inventories	27,518	23,287
Trade receivables	26,496	28,158
Receivables from construction contracts	41,676	27,155
Other current assets	6,565	6,444
Trade receivables and other current assets	74,737	61,757
Gold and commodities	2,098	1,721
Securities	10,216	13,688
Available-for-sale financial assets	12,314	15,409
Cash in hand	17	14
Bank balances	27,045	23,577
Cash in hand, bank balances	27,062	23,591
	141,631	124,044
Total assets	246,339	222,574

Statement of financial position Equity and liabilities (IFRS)	30 Sep 2016 unaudited € thou	31 Dec 2015 audited € thou
Equity		
Issued capital	6,587	6,587
Capital reserve	17,480	17,480
Legal reserve	61	61
Retained earnings	66,466	57,911
Non-controlling interests	6,654	5,700
	97,248	87,739
Non-current liabilities		
Liabilities to banks	34,759	30,738
Other interest bearing liabilities	2,295	2,798
Trade payables	115	280
Other liabilities	266	287
Pension provisions	22,395	22,089
Other provisions	3,390	1,018
Deferred tax liabilities	4,689	3,219
	67,909	60,429
Current liabilities		
Liabilities to banks	14,615	11,432
Other interest bearing liabilities	869	917
Advance payments received	10,528	7,800
Trade payables	22,292	23,664
Other liabilities	7,301	5,498
Provisions with the nature of a liability	13,825	9,922
Tax provisions	1,626	2,149
Other provisions	10,126	13,024
	81,182	74,406
Total equity and liabilities	246,339	222,574

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Sep 2016 € thou	1 Jan - 30 Sep 2015 € thou
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	18,080	12,245
Adjustments for non-cash transactions		
Write-downs on non-current assets	5,610	5,174
Increase (+) / decrease (-) in provisions	3,548	-1,131
Other non-cash expenses / income	-204	-206
	8,945	3,856
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-17,211	-5,560
Decrease (-) / increase (+) in trade payables and other liabilities	2,422	1,769
	-14,789	-3,791
Income taxes paid	-3,461	-3,015
Interest received	501	388
	-2,960	-2,627
Cash flow from operating activities	9,276	9,683
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	178	-24
Investments (-) / divestments (+) property, plant and equipment	-8,580	-5,205
Investments (-) / divestments (+) financial assets	12	53
Investments (-) / divestments (+) of available-for-sale financial assets and securities	598	-9,198
Cash from disposal of assets	9	30
Cash flow from investing activities	-7,783	-14,344
3. Cash flow from financing activities		
Profit distribution to shareholders	-3,886	-3,754
Payments to Non-Controlling Interests	-107	-24
Share buy back programme	0	-312
Proceeds from borrowing financial loans	12,336	2,230
Repayments of financial loans	-5,132	-1,252
Interest payments	-1,205	-973
Cash flow from financing activities	2,006	-4,085
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	3,499	-8,746
Effects of changes in foreign exchange rates (non-cash)	-28	-40
Cash and cash equivalents at start of reporting period	23,591	37,393
Cash and cash equivalents at end of period	27,062	28,607
Composition of cash and cash equivalents		
Cash in hand	17	12
Bank balances	27,045	28,595
Reconciliation to liquidity reserve on 30 Sep		
Cash and cash equivalents at end of period	27,062	28,607
Gold	2,098	1,759
Securities	29,239	25,425
Liquidity reserve on 30 Sep	58,399	55,791

Statement of changes in consolidated equity (unaudited)										
	Issued capital	Capital reserve	Legal reserve	Currency translation difference	Retained earnings			Share of shareholders of MBB SE	Non-controlling interests	Consolidated equity
	€ thou	€ thou	€ thou	€ thou	Available for sale financial assets	Pension reserve	Generated consolidated equity	€ thou	€ thou	€ thou
1 Jan 2015	6,600	17,779	61	-616	1,445	-2,687	52,461	75,043	3,510	78,553
Payments to shareholders	0	0	0	0	0	0	-3,754	-3,754	-79	-3,833
Subtotal	6,600	17,779	61	-616	1,445	-2,687	48,707	71,289	3,431	74,720
Amounts recognised in other comprehensive income	0	0	0	0	-968	225	0	-743	-17	-760
Currency translation difference	0	0	0	23	0	0	0	23	-8	15
Consolidated net profit	0	0	0	0	0	0	11,782	11,782	646	12,428
Total comprehensive income	0	0	0	23	-968	225	11,782	11,062	621	11,683
Treasury shares	-13	-299	0	0	0	0	0	-312	0	-312
Acquisition of Aumann	0	0	0	0	0	0	0	0	1,648	1,648
31 Dec 2015	6,587	17,480	61	-593	477	-2,462	60,489	82,039	5,700	87,739
Payments to shareholders	0	0	0	0	0	0	-3,886	-3,886	-107	-3,993
Subtotal	6,587	17,480	61	-593	477	-2,462	56,603	78,153	5,593	83,746
Amounts recognised in other comprehensive income	0	0	0	0	1,550	0	0	1,550	0	1,550
Currency translation difference	0	0	0	-223	0	0	0	-223	-8	-231
Consolidated net profit	0	0	0	0	0	0	11,114	11,114	1,069	12,183
Total comprehensive income	0	0	0	-223	1,550	0	11,114	12,441	1,061	13,502
30 Sep 2016	6,587	17,480	61	-816	2,027	-2,462	67,717	90,594	6,654	97,248

Notes to the interim consolidated financial statements

Accounting

The interim financial report of the MBB Group for the period 1 January to 30 September 2016 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 preparing the consolidated financial statements as at 31 December 2015. 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

The management of the MBB Group classifies the segments as reported in the interim Group management report.

1 Jan - 30 Sep 2016 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	148,729	63,460	30,552	0	242,741
Other segments	17	88	257	-362	0
Total revenue	148,746	63,548	30,809	-362	242,741
Earnings (EBIT)	12,698	3,106	1,202	1,074	18,080
Amortisation and depreciation	2,182	2,328	1,067	33	5,610
Investments	3,686	3,209	1,507		
Segment assets	116,073	52,813	10,274		
Segment liabilities	68,553	14,856	6,168		

1 Jan - 30 Sep 2015 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	101,028	60,480	25,063	0	186,571
Other segments	11	69	158	-238	0
Total revenue	101,039	60,549	25,221	-238	186,571
Earnings (EBIT)	7,457	2,352	-187	2,623	12,245
Amortisation and depreciation	1,942	2,227	973	32	5,174
Investments	963	3,424	842		
Segment assets	71,563	51,355	10,055		
Segment liabilities	58,303	15,430	3,962		

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

Dividend

A dividend of €3.9 million for the 2015 financial year (€0.59 per entitled share) was paid on 1 July 2016.

Changes in contingent liabilities

There were no changes in contingent liabilities as against 31 December 2015.

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

On 21 November 2016, MBB SE announced that MBB Technologies GmbH will be transformed into Aumann AG. In the future, Aumann AG will pool MBB SE's machine manufacturing activities within the Technical Applications segment. Aumann AG is the parent company of Aumann GmbH, Aumann Berlin GmbH, Aumann Immobilien GmbH, Aumann North America Inc., MBB Fertigungstechnik GmbH and MBB Technologies (China) Ltd.

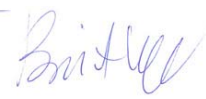

Review

The condensed interim consolidated financial statements as at 30 September 2016 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 consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations 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, 30 November 2016



Dr Christof Nesemeier Anton Breitkopf
Chief Executive Officer Chief Financial Officer



Dr Gerrit Karalus
Chief Investment Officer



Klaus Seidel
Chief Technical Officer

Financial calendar

End of financial year

31 December 2016

Annual Report 2016

28 April 2017^e

Annual General Meeting 2017

28 June 2017^e

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 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 SE by e-mail.

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