



HALF-YEAR FINANCIAL REPORT

2016

MBB SE, Berlin

MBB in figures

Half year (unaudited)	2016	2015	Δ 2016 / 2015
	IFRS	IFRS	
Earnings figures	€ thou	€ thou	%
Revenue	159,355	124,426	28.1
Operating performance	160,619	123,989	29.5
Total performance	161,745	127,737	26.6
Cost of materials	-101,993	-80,342	26.9
Staff costs	-34,821	-28,296	23.1
EBITDA	15,583	11,824	31.8
<i>EBITDA margin</i>	9.7%	9.5%	
EBIT	11,866	8,311	42.8
<i>EBIT margin</i>	7.4%	6.7%	
EBT	11,430	7,820	46.2
<i>EBT margin</i>	7.1%	6.3%	
Consolidated net profit after non-controlling interests	7,185	5,919	21.4
Number of shares	6,600	6,600	
eps in €*	1.09	0.90	21.1
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 Jun	31 Dec	%
	€ thou	€ thou	
Non-current assets	102,931	98,530	4.5
Current assets	133,361	124,044	7.5
there of cash and equivalents**	55,625	53,976	3.1
Issued capital (share capital)	6,587	6,587	0.0
Other equity	89,480	81,152	10.3
Total equity	96,067	87,739	9.5
<i>Equity ratio</i>	40.7%	39.4%	
Non-current liabilities	61,469	60,429	1.7
Current liabilities	78,756	74,406	5.8
Total assets	236,292	222,574	6.2
Net debt (-) or net cash (+)**	9,872	8,091	22.0
Employees	1,387	1,343	3.3

* Based on the average number of shares outstanding.

** This figure includes physical gold stocks and securities.

Contents

MBB in figures	1
Contents	2
Welcome note from the Executive Management	3
Interim Group management report	4
Business and economic conditions	4
Results of operations, financial position and net assets	4
Segment performance	4
Employees	5
Report on risks and opportunities	5
Supplementary report	5
Report on expected developments	5
IFRS consolidated interim financial statements for 2016	6
Notes to the interim consolidated financial statements	13
Accounting	13
Accounting policies	13
Segment reporting	13
Dividend	13
Changes in contingent liabilities	14
Related party transactions	14
Review	14
Responsibility statement	14
Financial calendar	15
Contact	15
Legal notice	15

Welcome note from the Executive Management

Dear Shareholders,

Driven by solid macroeconomic demand, MBB SE continued its positive business development in the first half of 2016. Investments in existing subsidiaries and the acquisition of 75% of shares in the Aumann Group resulted in revenue and EBITDA growth to the tune of 30% compared to the same period of the previous year.

Due to the excellent business situation of MBB's subsidiaries and high incoming orders in the first half of the year, the forecast for the year was revised upward to a record revenue amount of over €310 million and earnings per share of at least €2.10. In our view, the good position of MBB's subsidiaries is the result of strategic decisions and we are convinced that these will pay off, also in the long term.

The solid development of key financial ratios, for example the increase in the Group's equity, equity ratio and net financial position, has also laid the groundwork for a positive share price performance. Over the past 12 months, MBB's share price increased by approximately 50%. Since MBB went public ten years ago, MBB's share price has almost quadrupled. In addition, dividends that were at least as high as in the previous year were paid every year. This year, the Annual General Meeting resolved another dividend increase to a current €0.59.

We want to achieve an extraordinary increase in value in the future as well, and hope that you will accompany us on our journey as MBB shareholders.

Yours,



Dr Christof Nesemeier



Anton Breilkopf



Dr Gerrit Karalus



Klaus Seidel

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

In the first half of 2016, developed economies posted moderate growth supported by low oil and energy prices, stronger domestic demand and an improving situation on the labour market. In addition, low inflationary pressure and a loose monetary policy in the Eurozone contributed to this development. The European Central Bank announced a further cut of the benchmark interest rate to a current 0.0%, a decrease in interest on deposits to minus 0.4% and an expansion of monthly bond purchases from €60 billion to €80 billion until March 2017. According to the latest figures published by the IMF, Germany is expected to record economic growth of 1.6% in 2016, with a growth forecast of 2.2% for the USA and 6.6% for China.

The sub-markets relevant to MBB saw positive development. For example, the automotive industry grew by 9% in Western Europe, 1% in the USA and 12% in China in the first half of the year according to figures from the German Association of the Automotive Industry (VDA). With 10.6 million new car registrations, China is by all means the largest automotive market. 8.6 million new vehicles were registered in the USA and 7.5 million new vehicles were registered in Western Europe.

MBB's subsidiaries continue to have high order backlogs and reported very solid incoming orders.

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 six months of the 2016 financial year, the consolidated revenue of the MBB Group was up 28.1% year-on-year at €159.4 million (previous year: €124.4 million). Excluding the Aumann Group that was acquired at the end of 2015, the MBB Group would have generated revenue of €138.1 million in the first half of 2016, which equates to organic growth of 11.0%.

Other operating income of €1.1 million (previous year: €3.7 million) includes income from sales of securities and other income from securities of €0.7 million in addition to other income of €0.4 million.

The ratio of cost of materials to the total operating performance of €160.6 million in the first six months of 2016 (previous year: €124.0 million) dropped from 64.8% in the same period of the previous year to 63.5%.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by 31.8% to €15.6 million (previous year: €11.8 million). After depreciation and amortisation of €3.7 million, EBIT (earnings before interest and taxes) amounted to €11.9 million (previous year: €8.3 million). Adjusted for net finance costs of minus €0.4 million, EBT (earnings before taxes) amounted to €11.4 million (previous year: €7.8 million). The consolidated net profit after non-controlling interests was €7.2 million (previous year: €5.9 million) or €1.09 per share in the first six months.

The consolidated statement of financial position as at 30 June 2016 reported equity of €96.1 million (31 December 2015: €87.7 million). Based on total consolidated assets of €236.3 million, the equity ratio was 40.7% after 39.4% as at 31 December 2015.

As at 30 June 2016, the MBB Group had financial liabilities of €45.8 million (31 December 2015: €37.1 million) and cash and cash equivalents including securities and physical gold reserves of €55.6 million (31 December 2015: €54.0 million). Accordingly, net cash from the above liabilities and cash items of the MBB Group amounted to €9.9 million compared to €8.1 million as at 31 December 2015.

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 half of 2016, external revenue in this segment amounted to €96.9 million (previous year: €67.9 million) and segment EBIT amounted to €8.2 million (previous year: €5.7 million).

The Industrial Production segment saw a slight increase in revenue. In the period from 1 January to 30 June 2016, external revenue in this segment amounted to €42.5 million, after €40.8 million in the same period of 2015. EBIT of €2.1 million saw a year-on-year increase. In the same period of the previous year, EBIT of €1.8 million was reported.

Revenue in the Trade & Services segment significantly increased year-on-year to €19.9 million (previous year: €15.7 million). At €893 thousand, segment EBIT also increased as against minus €336 thousand in the previous year, which was particularly the result of growth in the attractive area of services.

Employees

The number of people employed by the MBB Group increased by 3.3%, from 1,343 as at 31 December 2015 to 1,387 as at 30 June 2016. In addition, the MBB Group employed 63 trainees as at 30 June 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

There were no significant events after the reporting date.

Report on expected developments

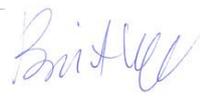
For the 2016 financial year, the Executive Management is forecasting total revenue of more than €310 million with earnings of at least €2.10 per share as a result of the current business development and excellent incoming orders.

The Executive Management considers the Group's equity and liquidity situation a sound premise 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, 31 August 2016



Dr Christof Nesemeier



Anton Breitkopf



Dr Gerrit Karalus



Klaus Seidel

IFRS consolidated interim financial statements for 2016

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Jun 2016 € thou	1 Jan - 30 Jun 2015 € thou
Revenue	159,355	124,426
Increase (+) / decrease (-) in finished goods and work in progress	1,264	-437
Operating performance	160,619	123,989
Other operating income	1,126	3,748
Total performance	161,745	127,737
Cost of raw materials and supplies	-81,518	-62,687
Cost of purchased services	-20,475	-17,655
Cost of materials	-101,993	-80,342
Wages and salaries	-27,339	-21,092
Social security and pension costs	-7,482	-7,204
Staff costs	-34,821	-28,296
Other operating expenses	-9,348	-7,275
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	15,583	11,824
Amortisation and depreciation expense	-3,717	-3,513
Earnings before interest and taxes (EBIT)	11,866	8,311
Other interest and similar income	411	309
Interest and similar expenses	-847	-800
Net finance costs	-436	-491
Earnings before taxes (EBT)	11,430	7,820
Income tax expense	-3,535	-1,636
Other taxes	-140	-130
Profit or loss for the period	7,755	6,054
Non-controlling interests	-570	-135
Consolidated net profit	7,185	5,919
Earnings per share (in €)	1.09	0.90

IFRS consolidated statement of comprehensive income (unaudited)	1 April - 30 Jun 2016 € thou	1 April - 30 Jun 2015 € thou
Revenue	81,139	64,185
Increase (+) / decrease (-) in finished goods and work in progress	554	225
Operating performance	81,693	64,410
Other operating income	599	1,994
Total performance	82,292	66,404
Cost of raw materials and supplies	-41,888	-34,589
Cost of purchased services	-10,149	-8,505
Cost of materials	-52,037	-43,094
Wages and salaries	-13,668	-10,762
Social security and pension costs	-3,771	-3,661
Staff costs	-17,439	-14,423
Other operating expenses	-5,039	-3,512
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	7,777	5,375
Amortisation and depreciation expense	-1,704	-1,686
Earnings before interest and taxes (EBIT)	6,073	3,689
Other interest and similar income	172	150
Interest and similar expenses	-418	-382
Net finance costs	-246	-232
Earnings before taxes (EBT)	5,827	3,457
Income tax expense	-1,945	-451
Other taxes	-69	-66
Profit or loss for the period	3,813	2,940
Non-controlling interests	-317	-123
Consolidated net profit	3,496	2,817
Earnings per share (in €)	0.53	0.43

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Jun 2016 € thou	1 Jan - 30 Jun 2015 € thou
Consolidated net profit	7,185	5,919
Non-controlling interests	570	135
Profit or loss for the period	7,755	6,054
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-626	330
Available for sale financial assets	1,363	-1,995
Other comprehensive income after taxes	737	-1,665
Comprehensive income for the reporting period	8,492	4,389
there of attributable to:		
- Shareholders of the parent company	7,848	4,253
- Non-controlling interests	644	136

Statement of financial position	30 Jun 2016	31 Dec 2015
Assets (IFRS)	unaudited € thou	audited € thou
Non-current assets		
Concessions, industrial property rights and similar rights	5,225	5,606
Goodwill	11,874	11,874
Advance payments	224	153
Intangible assets	17,323	17,633
Land and buildings including buildings on third-party land	33,886	31,406
Technical equipment and machinery	18,072	19,442
Other equipment, operating and office equipment	4,933	4,424
Advance payments and assets under development	3,672	3,260
Property, plant and equipment	60,563	58,532
Investment securities	18,400	14,976
Other loans	728	740
Financial assets	19,128	15,716
Deferred tax assets	5,917	6,649
	102,931	98,530
Current assets		
Raw materials and supplies	10,029	8,888
Work in progress	6,134	4,032
Finished goods	8,665	9,419
Advance payments	2,100	948
Inventories	26,928	23,287
Trade receivables	25,289	28,158
Receivables from construction contracts	37,096	27,155
Other current assets	6,823	6,444
Trade receivables and other current assets	69,208	61,757
Gold and commodities	2,104	1,721
Securities	10,249	13,688
Available-for-sale financial assets	12,353	15,409
Cash in hand	14	14
Bank balances	24,858	23,577
Cash in hand, bank balances	24,872	23,591
	133,361	124,044
Total assets	236,292	222,574

Statement of financial position	30 Jun 2016	31 Dec 2015
Equity and liabilities (IFRS)	unaudited € thou	audited € thou
Equity		
Issued capital	6,587	6,587
Capital reserve	17,480	17,480
Legal reserve	61	61
Retained earnings	65,759	57,911
Non-controlling interests	6,180	5,700
	96,067	87,739
Non-current liabilities		
Liabilities to banks	28,651	30,738
Other interest bearing liabilities	2,412	2,798
Trade payables	280	280
Other liabilities	272	287
Pension provisions	22,279	22,089
Other provisions	3,250	1,018
Deferred tax liabilities	4,325	3,219
	61,469	60,429
Current liabilities		
Liabilities to banks	13,815	11,432
Other interest bearing liabilities	875	917
Advance payments received	10,538	7,800
Trade payables	23,705	23,664
Other liabilities	3,840	5,498
Provisions with the nature of a liability	13,927	9,922
Tax provisions	1,421	2,149
Other provisions	10,635	13,024
	78,756	74,406
Total equity and liabilities	236,292	222,574

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2016 € thou	1 Jan - 30 Jun 2015 € thou
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	11,866	8,311
Adjustments for non-cash transactions		
Write-downs on non-current assets	3,717	3,513
Increase (+) / decrease (-) in provisions	3,948	-119
Other non-cash expenses / income	-562	174
	7,103	3,587
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-11,092	-17,569
Decrease (-) / increase (+) in trade payables and other liabilities	678	5,834
	-10,414	-11,735
Income taxes paid	-2,565	-2,341
Interest received	371	309
	-2,194	-2,032
Cash flow from operating activities	6,361	-1,869
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	100	85
Investments (-) / divestments (+) property, plant and equipment	-5,498	-2,077
Investments (-) / divestments (+) financial assets	12	41
Investments (-) / divestments (+) of available-for-sale financial assets and securities	994	-4,165
Cash flow from investing activities	-4,392	-6,086
3. Cash flow from financing activities		
Payments to Non-Controlling Interests	-164	-21
Share buy back programme	0	-312
Proceeds from borrowing financial loans	3,726	2,776
Repayments of financial loans	-3,430	-622
Interest payments	-757	-710
Cash flow from financing activities	-625	1,111
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	1,344	-6,844
Effects of changes in foreign exchange rates (non-cash)	-63	17
Cash and cash equivalents at start of reporting period	23,591	37,393
Cash and cash equivalents at end of period	24,872	30,566
Composition of cash and cash equivalents		
Cash in hand	14	12
Bank balances	24,858	30,554
Reconciliation to liquidity reserve on 30 Jun	2016	2015
Cash and cash equivalents at end of period	24,872	30,566
Gold	2,104	1,862
Securities	28,649	21,587
Liquidity reserve on 30 Jun	55,625	54,015

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	0	0	-164	-164
Subtotal	6,587	17,480	61	-593	477	-2,462	60,489	82,039	5,536	87,575
Amounts recognised in other comprehensive income	0	0	0	0	1,363	0	0	1,363	0	1,363
Currency translation difference	0	0	0	-700	0	0	0	-700	74	-626
Consolidated net profit	0	0	0	0	0	0	7,185	7,185	570	7,755
Total comprehensive income	0	0	0	-700	1,363	0	7,185	7,848	644	8,492
30 Jun 2016	6,587	17,480	61	-1,293	1,840	-2,462	67,674	89,887	6,180	96,067

Notes to the interim consolidated financial statements

Accounting

The interim financial report of the MBB Group for the period 1 January to 30 June 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 Jun 2016 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	96,941	42,511	19,903	0	159,355
Other segments	10	54	194	-258	0
Total revenue	96,951	42,565	20,097	-258	159,355
Earnings (EBIT)	8,184	2,090	893	699	11,866
Amortisation and depreciation	1,464	1,542	689	22	3,717
Investments	2,588	1,720	1,090		
Segment assets	108,579	53,305	9,892		
Segment liabilities	68,420	15,298	4,329		

1 Jan - 30 Jun 2015 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	67,930	40,777	15,719	0	124,426
Other segments	9	31	106	-146	0
Total revenue	67,939	40,808	15,825	-146	124,426
Earnings (EBIT)	5,656	1,825	-336	1,166	8,311
Amortisation and depreciation	1,209	1,623	659	22	3,513
Investments	489	987	516		
Segment assets	84,253	49,297	10,372		
Segment liabilities	65,440	13,689	4,182		

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

Dividend

On 30 June 2016, the Annual General Meeting of MBB SE resolved the distribution of a dividend of €3.9 million (€0.59 per entitled share) for the 2015 financial year. The dividend 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.

Review

The condensed interim consolidated financial statements as at 30 June 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, 31 August 2016

Dr Christof Nesemeier

Anton Breitkopf

Dr Gerrit Karalus

Klaus Seidel

Financial calendar

Analyst Conference

German Equity Forum

Frankfurt/Main

21–23 November 2016

Quarterly Report Q3/2016

30 November 2016

End of financial year

31 December 2016

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.

Contact

MBB SE

Joachimsthaler Str. 34

10719 Berlin, Germany

Tel.: +49 (0)30 844 15 330

Fax: +49 (0)30 844 15 333

www.mbb.com

request@mbb.com

Legal notice

MBB SE

Joachimsthaler Str. 34

10719 Berlin, Germany

