

**INTERIM REPORT  
JANUARY 1 TO JUNE 30, 2007**

<b>Holding Company</b>		<b>June 30, 2007</b>	June 30, 2006
Income from investments	EUR in millions	<b>39.2</b>	39.5
EBIT	EUR in millions	<b>34.2</b>	34.9
Net profit for the period	EUR in millions	<b>23.1</b>	22.1
Total assets*	EUR in millions	<b>917.6</b>	900.3
Fixed assets*	EUR in millions	<b>742.0</b>	724.4
Equity*	EUR in millions	<b>480.3</b>	457.2
Equity ratio*	%	<b>52.3</b>	50.8

<b>Group</b>		<b>June 30, 2007</b>	June 30, 2006
Revenue	EUR in millions	<b>453.5</b>	403.5
Export share	%	<b>39.4</b>	38.2
EBITDA	EUR in millions	<b>69.9</b>	70.4
EBIT	EUR in millions	<b>49.6</b>	49.8
Net income for the period	EUR in millions	<b>20.1</b>	20.9
Depreciation	EUR in millions	<b>20.3</b>	20.6
Total assets*	EUR in millions	<b>929.0</b>	900.4
Equity*	EUR in millions	<b>225.0</b>	204.6
Equity ratio*	%	<b>24.2</b>	22.7
Employees		<b>5,440</b>	5,146
– Holding company		<b>17</b>	18
– Portfolio companies		<b>5,423</b>	5,128

<b>Share</b>		<b>Jan. 1 to June 30, 2007</b>	Jan. 1 to June 30, 2006
Earnings per share (holding company)	EUR	<b>1.28</b>	1.23
Earnings per share (Group)	EUR	<b>1.12</b>	1.21
6-month high	EUR	<b>31.85</b>	33.98
6-month low	EUR	<b>26.90</b>	25.80
Price at end of period	EUR	<b>30.40</b>	27.88
Average daily turnover	No. of shares	<b>57,022</b>	51,636
Market capitalization	EUR in millions	<b>547.20</b>	501.84

**Financial Calendar**

November 30, 2007	Interim Report on the First Three Quarters
April 30, 2008	Annual Report 2007
May 5, 2008	Balance Sheet Press Conference
May 6, 2008	Analyst Conference
July 2008	Annual Shareholders' Meeting, Cologne

\* Comparable figures as of December 31, 2006.

Ladies and Gentlemen,

The business trend witnessed in the first six months of the current financial year was satisfactory. We posted another gain in consolidated revenue, with the operating result matching the high level achieved in the same period last year. This is a respectable performance against the backdrop of rising raw material prices, and the significant wage increases in certain sectors. The price adjustments implemented by our portfolio companies will take effect with a lag in the second half of the year. Therefore, we expect to be able to post gains not only in consolidated revenue, but also in our consolidated operating result for the year as a whole.

In the last two years, since prices were too high, we made a conscious decision to pursue a restrained acquisition policy, thus acting anti-cyclically. We made use of this time to optimize our portfolio companies' internal processes and drive organic growth. We are now experiencing a phase in which private equity firms are seeing their financial headroom narrow and acquisition prices are normalizing. Given our comforting equity ratio at the Group and parent company levels, our cash and cash equivalents and firm bank commitments, we are in a position to invest in the expansion of our portfolio at any time.

I would like to take this opportunity to thank our employees and general managers who had a positive influence on the development of their companies and, in turn, of INDUS Holding AG once again in the first half of the year.

Sincerely,



Helmut Ruwisch

Chairman of the Board of Management

## General Economic Trend

The German economy's upward trend slowed somewhat in the second quarter of 2007. Net of price, seasonal and calendar effects, the gross domestic product (GDP) was up 0.3% on the first quarter. The rate of growth in the first quarter of 2007 was 0.5%.

In the second quarter, positive stimuli came from the dynamic development of exports. While exports posted another strong gain, imports slipped compared with the first quarter of the year, resulting in exports accounting for a total of 0.8 percentage points of GDP expansion. Domestic growth stimuli were much weaker. Consumer spending advanced just as strongly as investments in fixed assets, but consumer spending, changes in inventories and—above all—construction outlays were down on the first quarter of 2007.

The development of raw material prices did not experience any relief in the first six months. Most notably, petroleum prices recorded a marked recovery following a price erosion in January. Prices of other major raw materials also remained high in the first six months.

## Status of INDUS Holding AG

### Earnings Situation

In the first half of the year, INDUS AG generated EUR 1.9 million in revenue (H1 2006: EUR 1.8 million). Parent company revenue exclusively consists of consulting services rendered to the individual portfolio companies by the holding company. Income from investments were on par with the year-earlier level, totaling EUR 39.2 million (H1 2006: EUR 39.5 million). The same applies to earnings before interest and taxes (EBIT), which amounted to EUR 34.2 million (H1 2006: EUR 34.9 million). In contrast, net income rose 4.5% to EUR 23.1 million from EUR 22.1 million due to the reduced interest expense. Accordingly, earnings per share advanced from EUR 1.23 to EUR 1.28.

### Financial and Net Assets Position

By June 30, 2007, INDUS Holding AG's balance sheet total had recorded a marginal EUR 17.3 million increase to EUR 917.6 million. The rise is largely due to the advance in financial assets caused by changes to the scope of consolidation. All in all, fixed assets were up EUR 17.6 million to EUR 742.0 million. At EUR 175.6 million, current assets were essentially unchanged (EUR -0.3 million). In the first six months, equity rose by EUR 23.1 million to EUR 480.3 million. Accordingly, the equity ratio improved by 1.5 percentage points to 52.3%.

### Employees

As of June 30, 2007, INDUS employed a total of 17 staff members (H1 2006: 18 staff members).

## Status of the INDUS Group

### Earnings Situation

Business trend in the first half of 2007:

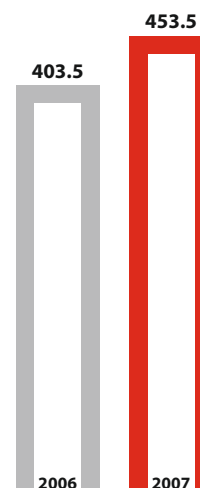
In the first half of 2007, consolidated revenue jumped 12.4%, climbing from EUR 403.5 million to EUR 453.5 million. This pleasing development is due to the fact that OBUK was consolidated for the first time and that the existing portfolio companies displayed a positive business trend. The export share was 39.4%—1.2 percentage points up year on year. The cost of materials rose 14.8% to EUR 217.8 million owing to the persistently high level of raw material and energy prices. Accordingly, the ratio of the cost of materials to total revenue was 48.0%—1.0 percentage points up on the year-earlier figure. In contrast, the ratio of staff costs to total revenue displayed a positive development, dropping by 0.5 percentage points to 26.0% thanks to the streamlining measures taken. In absolute terms, staff costs advanced by 10.3% to EUR 118.0 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 69.9 million, nearly matching the level achieved in the strong first half of 2006 (H1 2006: EUR 70.4 million). At EUR 20.3 million, depreciation and amortization were EUR 0.3 million lower. As a result, earnings before interest and taxes (EBIT) totaled EUR 49.6 million, also surpassing the year-earlier level (H1 2006: EUR 49.8 million). Net interest changed from EUR –9.0 million to EUR –11.1 million. As far as this item is concerned, one must take into account the fact that figures for the same period in 2006 and for 2007 include retroactive, non-operating and non-cash effects stemming from the valuation of interest-hedging instruments. Net of these effects, net interest would have recorded a slight improvement. Earnings before taxes (EBT) declined 5.8%, from EUR 40.8 million to EUR 38.4 million. Payable taxes rose by a marginal EUR 0.7 million to EUR 18.0 million. Net income after minority interests amounted to EUR 20.1 million (H1 2006: EUR 20.9 million), and was thus nearly on par with the level achieved in the corresponding period last year. This results in earnings per share of EUR 1.12 (H1 2006: EUR 1.21).

Business trend in the second quarter of 2007:

In the second quarter, revenue advanced 10.3%, from EUR 211.1 million to EUR 232.8 million. Other operating income was up EUR 1.3 million to EUR 2.8 million. Whereas the ratio of the cost of materials to total revenue increased significantly throughout the first half of the year, it dropped by 0.8 percentage points to 46.0% in the second quarter. The ratio of staff costs to total revenue also declined, slipping by 0.4 percentage points to 25.7%. At EUR 38.9 million, EBITDA was just as close to the year-earlier level (H1 2006: EUR 39.7 million) as the EUR 29.0 million in EBIT (H1 2006: EUR 29.7 million). Net interest improved marginally, advancing by EUR 0.2 million to EUR –4.5 million. Accordingly, EBT came in at EUR 24.5 million (H1 2006: EUR 25.0 million). Owing to the substantial decline in the minority interest, net income rose slightly, advancing from EUR 12.8 million to EUR 12.9 million.

Revenue as of June 30  
EUR in millions



## Financial and Net Assets Position

On the assets side of the consolidated balance sheet, non-current assets were up EUR 15.9 million to EUR 540.8 million. This change was predominantly driven by goodwill, which rose to EUR 281.1 million. In contrast, the remaining non-current asset items only recorded a marginal change. Current assets also posted a slight increase, growing by EUR 12.8 million to a total of EUR 388.3 million as of the balance sheet date. Cash and cash equivalents decreased by EUR 32.1 million to EUR 60.6 million, which is still a comfortable level.

On the equity and liabilities side, the Group's shareholders' equity was up EUR 20.4 million to EUR 225.0 million as of June 30, 2007. This caused the equity ratio to rise by 1.5 percentage points to 24.2% (December 31, 2006: 22.7%). Non-current liabilities decreased by EUR 35.3 million to EUR 426.9 million. This is largely due to the reclassification of non-current financial liabilities to current financial liabilities. Non-current financial liabilities were down EUR 39.3 million to EUR 380.6 million. Other non-current liabilities remained essentially unchanged, with deferred taxes posting the only increase, advancing by EUR 3.2 million to EUR 22.4 million. Current liabilities rose by EUR 43.5 million to EUR 277.2 million. While other current liabilities declined by EUR 9.2 million to EUR 55.2 million, the other items were higher year on year. Accordingly, current financial liabilities were up EUR 36.3 million to EUR 135.9 million, trade accounts payable were up EUR 9.4 million to EUR 43.3 million, and other current provisions were up EUR 5.4 million to EUR 41.1 million.

The balance sheet total was up a marginal EUR 28.6 million to EUR 929.0 million from the level it had achieved as of December 31, 2006.

Cash flows from operating activities declined from EUR 11.4 million to EUR 6.4 million. Cash flows from investing activities changed from EUR -27.2 million to EUR -35.0 million. Cash flows from financing activities amounted to EUR -3.4 million and were thus markedly up on the EUR -41.5 million recorded a year earlier, which was marked by the redemption of the EUR 100 million syndicated credit line.

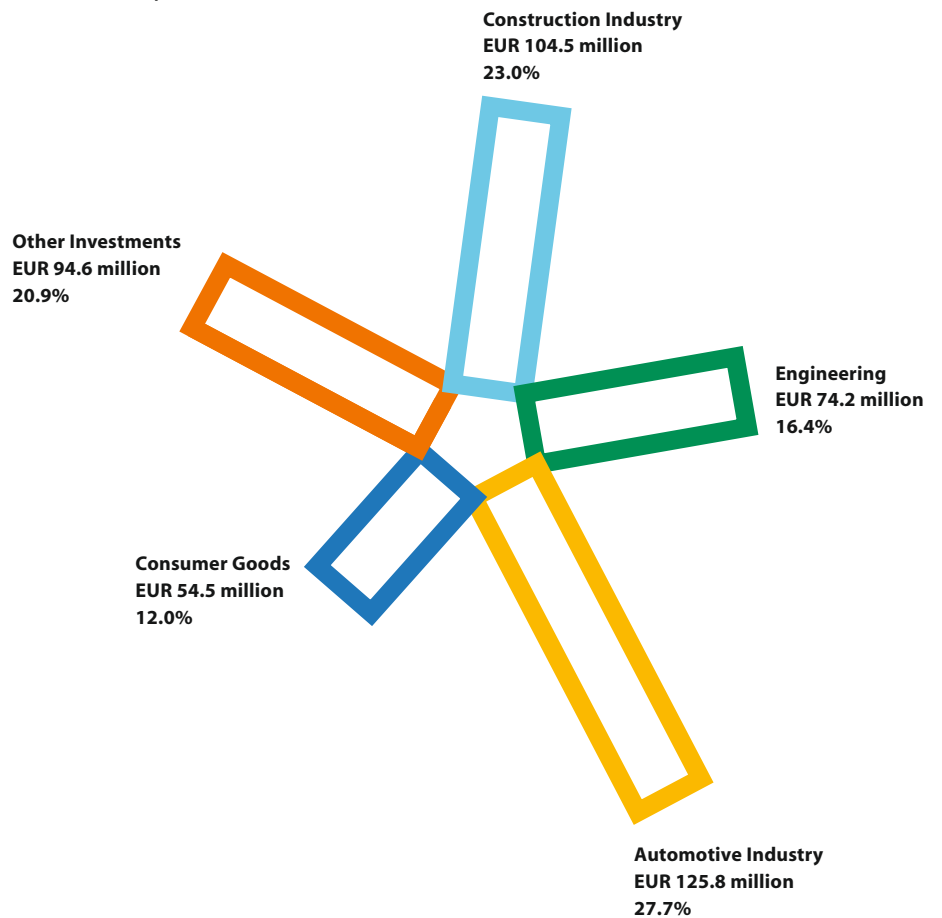
## Segment Report

INDUS Holding AG divides its portfolio of companies into five segments: Construction Industry, Engineering, Automotive Industry, Consumer Goods, and Other Investments. Companies are assigned to segments based on the areas in which their revenue is concentrated. As of June 30, 2007, the portfolio of equity holdings encompassed 42 operating units.

### Construction Industry

Following a strong start to the year driven by the weather, in the second quarter, Germany's construction industry experienced a 5.2% decline in construction revenue compared with the same period last year. The construction industry is displaying disparate developments: Whereas commercial and public construction posted significant gains, residential construction suffered a decline in revenue.

**Revenue by Segment  
as of June 30, 2007**



As of June 30, 2007, the Construction Industry segment encompassed ten operating units. The portfolio company added since the same time last year is OBUK Haustürfüllungen GmbH & Co. KG, based in Oelde, Germany, which was acquired in October 2006. The first-time consolidation of the specialist for premium plastic and aluminum door fillings was performed effective January 1, 2007.

Companies assigned to the Construction Industry segment substantially benefited from their good market positions in the first half of the year. Revenue was up 28.1%, from EUR 81.6 million to EUR 104.5 million. Besides the positive development displayed by existing portfolio companies, this encouraging increase was also driven by OBUK's first-time consolidation. Owing to one-off consolidation effects, earnings before interest and taxes (EBIT) were flat, coming in at EUR 13.5 million, but the margin of approximately 13.0% was above the rest of the sector's average.

**Engineering**

In the first six months of 2007, Germany's mechanical engineering firms continued to benefit from strong exports. Foreign orders received were up 21%, with domestic orders posting a gain of 17%. Growth in the second quarter lost a considerable amount of momentum compared with the development observed in the first quarter. According to the German Engineering Federation (VDMA), one reason for this could be the fact that the investment gap witnessed in preceding years has nearly been closed.

As of June 30, 2007, the Engineering segment comprised a total of nine operating units, as before.

Strong exports resulted in a gratifying trend among companies in the Engineering segment. Revenue generated in the first half jumped 7.8%, from EUR 68.8 million to EUR 74.2 million. Earnings before interest and taxes (EBIT) was affected by the high level of raw material prices and collectively agreed wage increases, rising by a disproportionately low 5.4% from EUR 9.2 million to EUR 9.7 million.

#### **Automotive Industry**

Whereas the German automotive industry recorded extremely strong exports in the first half of the year, domestic business continued to be characterized by the after-effects of the sales tax hike. In the first six months, new vehicle registrations were some 9% down year on year. Even major incentives offered by auto manufacturers were unable to arouse consumer enthusiasm, with the rising expense of mobility caused by price increases and fiscal changes remaining the focal topics.

As of June 30, 2007, the Automotive Industry segment still consisted of a total of twelve operating units.

Revenue generated by the Automotive Industry segment bucked the trend, gaining 4.4% from EUR 120.5 million to EUR 125.8 million. This reflected the good position enjoyed by specialized portfolio companies on the market. The high pressure on prices charged by automobile manufacturers combined with the persistently high level of raw material prices had a tangible effect on earnings, which was only partially offset by initiated efficiency-enhancement and streamlining measures. As a result, earnings before interest and taxes (EBIT) declined marginally, dropping from EUR 12.3 million to EUR 11.9 million.

#### **Consumer Goods**

In the second quarter of 2007, consumer spending posted another considerable gain, achieving a growth rate of 0.6% compared with the preceding quarter. However, this upturn was rather weak against the backdrop of the substantial relief experienced by the labor market. Private household discretionary income rose by 1.9%, while the savings ratio increased by 0.4 percentage points to 10.4% compared with the same period last year.

As of June 30, 2007, the Consumer Goods segment still comprised a total of four operating units.

Revenue generated by the Consumer Goods segment in the first half of 2007 was boosted by 6.4%, rising from EUR 51.2 million to EUR 54.5 million. Earnings posted an even more pleasing development. Earnings before interest and taxes (EBIT) rose 10.3%, from EUR 5.8 million to EUR 6.4 million. Besides the rise in revenue, this is also due to the effect of the optimization measures that were carried out.



### **Other Investments**

The Other Investments segment includes operating units that supply products to customers in the most diverse sectors and thus cannot be assigned to any of the four preceding segments. Therefore, Germany's general economic trend, measured on the basis of the gross domestic product (GDP), is the only suitable—albeit rough—yardstick. In the second quarter of 2007, real GDP was up 0.3% on the preceding quarter, or 2.5% compared with the same quarter last year.

As of June 30, 2007, the Other Investments segment still comprised seven operating units.

In the first half of the year, revenue generated by the Other Investments segment rose from EUR 81.5 million to EUR 94.6 million. Earnings before interest and taxes (EBIT) declined marginally, slipping from EUR 8.6 million to EUR 8.0 million.

### **Capital Expenditure**

In the period under review, INDUS and its portfolio companies invested a total of EUR 35.7 million. This corresponds to a 38.9% increase over the same period last year.

### **Employees**

All in all, the INDUS Group employed 5,440 people as of June 30, 2007. This was about 5.7% more year on year. Seventeen of them were employed at the holding company (first half of 2006: 18 staff members).

### **Share**

In the first six months, INDUS' share price rose by a marginal 2.7% to EUR 30.40. In comparison, the DAX was up 21.4% to 8,007.32 points, with the SDAX gaining 16.4% to 6,479.32 points. On June 30, 2007, the INDUS share was ranked 24th (March 31, 2007: 26th) and 27th in terms of market capitalization (March 31, 2007: 22nd) on the SDAX. The average number of INDUS shares traded on all German stock exchanges increased by 10.4% to 57,022 compared with the first half of 2006.

At this year's Annual Shareholders' Meeting on July 3, 2007, a large majority of shareholders approved the dividend proposal submitted by the Board of Management and the Supervisory Board. Accordingly, the company paid an unchanged dividend of EUR 1.20 per share for the 2006 financial year. Based on the current share price, this corresponds to a dividend yield of about 4.4%. The other items on the agenda requiring a resolution by the Meeting were passed by a significant majority of the shareholders as well.

### **Material Events After the Period Under Review**

There were no special reportable events after the end of the period under review.

### **Risk Management**

In the course of their business operations, INDUS Holding and its individual portfolio companies are exposed to a number of risks that are inextricably linked to entrepreneurial activity. These risks were commented on in detail in the risk management report in the 2006 annual report. Over the course of the first half of 2007, there were no major changes to the risks presented in the annual report for fiscal 2006. For further information, the 2006 annual report is available for download at [www.indus.de](http://www.indus.de).

### **Disclosure of Material Transactions with Related Parties**

EUR 53,000 (H1 2006: EUR 53,000) were paid to the members of the Supervisory Board for a leasehold commitment.

### **Outlook**

Leading research institutes expect the economy to maintain its upward trend over the remaining course of the year. However, it remains to be seen whether and, if so, to what extent the crisis on the world's loan and money markets triggered by the turbulence on the US subprime segment will affect the economy. Initial indicators already reveal a tangible clouding of sentiment, but it is too early to quantify the impact. Therefore, real gross domestic product (GDP) is still expected to grow by some 2.5%.

In the first half of the year, INDUS pursued a very restrained acquisition policy in light of exorbitant prices. At present, the private equity firms' financing headroom is tightening significantly. Consequently, INDUS anticipates that prices will normalize.

INDUS will make targeted use of its cash and cash equivalents along with the firm commitments it has received from banks to step up capital expenditure on external growth once again. At the same time, we will drive organic growth and optimize the cost structures of our portfolio companies.

As long as the economy continues its positive trend, the Board of Management expects to lift revenue to more than EUR 900 million for the fiscal year underway. The Group's operating result will display a positive development.

**Consolidated Income Statement\***

EUR '000	Note	June 30, 2007 Q2	June 30, 2006 Q2	June 30, 2007 H1	June 30, 2006 H1
<b>Revenue</b>		232,805	211,147	453,486	403,533
Other operating income		2,800	1,452	4,732	4,187
Own work capitalized		998	935	1,929	1,639
Change in inventories		- 1,521	5,097	2,807	8,768
Cost of materials		- 107,280	- 98,743	- 217,843	- 189,804
Staff costs		- 59,863	- 55,237	- 117,997	- 106,970
Depreciation		- 9,965	- 10,023	- 20,299	- 20,585
Other operating expenses		- 29,231	- 25,163	- 57,639	- 51,371
Financial result		217	198	377	372
<b>Operating result (EBIT)</b>		<b>28,960</b>	<b>29,663</b>	<b>49,553</b>	<b>49,769</b>
Interest income		89	412	485	742
Interest expenses		- 4,599	- 5,123	- 11,600	- 9,751
Net interest		- 4,510	- 4,711	- 11,115	- 9,009
<b>Income before taxes</b>		<b>24,450</b>	<b>24,952</b>	<b>38,438</b>	<b>40,760</b>
Taxes		- 11,205	- 10,287	- 17,972	- 17,256
Income from discontinued operations	(1)	- 125	- 506	- 125	- 858
<b>Income after taxes</b>		<b>13,120</b>	<b>14,159</b>	<b>20,341</b>	<b>22,646</b>
- thereof minority interests		- 199	- 1,313	- 287	- 1,717
- thereof income allocable to INDUS shareholders		12,921	12,846	20,054	20,929
Diluted earnings per share in EUR	(2)	0.72	0.74	1.12	1.21
Undiluted earnings per share in EUR		0.72	0.74	1.12	1.21
Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges		11,131	11,421	18,433	17,330

\* Prior-year figures adjusted.

## Consolidated Balance Sheet

### Assets

EUR '000	Note	June 30, 2007	Dec. 31, 2006
Goodwill		281,124	263,195
Intangible assets	(3)	18,217	19,046
Property, plant and equipment	(4)	225,136	226,791
Financial assets		6,862	6,304
Shares accounted for using the equity method		4,552	4,314
Other non-current assets		1,977	2,163
Deferred taxes		2,894	3,128
<b>Non-current assets</b>		<b>540,762</b>	<b>524,941</b>
Cash and cash equivalents		60,626	92,664
Accounts receivable	(5)	133,096	108,129
Inventories	(6)	172,746	158,437
Other current assets		20,199	16,252
Assets held for sale		1,600	–
<b>Current assets</b>		<b>388,267</b>	<b>375,482</b>
<b>Balance sheet total</b>		<b>929,029</b>	<b>900,423</b>

### Equity and Liabilities

EUR '000	Note	June 30, 2007	Dec. 31, 2006
Paid-in capital		162,955	162,955
Generated capital		60,570	40,102
Shareholders' equity of INDUS shareholders		223,525	203,057
Minority interests in capital		1,454	1,503
<b>Group equity</b>		<b>224,979</b>	<b>204,560</b>
Non-current financial liabilities		380,574	419,924
Provisions for pensions		15,319	14,793
Other non-current provisions		3,786	3,043
Other non-current liabilities		4,831	5,223
Deferred taxes		22,362	19,203
<b>Non-current liabilities</b>		<b>426,872</b>	<b>462,186</b>
Current financial liabilities		135,939	99,625
Trade accounts payable		43,296	33,908
Other current provisions		41,145	35,731
Other current liabilities		55,172	64,413
Liabilities held for sale		1,626	–
<b>Current liabilities</b>		<b>277,178</b>	<b>233,677</b>
<b>Balance sheet total</b>		<b>929,029</b>	<b>900,423</b>

**Consolidated Cash Flow Statement\***

EUR '000	June 30, 2007	June 30, 2006
<b>Income after taxes</b>	<b>20,341</b>	<b>22,646</b>
Depreciation/write-backs – of non-current assets (excluding deferred taxes)	20,299	20,585
Taxes	17,972	17,256
Net interest	11,115	9,009
Cash earnings of discontinued operations	– 100	– 859
Income from companies accounted for using the equity method	– 238	– 225
Other non-cash transactions	– 141	– 130
Changes in provisions	55	– 1,402
Increase (–)/decrease (+) in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	– 40,272	– 28,626
Increase (+)/decrease (–) in trade accounts payable and other liabilities not allocable to investing or financing activities	627	– 250
Income taxes received/paid	– 12,412	– 13,978
<b>Operating cash flow</b>	<b>17,246</b>	<b>24,026</b>
Interest paid	– 11,343	– 13,371
Interest portion	485	742
<b>Cash flows from operating activities</b>	<b>6,388</b>	<b>11,397</b>
Cash flows from investments in – intangible assets	– 17,061	– 19,997
– financial assets	– 559	– 2,458
– shares in fully consolidated companies	– 17,422	– 6,752
Income from the disposal of – shares in fully consolidated companies	–	1,988
Cash flow from discontinued operations	– 6	– 4
<b>Cash flows from investing activities</b>	<b>– 35,048</b>	<b>– 27,223</b>
Dividends paid to minority interests	– 336	– 281
Cash flows from the issuance of debt	10,000	79,777
Cash flows from the repayment of debt	– 13,037	– 120,980
<b>Cash flows from financing activities</b>	<b>– 3,373</b>	<b>– 41,484</b>
<b>Net cash change in financial facilities</b>	<b>– 32,033</b>	<b>– 57,310</b>
<b>Financial facilities at the beginning of the reporting period</b>	<b>92,664</b>	<b>133,564</b>
<b>Financial facilities of discontinued operations stated separately on the balance sheet</b>	<b>– 5</b>	<b>– 77</b>
<b>Financial facilities at the end of the reporting period</b>	<b>60,626</b>	<b>76,177</b>
Cash transactions related to the sale of investments	–	2,100
Financial facilities sold	–	– 112
	–	1,988

\* Prior-year figures adjusted.

**Consolidated Statement of Equity\***

<b>January 1 to June 30, 2007</b>	Opening balance Jan. 1, 2007	Dividend payment	Recognized expenses and income	Deferred taxes	Closing balance June 30, 2007
EUR '000					
Subscribed capital	46,800	–	–	–	46,800
Additional paid-in capital	116,155	–	–	–	116,155
<b>Paid-in capital</b>	<b>162,955</b>	–	–	–	<b>162,955</b>
Accumulated earnings	40,055	–	20,054	–	60,109
Currency translation reserve	533	–	– 336	–	197
Reserve for the marked-to-market valuation of financial instruments	– 486	–	1,019	– 269	264
<b>Generated capital</b>	<b>40,102</b>	–	<b>20,737</b>	<b>– 269</b>	<b>60,570</b>
<b>Equity of INDUS shareholders</b>	<b>203,057</b>	–	<b>20,737</b>	<b>– 269</b>	<b>223,525</b>
Minority interests	1,503	– 336	287	–	1,454
<b>Group equity</b>	<b>204,560</b>	<b>– 336</b>	<b>21,024</b>	<b>– 269</b>	<b>224,979</b>
<hr/>					
<b>January 1 to June 30, 2006</b>	Opening balance Jan. 1, 2006	Dividend payment	Recognized expenses and income	Deferred taxes	Closing balance June 30, 2006
EUR '000					
Subscribed capital	46,800	–	–	–	46,800
Additional paid-in capital	116,155	–	–	–	116,155
<b>Paid-in capital</b>	<b>162,955</b>	–	–	–	<b>162,955</b>
Accumulated earnings	32,546	–	20,929	–	53,475
Currency translation reserve	487	–	– 681	–	– 194
Reserve for the marked-to-market valuation of financial instruments	– 1,390	–	541	– 142	– 991
<b>Generated capital</b>	<b>31,643</b>	–	<b>20,789</b>	<b>– 142</b>	<b>52,290</b>
<b>Equity of INDUS shareholders</b>	<b>194,598</b>	–	<b>20,789</b>	<b>– 142</b>	<b>215,245</b>
Minority interests	2,413	– 283	1,717	–	3,847
<b>Group equity</b>	<b>197,011</b>	<b>– 283</b>	<b>22,506</b>	<b>– 142</b>	<b>219,092</b>

\* Prior-year figures adjusted.

Reserves for currency translation and the marked-to-market valuation of financial instruments include unrealized gains and losses. The reserve for the marked-to-market valuation of financial instruments includes the efficient share of interest-rate hedges.

Minority interests in equity relate to external shareholders in limited liability companies and corporations. In accordance with IAS 32, due to the theoretical retirability and redeemability of the shares, minority interests in limited partnerships are reported as debt and stated under other liabilities in the amount of EUR 17,130,000 (previous year: EUR 11,019,000).

## General Information

INDUS Holding AG, based in Bergisch Gladbach, Germany, entered in the Cologne commercial register (HRB 46360), prepared its unaudited interim report for the first half of fiscal 2007 in accordance with International Financial Reporting Standards (IFRS) and the interpretation of such by the International Financial Reporting Interpretations Committee (IFRIC). New standards that become effective are reported separately. Otherwise, this interim report was prepared using the accounting policies applied in the consolidated financial statements for fiscal 2006, which are explained in detail therein. Since this interim report does not match the scope of information provided in the consolidated financial statements for fiscal 2006, these interim financial statements must be viewed in the context of the preceding consolidated financial statements for the year as a whole. The consolidated financial statements are prepared in euros (EUR). Unless otherwise noted, all amounts are stated in thousands of euros (EUR '000).

**Management Estimates and Judgments:** The preparation of consolidated financial statements is influenced by accounting and valuation principles and requires assumptions and estimates to be made which have an impact on the recognized value of the assets and liabilities carried on the balance sheet, as well as on contingent liabilities as well as income and expenses. When estimates are made regarding the future, actual values may deviate from the estimates. If the original basis for the estimates changes, the statement of the relevant items is adjusted with an effect on income.

**Taxes on Income:** In the interim report, the income tax expense is calculated on the basis of the most current tax budget.

## Scope of Consolidation

In the consolidated financial statements all subsidiary companies are fully consolidated, if INDUS Holding AG has the direct or indirect possibility of influencing the companies' finance and business policy to the benefit of the INDUS Group. Associated companies whose finance and business policy can be significantly influenced are consolidated using the equity method. Companies purchased during the course of the fiscal year are consolidated as of the date of transfer of control over their finance and business policy. Companies which are sold are no longer included in the scope of consolidation starting on the date on which the business is transferred. After the date upon which the decision is made to dispose of the company, they are classified as "held for sale."

## Changes in Accounting Policies

In the interim financial statements for the 2006 financial year, the method for accounting for minority interests in limited partnerships, the retirement of financial assets (asset-backed security program), and cash flow hedges (interest-rate swaps) was adjusted in line with the changes made to the financial statements for fiscal 2006. For further details, please refer to the commentary on changes in accounting policies in the 2006 annual report. The reconciliation for the first half of 2006 is presented in the chapter entitled "Adjustment of Prior-Year Figures."

## Business Combinations Pursuant to IFRS 3

In the first quarter of 2007, we acquired a 75% stake in the investment OBUK Haustürfüllungen GmbH & Co. KG. In accordance with IFRS 3.61 et seq., the first-time consolidation was carried out on the basis of preliminary figures which will be adjusted in the financial statements for fiscal 2007 at the latest. Besides the addition of some junior shares, this made a substantial contribution to the increase in goodwill.

In the first half of 2006, INDUS subsidiary BETOMAX GmbH & Co. KG acquired a 100% stake in Swiss-based ANCOTECH AG.

## Disposals Pursuant to IFRS 5

In the 2006 financial year, the stake in Oskar OVERMANN GmbH & Co. KG was divested as of October 1, 2006. This quarter, INDUS AG decided to divest MAPOTRIX Dehnfugen GmbH & Co. KG within the scope of its portfolio optimization process. There is a high likelihood that 90% of the shares in that company will be sold to the general manager within the scope of a management buyout.

Accordingly, the company will be stated as a discontinued operation in the income statements of the relevant interim reports for fiscal 2006. Further details can be found in the chapter entitled "Adjustment of Prior-Year Figures."

### [1] Income from Discontinued Operations

This item includes the earnings after taxes of Oskar OVERMANN GmbH & Co. KG and of MAPOTRIX Dehnfugen GmbH & Co. KG. The tax expense resulting from income from discontinued operations amounted to EUR 0 (prior year: EUR –230,000).

### [2] Earnings per Share

Pursuant to IAS 33, earnings per share pertain to consolidated income after taxes from continuing operations and thus, adjusted for income from discontinued operations, amount to EUR –0.05 per share (previous year: EUR –0.03 per share). The number of shares remained unchanged at 18,000,000 in both financial years. Dilution is possible in the event that the authorized capital increase is exercised. The earnings taken as a basis are derived from the earnings of the INDUS shareholders, with income from discontinued operations eliminated.

Commentary on select items included in this report:

### [3] Intangible Assets

EUR '000	June 30, 2007	Dec. 31, 2006
Capitalized development costs	6,445	5,799
Licenses, commercial rights and other intangible assets	11,772	13,247
<b>Total</b>	<b>18,217</b>	<b>19,046</b>

### [4] Property, Plant and Equipment

EUR '000	June 30, 2007	Dec. 31, 2006
Land and buildings	114,476	114,416
Technical plant and machinery	75,052	80,883
Other plant, fixtures, furniture and office equipment	29,793	26,606
Advance payments and work in progress	5,815	4,886
<b>Total</b>	<b>225,136</b>	<b>226,791</b>



**[5] Accounts Receivable**

EUR '000	June 30, 2007	Dec. 31, 2006
Accounts receivable from customers	122,420	98,829
Future accounts receivable from customer-specific construction contracts	9,660	8,475
Accounts receivable from associated companies	1,016	825
<b>Total</b>	<b>133,096</b>	<b>108,129</b>

**[6] Inventories**

EUR '000	June 30, 2007	Dec. 31, 2006
Raw materials and supplies	63,030	56,840
Unfinished goods	41,966	39,387
Finished goods and goods for resale	65,512	61,172
Prepayments to third parties for inventories	2,238	1,038
<b>Total</b>	<b>172,746</b>	<b>158,437</b>

## Segment Reporting

The reporting structure used in the preceding annual financial statements was maintained in this interim report with the exception that Oskar OVERMANN GmbH & Co. KG and MAPOTRIX Dehnfugen GmbH & Co. KG are no longer included in the figures reported for fiscal 2006.

### Primary Reporting Format: by Operation

<b>Q2 2007</b> EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	55,446	37,804	65,541	29,349	51,106	–	239,246
Internal revenue	– 185	– 278	– 1,486	– 2,197	– 2,295	–	– 6,441
<b>Segment revenue from third parties</b>	<b>55,261</b>	<b>37,526</b>	<b>64,055</b>	<b>27,152</b>	<b>48,811</b>	–	<b>232,805</b>
<b>Operating result (EBIT)</b>	<b>9,559</b>	<b>4,823</b>	<b>6,878</b>	<b>3,343</b>	<b>4,357</b>	–	<b>28,960</b>
<b>Earnings before taxes (EBT)</b>	<b>8,021</b>	<b>4,660</b>	<b>5,687</b>	<b>2,070</b>	<b>2,621</b>	<b>1,391</b>	<b>24,450</b>
EBT of discontinued operations	– 105	–	–	–	–	–	– 105
Depreciation	1,109	729	4,492	1,646	1,989	–	9,965
– of which for first-time consolidations	331	74	931	15	578	–	1,929
Employees	876	652	1,854	833	1,225	–	5,440

<b>Q2 2006</b> EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	44,649	36,061	64,344	27,984	45,963	–	219,001
Internal revenue	– 94	– 142	– 2,389	– 2,225	– 3,004	–	– 7,854
<b>Segment revenue from third parties</b>	<b>44,555</b>	<b>35,919</b>	<b>61,955</b>	<b>25,759</b>	<b>42,959</b>	–	<b>211,147</b>
<b>Operating result (EBIT)</b>	<b>9,932</b>	<b>4,285</b>	<b>7,361</b>	<b>3,292</b>	<b>4,793</b>	–	<b>29,663</b>
<b>Earnings before taxes (EBT)</b>	<b>7,791</b>	<b>3,743</b>	<b>6,163</b>	<b>2,154</b>	<b>3,397</b>	<b>1,704</b>	<b>24,952</b>
EBT of discontinued operations	– 274	–	–	–	– 336	–	– 610
Depreciation	1,073	982	4,311	1,578	2,079	–	10,023
– of which for first-time consolidations	361	100	989	197	612	–	2,259
Employees	719	621	1,780	821	1,205	–	5,146

<b>H1 2007</b> EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	104,824	74,751	129,444	58,953	99,073	–	467,045
Internal revenue	– 367	– 550	– 3,666	– 4,460	– 4,516	–	– 13,559
<b>Segment revenue from third parties</b>	<b>104,457</b>	<b>74,201</b>	<b>125,778</b>	<b>54,493</b>	<b>94,557</b>	–	<b>453,486</b>
<b>Operating result (EBIT)</b>	<b>13,536</b>	<b>9,719</b>	<b>11,928</b>	<b>6,381</b>	<b>7,989</b>	–	<b>49,553</b>
<b>Earnings before taxes (EBT)</b>	<b>10,178</b>	<b>8,650</b>	<b>8,945</b>	<b>4,130</b>	<b>4,915</b>	<b>1,620</b>	<b>38,438</b>
EBT of discontinued operations	– 105	–	–	–	–	–	– 105
Depreciation	2,289	1,541	8,988	3,492	3,989	–	20,299
– of which for first-time consolidations	685	197	1,870	139	1,311	–	4,202
Employees	876	652	1,854	833	1,225	–	5,440

<b>H1 2006</b> EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	81,793	69,056	125,255	55,642	86,762	–	418,508
Internal revenue	– 195	– 293	– 4,797	– 4,397	– 5,293	–	–14,975
<b>Segment revenue from third parties</b>	<b>81,598</b>	<b>68,763</b>	<b>120,458</b>	<b>51,245</b>	<b>81,469</b>	–	<b>403,533</b>
<b>Operating result (EBIT)</b>	<b>13,822</b>	<b>9,159</b>	<b>12,345</b>	<b>5,799</b>	<b>8,644</b>	–	<b>49,769</b>
<b>Earnings before taxes (EBT)</b>	<b>10,521</b>	<b>7,492</b>	<b>8,629</b>	<b>3,684</b>	<b>5,545</b>	<b>4,889</b>	<b>40,760</b>
EBT of discontinued operations	– 274	–	–	–	– 814	–	– 1,088
Depreciation	2,245	1,980	8,928	3,308	4,124	–	20,585
– of which for first-time consolidations	674	248	1,978	393	1,416	–	4,709
Employees	719	621	1,780	821	1,205	–	5,146

The non-operating result corresponds to the fair value of interest-rate swaps accounted for in the consolidated income statement.

**Secondary Reporting Format: by Region**

<b>Q2 2007</b> EUR '000	Germany	Europe	Rest of the world	Total
External revenue	148,111	58,088	33,047	239,246
Internal revenue	- 6,345	- 89	- 7	- 6,441
<b>Segment revenue from third parties</b>	<b>141,766</b>	<b>57,999</b>	<b>33,040</b>	<b>232,805</b>

<b>Q2 2006</b> EUR '000	Germany	Europe	Rest of the world	Total
External revenue	144,434	57,165	17,402	219,001
Internal revenue	- 7,689	- 135	- 30	- 7,854
<b>Segment revenue from third parties</b>	<b>136,745</b>	<b>57,030</b>	<b>17,372</b>	<b>211,147</b>

<b>H1 2007</b> EUR '000	Germany	Europe	Rest of the world	Total
External revenue	288,017	117,160	61,868	467,045
Internal revenue	- 13,402	- 145	- 12	- 13,559
<b>Segment revenue from third parties</b>	<b>274,615</b>	<b>117,015</b>	<b>61,856</b>	<b>453,486</b>

<b>H1 2006</b> EUR '000	Germany	Europe	Rest of the world	Total
External revenue	264,249	109,860	44,399	418,508
Internal revenue	- 14,707	- 215	- 53	- 14,975
<b>Segment revenue from third parties</b>	<b>249,542</b>	<b>109,645</b>	<b>44,346</b>	<b>403,533</b>

### Adjustment of Prior-Year Figures

Discontinued operations are accounted for pursuant to IFRS 5.34 separately from the changes in accounting policies in accordance with IAS 8.

#### Consolidated Income Statement

Adjustment to the previous year's income statement EUR '000	H1 2006 published	IAS 8 restatement	IFRS 5 restatement	H1 2006 comparable
<b>Revenue</b>	405,405	-	- 1,872	403,533
Other operating income	4,302	-	- 115	4,187
Own work capitalized	1,639	-	-	1,639
Change in inventories	9,285	-	- 517	8,768
Cost of materials	- 190,814	-	1,010	- 189,804
Staff costs	- 108,243	-	1,273	- 106,970
Depreciation	- 20,724	-	139	- 20,585
Other operating expenses	- 52,519	-	1,148	- 51,371
Financial result	- 1,113	1,485	-	372
<b>Operating result (EBIT)</b>	<b>47,218</b>	<b>1,485</b>	<b>1,066</b>	<b>49,769</b>
Interest income	742	-	-	742
Interest expenses	- 13,791	4,018	22	- 9,751
Net interest	- 13,049	4,018	22	- 9,009
<b>Income before taxes</b>	<b>34,169</b>	<b>5,503</b>	<b>1,088</b>	<b>40,760</b>
Taxes	- 15,345	- 1,681	- 230	- 17,256
Income from discontinued operations	-	-	- 858	- 858
<b>Income after taxes</b>	<b>18,824</b>	<b>3,822</b>	<b>-</b>	<b>22,646</b>
- thereof minority interests	- 2,587	870	-	- 1,717
- thereof income allocable to INDUS shareholders	16,237	4,692	-	20,929
Diluted earnings per share in EUR	0.90			1.21
Undiluted earnings per share in EUR	0.90			1.21

**Consolidated Balance Sheet****Assets**

EUR '000	June 30, 2006 published	IAS 8 restatement	June 30, 2006 comparable
Goodwill	274,046	–	274,046
Intangible assets	20,393	–	20,393
Property, plant and equipment	217,293	–	217,293
Financial assets	10,461	–	10,461
Shares accounted for using the equity method	4,297	–	4,297
Other non-current assets	2,036	–	2,036
Deferred taxes	2,659	–	2,659
<b>Non-current assets</b>	<b>531,185</b>	<b>–</b>	<b>531,185</b>
Cash and cash equivalents	76,177	–	76,177
Accounts receivable	93,766	25,463	119,229
Inventories	155,529	–	155,529
Other current assets	25,895	– 5,652	20,243
Assets held for sale	–	–	–
<b>Current assets</b>	<b>351,367</b>	<b>19,811</b>	<b>371,178</b>
<b>Balance sheet total</b>	<b>882,552</b>	<b>19,811</b>	<b>902,363</b>

**Equity and Liabilities**

EUR '000	June 30, 2006 published	IAS 8 restatement	June 30, 2006 comparable
Paid-in capital	162,955	–	162,955
Generated capital	52,290	–	52,290
Shareholders' equity of INDUS shareholders	215,245	–	215,245
Minority interests in capital	3,847	–	3,847
<b>Group equity</b>	<b>219,092</b>	<b>–</b>	<b>219,092</b>
Non-current financial liabilities	388,509	–	388,509
Provisions for pensions	15,028	–	15,028
Other non-current provisions	3,376	–	3,376
Other non-current liabilities	5,886	–	5,886
Deferred taxes	18,190	–	18,190
<b>Non-current liabilities</b>	<b>430,989</b>	<b>–</b>	<b>430,989</b>
Current financial liabilities	70,368	44,659	115,027
Trade accounts payable	42,047	–	42,047
Other current provisions	38,748	–	38,748
Other current liabilities	81,308	– 24,848	56,460
Liabilities held for sale	–	–	–
<b>Current liabilities</b>	<b>232,471</b>	<b>19,811</b>	<b>252,282</b>
<b>Balance sheet total</b>	<b>882,552</b>	<b>19,811</b>	<b>902,363</b>

### Related Party Disclosures

Relationships with related parties primarily involve the ongoing compensation of executives in key positions, the Board of Management, and the Supervisory Board. In addition, the company has consultancy agreements as well as rental and lease agreements with minority shareholders and/or their associates and conducts business transactions with associated companies.

In the first half of the year, these relationships did not change materially compared to those disclosed in the consolidated financial statements for fiscal 2006.

### Audit-Like Review by the Auditor of the Consolidated Financial Statements

The interim financial statements for the periods ended June 30, 2007 and 2006 were not subjected to an audit-like review.

### Events After the Interim Balance Sheet Date

Since the German Upper House approved the German 2008 Corporate Tax Reform Act on July 6, 2007, new tax regulations will become effective in Germany starting on January 1, 2008. Since the substantive legislative process had not yet been completed by June 30, 2007, the effects this will have on deferred taxes were not taken into account in this interim report.

## [ 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.

Bergisch Gladbach, August 2007

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**Published by:**

**INDUS Holding AG,**  
Bergisch Gladbach, Germany

**Editorial office:**

**Haubrok Investor Relations GmbH,**  
Düsseldorf, Germany

**Concept/design:**

**Baisch Creative Consulting,**  
Düsseldorf, Germany

**Typesetting and lithography:**

**ADDON Technical Solutions,**  
Düsseldorf, Germany

**Printed by:**

**KleverDigital, Bergisch Gladbach, Germany**

**This interim report is also available in German. Both the English and the German versions of the interim report can be downloaded from the Internet at [www.indus.de](http://www.indus.de) under "Investor Relations/Annual and Interim Reports."**

**This interim report contains forward-looking statements that are subject to certain risks and uncertainties. Future results can significantly deviate from the results that are expected at present. This can be caused by various risk factors and uncertainties such as changes in the business, economic and competitive situation, amendments to laws, fluctuations in currency exchange rates, and further influential factors. INDUS Holding AG cannot assume responsibility for updating the forward-looking statements made in this interim report.**