



I N T E R I M R E P O R T
JANUARY 1 TO MARCH 31, 2004

Interim Report from a Group Perspective for the First Time

In accordance with stock market regulations, INDUS Holding AG is publishing its quarterly figures from a group perspective for the first time. Comparable figures for 2003 were calculated retrospectively and plausibly derived for consolidation purposes. Special attention is drawn to such cases throughout this report. As a rule, the consolidated figures only reflect actual economic performance once the amortization of first-time consolidations is taken into account.

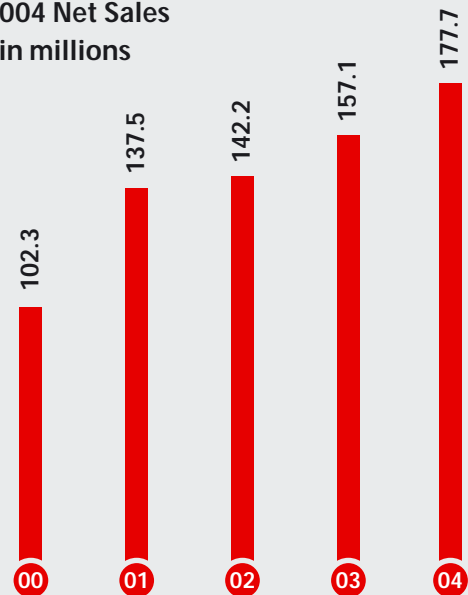
Sales and Earnings Trend

In the first three months of the current year, INDUS Holding AG recorded a considerable, 13.1% rise in consolidated net sales to EUR 177.7 million (Q1/2003: EUR 157.1 million). A major reason for this are the acquisitions of Bilstein & Siekermann GmbH + Co. KG and Helmut Rübssamen GmbH & Co. KG, which were completed over the course of the 2003 financial year.

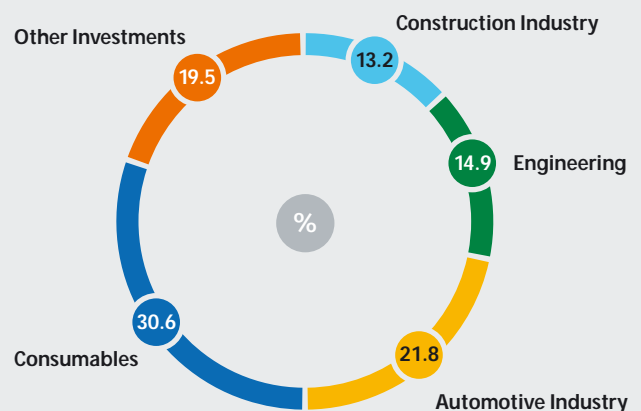
INDUS' 41 portfolio companies displayed positive development in the first quarter of 2004 despite the adverse economic environment. The Group's profit from operating activities totaled EUR 8.5 million (Q1/2003: EUR 7.3 million), with net profit for the first quarter amounting to EUR 4.6 million (Q1/2003: EUR 3.1 million). This results in earnings per share of EUR 0.26 (Q1/2003: EUR 0.17).

Earnings at the parent company level including the amortization of first-time consolidations amounted to EUR 10.9 million. At 51.9%, the equity ratio was essentially unchanged from the previous year.

Q1 2004 Net Sales
EUR in millions



Q1 2004 Net Sales
by Segment
Percentages



Note:

Since the acquisitions were effected at different points in time during the year and as the financial years of existing holdings partly differ, the determination of INDUS Holding AG's interim results calls for a special procedure. In order to ensure the necessary degree of comparability, as a rule, the new acquisitions' sales and earnings are only consolidated at the end of the respective financial year. In the case of companies with differing financial years, the sales and earnings of the period under review (January 1 to March 31) are recorded.

Construction Industry

Germany's construction sector got off to a very weak start in 2004. Public spending on construction projects as well as the residential building sector suffered the steepest declines in sales. By contrast, the commercial construction industry reported a slight rise in orders received.

Against this unfavorable backdrop, INDUS portfolio companies increased net sales by 8.6% to EUR 24.0 million (Q1/2003: EUR 22.1 million). Profit before tax (EBT) was virtually flat at EUR 1.2 million (Q1/2003: EUR 1.3 million).

Engineering

Unlike in the previous year, the German engineering industry is not making progress. Whereas exports are up, the domestic market is stagnating.

Our nine joint ventures in the engineering sector generated EUR 26.9 million in net sales in the first quarter of 2004. This corresponds to an increase of EUR 4.1 million. Fiercer competition caused EBT from this segment to decrease from EUR 2.6 million to EUR 1.9 million in the period under review.

Automotive Industry

After getting off to a slow start early in the year, the German automotive industry embarked on a positive production and sales trend. The number of new vehicle registrations was a mere 1% down year-on-year, despite the downward adjustment of growth forecasts for the German economy and a renewed rise in fuel prices.

INDUS portfolio companies in the automotive sector put in an encouraging performance. Net sales were up 8.8% to EUR 39.4 million (Q1/2003: EUR 36.2 million), EBT advanced by EUR 0.9 million to EUR 4.7 million, partially owing to new acquisitions in the second half of 2003.

Consumables

Private consumption is back on a slightly positive trend. However, it is only expected to increase by about 0.5% for the year as a whole.

INDUS portfolio companies improved net sales by 7.3% to EUR 55.4 million (Q1/2003: EUR 51.6 million), but they saw EBT record a slight drop from EUR 3.9 million to EUR 3.6 million.

Other Investments

Developments made by these portfolio companies are reflected in the country's gross domestic product (GDP). According to preliminary estimates made by the German Federal Bureau of Statistics, GDP was up 0.4% in the first quarter. However, this rise was exclusively due to exports, whereas the domestic economy hardly provided any stimuli.

This development was clearly felt in the segment's earnings trend. Driven by acquisitions, net sales rose to EUR 35.3 million (Q1/2003: EUR 28.5 million), but, owing to one-off charges taken in the first few months, EBT came in at EUR 1.0 million following EUR 1.9 million in the corresponding year-earlier period.

Capital Expenditure

Capital spending by INDUS Holding AG and its portfolio companies in the first three months of the year totaled EUR 15.9 million. The Board of Management expects the portfolio of equity holdings to be expanded even further over the course of the year, and that corresponding amounts of capital will be spent.

Workforce

As of March 31, 2004, INDUS Holding AG employed 5,014 people throughout the Group. Compared with the headcount at the end of the first quarter of 2003 (4,491), the labor force grew by 523 employees. This increase is principally due to the consolidation of investments acquired in the interim.

Share

The INDUS share delivered an extremely positive performance in the first three months of 2004. After recording a steep rise through the middle of February, with a high of EUR 27.25, the INDUS share price closed the quarter on March 31 at EUR 24.52. Compared with the EUR 20.92 quotation on January 2, 2004, this corresponds to a jump of 17.2 percent. Accordingly, the INDUS share outperformed the DAX (-4.0%), the MDAX (+4.9%) and the SDAX (+11.0%).

Outlook

Based on economic forecasts, the Board of Management expects the company to post an improvement in net sales and its earnings position for the year as a whole. Restructuring measures initiated last year at two joint-venture companies have largely been completed. Therefore, resulting burdens are likely to be much lower in 2004. This year, INDUS Holding AG will continue to strengthen its portfolio of equity holdings by adding successful and highly specialized companies, thus generating further growth.

INDUS Group Consolidated Balance Sheet

Assets

EUR '000	Mar. 31, 2004	Dec. 31, 2003
Noncurrent assets		
Intangible assets	193,470	191,712
Property, plant and equipment	148,906	147,546
Financial assets	23,615	23,587
Current assets		
Inventories	162,341	155,549
Receivables and other assets	118,180	103,950
Marketable securities	–	2
Cash on hand, central bank balances, balances at other financial institution and checks	73,272	100,335
Advance payments	4,993	3,111
	724,777	725,792

Liabilities and Equity

EUR '000	Mar. 31, 2004	Dec. 31, 2003
Equity		
Subscribed capital	46,800	46,800
Additional paid-in capital	62,191	62,191
Retained earnings	2,171	938
Minority interest	2,950	3,100
Distributable profit	14,053	11,516
	128,165	124,545
Exceptional items with a reserve element	959	777
Provisions	39,052	38,922
Liabilities		
Accounts payable to banks	435,321	423,348
Prepayments received on orders	22,874	20,292
Accounts payable for supplies and services	34,155	22,567
Accounts payable to investees	376	22
Other liabilities	62,214	94,844
	554,940	561,073
Deferred income	1,661	475
	724,777	725,792

INDUS Group Consolidated Income Statement

EUR '000	Q1 2004	Q1 2003*
Net sales	177,712	157,099
Changes in finished goods and work in progress	1,513	13,064
Other own work capitalized	348	34
Other operating income	1,723	1,364
	181,296	171,561
Cost of materials		
Cost of raw materials and consumables used and of purchased merchandise	74,721	
Cost of purchased services	9,113	
	83,834	74,714
Staff costs		
Wages and salaries	38,377	
Social security, retirement and other benefits	7,837	
	46,214	44,446
Depreciation and amortization of intangible fixed assets and property, plant and equipment	12,779	13,777
Other operating expenses	23,998	25,731
Income from associated companies	150	–
Income from other securities and long-term loans classified as financial assets	67	–
Other interest and similar income	351	351
Depreciation and amortization of financial assets and current securities	38	
Interest and similar expenses	6,529	5,918
Profit from operating activities	8,472	7,326
Extraordinary expenses	120	–
Taxes on income	3,755	4,210
Net profit for the quarter	4,597	3,116
Profit allocable to outside shareholders	– 2,060	– 1,281
Group share in net profit for the quarter	2,537	1,835
Profit/loss carried forward from the previous year	11,516	10,516
Distributable profit	14,053	12,351

* Comparable figures determined based on the reconciliation from the parent company's interim report on the first quarter of 2003. Figures include estimates since the consolidated financial statements had not been finalized when they were determined.

INDUS Group Segment Reporting

Q1 2004 EUR '000	Construction Industry	Engineering	Automotive Industry	Consum- ables	Other Investments	Group Re- conciliation	Group
Net sales	23,987	26,947	39,402	55,351	35,313	- 3,288	177,712
Earnings (EBT)	1,243	1,916	4,651	3,564	972	- 6,054	6,292

Q1 2003* EUR '000	Construction Industry	Engineering	Automotive Industry	Consum- ables	Other Investments	Group Re- conciliation	Group
Net sales	22,100	22,800	36,200	51,600	28,500	- 4,101	157,099
Earnings (EBT)	1,296	2,586	3,801	3,889	1,908	- 7,435	6,045

* Comparable figures determined based on the reconciliation from the parent company's interim report on the first quarter of 2003. Figures include estimates since the consolidated financial statements had not been finalized when they were determined.

INDUS Group Consolidated Statement of Changes in Equity and Minority Interests

2003 EUR '000	Subscribed Capital	Additional Paid-in Capital	Retained Earnings	Distributable Profit	Equity
Balance as of January 1, 2003	46,800	72,375	606	10,516	130,297
Dividend		- 10,184		- 10,516	- 20,700
Currency exchange differences			332		332
Net profit for 2003				11,516	11,516
Balance as of December 31, 2003	46,800	62,191	938	11,516	121,445

2004 EUR '000	Subscribed Capital	Additional Paid-in Capital	Retained Earnings	Distributable Profit	Equity
Balance as of December 31, 2003	46,800	62,191	938	11,516	121,445
Currency exchange differences			1,233		1,233
Net profit for Q1 2004				2,537	2,537
Balance as of March 31, 2004	46,800	62,191	2,171	14,053	125,215

INDUS Group Consolidated Cash Flow Statement

EUR '000	Mar. 31, 2004		Dec. 31, 2003	
1. Result for the reporting period (including prorated results contributed by minority interests) before exceptional items		+ 4,717		+ 26,386
2. Fixed-asset write-downs/write-ups		+ 12,817		+ 56,949
3. Increase (+) or decrease (-) in provisions		+ 130		- 1,811
4. Other non-cash expenses and income		+ 44		- 411
5. Profit (-) and loss (+) from the disposal of fixed assets		- 77		- 15,521
6. Increase (-) or decrease (+) in other assets				
Inventories	- 6,791		- 8,616	
Accounts receivable for supplies and services	- 12,145		+ 10,882	
Accounts receivable from investees	+ 532		+ 651	
Other assets	- 2,478		+ 7,745	
Prepaid expenses	- 1,882	- 22,764	- 209	+ 10,453
7. Increase (+) or decrease (-) in other liabilities and equity				
Prepayments received on orders	+ 2,581		+ 6,049	
Accounts payable for supplies and services	+ 11,588		- 6,433	
Bills payable			- 500	
Accounts payable to investees	+ 355		- 147	
Other liabilities	- 11,798		- 3,924	
Deferred income	+ 1,186	+ 3,912	- 39	- 4,994
8. Net change in extraordinary items		- 120		- 10,347
9. Net cash from operating activities		- 1,341		+ 60,704
10. Proceeds from disposition of fixed assets		+ 69		+ 7,986
11. Capital expenditure on fixed assets		- 15,955		- 53,938
12. Payments made for the acquisition of consolidated companies		- 20,833		- 11,253
13. Net cash from investing activities		- 36,719		- 57,205

EUR '000	Mar. 31, 2004		Dec. 31, 2003	
14. Payments made to shareholders				
Dividend			- 20,700	
Share of profits paid to minority interests	- 2,060	- 2,060	- 4,523	- 25,223
15. Change in retained earnings		+ 1,232		+ 1,534
16. Minority interests		- 150		- 3,985
17. Change in credit lines		+ 11,973		+ 27,091
18. Net cash provided by financing activities		+ 10,995		- 583
19. Net change in financial facilities (sum of 9, 13 & 18)		- 27,065		+ 2,916
20. Financial facilities at beginning of reporting period		100,337		97,421
21. Financial facilities at end of reporting period		73,272		100,337

The cash flow statement was derived using the indirect method. Due to the necessary neutralization of non-cash transactions and the breakdown of various financial facilities, however, information

provided in the cash flow statement cannot be directly derived from the balance sheet or the income statement.

Additional Information

Accounting Principles

Accounting and valuation principles (HGB) applied in this interim report were the same as those adopted in preparing the financial statements for the fiscal year that ended on December 31, 2003.

Scope of Consolidation

All of the subsidiaries existing in the 2003 financial year were included.

Segment Reporting

Companies are assigned to segments based on their respective sales structures. Their assignments did not change.

Net sales comprise the segments' external net sales. In the earnings table (EBT), the Group reconciliation column principally reflects the amortization on first-time consolidations.

Earnings per Share

Earnings per share are calculated by dividing the result generated in the reporting period by the number of shares allocable to the capital stock.

In the reporting periods, there were no other financing vehicles such as convertible and warrant-linked bonds or stock options that could have caused a dilution in earnings per share.

INDUS Holding AG in Figures

Group		Mar. 31, 2004	Mar. 31, 2003
Net sales	EUR million	177.7	157.1
Workforce		5,014	4,491
Net profit for the quarter	EUR million	4.6	3.1
Total assets	EUR million	724.8	725.8*
Noncurrent assets	EUR million	366.0	362.8*
Capital stock	EUR million	46.8	46.8

*The comparable figure relates to December 31, 2003.

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