

INDUS Holding
AKTIENGESELLSCHAFT

Sales and Earnings Trend

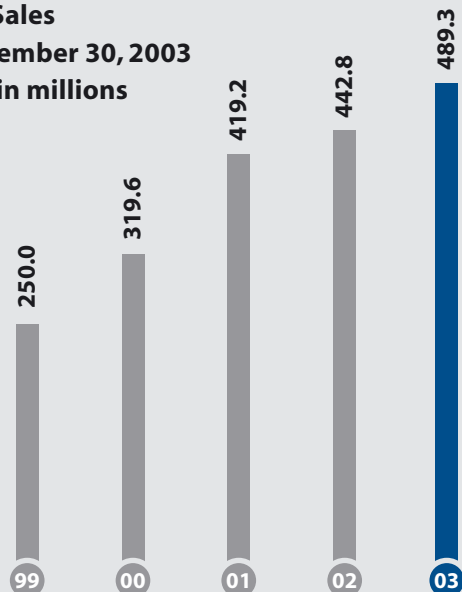
INDUS HOLDING AG continued to display positive development in the third quarter of the current financial year despite the persistently unfavorable general economic trend. Consolidated net sales advanced from EUR 154.6 million in July to EUR 168.5 million in September. This corresponds to an increase of EUR 13.9 million. As a result, consolidated net sales for the first nine months of the current financial year rose by EUR 46.5 million (up 10.5 percent) to EUR 489.3 million (previous year: EUR 442.8 million).

INDUS posted another gain in operating earning power. In the first three quarters of 2003, INDUS improved income from investments to EUR 52.8 million—up EUR 1.4 million from the EUR 51.4 million achieved in 2002. The profit from operating activities experienced a slight increase from EUR 35.1 million to EUR 35.7 million. Net profit for the first three quarters of the fiscal year amounted to EUR 30.7 million and was thus 4 percent higher than the EUR 29.5 million recorded a year earlier. Accordingly, earnings per share rose to EUR 1.71 as compared to the EUR 1.64 achieved in the previous year's corresponding period.

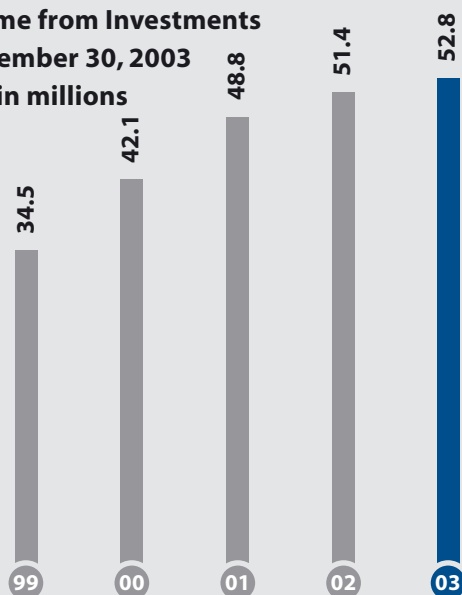
Note:

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 September 30) are recorded.

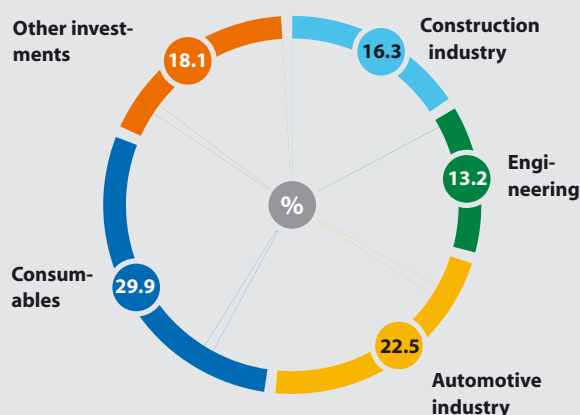
Net Sales September 30, 2003 EUR in millions



Income from Investments September 30, 2003 EUR in millions



Net Sales by Segment September 30, 2003 Percentages



Construction Industry

Germany's construction industry continues to be marked by substantial declines in sales. Building licenses and orders received in the residential and commercial construction sectors were on the decline, as was state investment in building projects. But INDUS portfolio companies countered the market's trend in the reporting period, posting an encouraging 7.4 percent surge in net sales from EUR 75.5 million to EUR 81.1 million. Partially owing to the settlement of major contracts, profit before tax (EBT) for the first three quarters of 2003 jumped considerably, climbing from EUR 7.0 million to EUR 8.3 million year-on-year.

Engineering

Germany's plant and mechanical engineering sector stagnated again in the period under review, following the disappointing development in the first half of the year. Resurgent foreign demand led to a slight recovery. This allowed INDUS companies to lift net sales. In the first nine months of the current year, they rose by EUR 1.1 million to EUR 65.7 million from EUR 64.6 million. Pressure on realizable prices was maintained since competition remained fierce. At EUR 5.5 million, profit before tax fell short of the level recorded a year earlier (EUR 6.9 million).

Automotive Industry

The auto sector posted a slight recovery in the third quarter of 2003. Manufacturers saw a rise in new vehicle registrations and a significant increase in orders especially in September. However, this positive trend had not yet trickled down to the automotive supplier industry by the end of the reporting period. Net sales recorded by INDUS subsidiaries also declined moderately, slipping to EUR 112.2 million from the EUR 113.5 million achieved in the previous year's corresponding period. In the first three quarters of 2003, profit before tax totaled EUR 11.3 million com-

pared with EUR 13.6 million in the year-earlier period.

Consumables

The consumables industry is being hampered by restrained consumer spending. This is principally due to the fact that discretionary income is only experiencing slight increases and that there is general uncertainty regarding future economic developments. Positive stimuli are not expected to arise again until next year, once the tax reform has been moved up, as planned. Nevertheless, INDUS portfolio companies increased net sales for the first nine months of the year under review by 6.7 percent to EUR 149.3 million from EUR 139.9 million in the year-earlier period. Profit before tax generated in the consumables industry totaled EUR 11.1 million compared with EUR 12.3 million in the previous year's corresponding period.

Other Investments

Net sales and earnings produced by this segment put in a very encouraging year-on-year performance, especially due to the acquisitions made in 2002. INDUS lifted net sales from EUR 63.1 million to EUR 90.3 million. This corresponds to an increase of EUR 27.2 million, or 43 percent. Profit before tax recorded strong, above-average growth. Following the EUR 1.9 million recorded in the first nine months of 2002, this segment closed the period under review with EUR 7.5 million in EBT.

Capital Expenditure

Our subsidiaries will invest over EUR 30 million in streamlining and capacity-increasing measures in the current fiscal year. This expenditure aims to step up productivity and defend their competitive positions.

In the first quarter of this year, INDUS increased its stake in Hattingen-based Vulkan Strahltechnik from 60 percent to 90 percent by buying additional shares. INDUS purchased another 10 percent of Backnang-based S.M.A. Metalltechnik after September 30, 2003. This gives INDUS full ownership of this company.

INDUS acquired 100 percent of the screw system manufacturer, Bilstein & Sieker-mann GmbH & Co. KG, Hillesheim, in November.

Management anticipates the successful completion of yet another acquisition in the current financial year.

Workforce

INDUS Group companies employed a total of 4,511 people as of September 30, 2003. The labor force grew by 372 employees year-on-year, principally as a result of the investments we acquired in the interim.

Share

Our share price flattened out in the third quarter, following the steep climb experienced in June and July. INDUS' high for the year until the cut-off date was reached at the Annual Shareholders' Meeting at the beginning of July. Our share price fell to EUR 19.20 after having paid the dividend and appropriating a considerable amount of profits. It has now stabilized itself at about EUR 21.

Outlook

Net sales are expected to hit the EUR 720 million target this year (previous year: EUR 680 million). Restructuring measures initiated in two companies in the first quarter will come to a successful conclusion before yearend. Despite these charges and the fact that the effective tax rate is likely to be higher, the Board of Management expects earnings generated by the holding company to be on par with the previous year's level. Furthermore, management anticipates a considerable improvement in the business trend for 2004, primarily as a result of the fact that there are still acquisition candidates and that the restructuring will have been completed.

Balance Sheet of the Parent Company

ASSETS

EUR '000	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2002
Noncurrent assets			
Intangible assets	117	87	25
Property, plant and equipment	2,622	2,637	2,691
Financial assets	578,861	570,770	560,374
Current assets			
Accounts receivable from affiliated companies	235,162	195,404	195,217
Other assets	8,848	8,550	2,838
Cash on hand, bank balances and balances at other financial institutions	7,921	26,553	6,310
Advance payments	714	750	775
	834,245	804,751	768,230

LIABILITIES AND EQUITY

EUR '000	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2002
Equity	421,217	411,214	384,214
Provisions	1,555	1,781	558
Liabilities			
Accounts payable to banks	389,580	371,526	368,795
Accounts payable to affiliated companies	5,359	2,869	0
Other liabilities	16,534	17,361	14,663
	834,245	804,751	768,230

Changes in Equity of the Parent Company

2002 EUR '000	Subscribed Capital	Additional Paid-In Capital	Retained Earnings	Distributable Profit	Equity
Balance as of Jan. 1, 2002	46,800	116,155	154,411	58,033	375,399
2001 dividend				- 20,700	- 20,700
Period profit				29,515	29,515
Balance as of Sep. 30, 2002	46,800	116,155	154,411	66,848	384,214

2003 EUR '000

Balance as of Jan. 1, 2003	46,800	116,155	191,023	57,236	411,214
2002 dividend				- 20,700	- 20,700
Period profit				30,703	30,703
Balance as of Sep. 30, 2003	46,800	116,155	191,023	67,239	421,217

Income Statement of the Parent Company

EUR '000	Q3 2003	Q3 2002	Sep. 30, 2003	Sep. 30, 2002
Income from investments	17,993	17,908	52,843	51,390
Income from advisory services	884	817	2,548	2,134
Other income	1	3	47	11
Total income	18,878	18,728	55,438	53,535
Staff costs	432	386	1,661	1,513
Depreciation and amortization	75	75	225	225
Other operating expenses	617	682	2,152	1,640
Interest and similar income	187	273	497	569
Interest and similar expenses	5,337	5,553	16,169	15,601
Profit from operating activities	12,604	12,305	35,728	35,125
Taxes on income	1,775	1,960	5,025	5,610
Other taxes				
Net profit	10,829	10,345	30,703	29,515

Segment Reporting on a Group Basis

EUR in millions	Q3 2003	Q3 2002	Sep. 30, 2003	Sep. 30, 2002
Net sales				
Construction industry	34.0	29.7	81.1	75.5
Engineering	20.3	24.1	65.7	64.6
Automotive industry	37.0	40.9	112.2	113.5
Consumables	47.9	44.3	149.3	139.9
Other investments	30.8	22.6	90.3	63.1
Consolidation	- 1.5	- 7.0	- 9.3	- 13.8
Consolidated net sales	168.5	154.6	489.3	442.8
Earnings (EBT)				
Construction industry	4.9	3.2	8.3	7.0
Engineering	1.2	2.3	5.5	6.9
Automotive industry	2.7	5.4	11.3	13.6
Consumables	3.1	2.9	11.1	12.3
Other investments	3.5	0.7	7.5	1.9

Cash Flow Statement of the Parent Company

The interim report includes the cash flow statement of the parent company since the Group's consolidated financial statements will only be prepared for the period ended December 31.

EUR '000	Sep. 30, 2003		Sep. 30, 2002	
1. Net profit	30,703		29,515	
2. Fixed-asset write-downs	225		225	
3. Cash flow	30,928		29,740	
4. Increase (–) or decrease (+) in other assets				
– Accounts receivable for supplies and services	0		0	
– Accounts receivable from investees	– 39,758		– 9,595	
– Other assets and RAP	– 262		+ 3,723	
	– 40,020		– 5,872	
5. Increase (+) or decrease (–) in equity and other liabilities				
– Provisions	– 226		0	
– Accounts payable for supplies and services and other liabilities	– 827		+ 11,922	
– Accounts payable to investees	+ 2,490		0	
	1,437		11,922	
6. Net cash from operating activities	– 7,655		35,790	
7. Net cash from investing activities	– 8,331		– 70,080	
8. Net cash from financing activities	– 2,646		16,141	
9. Net change in financial facilities (sum of 6, 7 and 8)	– 18,632		– 18,149	
10. Financial facilities at beginning of reporting period	26,553		24,459	
11. Financial facilities at end of reporting period	7,921		6,310	
Group				
Financial facilities at beginning of reporting period	97,421		84,657	
Financial facilities at end of reporting period	67,308		65,180	

Additional Information:

Accounting Principles

Unlike in the annual financial statements, no consolidation was effected for this interim report. Otherwise, this interim report was prepared in compliance with the accounting principles set forth in the German Commercial Code (HGB).

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. Earnings (EBT) do not include the Group reconciliation, which

principally consists of the amortization on first-time consolidations.

Earnings per Share

Earnings per share of the holding company 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

		Sep. 30, 2003	Sep. 30, 2002
Group sales	EUR million	489.3	442.8
Group workforce		4,511	4,139
Income from investments	EUR million	52.8	51.4
Net profit	EUR million	30.7	29.5
Total assets	EUR million	834.2	768.2
Noncurrent assets	EUR million	581.6	563.1
Capital stock	EUR million	46.8	46.8
Equity	EUR million	421.2	384.2
Equity ratio	%	50.5	50.0

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