

INDUS Holding
AKTIENGESELLSCHAFT

Sales and Earnings Trend

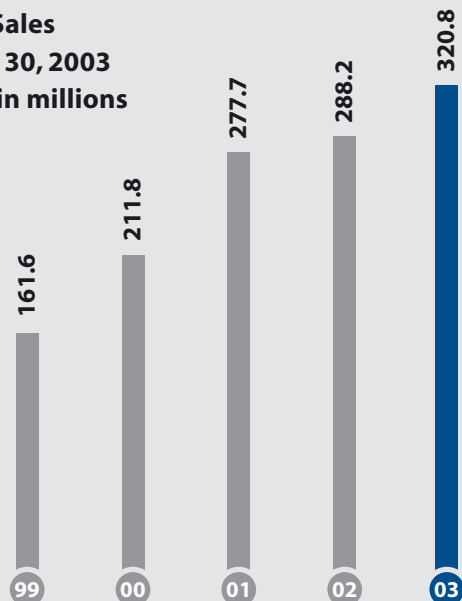
INDUS Holding AG continued to show positive development in the second quarter of the current fiscal year. Consolidated net sales rose from EUR 146.0 million on April 1 to EUR 163.7 million on June 30, despite the persistently unfavorable economic environment. This corresponds to an increase of EUR 17.7 million, or 12.1 percent. In the first half of the year, Group net sales totaled EUR 320.8 million (previous year: EUR 288.2 million). They thus improved by EUR 32.6 million, or 11.3 percent, over the corresponding year-earlier period.

INDUS produced another stable earnings performance. In the first six months of 2003, income from investments was up by EUR 1.4 million, or 4.1 percent, year-on-year, rising from EUR 33.5 million to EUR 34.9 million. The profit from operating activities recorded a slight increase from EUR 22.8 million to EUR 23.1 million in the period under review. Net profit advanced by 3.7 percent from EUR 19.2 million to EUR 19.9 million. Accordingly, earnings per share for the first half of 2003 improved to EUR 1.10 from EUR 1.07 in the previous year.

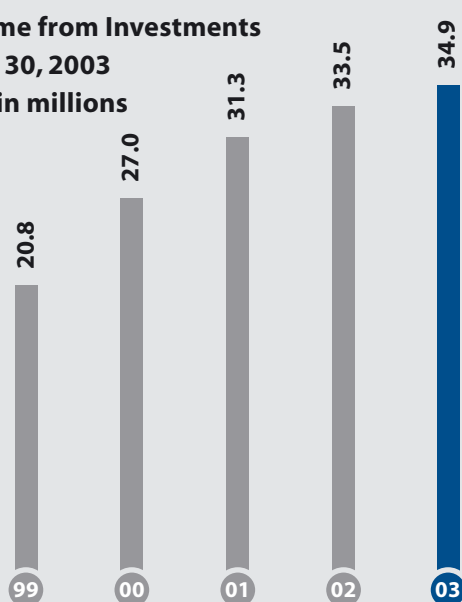
Note:

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 June 30) are recorded.

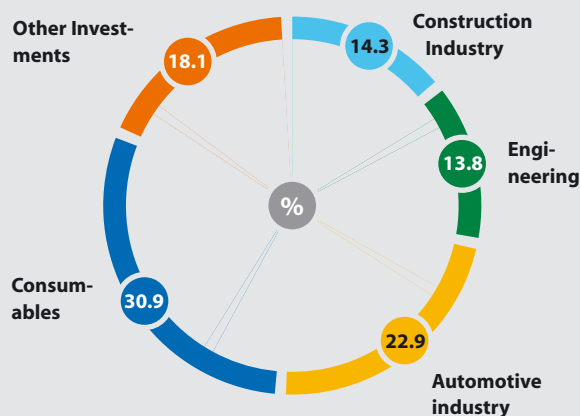
Net Sales June 30, 2003 EUR in millions



Income from Investments June 30, 2003 EUR in millions



Net Sales by Segment June 30, 2003 Percentages



Construction Industry

Germany's construction industry is still experiencing a recessionary trend. All of the construction sectors continue to be characterized by a substantial decline in business. In this light, INDUS portfolio companies active in this branch of industry recorded a moderate increase in net sales from EUR 45.8 million to EUR 47.1 million. By contrast, earnings reflected the impact of dissatisfactory price levels in the construction industry. Profit before tax (EBT) was down to EUR 3.4 million from EUR 3.8 million year-on-year.

Engineering

In the period under review, Germany's engineering sector, which has a large proportion of medium-sized enterprises, had to contend with a decrease in export contracts, which was partially due to currency effects. Compounded by persistently weak domestic demand, the sector put in a disappointing performance overall. Conversely, INDUS Holding AG's investments fared well. In the first half of the financial year, external net sales advanced by EUR 4.9 million, or 12.1 percent, from EUR 40.5 million to EUR 45.4 million. At EUR 4.3 million, profit before tax was nearly on par with the high level recorded a year earlier (EUR 4.6 million).

Automotive Industry

Germany's automotive suppliers are increasingly being hampered by the cyclical downturn in the auto industry. Thanks to their strategic orientation, INDUS portfolio companies active in this segment were just marginally affected by this trend. Net sales improved from EUR 72.6 million to EUR 75.2 million. Earnings rose from EUR 8.2 million to EUR 8.6 million, despite the ongoing pressure on prices.

Consumables

The consumables industry is feeling the effects of the persistently unfavorable general economic situation and the ensuing restraint in consumer spending. Nevertheless, INDUS portfolio companies active in this sector increased net sales to EUR 101.4 million in the first six months of 2003 compared with EUR 95.6 million a year earlier. However, the price situation had a strong impact on earnings contributed by this segment. All in all, investments in the consumables industry generated EUR 8.0 million in profit before tax. This corresponds to a decline of EUR 1.4 million compared with the previous year's level of EUR 9.4 million.

Other Investments

This segment's sales and earnings trend was extremely encouraging, especially due to acquisition effects. Net sales jumped from EUR 40.5 million to EUR 59.5 million, and were thus up by EUR 19.0 million, or 46.9 percent. Profit before tax (EBT) clearly increased disproportionately. Following EUR 1.2 million in the first half of 2002, the segment generated an EBT of EUR 4.0 million in the first six months of 2003—an increase of EUR 2.8 million.

Acquisitions

No new acquisitions were made in the second quarter. INDUS is currently in promising negotiations with potential candidates and expects to be able to complete two acquisitions this year in order to diversify its portfolio.

Capital Expenditure

In the second quarter of 2003, capital expenditure totaled EUR 5.0 million (Q2 2002: EUR 5.8 million). In the first half of this year, capital spending amounted to EUR 12.4 million (H1 2002: EUR 12.8 million). Capital expenditure is thus still in line with the budget for the full year, which totals just over EUR 30 million and will be exclusively spent on our investment companies' property, plant and equipment. We are focusing on streamlining projects to safeguard the portfolio companies' competitive positions.

Workforce

INDUS Group companies employed a combined 4,537 people, approx. 20 percent of which worked abroad, as of June 30, 2003. The fact that the labor force expanded by about 400 employees compared with the same period a year ago is solely due to the acquisition of new investments.

Share

The INDUS share delivered an extremely encouraging performance in the quarter that just ended—both in absolute terms as well as in comparison to the MDAX. Our share price closed the first quarter at EUR 14.50 and has been climbing back up constantly ever since. Benefiting from good corporate results and a friendlier stock market environment, INDUS' share price peaked at just under EUR 23 at the end of the first half of the fiscal year.

Dividend

On July 10, 2003, the Annual Shareholders' Meeting adopted the EUR 1.15 dividend proposed by the Board of Management by an overwhelming majority vote. INDUS thus continued to pursue its shareholder-friendly dividend policy in 2003, distributing a total of EUR 20.7 million to its shareholders.

Outlook

Despite the persistently unfavorable general economic situation, INDUS continues to expect to be able to maintain its positive sales trend. The company expects to generate about EUR 720 million in net sales for fiscal 2003 as a whole. Increasing restraint displayed by municipal customers as well as the progressing deregulation in the energy sector give rise to noteworthy restructuring measures at two companies, which will be completed this year. Nevertheless, the Board of Management anticipates that INDUS will be able to match the level of earnings achieved in 2002 and continue its steady business trend.

Balance Sheet of the Parent Company

ASSETS

EUR '000	June 30, 2003	Dec. 31, 2002	June 30, 2002
Noncurrent assets			
Intangible assets	76	87	1
Property, plant and equipment	2,572	2,637	2,676
Financial assets	578,861	570,770	560,351
Current assets			
Accounts receivable from affiliated companies	226,556	195,404	199,293
Other assets	10,868	8,550	3,560
Cash on hand, bank balances and balances at other financial institutions	11,336	26,553	6,441
Advance payments	743	750	789
	831,012	804,751	773,111

LIABILITIES AND EQUITY

EUR '000	June 30, 2003	Dec. 31, 2002	June 30, 2002
Equity	431,088	411,214	394,569
Provisions	1,778	1,781	556
Liabilities			
Accounts payable to banks	375,979	371,526	358,512
Accounts payable to affiliated companies	3,476	2,869	3,610
Other liabilities	18,691	17,361	15,864
	831,012	804,751	773,111

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
Period profit				19,170	19,170
Balance as of June 30, 2002	46,800	116,155	154,411	77,203	394,569
2003 EUR '000					
Balance as of Jan. 1, 2003	46,800	116,155	191,023	57,236	411,214
Period profit				19,874	19,874
Balance as of June 30, 2003	46,800	116,155	191,023	77,110	431,088

Income Statement of the Parent Company

EUR '000	Q2 2003	Q2 2002	H1 2003	H1 2002
Income from investments	15,929	15,219	34,850	33,482
Income from advisory services	884	636	1,664	1,317
Other income	3	0	46	8
Total income	16,818	15,855	36,560	34,807
Staff costs	786	729	1,229	1,127
Depreciation and amortization	75	75	150	150
Other operating expenses	912	615	1,535	958
Interest and similar income	133	72	310	296
Interest and related expenditure	5,373	5,003	10,832	10,048
Profit from operating activities	9,803	9,505	23,124	22,820
Taxes on income	1,504	1,865	3,250	3,650
Net profit	8,299	7,640	19,874	19,170
Earnings per share in EUR	0.46	0.42	1.10	1.07

Segment Reporting on a Group Basis

EUR in millions	Q2 2003	Q2 2002	H1 2003	H1 2002
Net sales				
Construction industry	25.0	24.7	47.1	45.8
Engineering	22.6	19.3	45.4	40.5
Automotive industry	39.0	35.5	75.2	72.6
Consumables	49.8	48.1	101.4	95.6
Other investments	31.0	22.0	59.5	40.5
Group reconciliation	- 3.7	- 3.6	- 7.8	- 6.8
Consolidated net sales	163.7	146.0	320.8	288.2
Earnings (EBT)				
Construction industry	1.8	2.2	3.4	3.8
Engineering	1.4	1.5	4.3	4.6
Automotive industry	4.3	3.2	8.6	8.2
Consumables	3.4	4.0	8.0	9.4
Other investments	1.7	1.0	4.0	1.2

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	June 30, 2003		June 30, 2002	
1. Net profit	19,874		19,170	
2. Fixed-asset write-downs	150		150	
3. Cash flow	20,024		19,320	
4. Increase (–) or decrease (+) in other assets				
– Accounts receivable for supplies and services	0		0	
– Accounts receivable from investees	– 33,435		– 13,671	
– Other assets and RAP	– 29 – 33,464		+ 8,008 – 5,663	
5. Increase (+) or decrease (–) in equity and other liabilities				
– Provisions	– 3		0	
– Accounts payable for supplies and services and other liabilities	+ 1,330		+ 8,187	
– Accounts payable to investees	+ 607 1,934		+ 3,610 11,797	
6. Net cash from operating activities	– 11,506		25,454	
7. Net cash from investing activities	– 8,164		– 70,028	
8. Net cash from financing activities	4,453		26,556	
9. Net change in financial facilities (sum of 6, 7 and 8)	– 15,217		– 18,018	
10. Financial facilities at beginning of reporting period	26,553		24,459	
11. Financial facilities at end of reporting period	11,336		6,441	
Group				
Financial facilities at beginning of reporting period	97,421		84,657	
Financial facilities at end of reporting period	72,090		55,820	

Additional Information:

Accounting Principles

This interim report was prepared in compliance with the accounting principles set forth in the German Commercial Code (HGB). Applied accounting and valuation principles were the same as those adopted in preparing the financial statements for the fiscal year that ended on December 31, 2002.

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 parent company are calculated by dividing the result generated in the reporting period by the number of shares allocable to the capital stock.

No other finance papers such as convertible and option bonds as well as stock options could have diluted earnings per share in the reporting periods.

INDUS Holding AG in Figures

		June 30, 2003	June 30, 2002
Group sales	EUR million	320.8	288.2
Group workforce		4,537	4,118
Income from investments	EUR million	34.9	33.5
Net profit	EUR million	19.9	19.2
Total assets	EUR million	831.0	773.1
Fixed assets	EUR million	581.5	563.0
Capital stock	EUR million	46.8	46.8
Equity	EUR million	431.1	394.6
Equity ratio	%	51.9	51.0

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