

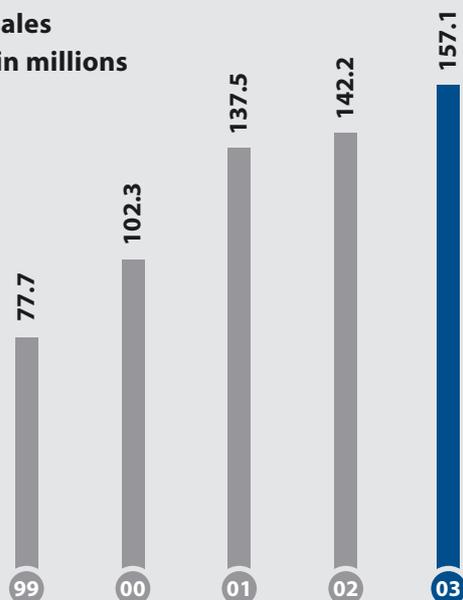
INDUS Holding
AKTIENGESELLSCHAFT

Sales and Earnings Trend

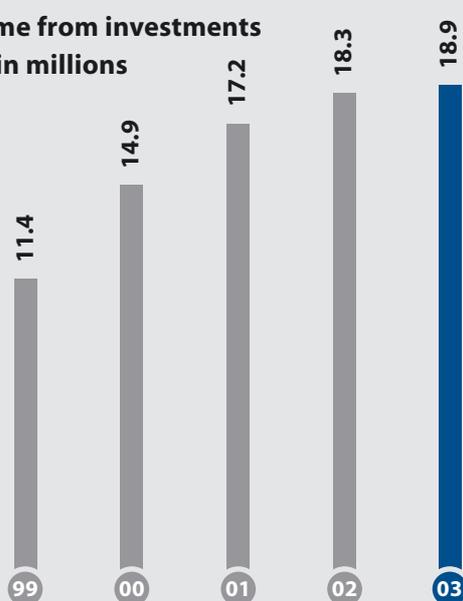
INDUS Holding AG continued its positive development in the first three months of the current fiscal year. Consolidated net sales advanced from EUR 142.2 million to EUR 157.1 million year-on-year. This corresponds to an increase of EUR 14.9 million, or 10.5 percent. For the sake of improved comparability, INDUS consolidates investments acquired over the course of a financial year at year-end. Therefore, the strong growth recorded in the first quarter of 2003 cannot be projected linearly over the full year.

All in all, earnings were satisfactory, despite the familiarly unfavorable economic environment. The corporation's equity holdings were among the companies affected by mounting competitive pressure and the ensuing drop in profit margins. Nevertheless, income from investments rose by 3.6 percent from EUR 18.3 million to EUR 18.9 million. The profit from operating activities was unchanged at EUR 13.3 million, and net profit remained stable, matching the year-earlier level at EUR 11.6 million. In relation to earnings per share, the profit amounted to EUR 0.64 per share and was thus on par with the previous year.

Net sales EUR in millions



Income from investments EUR in millions



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 need to determine the interim results of INDUS Holding AG calls for a special procedure to be adopted. In order to ensure the necessary degree of comparability, new acquisitions as a rule 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. The growth rates of the first quarter are no indication of the position for the year as a whole.

Construction Industry

The situation in the German construction industry continued to deteriorate in the beginning of 2003. Cyclical trends continue to hamper business, resulting in dramatic collapses in demand in some of the construction industry's sectors. Neither commercial building projects, nor government orders, are able to inject positive stimuli at present. In this light, the sales trend displayed by portfolio companies in the construction industry segment is encouraging. Segment sales increased by EUR 1.0 million to EUR 22.1 million and were thus up 4.7 percent compared with the previous year's first quarter.

Engineering

Germany's mechanical and plant engineering industry followed a restrained trend in the first three months of 2003. Domestic orders were still in the red, contrasted by a moderate increase in foreign order intake. In sum, there is still no sign of recovery for this sector. Investor behavior is persistent and the US dollar's weakness is an additional burden on business. INDUS Holding companies active in this sector posted further gains in sales despite these conditions. Net sales produced by this segment were up EUR 1.6 million year-on-year in the period under review. This corresponds to an increase of 7.5 percent from EUR 21.2 million to EUR 22.8 million.

Automotive Industry

The auto industry maintained its relatively stable business trend in the beginning of 2003. Exports were persistently strong, compensating for restrained domestic demand. However, the generally tense economic situation as well as the high tax and levy burden continue to curtail sales of new vehicles. This phenomenon also affects suppliers, including INDUS portfolio companies active in this field of business. At EUR 36.2 million, net sales

generated by the segment in this quarter were slightly down on the EUR 37.1 million achieved in the previous year's corresponding quarter, due to prevailing market conditions. Our portfolio companies still offer first-rate products and command promising positions on their respective markets.

Consumables

Persistent cyclical weakness coupled with the unstable situation of the world's economy have an especially pronounced impact on the consumables industry. Consumer spending continues to decline as individuals focus more on saving, owing to mounting insecurity over personal finances. Nevertheless, companies in the consumables segment posted further growth in sales. First-quarter net sales jumped by EUR 4.1 million to EUR 51.6 million, besting the EUR 47.5 million recorded in the year-earlier quarter. This corresponds to an 8.6 percent improvement year-on-year.

Other Investments

This segment posted a rise in sales over the previous year. Net sales jumped to EUR 28.5 million from EUR 18.5 million in the first quarter of fiscal 2002. This corresponds to an increase of EUR 10.0 million, or 54.1 percent. However, this rise must be seen within the context of the fact that the scope of consolidation was expanded significantly through acquisitions compared with the previous year's first quarter.

Acquisitions

INDUS acquired an additional 30 percent of Vulkan Strahltechnik GmbH, lifting its shareholding to 90 percent. Further increases are planned. INDUS management is in promising negotiations. As usual, INDUS makes ambitious demands on and applies high standards to these acquisition candidates, especially in terms of returns.

Capital Expenditure

Capital spending in the first quarter of 2003 accounted for approximately EUR 7.4 million (Q1 2002: EUR 7.0 million) of the full-year budget of just over EUR 30 million and concentrated on property, plant and equipment for investments. Expenditure on streamlining projects to enhance productivity and safeguard the portfolio companies' competitive positions took center stage.

Work Force

INDUS Group companies employed a combined 4,491 people as of the March 31, 2003 cut-off date. This corresponds to an increase of a good 400 staff members compared with the same period a year ago, which, however, is solely due to the acquisition of new investments.

Share

The INDUS share did not deliver a satisfying performance in the first quarter. Whereas the share price hovered around EUR 17 at the beginning of the year, it dropped to a low of EUR 14.50 in March. Thanks to the positive results posted in fiscal 2002 and the announcement of a strong dividend, which will be unchanged from the previous one, the share price recovered to a level of EUR 19, which it maintains at present.

Outlook

Since the economic situation is still unfavorable and the discussion surrounding necessary reforms to make Germany more attractive as a place to do business is ongoing, but there is a lack of implementation, it is difficult to make an accurate sales and earnings forecast for 2003 as a whole. Nevertheless, the Board of Management of INDUS Holding AG expects to be able to continue the positive sales trend experienced in the past few years and largely maintain the Group's high level of earnings.

Balance Sheet of the Parent Company

ASSETS

EUR '000	March 31, 2003	Dec. 31, 2002
Non-current assets		
Intangible assets	79	87
Property, plant and equipment	2,608	2,637
Financial assets	570,772	570,770
Current assets		
Accounts receivable and other assets	217,860	195,404
Other assets	9,519	8,550
Cash on hand, bank balances and balances at other financial institutions	6,701	26,553
Advance payments	774	750
	808,313	804,751

LIABILITIES AND EQUITY

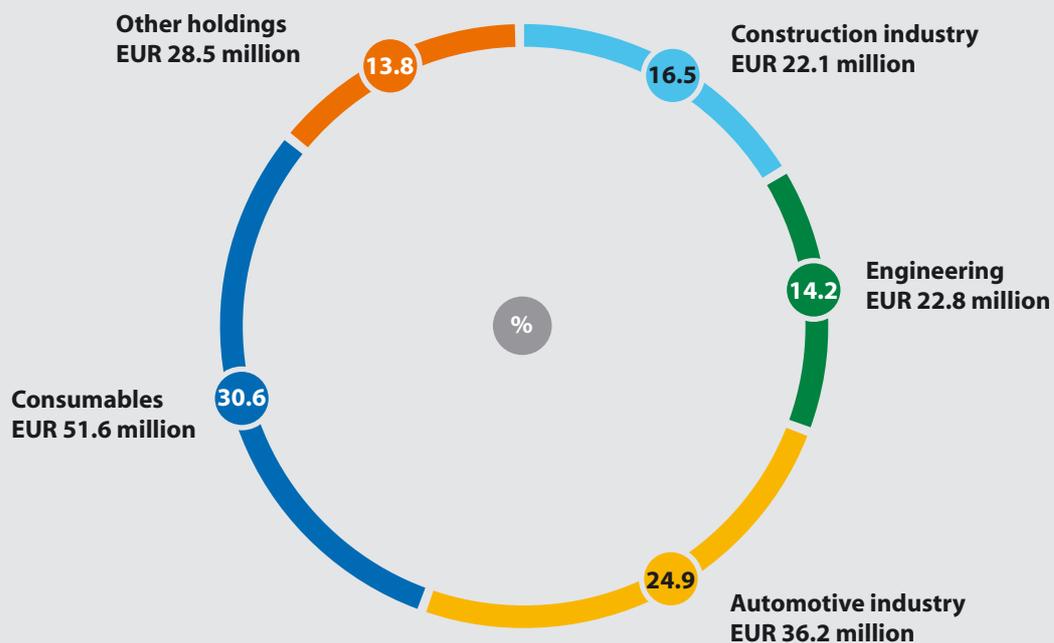
EUR '000	31.03. 2003	Dec. 31. 2002
Equity	422,789	411,214
Provisions	1,778	1,781
Liabilities		
Accounts payable to banks	369,079	371,526
Accounts payable to affiliated companies	1,351	2,869
Other liabilities	13,316	17,361
	808,313	804,751

Income Statement of the Parent Company

EUR '000	March 31, 2003	March 31, 2002
Income from investments	18,921	18,263
Income from advisory services	780	681
Other income	43	8
Total income	19,744	18,952
Staff costs	443	398
Depreciation and amortization	75	75
Other operating expenses	623	343
Interest and similar income	177	224
Interest and similar expenses	5,459	5,045
Profit from operating activities	13,321	13,315
Taxes on income	1,746	1,785
Net profit	11,575	11,530

Accounting in accordance with the German Commercial Code (HGB).

Sales by segment* as at March 31, 2003



* Group transfer EUR -4.1 million

Cash Flow Statement of the Parent Company

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

EUR '000	March 31, 2002		March 31, 2001	
1. Net profit	11,575		11,530	
2. Fixed-assets write-down/write-ups and capitalized startup costs	75		75	
3. Cash flow	11,650		11,605	
4. Increase (–) or decrease (+) in other assets				
– Accounts receivable for supplies and services	0		0	
– Accounts receivable from investees	–	22,456	+	4,954
– Other assets and RAP	–	993	–	23,449
			+	6,019
				1,065
5. Increase (+) or decrease (–) and equity in other liabilities				
– Provisions	–	3	0	
– Accounts payable for supplies and services and other liabilities	–	4,045	+	4,328
– Accounts payable to investees	–	1,518	–	5,566
			+	2,339
				6,667
6. Net cash from operating activities	–	17,365	19,337	
7. Net cash from investing activities	–	40	–	42,653
8. Net cash provided by financing activities	–	2,447	24,600	
9. Net change in financial facilities (sum of 6, 7, 8)	–	19,852	1,284	
10. Financial facilities at beginning of reporting period	26,553		24,459	
11. Financial facilities at end of reporting period	6,701		25,743	
Group				
Financial facilities at beginning of reporting period	97,421		84,657	
Financial facilities at end of reporting period	71,207		69,737	

INDUS Holding AG in figures

		March 31, 2003	March 31, 2002
Group sales	EUR million	157.1	142.2
Group workforce		4,491	4,090
Income from investments	EUR million	18.9	18.3
Net profit	EUR million	11.6	11.5
Total assets	EUR million	808.3	758.3
Fixed assets	EUR million	573.5	532.9
Capital stock	EUR million	46.8	46.8
Equity capital	EUR million	422.8	386.9
Equity ratio	%	52.3	51.0

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