

**INTERIM REPORT  
JANUARY 1 TO MARCH 31, 2007**

| <b>Holding Company</b>    |                 | <b>March 31,<br/>2007</b> | March 31,<br>2006 |
|---------------------------|-----------------|---------------------------|-------------------|
| Income from investments** | EUR in millions | <b>16.2</b>               | 16.3              |
| EBIT                      | EUR in millions | <b>13.5</b>               | 13.3              |
| Net profit for the period | EUR in millions | <b>9.6</b>                | 9.6               |
| Total assets*             | EUR in millions | <b>910.9</b>              | 900.3             |
| Fixed assets*             | EUR in millions | <b>742.5</b>              | 724.4             |
| Capital stock*            | EUR in millions | <b>46.8</b>               | 46.8              |
| Equity*                   | EUR in millions | <b>466.8</b>              | 457.2             |
| Equity ratio*             | %               | <b>51.2</b>               | 50.8              |

| <b>Group</b>              |                 | <b>March 31,<br/>2007</b> | March 31,<br>2006 |
|---------------------------|-----------------|---------------------------|-------------------|
| Revenue                   | EUR in millions | <b>220.7</b>              | 192.4             |
| Export share              | %               | <b>39.8</b>               | 41.4              |
| EBITDA                    | EUR in millions | <b>30.9</b>               | 30.7              |
| EBIT                      | EUR in millions | <b>20.6</b>               | 20.1              |
| Net income for the period | EUR in millions | <b>7.1</b>                | 8.1               |
| Depreciation              | EUR in millions | <b>10.3</b>               | 10.6              |
| Total assets*             | EUR in millions | <b>928.9</b>              | 900.4             |
| Equity*                   | EUR in millions | <b>211.6</b>              | 204.6             |
| Equity ratio*             | %               | <b>22.8</b>               | 22.7              |
| Employees                 |                 | <b>5,420</b>              | 5,087             |
| – Holding company         |                 | <b>17</b>                 | 17                |
| – Portfolio companies     |                 | <b>5,403</b>              | 5,070             |

| <b>Share</b>                         |                 | <b>Jan. 31 to<br/>March 31,<br/>2007</b> | Jan. 31 to<br>March 31,<br>2006 |
|--------------------------------------|-----------------|--|---------------------------------|
| Earnings per share (holding company) | EUR             | <b>0.53</b>                              | 0.53                            |
| Earnings per share (Group)           | EUR             | <b>0.40</b>                              | 0.47                            |
| 3-month high                         | EUR             | <b>31.60</b>                             | 32.01                           |
| 3-month low                          | EUR             | <b>26.90</b>                             | 28.40                           |
| Price at end of period               | EUR             | <b>28.49</b>                             | 32.01                           |
| Average daily turnover               | No. of shares   | <b>65,160</b>                            | 47,577                          |
| Market capitalization on March 31    | EUR in millions | <b>512.82</b>                            | 576.18                          |

**Financial Calendar**

|                |  |
|----------------|--|
| July 3, 2007   | Annual Shareholders' Meeting, Cologne      |
| July 4, 2007   | Dividend payment                           |
| Aug. 31, 2007  | Interim report on the first half           |
| Nov. 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                         |

\* Comparable figures as of December 31, 2006.

\*\* Prior-year figure adjusted to reflect the interest cost related to INDUS.

Ladies and Gentlemen,

On the strength of revenue and income growth, as expected, we got off to a satisfactory start to the 2007 financial year. Consolidated revenue rose by EUR 28.3 million to EUR 220.7 million, with earnings before interest and taxes (EBIT) advancing by EUR 0.5 million to EUR 20.6 million. We thus bested the strong first quarter recorded in 2006.

OBUK Haustürfüllungen GmbH & Co. KG, which we had acquired back in the fourth quarter of 2006, was consolidated effective January 1, 2007. In addition, we acquired a second-tier subsidiary to round off our portfolio after the end of the period under review.

Despite the high degree of liquidity among private equity firms and the steep climb in prices on the investment market, with our acquisitions, we have proven that INDUS can carry out attractive takeovers even under difficult circumstances. However, we will not allow the market's current situation to mislead us into deviating from our tried-and-tested evaluation criteria or to accept exaggerated prices. Therefore, we will take a moderate stance on acquisitions for the time being and strategically focus on spurring organic growth and further optimizing the cost structures of our individual portfolio companies. We intend to use our existing liquidity and cash flows earned to continue to reduce our net debt. Once the exaggerated level of prices has subsided, we will return to making targeted acquisitions.

We continue to expect to be able to increase our business volume to approximately EUR 890 million and to improve the operating result by at least the same order for fiscal 2007 as a whole.

Sincerely,



Helmut Ruwisch

Chairman of the Board of Management

### General Economic Trend

The economy displayed an extremely robust development in the first few months of 2007. Despite the sales tax hike implemented at the beginning of the year, Germany's economy got off to a surprisingly strong start into 2007. Gross domestic product (GDP) was up 0.5% on the fourth quarter of 2006 and 3.3% higher than in the first quarter of 2006. This growth was primarily driven by substantial investment in fixed assets and buildings, whereas consumer spending experienced a slight drop.

Prices for major commodities such as petroleum posted a tangible gain in the first quarter, following the marginal decline in commodity prices at the turn of the year. Nevertheless, the German economy succeeded in absorbing this development just as well as the persistent growth in the strength of the euro. However, these two factors remain a latent risk to the economy's continued development. The collective wage bargaining agreements concluded in the metal and construction industries so far have resulted in significant wage increases at times in excess of 4%. This sends out false signals and could hamper the cost situation over the remaining course of the year.

### Status of INDUS Holding AG

#### Earnings Situation

In the first quarter of 2007, INDUS' holding company generated EUR 0.9 million in revenue (Q1 2006: EUR 0.9 million). Parent company revenue exclusively consists of consulting services rendered to the individual portfolio companies by the holding company. Due to the mounting complexity and internationalization of markets, these services have experienced a significant rise in the past. Income from investments was essentially unchanged, totaling EUR 16.2 million (Q1 2006: EUR 16.3 million). Earnings before interest and taxes (EBIT) recorded a marginal improvement, advancing to EUR 13.5 million. Net profit for the period amounted to EUR 9.6 million, matching the level achieved a year earlier. This results in unchanged earnings per share of EUR 0.53.

#### Financial and Net Assets Position

As of March 31, 2007, INDUS Holding AG had a total of EUR 910.9 million in assets, which was EUR 10.6 million higher than at the end of 2006. The rise is largely due to the increase in financial assets caused by changes to the scope of consolidation. Fixed assets were up EUR 18.1 million to EUR 742.5 million, while current assets decreased by EUR 7.5 million to EUR 168.4 million. Equity recorded a EUR 9.6 million increase to EUR 466.8 million. This caused the equity ratio to rise to 51.2%. Accounts payable to banks posted a marginal rise of EUR 4.7 million to EUR 394.6 million. At EUR 43.8 million, other liabilities were essentially flat.

## Employees

As of March 31, 2007, the holding company had an unchanged employee headcount of 17.

## Group Accounting

### Earnings Situation

In the first quarter of 2007, consolidated revenue jumped 14.7%, climbing from EUR 192.4 million to EUR 220.7 million. This positive development was driven by existing portfolio companies as well as OBUK's first-time consolidation. The export share was 39.8% and thus slightly down year on year.

Changes in finished goods and work in progress amounted to EUR 4.3 million (Q1 2006: EUR 3.7 million).

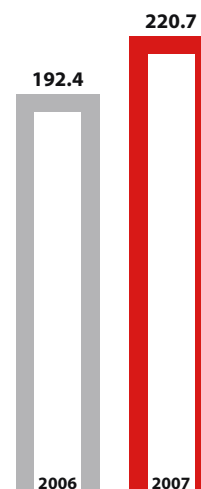
Persistently high commodity and energy prices, which posted another substantial gain following a marginal decline at the turn of the year, caused the ratio of material costs to total revenue to rise by 2.8 percentage points to 50.1%. Thanks to the streamlining measures implemented, the ratio of staff costs to total revenue dropped by 0.6 percentage points to 26.3%.

The share of total revenue accounted for by other operating expenses decreased by 0.7 percentage points to 12.9%. This, together with the reduced ratio of staff costs to total revenue, enabled us to offset the rise in the cost of materials. Earnings before interest, taxes, depreciation and amortization (EBITDA) improved slightly, advancing from EUR 30.7 million to EUR 30.9 million. At EUR 10.3 million, depreciation was virtually flat (Q1 2006: EUR 10.6 million). Earnings before interest and taxes (EBIT) rose by EUR 0.5 million to EUR 20.6 million. As regards net interest, one must take into account the fact that the year-earlier figure includes EUR 2.4 million in retroactive, non-operating and non-cash income from the valuation of derivatives. Net of this effect, the interest expense was essentially constant, at EUR 7.0 million. Excluding the retroactive changes in 2006, earnings before taxes (EBT) were up to EUR 14.0 million from EUR 13.0 million. Taxes due declined marginally, falling to EUR 6.8 million. After minority interests and net of the aforementioned effects, net profit for the period for INDUS shareholders rose from EUR 5.9 million to EUR 7.1 million. Earnings per share thus totaled EUR 0.40.

### Financial and Net Assets Position

By March 31, 2007, the Group's balance sheet total had risen by EUR 28.5 million to EUR 928.9 million compared with its level on December 31, 2006.

Revenue as of March 31  
EUR in millions



On the assets side, non-current assets were up EUR 17.8 million to EUR 542.7 million. Owing to the changes in the scope of consolidation, goodwill rose by EUR 17.1 million to EUR 280.3 million, while the other items were essentially unchanged. Current assets advanced by EUR 10.7 million to EUR 386.2 million.

Inventories rose by EUR 12.1 million to EUR 170.5 million, while trade accounts receivable increased by EUR 20.9 million to EUR 129.0 million year on year. Whereas other current assets climbed by EUR 4.8 million to EUR 21.1 million, cash and cash equivalents, which largely serve the purpose of financing our portfolio companies' current assets, decreased by EUR 27.0 million to EUR 65.7 million, which is still a comfortable level.

On the equity and liabilities side, the Group's shareholders' equity was up EUR 7.0 million to EUR 211.6 million. At 22.8%, the equity ratio remained unchanged. Non-current and medium-term financial liabilities were down EUR 20.0 million to EUR 399.9 million. Provisions for pensions gained a marginal EUR 0.4 million to EUR 15.2 million, while other non-current provisions and other non-current liabilities were virtually flat. Current financial liabilities rose by EUR 26.7 million to EUR 126.3 million. At EUR 44.9 million, trade accounts payable were EUR 11.0 million higher than at the balance sheet date on December 31, 2006, owing to the increase in business volume. Current provisions advanced by EUR 5.5 million to EUR 41.2 million. Other current liabilities were down a marginal EUR 1.7 million to EUR 62.7 million.

Cash flows from operating activities declined from EUR 0.8 million to EUR –22.3 million. This decrease is due to the rise in inventories and trade accounts receivable. Cash flows from financing activities increased from EUR –59.4 million to EUR 6.5 million. In this context, special mention should be made of the fact that the EUR 100 million syndicated credit was redeemed in 2006. Cash flows from investing activities dropped from EUR –8.4 million to EUR –11.2 million.

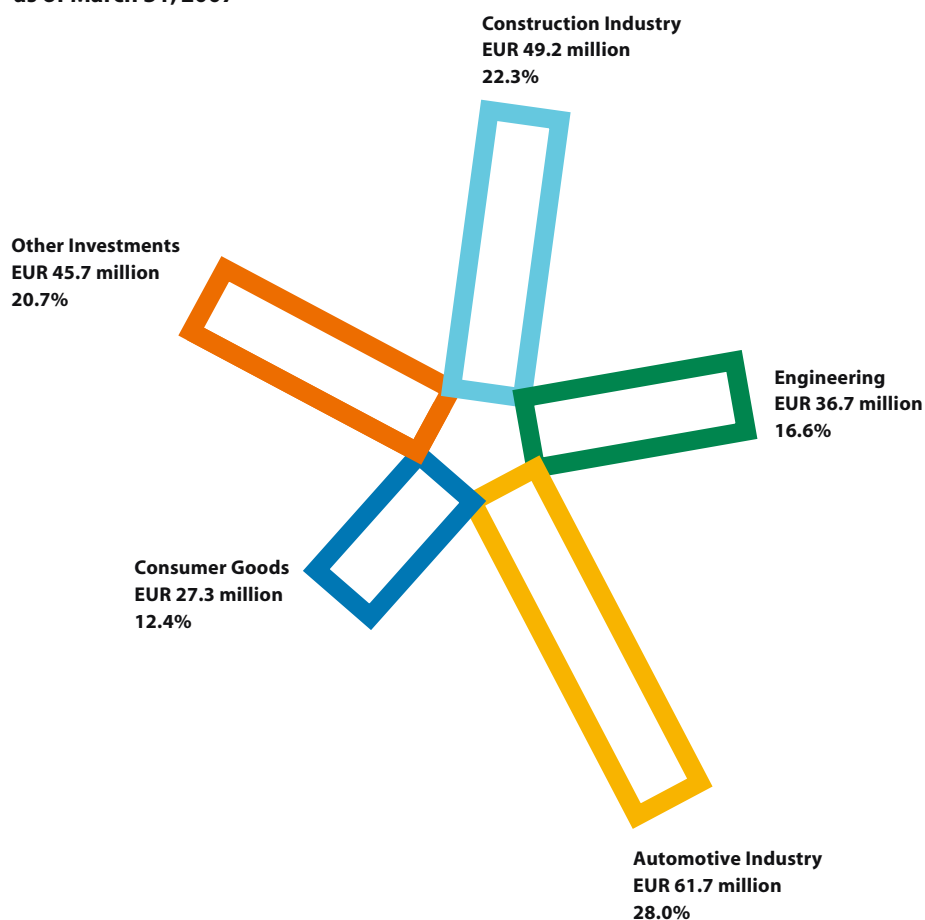
### Segment Report

INDUS Holding AG divides its portfolio of companies, which still consisted of 42 operating units as of March 31, 2007, 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.

#### Construction Industry

The upswing in the German construction sector continued in the first quarter of 2007 as well. Sales generated by the construction industry rose by a nominal 19.3% compared with the same period last year. All three of the industry's branches contributed to this positive development, with public construction adding 20.5%, commercial construction adding 19.2% and residential construction adding 18.5%.

**Revenue by Segment  
as of March 31, 2007**



As of March 31, 2007, the Construction Industry segment comprised a total of ten operating units. Acquired in October 2006, OBUK Haustürfüllungen GmbH & Co. KG, based in Oelde, Germany, was added. INDUS acquired a 75% stake in the company, which specializes in premium plastic and aluminum fillings for doors and generated over EUR 21 million in revenue last financial year. The company was consolidated for the first time effective January 1, 2007.

Enterprises subsumed under the Construction Industry segment put in another positive performance in the first quarter of 2007. Revenue climbed by 33.0%, from EUR 37.0 million to EUR 49.2 million. This growth was driven by the first-time consolidation of OBUK as well as the relentlessly high demand experienced by existing portfolio companies. Earnings before interest and taxes (EBIT) recorded a disproportionately small improvement, advancing to EUR 4.0 million. However, this is exclusively due to invoicing practices and the conservative valuation of orders based on the Percentage of Completion (PoC) method. Accordingly, earnings should display much improved development over the remaining course of the year.

### **Engineering**

In March of 2007, the German mechanical engineering sector achieved the highest gains witnessed since the mid-1970s. Order intake was up a real 47% compared with the same period last year. Demand rose both in Germany (+36%) as well as abroad (+54%).

As of March 31, 2007, the Engineering segment comprised a total of nine operating units, as before.

Investments assigned to the Engineering segment also benefited from the market's positive trend. In the first quarter of 2007, revenue jumped 11.9%, climbing from EUR 32.8 million to EUR 36.7 million. This growth was spurred by the repeated strength in exports and mounting demand within Germany. Earnings before interest and taxes (EBIT) was flat, totaling EUR 4.9 million, owing to increasing material prices and the conservative valuation of orders within the scope of the Percentage of Completion (PoC) method.

### **Automotive Industry**

Germany's automobile sector has been especially hard hit by the impact of the sales tax hike thus far. In consequence, in the first four months, the number of new passenger vehicle registrations declined by about 9% to 983,000 units. This largely offset the aggregate effect of passenger vehicle purchases conducted in the fourth quarter of 2006, in anticipation of the rise in sales tax. Whereas passenger vehicle sales have not yet been able to capitalize on the positive cyclical trend, German industrial vehicle manufacturers hit a new production record of 157,000 units (+13%), buoyed by good domestic and foreign business.

As of March 31, 2007, the Automotive Industry segment still consisted of a total of twelve operating units.

First-quarter revenue generated by the Automotive Industry segment was boosted by 5.5%, rising from EUR 58.5 million to EUR 61.7 million. Persistently high commodity prices and the relentless pressure on prices exerted by automobile manufacturers were partially offset by efficiency-enhancement and streamlining measures initiated across portfolio companies. Earnings before interest and taxes (EBIT) recorded a marginal improvement, advancing to EUR 5.1 million.

### **Consumer Goods**

In the first quarter of 2007, consumer spending was primarily affected by the sales tax hike. Consumer spending was down 1.4% compared with the preceding quarter. A drop (-0.2%) was also recorded vis-à-vis last year's first quarter. However, initial indicators give rise to the assumption that the improved employment situation and the rise in collectively agreed wages will cause a resurgence in consumer willingness to spend over the continued course of the year.



As of March 31, 2007, the Consumer Goods segment still comprised a total of four operating units.

First-quarter revenue generated by Consumer Goods was increased by 7.1%, rising from EUR 25.5 million to EUR 27.3 million. Earnings before interest and taxes (EBIT) recorded a clearly disproportionate rise, boosted by 20.0%, from EUR 2.5 million to EUR 3.0 million. This earnings development reflects the effectiveness of optimization measures taken, which succeeded in more than compensating for the negative impact of high commodity prices.

### **Other Investments**

Other Investments, our fifth segment, is heterogeneous, as it 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. Germany's general economic trend, measured on the basis of the gross domestic product (GDP), is the only suitable—albeit rough—yardstick. First-quarter GDP was up 0.5% on the fourth quarter of 2006 and 3.3% higher than in the first quarter of 2006.

As of March 31, 2007, the Other Investments segment still comprised seven operating units.

Revenue generated by Other Investments in the first quarter of 2007 soared 18.7%, rising from EUR 38.5 million to EUR 45.7 million. Earnings before interest and taxes (EBIT) recorded a marginal drop, declining to EUR 3.6 million.

### **Capital Expenditure**

In the period under review, the INDUS Group's capital spending totaled EUR 27.9 million (Q1 2006: EUR 7.9 million).

### **Employees**

By March 31, 2007, the number of people employed in the INDUS Group had risen by 333 to 5,420 compared with the corresponding year-earlier period.

### **Share**

At the end of the first quarter of 2007, INDUS' share price was a marginal 4.0% down on the quotation at the end of 2006. By comparison, the DAX was 4.9% higher, and the SDAX, which includes the INDUS share, was up 9.9%.

On March 30, 2007, the INDUS share was ranked 26th in terms of market capitalization and 22nd on the basis of turnover. The average number of INDUS shares traded was up a marked 37.0% compared with the same period last year.

The joint proposal of the Board of Management and the Supervisory Board regarding the appropriation of net income available for distribution among shareholders calls for an unchanged dividend of EUR 1.20 per share for fiscal 2006. Based on current figures, this corresponds to a dividend yield of approximately 4%.

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

In May 2007, INDUS acquired a further second-tier subsidiary to round off its portfolio.

### **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 quarter 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).

### **Outlook**

The global economy is maintaining its positive cycle. Although it is not expanding as rapidly as it was a year ago, the pace of growth displayed by developing and newly industrializing countries nearly compensates for the waning US economy. Germany's economic development remains strong. Prevailing mood indicators and the resurgence in order intake lead to the conclusion that the slight dip caused by the sales tax hike in the first quarter will be overcome soon. Therefore, leading economic research institutes expect Germany's real gross domestic product to grow by some 2.5% for 2007 as a whole.

INDUS will continue to pursue its proven corporate strategy with resolve in fiscal 2007 and make targeted investments in medium-sized enterprises.

Based on Germany's continuously encouraging economic performance, the Board of Management of INDUS Holding AG anticipates to grow revenue even further to approximately EUR 890 million and to increase earnings by at least the same order in the 2007 financial year. This is to be predominantly driven by the existing portfolio companies' positive organic trends and additional acquisitions.

**Consolidated Income Statement\***

| EUR '000   | Note | March 31, 2007<br>Q1 | March 31, 2006<br>Q1 |
|--|------|----------------------|----------------------|
| <b>Revenue</b>   |      | 220,681              | 192,386              |
| Other operating income   |      | 1,932                | 2,735                |
| Own work capitalized   |      | 931                  | 704                  |
| Change in inventories  |      | 4,328                | 3,671                |
| Cost of materials  |      | – 110,563            | – 91,061             |
| Staff costs  |      | – 58,134             | – 51,733             |
| Depreciation   |      | – 10,334             | – 10,562             |
| Other operating expenses   |      | – 28,408             | – 26,208             |
| Financial result   |      | 160                  | 174                  |
| <b>Operating result</b>  |      | <b>20,593</b>        | <b>20,106</b>        |
| Interest income  |      | 396                  | 330                  |
| Interest expenses  |      | – 7,001              | – 4,628              |
| Net interest   |      | – 6,605              | – 4,298              |
| <b>Income before taxes</b>   |      | <b>13,988</b>        | <b>15,808</b>        |
| Taxes  |      | – 6,767              | – 6,969              |
| Income from discontinued operations  | (1)  | –                    | – 352                |
| <b>Income after taxes</b>  |      | <b>7,221</b>         | <b>8,487</b>         |
| – thereof minority interests   |      | – 88                 | – 404                |
| – thereof income allocable to INDUS shareholders                                     |      | 7,133                | 8,083                |
| Diluted earnings per share in EUR  | (2)  | 0.40                 | 0.47                 |
| Undiluted earnings per share in EUR  |      | 0.40                 | 0.47                 |
| Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges |      | 7,302                | 5,909                |

\* Prior-year figures adjusted.

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

| EUR '000                                     | Note | March 31, 2007 | Dec. 31, 2006  |
|--|------|----------------|----------------|
| Goodwill                                     |      | 280,328        | 263,195        |
| Intangible assets                            | (3)  | 18,834         | 19,046         |
| Property, plant and equipment                | (4)  | 227,433        | 226,791        |
| Financial assets                             |      | 6,705          | 6,304          |
| Shares accounted for using the equity method |      | 4,414          | 4,314          |
| Other non-current assets                     |      | 1,966          | 2,163          |
| Deferred taxes                               |      | 2,984          | 3,128          |
| <b>Non-current assets</b>                    |      | <b>542,664</b> | <b>524,941</b> |
| Cash and cash equivalents                    |      | 65,676         | 92,664         |
| Accounts receivable                          | (5)  | 128,954        | 108,129        |
| Inventories                                  | (6)  | 170,525        | 158,437        |
| Other current assets                         |      | 21,061         | 16,252         |
| Assets held for sale                         |      | –              | –              |
| <b>Current assets</b>                        |      | <b>386,216</b> | <b>375,482</b> |
| <b>Balance sheet total</b>                   |      | <b>928,880</b> | <b>900,423</b> |

**Equity and Liabilities**

| EUR '000                                   | Note | March 31, 2007 | Dec. 31, 2006  |
|--|------|----------------|----------------|
| Paid-in capital                            |      | 162,955        | 162,955        |
| Generated capital                          |      | 47,119         | 40,102         |
| Shareholders' equity of INDUS shareholders |      | 210,074        | 203,057        |
| Minority interests in capital              |      | 1,492          | 1,503          |
| <b>Group equity</b>                        |      | <b>211,566</b> | <b>204,560</b> |
| Non-current financial liabilities          |      | 399,861        | 419,924        |
| Provisions for pensions                    |      | 15,191         | 14,793         |
| Other non-current provisions               |      | 3,134          | 3,043          |
| Other non-current liabilities              |      | 4,494          | 5,223          |
| Deferred taxes                             |      | 19,555         | 19,203         |
| <b>Non-current liabilities</b>             |      | <b>442,235</b> | <b>462,186</b> |
| Current financial liabilities              |      | 126,255        | 99,625         |
| Trade accounts payable                     |      | 44,903         | 33,908         |
| Current provisions                         |      | 41,220         | 35,731         |
| Other current liabilities                  |      | 62,701         | 64,413         |
| Liabilities held for sale                  |      | –              | –              |
| <b>Current liabilities</b>                 |      | <b>275,079</b> | <b>233,677</b> |
| <b>Balance sheet total</b>                 |      | <b>928,880</b> | <b>900,423</b> |

\* Prior-year figures adjusted.

**Consolidated Cash Flow Statement\***

| EUR '000  | March 31, 2007  | March 31, 2006  |
|---|-----------------|-----------------|
| <b>Income after taxes</b>   | <b>7,221</b>    | <b>8,487</b>    |
| Depreciation/write-backs<br>– of non-current assets (excluding deferred taxes)  | 10,334          | 10,562          |
| Taxes   | 6,767           | 6,969           |
| Net interest  | 6,605           | 4,298           |
| Cash earnings of discontinued operations  | –               | – 209           |
| Income from companies accounted for using the equity method   | – 100           | – 113           |
| Other non-cash transactions   | – 78            | – 67            |
| Changes in provisions   | 5,887           | 1,558           |
| Increase (–)/decrease (+) in inventories, trade accounts<br>receivable and other assets not allocable to investing<br>or financing activities | – 37,281        | – 20,903        |
| Increase (+)/decrease (–) in trade accounts payable and other liabilities<br>not allocable to investing or financing activities               | – 11,534        | 1,989           |
| Income taxes received/paid  | – 4,652         | – 5,083         |
| <b>Operating cash flow</b>  | <b>– 16,831</b> | <b>7,488</b>    |
| Interest paid   | – 5,856         | – 7,010         |
| Interest portion  | 396             | 330             |
| <b>Cash flows from operating activities</b>   | <b>– 22,291</b> | <b>808</b>      |
| Cash flows from investments in<br>– intangible assets   | – 10,764        | – 9,876         |
| – financial assets  | – 402           | – 554           |
| Income from the disposal of<br>– shares in fully consolidated companies   | –               | 1,988           |
| <b>Cash flows from investing activities</b>   | <b>– 11,166</b> | <b>– 8,442</b>  |
| Dividends paid to minority interests  | – 98            | – 130           |
| Cash flows from the issuance of debt  | 10,000          | 52,564          |
| Cash flows from the repayment of debt   | – 3,433         | – 111,880       |
| <b>Cash flows from financing activities</b>   | <b>6,469</b>    | <b>– 59,446</b> |
| <b>Net cash change in financial facilities</b>  | <b>– 26,988</b> | <b>– 67,080</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<br/>separately on the balance sheet</b>   | <b>–</b>        | <b>– 31</b>     |
| <b>Financial facilities at the end of the reporting period</b>  | <b>65,676</b>   | <b>66,453</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 March 31, 2007</b>                                       | Opening<br>balance<br>Jan. 1, 2007 | Dividend<br>payment | Recognized<br>expenses and<br>income | Deferred<br>taxes | Closing<br>balance<br>March 31, 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                             | –                   | 7,133                                | –                 | 47,188                               |
| Currency translation reserve   | 533                                | –                   | – 265                                | –                 | 268                                  |
| Reserve for the marked-to-market<br>measurement of financial instruments | – 486                              | –                   | 202                                  | – 53              | – 337                                |
| <b>Generated capital</b>   | <b>40,102</b>                      | –                   | <b>7,070</b>                         | <b>– 53</b>       | <b>47,119</b>                        |
| <b>Equity of INDUS shareholders</b>                                      | <b>203,057</b>                     | –                   | <b>7,070</b>                         | <b>– 53</b>       | <b>210,074</b>                       |
| Minority interests   | 1,503                              | – 98                | 87                                   | –                 | 1,492                                |
| <b>Group equity</b>  | <b>204,560</b>                     | <b>– 98</b>         | <b>7,157</b>                         | <b>– 53</b>       | <b>211,566</b>                       |

| <b>January 1 to March 31, 2006</b>                                       | Opening<br>balance<br>Jan. 1, 2006 | Dividend<br>payment | Recognized<br>expenses and<br>income | Deferred<br>taxes | Closing<br>balance<br>March 31, 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                             | –                   | 8,083                                | –                 | 40,629                               |
| Currency translation reserve   | 487                                | –                   | – 133                                | –                 | 354                                  |
| Reserve for the marked-to-market<br>measurement of financial instruments | – 1,390                            | –                   | – 19                                 | 2                 | – 1,407                              |
| <b>Generated capital</b>   | <b>31,643</b>                      | –                   | <b>7,931</b>                         | <b>2</b>          | <b>39,576</b>                        |
| <b>Equity of INDUS shareholders</b>                                      | <b>194,598</b>                     | –                   | <b>7,931</b>                         | <b>2</b>          | <b>202,531</b>                       |
| Minority interests   | 2,413                              | – 130               | 404                                  | –                 | 2,687                                |
| <b>Group equity</b>  | <b>197,011</b>                     | <b>– 130</b>        | <b>8,335</b>                         | <b>2</b>          | <b>205,218</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 market-to-market measurement of financial instruments includes the efficient share of interest-rate hedges.

Minority interests in equity relate to external shareholders in public limited companies and corporations. In accordance with IAS 32, due to the theoretical retirability and redeemability of the shares, minority interests in private limited companies are reported as debt and stated under other liabilities in the amount of EUR 9,501,000 (previous year: EUR 10,753,000).

## 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 quarter of fiscal 2007 in accordance with International Financial Reporting Standards (IFRS) and the interpretation of such by the International Financial Reporting Interpretations Committee (IFRIC). This interim report was prepared using the accounting policies applied in the consolidated financial statements for fiscal 2006. 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 quarter 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. This made a substantial contribution to the increase in goodwill.

No major investments were acquired in the first quarter of 2006.

## 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. Accordingly, the company will be stated as a discontinued operation in the income statements of all the 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. The tax expense resulting from income from discontinued operations amounted to EUR 0 (prior year: EUR –126,000).

**[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 0.00 per share (previous year: EUR –0.02 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.

The following passages provide explanations on select items included in this report:

**[3] Intangible Assets**

| EUR '000  | March 31, 2007 | Dec. 31, 2006 |
|---|----------------|---------------|
| Capitalized development costs                           | 6,297          | 5,799         |
| Licenses, commercial rights and other intangible assets | 12,537         | 13,247        |
| <b>Total</b>  | <b>18,834</b>  | <b>19,046</b> |

**[4] Property, Plant and Equipment**

| EUR '000  | March 31, 2007 | Dec. 31, 2006  |
|---|----------------|----------------|
| Land and buildings                                    | 113,957        | 114,416        |
| Technical plant and machinery                         | 77,855         | 80,883         |
| Other plant, fixtures, furniture and office equipment | 29,615         | 26,606         |
| Advance payments and work in progress                 | 6,006          | 4,886          |
| <b>Total</b>  | <b>227,433</b> | <b>226,791</b> |

**[5] Accounts Receivable**

| EUR '000   | March 31, 2007 | Dec. 31, 2006  |
|--|----------------|----------------|
| Accounts receivable from customers                                       | 119,939        | 98,829         |
| Future accounts receivable from customer-specific construction contracts | 8,280          | 8,475          |
| Accounts receivable from associated companies                            | 735            | 825            |
| <b>Total</b>   | <b>128,954</b> | <b>108,129</b> |

**[6] Inventories**

| EUR '000                                     | March 31, 2007 | Dec. 31, 2006  |
|--|----------------|----------------|
| Raw materials and supplies                   | 61,722         | 56,840         |
| Unfinished goods                             | 43,085         | 39,387         |
| Finished goods and goods for resale          | 63,752         | 61,172         |
| Prepayments to third parties for inventories | 1,966          | 1,038          |
| <b>Total</b>                                 | <b>170,525</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 is no longer included in the figures reported for fiscal 2006.

### Primary Reporting Format: by Operation

| Q1 2007<br>EUR '000                                  | Construction<br>Industry | Engineering   | Automotive<br>Industry | Consumer<br>Goods | Other<br>Investments | Non-<br>operating | Total          |
|--|--------------------------|---------------|------------------------|-------------------|----------------------|-------------------|----------------|
| External revenue                                     | 49,378                   | 36,947        | 63,903                 | 29,604            | 47,967               | –                 | 227,799        |
| Internal revenue                                     | – 182                    | – 272         | – 2,180                | – 2,263           | – 2,221              | –                 | – 7,118        |
| <b>Segment revenue from<br/>third parties</b>        | <b>49,196</b>            | <b>36,675</b> | <b>61,723</b>          | <b>27,341</b>     | <b>45,746</b>        | –                 | <b>220,681</b> |
| <b>Earnings before interest<br/>and taxes (EBIT)</b> | <b>3,977</b>             | <b>4,896</b>  | <b>5,050</b>           | <b>3,038</b>      | <b>3,632</b>         | –                 | <b>20,593</b>  |
| <b>Earnings before taxes (EBT)</b>                   | <b>2,157</b>             | <b>3,990</b>  | <b>3,258</b>           | <b>2,060</b>      | <b>2,294</b>         | <b>229</b>        | <b>13,988</b>  |
| EBT of discontinued operations                       | –                        | –             | –                      | –                 | –                    | –                 | –              |
| Depreciation   | 1,180                    | 812           | 4,496                  | 1,846             | 2,000                | –                 | 10,334         |
| – of which for first-time consolidations             | 354                      | 123           | 939                    | 124               | 733                  | –                 | 2,273          |
| Employees  | 861                      | 649           | 1,869                  | 820               | 1,221                | –                 | 5,420          |

| Q1 2006<br>EUR '000                                  | Construction<br>Industry | Engineering   | Automotive<br>Industry | Consumer<br>Goods | Other<br>Investments | Non-<br>operating | Total          |
|--|--------------------------|---------------|------------------------|-------------------|----------------------|-------------------|----------------|
| External revenue                                     | 37,144                   | 32,995        | 60,911                 | 27,658            | 40,799               | –                 | 199,507        |
| Internal revenue                                     | – 101                    | – 151         | – 2,408                | – 2,172           | – 2,289              | –                 | – 7,121        |
| <b>Segment revenue from<br/>third parties</b>        | <b>37,043</b>            | <b>32,844</b> | <b>58,503</b>          | <b>25,486</b>     | <b>38,510</b>        | –                 | <b>192,386</b> |
| <b>Earnings before interest<br/>and taxes (EBIT)</b> | <b>3,890</b>             | <b>4,874</b>  | <b>4,984</b>           | <b>2,507</b>      | <b>3,851</b>         | –                 | <b>20,106</b>  |
| <b>Earnings before taxes (EBT)</b>                   | <b>2,730</b>             | <b>3,749</b>  | <b>2,466</b>           | <b>1,530</b>      | <b>2,148</b>         | <b>3,185</b>      | <b>15,808</b>  |
| EBT of discontinued operations                       | –                        | –             | –                      | –                 | – 478                | –                 | – 478          |
| Depreciation   | 1,172                    | 998           | 4,617                  | 1,730             | 2,045                | –                 | 10,562         |
| – of which for first-time consolidations             | 313                      | 148           | 989                    | 196               | 804                  | –                 | 2,450          |
| Employees  | 666                      | 592           | 1,805                  | 848               | 1,176                | –                 | 5,087          |

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>Q1 2007</b><br>EUR '000                | Germany        | Europe        | Rest of the world | Total          |
|---|----------------|---------------|-------------------|----------------|
| External revenue                          | 139,906        | 59,072        | 28,821            | 227,799        |
| Internal revenue                          | - 7,057        | - 56          | - 5               | - 7,118        |
| <b>Segment revenue from third parties</b> | <b>132,849</b> | <b>59,016</b> | <b>28,816</b>     | <b>220,681</b> |

| <b>Q1 2006</b><br>EUR '000                | Germany        | Europe        | Rest of the world | Total          |
|---|----------------|---------------|-------------------|----------------|
| External revenue                          | 119,815        | 52,695        | 26,997            | 199,507        |
| Internal revenue                          | - 7,018        | - 80          | - 23              | - 7,121        |
| <b>Segment revenue from third parties</b> | <b>112,797</b> | <b>52,615</b> | <b>26,974</b>     | <b>192,386</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.

**Income statement**

| <b>Adjustment to the previous year's<br/>income statement</b><br>EUR '000 | <b>Q1 2006</b><br>published | Restatement<br><b>IAS 8</b> | Restatement<br><b>IFRS 5</b> | <b>Q1 2006</b><br>comparable |
|---|-----------------------------|-----------------------------|------------------------------|------------------------------|
| <b>Revenue</b>  | 192,753                     | -                           | - 367                        | 192,386                      |
| Other operating income  | 2,755                       | -                           | - 20                         | 2,735                        |
| Own work capitalized  | 704                         | -                           | -                            | 704                          |
| Change in inventories   | 3,671                       | -                           | -                            | 3,671                        |
| Cost of materials   | - 91,208                    | -                           | 147                          | - 91,061                     |
| Staff costs   | - 52,063                    | -                           | 330                          | - 51,733                     |
| Depreciation  | - 10,586                    | -                           | 24                           | - 10,562                     |
| Other operating expenses  | - 26,568                    | -                           | 360                          | - 26,208                     |
| Financial result  | 174                         | -                           | -                            | 174                          |
| <b>Operating result</b>   | <b>19,632</b>               | -                           | <b>474</b>                   | <b>20,106</b>                |
| Interest income   | 331                         | -                           | - 1                          | 330                          |
| Interest expenses   | - 7,010                     | 2,377                       | 5                            | - 4,628                      |
| Net interest  | - 6,679                     | 2,377                       | 4                            | - 4,298                      |
| <b>Income before taxes</b>  | <b>12,953</b>               | <b>2,377</b>                | <b>478</b>                   | <b>15,808</b>                |
| Taxes   | - 5,832                     | - 1,011                     | - 126                        | - 6,969                      |
| Income from discontinued operations                                       | -                           | -                           | - 352                        | - 352                        |
| <b>Income after taxes</b>   | <b>7,121</b>                | <b>1,366</b>                | -                            | <b>8,487</b>                 |
| thereof minority interests  | - 1,212                     | 808                         | -                            | - 404                        |
| thereof income allocable to INDUS shareholders                            | 5,909                       | 2,174                       | -                            | 8,083                        |
| Diluted earnings per share in EUR   | 0.33                        |                             |                              | 0.47                         |
| Undiluted earnings per share in EUR                                       | 0.33                        |                             |                              | 0.47                         |

### Adjustment of Prior-Year Figures

#### Assets

| EUR '000                                     | March 31, 2006 published | IAS 8 restatement | March 31, 2006 comparable |
|--|--------------------------|-------------------|---------------------------|
| Goodwill                                     | 269,319                  | –                 | 269,319                   |
| Intangible assets                            | 21,026                   | –                 | 21,026                    |
| Property, plant and equipment                | 213,659                  | –                 | 213,659                   |
| Financial assets                             | 8,759                    | –                 | 8,759                     |
| Shares accounted for using the equity method | 4,185                    | –                 | 4,185                     |
| Other non-current assets                     | 2,013                    | –                 | 2,013                     |
| Deferred taxes                               | 2,703                    | –                 | 2,703                     |
| <b>Non-current assets</b>                    | <b>521,664</b>           | <b>–</b>          | <b>521,664</b>            |
| Cash and cash equivalents                    | 66,453                   | –                 | 66,453                    |
| Accounts receivable                          | 102,321                  | 11,103            | 113,424                   |
| Inventories                                  | 147,040                  | –                 | 147,040                   |
| Other current assets                         | 27,835                   | – 3,149           | 24,686                    |
| Assets held for sale                         | –                        | –                 | –                         |
| <b>Current assets</b>                        | <b>343,649</b>           | <b>7,954</b>      | <b>351,603</b>            |
| <b>Balance sheet total</b>                   | <b>865,313</b>           | <b>7,954</b>      | <b>873,267</b>            |

#### Equity and Liabilities

| EUR '000                                   | March 31, 2006 published | IAS 8 restatement | March 31, 2006 comparable |
|--|--------------------------|-------------------|---------------------------|
| Paid-in capital                            | 162,955                  | –                 | 162,955                   |
| Generated capital                          | 39,576                   | –                 | 39,576                    |
| Shareholders' equity of INDUS shareholders | 202,531                  | –                 | 202,531                   |
| Minority interests in capital              | 2,687                    | –                 | 2,687                     |
| <b>Group equity</b>                        | <b>205,218</b>           | <b>–</b>          | <b>205,218</b>            |
| Non-current financial liabilities          | 400,842                  | –                 | 400,842                   |
| Provisions for pensions                    | 14,977                   | –                 | 14,977                    |
| Other non-current provisions               | 3,359                    | –                 | 3,359                     |
| Other non-current liabilities              | 5,949                    | –                 | 5,949                     |
| Deferred taxes                             | 15,720                   | –                 | 15,720                    |
| <b>Non-current liabilities</b>             | <b>440,847</b>           | <b>–</b>          | <b>440,847</b>            |
| Current financial liabilities              | 61,640                   | 22,942            | 84,582                    |
| Trade accounts payable                     | 35,548                   | –                 | 35,548                    |
| Current provisions                         | 37,700                   | –                 | 37,700                    |
| Other current liabilities                  | 84,360                   | – 14,988          | 69,372                    |
| Liabilities held for sale                  | –                        | –                 | –                         |
| <b>Current liabilities</b>                 | <b>219,248</b>           | <b>7,954</b>      | <b>227,202</b>            |
| <b>Balance sheet total</b>                 | <b>865,313</b>           | <b>7,954</b>      | <b>873,267</b>            |

**IINDUS Holding AG**  
Kölner Straße 32  
51429 Bergisch Gladbach  
PO Box 10 03 53  
51403 Bergisch Gladbach  
Germany  
Phone: +49-2204-4000-0  
Fax: +49-2204-4000-20  
Internet: [www.indus.de](http://www.indus.de)  
E-mail: [indus@indus.de](mailto:indus@indus.de)

**Investor relations contact:**

**Haubrok Investor Relations GmbH**  
Michael Werneke  
Kaistraße 16  
40221 Düsseldorf  
Germany  
Phone: +49-211-30126-109  
Fax: +49-211-30126-5109  
Internet: [www.haubrok.de](http://www.haubrok.de)  
E-mail: [m.werneke@haubrok.de](mailto:m.werneke@haubrok.de)

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**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.**