REPORT FOR THE 1ST QUARTER OF 2009

CREATING VALUE

ARQUES INDUSTRIES AG

KEY FIGURES

EUR MILLION	01/01/ – 03/31/2009	01/01/ – 03/31/2008
Consolidated revenues	1,232.7	1,348.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-13.7	15.3
Earnings before interest and taxes (EBIT)	-37.5	-3.8
Consolidated net loss	-38.4	-14.0
Free cash flow	-31.2	3.9
Earnings per share (diluted) in EUR	-1.45	-0.53

EUR MILLION	03/31/2009	12/31/2008
Balance sheet total	1,495.5	1,719.0
Shareholders' equity	230.3	263.0
Equity ratio in %	15.4	15.3

INFORMATION ON THE ARQUES SHARE

WKN	515600
ISIN	DE0005156004
Stock market code	AQU
Reuters Xetra code	AQUG.DE
Bloomberg Xetra code	AQU GY
Stock type	No-par bearer shares
Share indexes	SDAX, CDAX, Classic All Share, Prime All Share
Shares in issue as of March 31, 2009	26,450,000
Capital stock as of March 31, 2009 in EUR	26,450,000
Share price as of March 31, 2009 in EUR	1.24
52-week high* in EUR	10.05
52-week low* in EUR	0.91
Earnings per share (diluted) (01/01/2009 – 03/31/2009) in EUR	-1.45

*at the time of reporting

ARQUES Industries AG

The ARQUES Group focuses on a specific segment of the equity investment market, acquiring companies in situations of transition. This includes classic turnaround candidates, companies in need of rationalization investment that are on the disinvestment lists of large corporate groups, and companies with unresolved succession issues. As a general rule, these companies have already been generating losses for some time when they are acquired by ARQUES. Unsuccessful attempts have been made in some cases to restructure the companies or restore them to economic health. In accordance with the ARQUES model, these companies are generally purchased for less than their book value, and in some cases for symbolic or negative purchase prices. ARQUES concentrates increasingly on spin-offs from corporate groups when acquiring such companies. These now make up more than 80% of the companies acquired by ARQUES.

Highlights

- Revenues and profits affected by global recession
- Portfolio transaction with cash inflow of EUR 20 million resulting from the disposal of four companies
- Portfolio optimization: disposal of gas station service provider Rohé (Vienna), printer weberbenteli (Biel, Switzerland), and vehicle-maker Sommer Road Cargo Solutions
- Acquisition of British driving school chain British School of Motoring (BSM)

SUMMARY CONSOLIDATED MANAGEMENT REPORT OF ARQUES INDUSTRIES AG

General economic climate and industry development

Global economy in deep recession

In its latest report on the global economic outlook from mid-April, the International Monetary Fund (IMF) sees the world in its deepest recession for more than 60 years. The financial crisis has now transmitted fully to the real economy, with global economic output expected to contract by 1.3% in 2009 accordingly. Particularly badly affected by this development are export-driven nations like Germany (minus 5.6%) and Japan (minus 6.2%). The entire euro area can expect to see its aggregate output fall by 4.2%, with a similar picture forecast for the industrialized nations as a whole (minus 3.8%). A faint glimmer of hope is emanating from the United States, where there have been initial signs of stabilization in the second quarter, even if at a low level, raising hopes for an end to the recession during the second half of the year. The IMF forecasts a decline of 2.8% in the GDP of the biggest industrial nation in the world. Little economic impetus will come from emerging markets, where the IMF predicts growth of 1.6%, although sharp contrasts will be evident. Whereas China will already start benefiting from the massive economic stimulus packages implemented by the country's government during 2009, and can look forward to further growth of 6.5%, nations like Russia that are dependent on commodity prices are suffering badly from the crisis. Indeed, the Russian economy is likely to contract by 6.0% this year.

The IMF believes that three factors are crucial for the future direction of the global economy:

1. An end to the crisis in the financial sector, such that demand is stimulated again in the real economy by a return to normal levels of lending,

2. the extent to which the number of economic stimulus programs have the desired effects, and

3. whether the massive interventions by the central banks in terms of the money supply and interest rate cuts can bring about a recovery.

Thus, the European Central Bank reduced interest rates to 1% at the beginning of May, the lowest level in its history.

Sharp downturn in M&A activities expected in 2009

The global recession and above all restricted credit financing complete with less favorable credit terms are likely to ensure that the markets for mergers and acquisitions (M&A) contract sharply during 2009. Bank experts expect M&A activities in Germany, for instance, to decline by at least 20%. Not until toward the end of 2009 is a recovery in the market possible, which is also the assessment of the situation in the private equity sector carried out by the Bundesverband Deutscher Kapitalbeteiligungsgesellschaften e.V. (BVK) industry association. Not only are many big-name financial investors experiencing problems with the companies already in their portfolios, which is leading to massive write-downs, they themselves have become takeover candidates as a result of these problems. Experts expect the industry enter a period of major consolidation. As was already evident last year, financial investors will be far less active in M&A accordingly. In particular, market players with a strong pool of cash, such as sovereign funds, could take advantage of the more favorable valuations to make acquisitions. A survey of the industry carried out by the BVK indicates that fundraising is falling quickly, and only a few companies are planning to start such activities during 2009.

Net assets, financial position, and earnings

Following a difficult year in 2008, the company's performance in the first quarter of 2009 was again driven by the comprehensive optimization of the portfolio that was started in 2008 together with the persistently difficult economic conditions in many industries.

ARQUES carried out a total of eight acquisitions and seven exits in fiscal 2008. The emphasis here, particularly in the second half of the year, was on optimizing the portfolio of subsidiaries. This strategy has been pursued again consistently in fiscal 2009. By the end of March, ARQUES had sold or disposed of a further seven subsidiaries and acquired one more company. As a result, since mid-2008 subsidiaries have been disposed of that contributed a total volume of revenues of EUR 671.4 million and earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 0.7 million in 2008 and had led to write-downs of EUR 114.5 million. The ARQUES portfolio currently comprises 14 subsidiaries, of which the Actebis Group and the Gigaset Group are the most important with aggregate annualized revenues totaling more than EUR 4.2 billion.

Taking into account all the company transactions executed in the first quarter of 2009, ARQUES's revenues of EUR 1,232.7 million were slightly below the prior-year figure of EUR 1,348.0 million. EBITDA was lower than in the prior year, at negative EUR 13.7 million after EUR 15.3 million. The main reason for this are non-recurring effects of EUR 24.0 million arising from restructuring measures relating to the reorganization of the Gigaset Group. Non-recurring effects arising from the deconsolidation of subsidiaries serve to reduce EBITDA by EUR 5.0 million. Scheduled depreciation and amortization amounts to EUR 22.5 million, stemming for the most part from the Gigaset and Actebis groups. Earnings before interest and taxes (EBIT) totals negative EUR 37.5 million after negative EUR 3.8 million in the equivalent quarter last year.

Financial liabilities have decreased by EUR 51.4 million in the first quarter of 2009, from EUR 212.0 million to EUR 160.6 million.

Earnings position

Revenues

The ARQUES Group generated revenues of EUR 1,232.7 million in the first three months of 2009, which is EUR 115.3 million or 9% less than in the equivalent period last year. Alongside the difficult conditions in many sales markets and industries, the decline can be attributed primarily to changes in the consolidation group. With revenues at the same level as last year, the IT segment remains the main source of revenue, providing around 76% of consolidated revenues. The new Communications segment represents around 11% of the total.

Significant items in the income statement

Other operating income totaled EUR 34.8 million in the first quarter of 2009, up EUR 14.8 million or 74% on the figure for the first quarter of 2008. Alongside income of EUR 4.1 million from deconsolidations and EUR 10.1 million from the reversal of negative goodwill (bargain purchases), other operating income primarily comprises income from debt waivers, income from the disposal of non-current assets, income from the reversal of provisions, rental income, and miscellaneous other operating income including insurance benefits and changes in exchange rates.

The cost of raw materials, merchandise, finished goods, and services amounted to EUR 1,041.3 million in the first quarter of 2009, EUR 116.6 million less than the prior-year total of EUR 1,157.9 million. The groupwide ratio of purchased goods and services to revenues has fallen from 86% to 84% compared with the first quarter of 2008.

Personnel expenses (wages, salaries, social insurance contributions, and pensions) totaled EUR 134.9 million in the first quarter of 2009, rising by EUR 21.2 million or 19% over the equivalent period last year. The personnel expenses accruing in connection with the restructuring of the Gigaset Group are the main reason for this.

Other operating expenses comprise general administrative expenses, expenses for facility management, transport costs, consulting and marketing expenses, general operating costs, and write-downs on receivables. They amounted to EUR 106.4 million in the period under review, which is EUR 19.2 million or 22% higher than the year-ago figure of EUR 87.2 million. Among other things, marketing and IT expenses are much higher than in the first quarter of 2008 on account of company acquisitions.

Other operating expenses include non-recurring effects of EUR 9.1 million resulting from the deconsolidation of companies in connection with the streamlining of the portfolio.

Scheduled depreciation and amortization on intangible assets and property, plant and equipment amounted to EUR 22.5 million in the first quarter of 2009 after EUR 19.1 million in the first quarter of 2008. Most of the depreciation and amortization charges are attributable to the Communications and IT segments.

The impairments of EUR 1.3 million essentially relate to properties of the Sommer Group, which was deconsolidated in the first quarter of 2009.

The net financial expenses of EUR 7.7 million in the first quarter of 2009 were at the same level as in the first quarter of 2008. They were caused primarily by the financing requirements of the IT, Automotive, and Communications segments.

The consolidated net loss after minorities totaled EUR 38.4 million after EUR 14.0 million in the equivalent period last year. Earnings per share (basic/diluted) total negative EUR 1.45.

Net assets

The total assets of the ARQUES Group amounted to EUR 1,495.5 million at March 31, 2009, EUR 223.5 million less than at December 31, 2008 (EUR 1,719.0 million).

Non-current assets have declined by EUR 55.4 million to EUR 420.6 million, essentially reflecting the scheduled depreciation and amortization of EUR 22.5 million taken on non-current assets and the sale of non-current assets in connection with company disposals.

The sharp decline of EUR 168.1 million in current assets from EUR 1,243.0 million at December 31, 2008 to EUR 1,074.9 million at March 31, 2009 can be attributed primarily to changes in the consolidation group. Trade receivables have declined by EUR 90.2 million to EUR 317.4 million, partially as a result of the drawdown of factoring lines.

Total liabilities amounted to EUR 1,265.3 million at March 31, 2009, down EUR 190.7 million on the total of EUR 1,456.0 million at December 31, 2008. Current liabilities totaled EUR 1,034.5 million at March 31, 2009, representing 82% of total liabilities. Financial liabilities were reduced by EUR 51.4 million in the first quarter of 2009, from EUR 212.0 million to EUR 160.6 million, notably as a result of the portfolio optimization.

The shareholders' equity of ARQUES amounted to EUR 230.3 million at March 31, 2009 after EUR 263.0 million at December 31, 2008. The equity ratio remained unchanged at 15%.

Financial position

ARQUES generated a cash outflow of EUR 20.9 million from operating activities in the first quarter of 2009 (prior year: cash inflow from operating activities of EUR 10.3 million). The build-up of inventories adjusted for company disposals compared with December 31, 2008 had a particularly negative effect here. Following the pre-Christmas sales phase, the IT distributors in particular have strongly replenished their stocks as of March 31, 2009.

The cash outflow from investing activities totals EUR 10.2 million, primarily reflecting non-recurring effects arising from changes in the portfolio as well as minor investments in non-current assets.

Thus the outflow of free cash amounts to EUR 31.2 million after an inflow of EUR 3.9 million in the first quarter of the prior year.

The cash outflow from financing activities amounts to EUR 8.4 million (prior year: EUR 10.3 million), reflecting the repayment of financial liabilities adjusted for deconsolidated effects.

The balance of cash and equivalents has decreased from EUR 142.4 million at December 31, 2008 to EUR 119.7 million at March 31, 2009.

Performance review

Changes in the Executive Board

At its meeting of February 2, 2009, the Supervisory Board of ARQUES Industries AG and Dr. Michael Schumann agreed to set aside the appointment of Dr. Michael Schumann as Chairman of the Executive Board of ARQUES Industries AG by mutual agreement with effect from February 28, 2009. At the same meeting, the Supervisory Board appointed Hans Gisbert Ulmke as the Chief Financial Officer for a term of three years, effective February 3, 2009. Since March 1, 2009, therefore, the ARQUES Executive Board has been composed of Hans Gisbert Ulmke (Head of Finance), Bernd Schell (Head of Operations), and Felix Frohn-Bernau (Head of M&A).

Changes in the portfolio of subsidiaries

As a result of the strained economic situation in Spain, the crisis in the automotive industry, and the restrictive lending of Spanish banks, ARQUES decided not to provide any further cash to its subsidiary Capresa. As a result of this decision, the automotive supplier was forced to file for bankruptcy on January 19, 2009. The unit sales of Capresa's principal customers had suffered a massive contraction in the last few months, leading to an extreme drop in Capresa's orders and revenues.

On January 22, 2009, ARQUES sold four subsidiaries – the BEA Group, the news agency ddp, the Italian adhesive tape manufacturer Evotape, and the Swiss chemicals company Rohner – to a private equity firm under the terms of a portfolio deal. ARQUES collected cash proceeds of EUR 20 million on the sale.

In early March 2009, ARQUES sold its investment in gas station equipment supplier Rohé, Vienna, to the private equity firm ValueNet Capital Partners, Munich.

On March 12, 2009, the Sommer Road Cargo Solutions Group was sold to a consortium composed of strategic partners in the form of medium-sized German automotive companies and a financial investor, BSF Consulting AG.

With effect from March 19, 2009, the Swiss printing company weberbenteli was sold to the financial investor ValueNet Capital Partners, Munich.

ARQUES has initiated the sale of another subsidiary. The closing date for this transaction, which is subject to various conditions, is expected in the third quarter.

Acquisitions

On February 10, 2009, ARQUES acquired the leading British driving school, British School of Motoring (BSM), Bristol, for a symbolic purchase price. The seller was the British RAC plc, a subsidiary of the insurance group AVIVA plc, the same company that sold Auto Windscreens to ARQUES in November 2008. With about 2,700 driving instructors (franchisees) and around 100 service centers, BSM is the biggest driving school in the UK. Founded in 1910, this long-established firm is the market leader, with a share of about 10%. In 2008, BSM generated revenues of about GBP34 million. In addition to the tradition business of providing driving instruction to private individuals, BSM also trains driving instructors and provides driver training services to corporations and public-sector institutions. BSM is one of the best-known brand names in Britain.

In March 2009, the Actebis Group signed a purchase agreement to acquire the broadline distribution business of Ingram Micro in Denmark. As part of this transaction, Actebis will take over the employees and entire customer base of the Danish Ingram Micro branch. The deal is subject to the approval of the regulatory authorities.

The subsidiaries of the ARQUES Group

The company situation of the subsidiaries defined as significant on account of their size is described in detail in the following section. Significant subsidiaries are defined as those with annualized revenues in excess of around €50 million.

tiscon AG

tiscon AG is an equity investment firm that holds investments in the IT distribution sector. The Group includes the following significant companies: COS Distribution, Avitos, Topedo, E-Logistics, and Chikara.

Company situation, business development, restructuring and development measures

The economic crisis has resulted in some scheduled investments in the IT and telecommunications segments being shelved. Orders followed suit in declining throughout the industry.

tiscon is countering this trend by further enhancing the processes and structures of its individual subsidiaries and improving collaboration with its customers and suppliers. Working in conjunction with big-name manufacturers, tiscon's COS Distribution subsidiary ran seminars and workshops for specialist IT retailers during roadshows that are playing a major role in customer retention and acquisition, presenting product innovations in the fields of components, notebooks, software, and printers. At the same time, COS Distribution expanded its shop solution to incorporate IT retailers. COSShop24 now also supports PayPal as a means of payment and web-analysis software. The company also expanded its product portfolio in response to demand.

Outlook

The subsidiaries of tiscon AG need to achieve further success in restructuring if they are to sustain their position in the IT distribution market. As things stand today, the further restructuring of tiscon can be completed, based on the planned development of revenues and margins. There are significant risks before this can be completed, on account of the current economic crisis and market demand that is impossible to predict at the present time. tiscon AG remains dependent upon financial support from ARQUES.

Oxxynova

Oxxynova is a producer of liquid dimethyl terephthalate (DMT), an input for polyester production. Among other things, DMT is used in the production of textile and technical fibers, films, input materials for paint and adhesive products, and technical plastics. Oxxynova is the largest European producer of DMT for the free market.

Company situation, business development, restructuring and development measures

The effects of the economic crisis on the automotive and chemical industries led to a sharp decline in demand for DMT in the first quarter of 2009. Oxxynova's customers mostly reduced their stock levels during the period under review and kept production ticking over at a very low level. Oxxynova adjusted its production to reflect the much weaker demand and implemented measures aimed at enhancing efficiency at these production levels. At the same time, the company has responded to the shrinking demand for DMT by implementing strict cost management programs.

Outlook

Based on the low capacity utilization levels evident in the first half of the year, Oxxynova is working on the assumption that production volumes in 2009 will remain below the prior year's total. Increased deliveries to a major customer mean that higher sales volumes are planned for the second half of the year compared with the first quarter of 2009.

van Netten

van Netten is a manufacturer of innovative, high quality candies. Its customers mainly consist of various retailers in Germany and abroad. All products are manufactured at the production facility in Dortmund.

Company situation, business development, restructuring and development measures

The confectionery industry recorded a decline in sales volumes for both chocolate products and candies in the first quarter of 2009. van Netten performed well in this environment, with higher revenues in the dragee and jelly product groups offsetting the decline in jellied fruits and candies. The confectioner recorded a significant increase in revenues overall compared with the equivalent period last year, which is also reflected in its earnings.

In February 2009, van Netten presented itself at the ISM international trade fair in Cologne and spotlighted its new products at this major industry show, resulting in contacts being made with new customers from abroad. At the same time, the company implemented measures aimed at boosting dragee production capacity and invested in new final packaging equipment. In addition, van Netten is continuing to enhance its recipes and production processes.

Outlook

van Netten will continue to build up its export operations and expand in all product areas by means of targeted customer communications. van Netten achieved a new campaign listing for a major customer in the foam-strawberry product area. Later in the year, the Dortmund-based company intends to invest in an automatic palletizing unit for jellied fruit production with a view to sustaining the positive trend of the first quarter.

Actebis

The Actebis Group is the third-largest distributor of ICT products in Europe, distributing information technology and communication, mobile communication, and consumer electronic products. Founded in 1986, it has about 1,800 employees serving more than 70,000 business customers throughout Europe. Actebis is represented by its own national subsidiaries in Germany, France, the Netherlands, Austria, Denmark, Norway, and Sweden. Furthermore, the telecommunications distributor NT plus, which operates in the German market, also belongs to the Actebis Group. In addition to its extensive product assortment, the Actebis Group also offers a wide range of services, including sales and marketing services and e-services (including electronic connections), as well as financial and logistics services for specialty retailers.

Company situation, business development, restructuring and development measures

The economic crisis has resulted in some planned investments in ICT systems being shelved. Orders declined accordingly throughout the industry. The Actebis Group succeeded in defending its market position in this environment, even managing to gain market share among key manufacturers.

For the first time, Actebis Peacock and NT plus presented themselves on a shared stand at CeBIT in 2009. The two distributors informed the trade about the latest trends and technologies in information and communications technology as well as their convergence. Convergence was also the subject of the joint internal trade fair named Channel Trends+Visions staged by Actebis Peacock and NT plus, which the specialist press praised as a standard-setting industry show.

The roll-out of the SAP materials management system by telecommunications distributor NT plus enables the company to offer its customers new web services and simultaneously reducing processing times. It is now more convenient to access an expanded range of products with greater availability levels, while shopping tools and extensive product recommendations make it easier to find the right products.

In March 2009, the Actebis Group signed a purchase agreement to acquire the broadline distribution business of Ingram Micro in Denmark. As part of this transaction, Actebis will take over the employees and the entire customer base of the Danish Ingram Micro branch. The deal is subject to the approval of the regulatory authorities. The acquisition will enable the Actebis Group to considerably expand its position in Scandinavia.

Outlook

In a rapidly consolidating market driven by the economic crisis, the Actebis Group has all fundamentals in place to gain market share. This includes strategically expanding the manufacturer portfolio and investing in more logistics capabilities and the online sales platform. The integration of the telecommunications wholesaler NT plus makes the Actebis Group one of the few distributors in Germany to combine information and telecommunications technology within a single company.

Anvis

The Anvis Group is a primary developer and manufacturer of innovative functional solutions for motion stability, comfort, and safety. The corporate group's operational range includes the entire process chain with respect to anti-vibration systems from the idea to production stage. The Anvis Group maintains its own operating facilities and branch offices all over the world to serve the automotive industry.

Company situation, business development, restructuring and development measures

The economic development of the Anvis Group in the first quarter of 2009 was overshadowed by the difficult economic situation in the automotive industry. The number of orders received was at a historically low level, following the general industry trend, totaling 40% below the prior-year level. Although the situation improved slightly over the course of the first quarter as a whole, it still remains at a dissatisfactory level.

Anvis's Management responded to the worsening industry environment by promptly initiating important counter-measures aimed at enhancing efficiency. As part of this, workforce levels were reduced by not renewing temporary contracts and releasing temporary workers. Moreover, some permanent staff have also been released in France. At the same time, renegotiating contracts has made it possible to have customers contribute to investment costs earlier and to shorten periods allowed for payment. In addition, receivables management has been intensified and investments planned for 2009 shelved.

Outlook

The Anvis Group will continue to systemically implement the restructuring measures that have been initiated and focus on reducing its fixed costs further. Special attention will be paid to the restructuring of the French facility in Decizes, where costs are set to be cut and productivity improved by reorganizing and considerably streamlining production processes and reducing indirect cost blocks (administration). The earnings situation at the Anvis Group remains critical.

SM Electronic

Based in Stapelfeld near Hamburg, SM Electronic offers satellite and antenna receivers (digital TV) and electronic accessories for a range of applications, including audio, video, home entertainment, and multimedia, under the "Skymaster" brand.

Company situation, business development, restructuring and development measures

The German market for entertainment electronics is likely to contract by 9% in 2009, caused by falling prices for flatscreen TVs in particular. According to the industry association BITKOM, however, set-top boxes allowing digital TV reception will see higher sales, as will Blu-ray disc players and digital home-cinema systems.

The revenues of SM Electronic were at about the same level as last year in the first quarter of 2009 on the back of better margins and lower costs. Insourcing refurbishment work (involving the quality-assured overhaul and repair of products) enabled the company to sharply reduce its write-off rate. In addition, SM Electronic again handled returns for the first time fully under its own direction during the period under review, thus considerably shortening processing time. An inventory of stocks on hand has been maintained constantly since the start of the year, which facilitates daily analysis.

Outlook

SM Electronic will enhance its operating performance during the current year by improving internal processes. The company plans to unveil a new generation of HDTV receivers (digital TV reception) at the ANGA Cable trade fair in Cologne in the middle of the year, and a new, user-friendly electronic program guide (EPG) is scheduled for roll-out in time for the IFA international consumer electronics exhibition.

Agencia Servicios Mensajeria (ASM)

ASM is a Spanish courier and urgent transport provider that primarily serves large-scale customers in the following sectors: telecommunications, banking and insurance, automotive, opticals, dentistry, and pharmaceuticals. Based in Madrid, ASM provides courier service, freight forwarding, and specialized logistical services for its customers. More than 1,100 employees work for the ASM Red network, which comprises more than 70 branch offices and field offices in Spain, Portugal, and Andorra.

Company situation, business development, restructuring and development measures

As a result of the economic crisis, the volume of consignments in Spain fell again sharply in the first quarter of 2009, with ASM's revenues from its existing customers decreasing accordingly. The decline in revenues was largely offset by integrating the distribution network of competitor Bpack, which ASM acquired in October 2008. Restructuring measures already successfully implemented to boost efficiency and cut costs have, however, failed to fully compensate for the decline in orders on the income side.

At the same time, though, the Spanish freight services provider has leveraged its good operating performance to acquire new customers and reinforce ties with existing customers. ASM adjusted its workforce levels to match the economic conditions and intensified its cash management activities during the period under review.

Outlook

ASM is able to leverage its good operating performance to acquire new customers and hence gain market share, reflecting a high level of customer satisfaction and customer loyalty. Potential growth is, however, hampered by the highly restrictive lending policies generally applied by banks at present, which provides for special challenges in liquidity management.

Carl Froh

Based in Sundern in the Sauerland region of Germany, Carl Froh is a leading manufacturer of precision tubes and components built to customer specifications. The company manufactures low-tolerance welded steel tubes designed to meet special demands. It also develops comprehensive solutions for premium-quality components and modules for a wide range of applications.

Company situation, business development, restructuring and development measures

The steel tube industry is shaped by general economic developments and particularly by the development of the automotive industry. The economic downturn led to a sharp decline in revenues at Carl Froh in the first quarter of 2009. The company has initiated appropriate counter-measures, including the introduction of short-time working for a majority of the workforce.

During the process of optimizing its production processes, Carl Froh converted a tube welding machine and invested a small amount in processing equipment. At the same time, the company has run further training courses for its employees. In March 2009, the company received the biggest order in its history, worth EUR 25 million.

Outlook

Over the rest of the year, Carl Froh expects to see a fall in commodity prices and a recovery in the component manufacture market. The company's productivity should be boosted by further enhancing the flow of materials and logistics. In addition, Carl Froh intends to install new software to manage enterprise resources to best effect later in the year.

Gigaset Communications GmbH

The business of Gigaset Communications is focused on the design, development, production, and distribution of quality home communication products under the Siemens Gigaset brand. In addition, Gigaset offers software solutions for end users and network operators.

Company situation, business development, restructuring and development measures

Gigaset Communications was able to gain market share in Germany in the first quarter of 2009 and considerably increase its revenues compared with the equivalent period last year. Readers of the specialist journal connect voted the Gigaset SL 785 cordless phone product of the year, thus documenting Gigaset's leading market position in Germany.

The company succeeded in largely completing its carve-out from the complex corporate network of the former owner during the period under review. At the same time, the establishment of a suitable corporate structure for an independent mid-sized enterprise was accelerated under the leadership of the ARQUES Task Force. Key aspects of this are a strict cost management program, the setup of a company management team complete with appropriate controlling bodies, and an in-house IT infrastructure. Moreover, the senior management positions have all been filled.

Outlook

Gigaset Communications will continue to concentrate on its profitable core business involving with voice products (cordless phones, telephones for Voice over IP, and fixed line). Furthermore, ARQUES aims to enhance internal processes through the broad deployment of the Task Force and implement cost-cutting measures in all areas. Targeted growth should take place as a result of product innovations and the expansion of international operations, particularly in the United States and in the regional growth markets of Asia. In addition, the establishment of essential processes and structures should be completed later in the year.

Auto Windscreens

Auto Windscreens is the second-biggest automotive glass specialist in the UK. It repairs glass damage in its approximately 90 service centers and in the field, where it maintains more than 700 mobile service units. The company replaces and repairs automotive glass for a wide range of customers, including insurance companies, leasing companies, car rental companies, corporations, government agencies, and institutions. Moreover, Auto Windscreens operates its own production facility in Chesterfield, where it produces about 250,000 windshields per year from workpiece blanks.

Company situation, business development, restructuring and development measures

Traffic levels fell in the UK during the first quarter of 2009 as a result of the worsening economic situation, with revenues at Auto Windscreens declining below the prior year level accordingly. Work started on implementing a wide-ranging restructuring plan following the acquisition by ARQUES at year-end 2008. Alongside the build-up and establishment of a new management team, measures were implemented to carve the company out of the corporate structure of the former owner. This includes installing a new IT system, revising and enhancing the key internal work processes, and introducing a new, leaner organizational structure. This has involved largely eliminating a complete hierarchy level and implementing socially responsible workforce reductions.

At the same time, a strict cost management program has been implemented and contracts with suppliers renegotiated. Auto Windscreens is currently working on a new corporate identity that will enable it to act as an independent company on the market. A new sales director with many years of industry experience will help the British company to achieve this.

Outlook

Auto Windscreens will complete the separation from its former parent company during the rest of the year and build up its own structures for a mid-sized company. The focus here will be on installing an independent IT infrastructure, concentrating on the core business, and enhancing workflows. The company will intensify its customer communications by revamping its corporate identity.

Report on opportunities and risks

The future business development of the ARQUES Group entails opportunities and risks. The company's risk strategy involves taking full advantage of the opportunities and limiting the associated risks by implementing appropriate instruments.

The Annual Report of ARQUES Industries AG for 2008 contains detailed information regarding the opportunities and risks associated with the ARQUES business model, ARQUES Industries AG, the subsidiaries belonging to the ARQUES Group, and economic and market developments.

Forecast Report / Outlook

The economic development of the ARQUES Group is critically dependent on the terms of the respective acquisitions, the profit contributions of the subsidiaries (dividends), the success of restructuring measures (turnaround), and the ultimate sale of subsidiaries (exit). ARQUES gives preference to acquisitions that require little or no financial cost in the way of purchase prices. In some cases, the seller will provide financial resources to the target company to assist in its restructuring. In the future, it will be increasingly important for ARQUES to hold even successfully restructured subsidiaries in its portfolio for a longer period of time, so as to benefit from dividend payments in the event of continued positive performance. Subsidiaries that pose too high a risk to ARQUES, or those for which the restructuring measures are not producing positive results, must be sold quickly, even at the price of manageable losses.

Crucial role of risk management

In its future acquisitions, ARQUES will reduce the potential risk assumed by conducting more in-depth due diligence investigations. In this regard, particular attention will be given to the otherwise customary guarantees on the books of the target companies as well as their bank debts and the purchase price. Such companies must be integrated into the ARQUES Group immediately after the acquisition.

Restructuring expertise as a critical quality proposition

ARQUES perceives itself as a skilled, reliable partner in matters of corporate restructuring and is perceived as such by the market as well. The Operations Division plays a key role in this regard. We are always on the look-out for highly qualified executives with industry experience to serve on our Task Force. Although we have achieved good restructuring results in our portfolio companies, they are not enough (or only barely enough) to offset the consequences of the economic crisis, particularly in the automotive industry, for example. Thus, the successful results that would otherwise have been produced will take longer. Nonetheless, we are confident of being able to sell portfolio companies in 2009 and 2010 in such a way as to make a significant positive contribution to the company's earnings performance.

General outlook

Given the many imponderabilities associated with the current conditions, it is not possible to provide a more detailed forecast for future business developments. We are activating every lever to navigate the Group out of a difficult economic environment and into calmer waters. The management of the subsidiaries are pursuing their earnings targets with focused determination. We expect a moderate stabilization of our portfolio in 2009, followed by a substantial stabilization and an appreciable earnings improvement in 2010. Nonetheless, it is not possible to provide a reliable forecast under the conditions described above.

CONSOLIDATED FINANCIAL STATEMENTS OF ARQUES IN DUSTRIES AG

Consolidated Income Statement for the Period from January 1 to March 31, 2009

EUR'000	01/01 – 03/31/2009	01/01 – 03/31/2008
Revenues	1,232,709	1,347,969
Change in inventories of finished and unfinished goods	-3,348	2,970
Other internal production capitalized	4,686	3,145
Other operating income	34,847	20,076
Purchased goods and services	-1,041,283	-1,157,901
Personnel expenses	-134,899	-113,747
Other operating expenses	-106,438	-87,197
EBITDA	**-13,726**	**15,315**
Depreciation and amortization	-22,455	-19,100
Impairment losses	-1,311	0
EBIT	**-37,492**	**-3,785**
Income/expenses of non-current financial assets accounted for by the equity method	256	383
Other interest and similar income	1,327	1,213
Interest and similar expenses	-9,253	-9,192
Net financial expenses	**-7,670**	**-7,596**
Income from ordinary activities	**-45,162**	**-11,381**
Income taxes	6,640	-3,445
Consolidated net loss	**-38,522**	**-14,826**
thereof attributable to minority interests	-109	-852
thereof attributable to shareholders of ARQUES Industries AG	**-38,413**	**-13,974**
Earnings per share		
- Basic earnings per share, in EUR	-1,45	-0,53
- Diluted earnings per share, in EUR	-1,45	-0,53

Consolidated Statement of Comprehensive Income for the Period from January 1 to March 31, 2009

EUR'000	01/01 – 03/31/2009	01/01 – 03/31/2008
Consolidated net loss	**-38,522**	**-14,826**
Currency translation differences	-1,337	-915
Change in market value of available-for-sale securities	0	0
Other income and expenses recognized directly in equity	0	0
Income and expenses recognized directly in equity	**-1,337**	**-915**
Total recognized income and expenses	**-39,859**	**-15,741**
thereof attributable to minority interests	-109	-852
thereof attributable to shareholders of ARQUES Industries AG	**-39,750**	**-14,889**

Consolidated Balance Sheet at March 31, 2009

Assets

EUR'000	03/31/2009	12/31/2008
Non-current assets		
Intangible assets	124,413	133,629
Property, plant and equipment	265,927	317,028
Investment property	238	238
Non-current financial assets accounted for by the equity method	5,189	5,000
Financial assets	3,168	3,190
Other non-current assets	450	85
Deferred tax assets	21,215	16,864
Total non-current assets	**420,600**	**476,034**
Current assets		
Inventories	390,783	378,862
Receivables from percentage of completion	0	3,030
Trade receivables	317,424	407,632
Available-for-sale financial assets	51	821
Other assets	240,920	192,109
Tax refund claims	5,642	10,507
Cash and cash equivalents	119,657	142,409
	1,074,477	**1,135,370**
Assets held for sale	471	107,636
Total current assets	**1,074,948**	**1,243,006**
Total assets	**1,495,548**	**1,719,040**

Equity and Liabilities

EUR'000	03/31/2009	12/31/2008
Equity		
Subscribed capital	26,402	26,402
Additional paid-in capital	73,580	73,580
Retained earnings	20,290	20,290
Accumulated other comprehensive income	104,858	141,582
	225,130	261,854
Minority interests	5,137	1,138
Total equity	**230,267**	**262,992**
Non-current liabilities		
Pension obligations	61,650	66,000
Provisions	18,363	31,317
Financial liabilities	37,136	75,217
Obligations under finance leases	5,629	24,246
Other liabilities	51,711	65,269
Deferred tax liabilities	56,303	54,909
Total non-current liabilities	**230,792**	**316,958**
Current liabilities		
Provisions	103,493	67,849
Financial liabilities	123,484	136,754
Obligations under finance leases	2,216	7,137
Trade payables	551,750	601,356
Tax liabilities	10,676	15,047
Other liabilities	242,399	220,802
	1,034,018	**1,048,945**
Liabilities related to assets held for sale	471	90,145
Total non-current liabilities	**1,034,489**	**1,139,090**
Total equity and liabilities	**1,495,548**	**1,719,040**

Statement of Changes in Consolidated Equity at March 31, 2009

	EUR`000	SUBSCRIBED CAPITAL
	December 31, 2007	**26,357**
1	**Appropriation to retained earnings**	**0**
2	Dividend payment 2007	0
3	Capital increase	0
4	Changes in minority interests	0
5	Other changes	0
6	**Total transactions with shareholders**	**0**
7	Consolidated net loss for 2008	0
8	Minority interests	0
9	Consolidated net loss after minority interests	0
10	Stock option program	0
11	Currency translation differences	0
12	Afs securities	0
13	Other changes	0
14	Other changes not recognized in the income statement	0
15	**Total net profit (9+14)**	**0**
16	**Treasury shares**	**45**
	December 31, 2008	**26,402**
1	**Appropriation to retained earnings**	**0**
2	Dividend payment 2008	0
3	Capital increase	0
4	Changes in minority interests	0
5	Other changes	0
6	**Total transactions with shareholders**	**0**
7	Consolidated net loss 2009	0
8	Minority interests	0
9	Consolidated net loss after minority interests	0
10	Stock option program	0
11	Currency translation differences	0
12	AfS securities	0
13	Other changes	0
14	Total changes not recognized in the income statement	0
15	**Total net income (9+14)**	**0**
16	**Treasury shares**	**0**
	March 31, 2009	**26,402**

ADDITIONAL PAID-IN CAPITAL	PROFIT RESERVES	OTHER CUMULATIVE SHAREHOLDERS' EQUITY	MINORITY INTERESTS	CONSOLIDATED EQUITY
72,473	**20,290**	**275,169**	**6,712**	**401,001**
0	**0**	**0**	**0**	**0**
0	0	0	0	0
0	0	0	0	0
0	0	-2,968	6,285	3,317
0	0	-412	-317	-729
0	**0**	**-3,380**	**5,968**	**2,588**
0	0	-130,080	0	-130,080
0	0	0	-11,542	-11,542
0	0	-130,080	-11,542	-141,622
0	0	1,366	0	1,366
0	0	-2,183	0	-2,183
0	0	0	0	0
0	0	690	0	690
0	0	-128	0	-128
0	**0**	**-130,207**	**-11,542**	**-141,749**
1,107	**0**	**0**	**0**	**1,152**
73,580	**20,290**	**141,582**	**1,138**	**262,992**
0	**0**	**0**	**0**	**0**
0	0	0	0	0
0	0	0	0	0
0	0	0	4,108	4,108
0	0	0	0	0
0	**0**	**0**	**4,108**	**4,108**
0	0	-38,413	0	-38,413
0	0	0	-109	-109
0	0	-38,413	-109	-38,522
0	0	352	0	352
0	0	1,337	0	1,337
0	0	0	0	0
0	0	0	0	0
0	0	1,689	0	1,689
0	**0**	**-36,724**	**-109**	**-36,833**
0	**0**	**0**	**0**	**0**
73,580	**20,290**	**104,858**	**5,137**	**230,267**

Consolidated Cash Flow Statement for the First Quarter of 2009

EUR'000
Earnings before taxes (EBT)
Reversal of negative goodwill
Depreciation and amortization of PP&E and intangible assets
Impairments
Increase (+)/ decrease (-) in pension provisions
Profit (-)/ loss (+) on the sale of non-current assets
Profit (-)/ loss (+) from deconsolidations
Profit (-)/ loss (+) on currency translation
Issuance of stock options
Change from measurement at equity
Other non-cash income and expenses
Net interest income
Interest collected
Interest paid
Income taxes paid
Increase (-)/ decrease (+) in inventories
Increase (-)/ decrease (+) in trade receivables and other receivables
Increase (+)/ decrease (-) in trade payables, other liabilities and other provisions
Increase (+)/ decrease (-) in other balance sheet items
Cash inflow (+)/ outflow (-) from operating activities (net cash flow)
Purchase prices paid for shares in companies
Cash acquired in connection with purchased shares in companies
Cash inflows from the sale of shares in companies
Cash transferred in connection with the sale of shares
Cash inflows from the sale of non-current assets
Cash outflows for investments in non-current assets
Cash inflow (+)/ outflow (-) from investing activities
Free cash flow
Cash flows from the borrowing (+)/ repayment (-) of current financial liabilities
Cash flows from the borrowing (+)/ repayment (-) of non-current financial liabilities
Cash outflows in connection with liabilities under finance leases
Purchases of treasury shares
Cash inflow (+)/ outflow (-) from financing activities
Net funds at beginning of period
Increase (-)/ decrease (+) in restricted cash
Change in net funds
Net funds at end of period
Restricted cash
Cash and cash equivalents

01/01/2009 - 03/31/2009	01/01/2008 - 03/31/2008
-45,162	**-11,381**
-10,067	0
22,455	19,100
1,311	0
376	-12
-281	-8,027
4,998	788
-385	768
352	314
-256	-383
-5,704	-4,744
7,926	7,979
639	890
-945	-2,041
-2,615	-1,029
-43,317	-42,879
-11,293	72,332
57,608	-37,870
-3,437	-16,505
-20,923	**10,310**
-80	0
3,852	0
15,157	8,500
-25,344	-215
688	439
-4,502	-15,179
-10,229	**-6,455**
-31,152	**3,855**
30,241	-3,380
-37,467	-2,278
-1,217	-4,095
0	-506
-8,443	**-10,259**
125,741	69,865
7,197	-6,437
-39,595	-6,404
93,343	**57,024**
26,314	21,112
119,657	**78,136**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2009

General information on accounting and valuation methods

The consolidated financial statements of ARQUES Industries AG at March 31, 2009 and the prior-year comparison figures were prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) and in accordance with the interpretations of those standards by the Standard Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), as they are to be applied in the European Union, and in accordance with the IFRS in their entirety. All standards that were in effect and obligatory as of March 31, 2009 were observed, leading to the presentation of a true and fair view of the assets, financial position and earnings of the ARQUES Group.

The notes to the consolidated financial statements for 2008 apply accordingly to the present interim report, especially with regard to the significant accounting and valuation methods employed.

In addition, the following standards and interpretations revised or newly adopted by the IASB were mandatory as of the beginning of financial year 2009:

- IFRS 8 (Operating Segments)
- Amendments to IAS 1 (Presentation of Financial Statements)
- Amendments to IFRS 2 (Share-based Payment)
- Amendments to IAS 32 (Financial Instruments: Presentation) and follow-up amendment to IAS 1 (Presentation of Financial Statements)
- Amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards) and IAS 27 (Consolidated and Separate Financial Statements)
- Amendments to IAS 23 (Borrowing Costs)
- IFRIC 13 (Customer Loyalty Programmes)
- Other changes due to the annual improvements project

IFRS 8 replaces the previous provisions of IAS 14 on segment reporting. The main amendment is that the structure of segment reporting follows the reporting structure internally used by the chief operating decision makers (management approach). Exclusively for the annual financial statements, additional disclosures on geographical regions and major customers are required.

The amendments to IAS 1 concern the presentation of the financial position and financial performance for IFRS-based financial statements. Accordingly, a consolidated statement of comprehensive income for the period is now presented. This statement comprises the consolidated profit and loss and the other comprehensive income, which corresponds to income and expenses directly recognised in equity.

The amendments to IFRS 2 concern the definition of vesting conditions and cancellations.

The amendments to IAS 32 to IAS 1 concern puttable financial instruments and obligations arising on liquidation.

The amendments to IFRS 1 and IAS 27 concern the determination of the cost of an investment in a subsidiary, a jointly controlled entity or an associate.

The amendment to IAS 23 abandons the option of capitalising borrowing costs.

The mandatory application of all amendments to or improvements of standards and interpretations listed above did not have any material impact on the ARQUES Group's financial position and financial performance.

Disposal groups

Non-current assets or disposal groups are classified as held for sale in the balance sheet because the corresponding carrying amounts will be recovered by means of sale and not by means of continued use. The liabilities associated with the held-for-sale disposal groups are likewise presented separately from the other liabilities in the balance sheet.

In the balance sheet at March 31, 2009, the real properties were sold in April are presented as non-current assets and liabilities held for sale. The disposal groups presented under this item in the balance sheet at December 31, 2008 were sold during the course of the first quarter of 2009 (see also "Notes on company sales ").

Changes in the consolidation group

Notes on company acquisitions

Company acquisitions from January 1 to March 31, 2009

ARQUES acquired the leading British driving school, The British School of Motoring Ltd. (BSM), Bristol, and its wholly-owned subsidiaries BSM Ltd. and Scorpio Property Investments Ltd. (BSM Group) for a symbolic purchase price in February 2009. The seller was the British company RAC plc, a subsidiary of the insurance group AVIVA plc. The closing date, when control over the company passed to ARQUES, was February 10, 2009. Therefore, the BSM Group has been included in the consolidated financial statements of ARQUES Industries AG as of February 10, 2009.

The BSM Group was included in the consolidated financial statements on a preliminary basis. Because converting the company's accounting system to IFRS and the conduct of the purchase price allocation process are time-consuming, the best available information was used at the time of preparing the present financial statements.

The purchase price for the BSM Group was EUR 2. In addition, ARQUES incurred incidental expenses of EUR 80 thousand, of which EUR 80 thousand had been paid in cash at the balance sheet date. A shareholder loan in the amount of EUR 5,161 thousand was purchased in connection with this company acquisition. The acquisition of BSM gave rise to a negative goodwill amount of EUR 10,067 thousand, after deduction of minority interests.

In the time from the acquisition date to March 31, 2009, the BSM Group incurred a net loss of EUR 310 thousand. This figure already includes start-up and acquisition losses, as well as restructuring losses. It does not include the other operating income from the reversal of negative goodwill. In the time from January 1, 2009 to the acquisition date, the BSM Group generated revenues of EUR 4,543 thousand. The total revenues for the first quarter of 2009 amounted to EUR 9,126 thousand. The earnings contribution for the period from January 1, 2009 to the acquisition date was not determined because the corresponding earnings were not relevant for consolidation purposes. A retroactive conversion to January 1, 2009 was not effected because the figures calculated for the months prior to the restructuring would not be comparable with those for the months following the restructuring, due to the restructuring measures initiated in the meantime, and so would have produced distorted results.

The acquired assets and liabilities of the BSM Group are presented in the table below:

EUR'000	CARRYING AMOUNTS	FAIR VALUES
Non-current assets		
Buildings	1,756	1,756
Other assets	2,081	2,081
Deferred tax assets	1,502	1,502
Current assets		
Inventories	148	148
Trade receivables	1,791	1,791
Other assets	30,390	30,390
Cash and cash equivalents	3,852	3,852
Liabilities		
Provisions	-8,563	-8,563
Trade payables	-4,431	-4,431
Other liabilities	-14,029	-14,029
Deferred tax liabilities	-8,847	-9,063
Net assets		**5,433**

The cash acquired amounted to EUR 3,852 thousand, which resulted in a total cash inflow of EUR 3,772 thousand.

No business units were sold or discontinued in connection with this acquisition.

The disclosures prescribed by IFRS 3.70 would be impracticable. As a result of the initiated restructuring measures, the company believes that the calculated values would lead to distorted results.

In March 2009, moreover, the Actebis Group signed an agreement to purchase the broadline distribution business of Ingram Micro in Denmark. The intention is to take over the employees and the entire customer base of the Danish Ingram Micro subsidiary. The transaction is pending, subject to the approval of the regulatory authorities. The closing date for the transaction is planned for the beginning of the third quarter of 2009.

The acquisition of new shelf companies is not disclosed separately because they are of subordinate importance.

Notes on company sales

Due to the difficult state of the economy in Spain, as well as the crisis affecting the automobile industry and the restrictive lending policies of Spanish banks, ARQUES decided not to provide any further liquidity assistance to the Capresa Group (part of the Steel segment). Therefore, the automotive supplier was compelled to file for bankruptcy on January 19, 2009. The assets required in connection with the necessary deconsolidation of the Capresa Group amounted to EUR 12.5 million, including cash and cash equivalents of EUR 0.3 million, and the corresponding liabilities amounted to EUR 18.1 million. Including consolidation effects, the deconsolidation loss amounted to EUR 0.5 million. This amount was presented as other operating expenses.

On **January 22, 2009**, ARQUES sold four subsidiaries – the BEA Group (part of the Service segment), the news agency ddp (part of the Service segment), the Italian adhesive tape manufacturer Evotape (part of the Industrial Production segment) and the Swiss chemicals company Rohner (part of the Specialty Chemistry segment) – for EUR 20.0 million to the private equity firm BluO as part of a portfolio transaction.

- The sold assets of the **BEA Group** amounted to EUR 30.6 million, including cash and cash equivalents of EUR 9.9 million, and the liabilities amounted to EUR 28.4 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation profit amounted to EUR 2.4 million. This amount was presented as other operating income.

- The sold assets of the **Austrian BEA companies** amounted to EUR 18.1 million, including cash and cash equivalents of EUR 2.0 million, and the liabilities amounted to EUR 17.2 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation profit amounted to EUR 0.2 million. This amount was presented as other operating income.

- The sold assets of **Evotape** amounted to EUR 35.4 million, including cash and cash equivalents of EUR 0.3 million, and the liabilities amounted to EUR 35.1 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation profit amounted to EUR 0.6 million. This amount was presented as other operating income.

- The sold assets of the **ddp Group** amounted to EUR 17.6 million, including cash and cash equivalents of EUR 0.4 million, and the liabilities amounted to EUR 15.2 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation loss amounted to EUR 0.2 million. This amount was presented as other operating expenses.

- The sold assets of **Rohner AG** amounted top EUR 20.9 million, including cash and cash equivalents of EUR 4.6 million, and the liabilities amounted to EUR 11.7 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation loss amounted to EUR 3.5 million. This amount was presented as other operating expenses.

Effective **March 2, 2009**, ARQUES sold the **Rohé Group**, Vienna (part of the Service segment), to the private equity firm ValueNet Capital Partners, Munich, for a symbolic price. The sold assets amounted to EUR 61.3 million, including cash and cash equivalents of EUR 4.6 million, and the liabilities amounted to EUR 69.0 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation profit amounted to EUR 0.9 million. This amount was presented as other operating income.

Effective **March 12, 2009**, the **Sommer Group** (part of the Automotive segment) was sold to a consortium of strategic partners composed of medium-sized German automotive companies and a financial investor, BSF Consulting AG. The sold assets amounted to EUR 30.9 million, including cash and cash equivalents of EUR 0.9 million, and the liabilities amounted to EUR 26.3 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation loss amounted to EUR 4.8 million. This amount was presented as other operating expenses.

Effective **March 19, 2009**, the Swiss printing company **weberbenteli** (part of the Print segment) was sold to the financial investor ValueNet Capital Partners, Munich, for a symbolic price. The sold assets amounted to EUR 46.9 million, including cash and cash equivalents of EUR 2.3 million, and the liabilities amounted to EUR 57.3 million. Including consolidation effects and other expenses associated with the transaction, the deconsolidation loss amounted to EUR 0.5 million. This amount was presented as other operating expenses.

The total assets sold and the total liabilities transferred in connection with these transactions are presented in the table below:

	EUR'000
Assets	
Intangible assets	9,537
Property, plant and equipment	59,604
Other assets	205,064
Total	**274,205**
Liabilities	
Provisions	22,295
Liabilities	255,966
Total	**278,261**

Segment report

The first-time mandatory application of IFRS 8 (Operating Segments) in 2009 did not affect the Group's segmentation in comparison to the year-end financial statements. The disclosures have been adjusted to meet the requirements of IFRS 8:

EUR'000 FIRST QUARTER 2009	STEEL	PRINT	INDUSTRIAL PRODUCTION	IT
Revenues				
External revenues	9,334	8,008	15,347	931,753
Internal revenues	0	0	0	9
Total revenues	9,334	8,008	15,347	931,762
Segment earnings/ EBITDA	-821	-220	957	18,745
Depreciation and amortization	-788	-550	-1,071	-4,818
Impairment losses	0	0	0	0
Segment earnings/ EBIT	-1,608	-770	-113	13,927
Income from non-current financial assets accounted for by the equity method				
Net interest income/ expenses				
Earnings before taxes				
Income tax proceeds				
Net loss				
thereof attributable to minority interests				
Consolidated net loss				

EUR'000 FIRST QUARTER 2008	STEEL	PRINT	INDUSTRIAL PRODUCTION	IT
Revenues				
External revenues		16,319	36,400	984,066
Internal revenues	0	0	0	0
Total revenues	31,625	16,319	36,400	984,066
Segment earnings/ EBITDA	1,557	190	2,017	9,862
Depreciation and amortization	-1,086	-2,052	-1,539	-4,623
Impairment losses	0	0	0	0
Segment earnings/ EBIT	472	-1,862	477	5,239
Income from non-current financial assets accounted for by the equity method				
Net interest income/ expenses				
Earnings before taxes				
Income tax expenses				
Net loss				
thereof attributable to minority interests				
Consolidated net loss				

AUTOMOTIVE	RETAIL	SPECIALTY CHEMISTRY	COMMUNI-CATIONS	HOLDING	SERVICE	ELIMI-NATIONS	CONSOLI-DATED
48,723	19,895	10,864	134,869	4	53,912	0	1,232,709
0	0	0	5,333	2,200	0	-7,542	0
48,723	19,895	10,864	140,202	2,204	53,912	-7,542	1,232,709
-8,178	-3,674	-7,578	-17,563	-6,161	10,767	0	-13,726
-2,521	-382	-239	-11,035	-1	-1,050	0	-22,455
0	0	0	0	-1,311	0		-1,311
-10,700	-4,056	-7,817	-28,598	-7,473	9,717	0	-37,492
							256
							-7,926
							-45,162
							6,640
							-38,522
							-109
							38,413

AUTOMOTIVE	RETAIL	SPECIALTY CHEMISTRY	COMMUNI-CATIONS	HOLDING	SERVICE	ELIMI-NATIONS	CONSOLI-DATED
151,310	31,576	57,063	0	17	39,593	0	1,347,969
0	0	122	0	1,879	26	-2,027	0
151,310	31,576	57,185	0	1,896	39,619	-2,027	1,347,969
4,436	-3,471	174	0	1,030	-480	0	15,315
-6,975	-765	-583	0	-100	-1,377	0	-19,100
0	0	0	0	0	0		0
-2,539	-4,237	-410	0	929	-1,854	0	-3,785
							383
							-7,979
							-11,381
							-3,445
							-14,826
							-852
							13,974

Starnberg, May 2009

ARQUES Industries AG

The Executive Board

CREATING VALUE THROUGH
ACTIVE INVOLVEMENT

ARQUES
INDUSTRIES AG

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