Q1

INTERIM REPORT
JANUARY 1 TO MARCH 31, 2006

Parent Company		March 31, 2005	**March 31, 2006**
Income from investments	EUR in millions	16.5	**18.3**
EBIT	EUR in millions	13.6	**15.3**
Net profit for the period	EUR in millions	8.6	**9.6**
Total assets*	EUR in millions	986.5	**942.6**
Fixed assets*	EUR in millions	756.4	**752.1**
Capital stock*	EUR in millions	46.8	**46.8**
Equity*	EUR in millions	508.2	**517.8**
Equity ratio*	%	51.5	**54.9**

Group		March 31, 2005	**March 31, 2006**
Revenue	EUR in millions	153.3	**192.8**
Export share	%	41.8	**41.3**
EBIT	EUR in millions	16.9	**19.5**
Net income for the period	EUR in millions	5.3	**5.9**
Depreciation	EUR in millions	8.5	**10.6**
Total assets*	EUR in millions	915.4	**865.3**
Equity*	EUR in millions	197.0	**205.2**
Equity ratio*	%	21.5	**23.7**
Workforce		4,348	**5,087**
– Holding company		14	**16**
– Investments		4,334	**5,071**

International Financial Reporting Standards (IFRS) were adopted for interim reporting from January 1, 2006, onwards for the first time. To improve comparability, key performance indicators for 2005 were restated to comply with IFRS as well. Therefore, figures for the previous year may deviate from the ones published in the last interim report.

** Comparable figures as of December 31, 2005.*

Share		March 31, 2005	**March 31, 2006**
Market capitalization	EUR in millions	410.6	**576.2**
Earnings per share (parent company)	EUR	0.48	**0.53**
Earnings per share (Group)	EUR	0.30	**0.33**

Dear Shareholders,

We can look back on a pleasing first quarter of 2006, in which we increased both revenue and income at the parent company and Group levels. Our investments displayed positive development during this period. Furthermore, SELZER and MIGUA, the investments acquired in 2005 which were not part of the INDUS Group in the previous year's first quarter, also contributed to the positive performance achieved in the first quarter. These two companies were not consolidated pro rata temporis until July and September, 2005, respectively.

In the first quarter, companies assigned to the Construction Industry and Engineering segments posted a marked improvement. Portfolio companies subsumed under the Automotive Industry segment continued to face restraint, partially owing to the high price of basic commodities and energy as well as the pressure exerted on prices charged by auto manufacturers. Earnings posted by the Consumables and Other Investments segments were slightly down on the prior-year level due to one-off effects. However, the domestic economy's heightened momentum gives reason to expect a recovery over the remaining course of the year.

We will continue to resolutely implement our proven strategy this year and expand our portfolio of equity holdings to achieve our aims. Our acquisition activity will focus exclusively on majority stakes in medium-sized enterprises that occupy strong market positions in attractive sectors. We concentrate predominantly on manufacturing companies that have a stable business model and a successful product range.

In February we made use of our stable liquidity position to repay a EUR 100 million syndicated credit line. However, we have enough liquid assets and firm financing commitments by banks at our disposal to take action on the investment market whenever the need arises.

We are extremely confident of being able to achieve the goals we set ourselves at the beginning of the year for 2006 (growing revenue to about EUR 800 million and generating a corresponding increase in earnings) with our existing investments and additional acquisitions.

Sincerely,

Helmut Ruwisch
Chairman of the Board of Management

Revenue and Earnings Situation

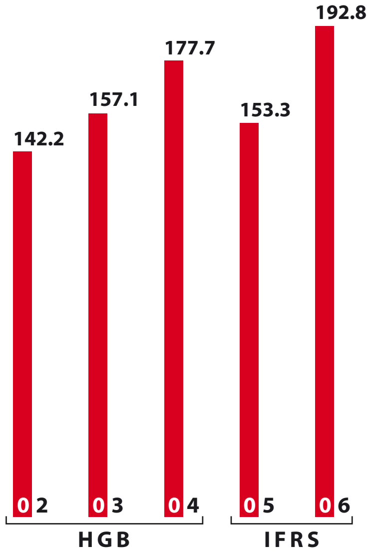
Parent Company

In the first three months of 2006, income from investments advanced 10.9%, from EUR 16.5 million to EUR 18.3 million. Drivers were the positive trend displayed by portfolio companies and income generated by SELZER and MIGUA, the companies acquired in the second half of 2005. Earnings before taxes were up 17.2% to EUR 10.2 million. Net profit climbed 11.6%, from EUR 8.6 million to EUR 9.6 million. This results in earnings per share of EUR 0.53, compared with the EUR 0.48 recorded in the corresponding period last year.

Group

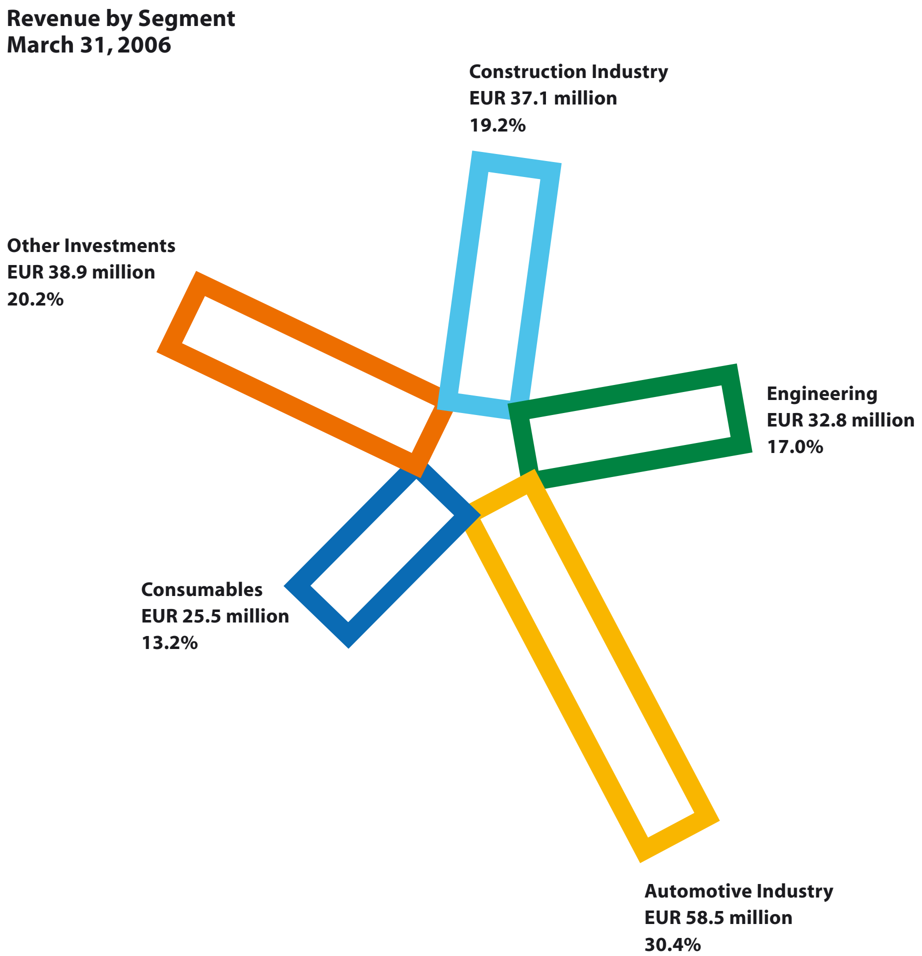
Revenue generated by the INDUS Group jumped 25.8% in the first three months, rising to EUR 192.8 million (Q1/2005: EUR 153.3 million). Contributing to this increase were the first-time consolidations of SELZER and MIGUA, accounting for approximately EUR 24.0 million. Other operating income improved from EUR 2.0 million to EUR 2.8 million.

Revenue as of March 31
EUR in millions



The cost of materials rose from EUR 69.5 million to EUR 91.2 million due to the enlargement of the scope of consolidation and considerably higher basic commodity prices, with oil and steel leading the way. This represents a ratio of material costs to total revenue of 47.3% (year-earlier period: 45.3%). Staff costs rose by EUR 7.7 million to EUR 52.1 million, primarily due to the newly added companies. The ratio of staff costs to total revenue dropped to 27% from 29% in the same period last year. Whereas depreciation on first-time consolidations was flat at EUR 2.5 million, depreciation on fixed assets increased from EUR 6.1 million to EUR 8.1 million. Other operating expenses totaled EUR 26.6 million—EUR 4.5 million up on the level achieved in the same quarter last year.

Earnings before interest and taxes (EBIT) improved by 15.4%, from EUR 16.9 million to EUR 19.5 million. Net interest and the financial result declined by EUR 0.8 million to EUR –6.5 million. The positive effects of the repayment of the syndicated credit line will only be felt over the remaining course of the year. Earnings before taxes (EBT) climbed 16.1% to EUR 13.0 million. Taxes on income amounted to EUR 5.8 million (Q1/2005: EUR 5.1 million). This corresponds to an effective tax rate of 44.6%, following 45.5% in the same quarter last year. Excluding minority interests, this translates into an 11.3% rise in net income to EUR 5.9 million (Q1/2005: EUR 5.3 million). Earnings per share totaled EUR 0.33 after the EUR 0.30 achieved a year earlier.



Segment Report

Construction Industry

The stabilization of the German construction industry witnessed in the second half of 2005 continued at the beginning of 2006. As reported by Germany's Central Construction Industry Association, the value of orders received grew by 9.8% in January. All building segments benefited from this positive trend. Accordingly, commercial construction was up 8.0%, with public and residential construction posting gains of 11.3% and 11.2%.

As of March 31, 2006, the Construction Industry segment comprised a total of nine operating units. One entity was added with the MIGUA Group, which was consolidated as of September 1, 2005.

Revenue recorded by the Construction Industry segment advanced over the first three months, gaining 42.7% from EUR 26.0 million to EUR 37.1 million. This increase was driven by consolidation effects as well as the strong market position commanded by INDUS' investments. Earnings before taxes also climbed 42.1%, from EUR 1.9 million to EUR 2.7 million.

Engineering

Germany's engineering sector stayed its clear course for growth at the beginning of the current year as well. In February 2006 incoming orders in the German mechanical and plant engineering industry were a real 9.0% higher than the level achieved a year earlier. Posting a gain of 10.0%, domestic business significantly outperformed exports, where German companies achieved an increase of 9.0%.

As of March 31, 2006, the Engineering segment comprised a total of nine operating units.

First-quarter revenue generated by Engineering was boosted by 18.0%, rising from EUR 27.8 million to EUR 32.8 million. Strong exports made the single-largest contribution to this cause. EBT showed a markedly disproportionate rise of 35.7% to EUR 3.8 million (Q1/2005: EUR 2.8 million).

Automotive Industry

Germany's automotive industry maintained its momentum in the first quarter of 2006. The number of new passenger car registrations in Germany was up some 5% to nearly 800,000. However, one must take into account the fact that the first quarter of 2005, which is the point of reference, posted the lowest level since German reunification and that March 2006 had two registration days more than March 2005. In the first quarter, incoming orders rose a mere 1.0%.

As of March 31, 2006, the Automotive Industry segment comprised a total of twelve operating units. SELZER Fertigungstechnik GmbH & Co. KG (INDUS share: 70.0%), which was consolidated for the first time effective July 1, 2005, was added. Furthermore, WIESAUPLAST, which was previously subsumed under the Consumables segment, is now assigned to the Automotive Industry segment due to the change in its customer structure.

Revenue recorded by the Automotive Industry segment advanced over the first three months, gaining 54.8% from EUR 37.8 million to EUR 58.5 million. This development is largely a result of the expansion of the scope of consolidation. Despite the rise in raw material prices and the persistently high pressure on prices charged by auto manufacturers, EBT was lifted by 14.3%, from EUR 2.8 million to EUR 3.2 million.

Consumables

Private consumption displayed a surprisingly positive trend. No more than a marginal improvement had been anticipated, following poor retail figures. However, net of seasonal effects, consumer spending rose 0.6% quarter on quarter.

As of March 31, 2006, the Consumables segment comprised a total of four operating units. As mentioned previously, WIESAUPLAST was transferred from this segment to the Automotive Industry segment.

Revenue earned by Consumables in the first quarter of 2006 amounted to EUR 25.5 million, showing a slight improvement over the EUR 25.4 million achieved in the same quarter last year. However, one-off effects and high raw material prices caused EBT to decrease by 11.8%, from EUR 1.7 million to EUR 1.5 million.

Other Investments

Other Investments is a heterogeneous segment, as it includes companies that supply products to customers in the most diverse sectors and thus cannot be assigned to any of the four preceding segments. The gross domestic product (GDP) is the only yardstick suitable for gauging their performance. Net of seasonal effects, first-quarter real GDP was up 0.4% on the preceding period, and 2.9% higher than in the corresponding quarter in 2005 (1.7% growth adjusted for the difference in working days).

As of March 31, 2006, the Other Investments segment comprised eight companies, as in the previous year.

Revenue recorded by Other Investments advanced over the first three months of 2006, gaining 7.2% from EUR 36.3 million to EUR 38.9 million. Owing to the high price of basic commodities and energy, however, EBT slipped to EUR 1.7 million (Q1/2005: EUR 2.1 million).

Asset and Financial Position

Parent Company

INDUS Holding AG again improved its solid balance sheet structure in the first quarter. Total assets were down by EUR 43.9 million to EUR 942.6 million (December 31, 2005: EUR 986.5 million), primarily owing to the repayment of the syndicated credit line. At EUR 752.1 million, fixed assets were essentially unchanged since the end of last year (EUR 756.4 million). Current assets decreased 17.2% to 190.5 million. Equity recorded a EUR 9.6 million increase to EUR 517.8 million. This results in a 3.4 percentage point rise in the equity ratio to 54.9% (December 31, 2005: 51.5%). Accounts payable to banks declined by EUR 52 million to EUR 376 million. At EUR 48 million, other liabilities were essentially unchanged.

Group

The Group's balance sheet total dropped by EUR 50.1 million to EUR 865.3 million. Non-current assets totaled EUR 521.7 million, remaining virtually unchanged, whereas current assets were down by EUR 47.5 million. This is principally due to the decline in cash and cash equivalents stemming from the repayment of the syndicated credit line. In consequence, cash and cash equivalents decreased by EUR 67.0 million to EUR 66.5 million. Trade accounts receivable were up a marginal EUR 2.1 million to EUR 91.1 million. Inventories grew by EUR 9.8 million to EUR 147.0 million, essentially due to invoicing effects. Other assets amounted to EUR 27.8 million (Q1/2005: EUR 18.3 million).

By March 31, 2006, the Group's shareholders' equity had climbed by EUR 8.2 million to EUR 205.2 million. Accordingly, the equity ratio improved by 2.2 percentage points to 23.7%. The repayment of a EUR 100 million syndicated credit line led to a considerable reduction in financial liabilities to EUR 462.5 million. Provisions were essentially unchanged. Other current liabilities decreased by EUR 17.3 million to EUR 84.4 million.

Operating cash flow (cash flows from operating activities) totaled EUR –6.6 million (Q1/2005: EUR –11.6 million). Cash flows from financing activities were markedly affected by the repayment of the syndicated credit line. They amounted to EUR –52.0 million vis-à-vis the EUR 45.4 million recorded in the same period last year. Cash flows from investing activities dropped from EUR 9.6 million to EUR 8.4 million.

Capital Expenditure

Capital spending by portfolio companies and the parent company in the first three months totaled EUR 7.9 million (Q1/2005: EUR 8.2 million).

Workforce

As of March 31, 2006, INDUS employed 5,087 people throughout the Group. The addition of 739 staff members compared with the same quarter last year is primarily a result of the acquisitions of SELZER and MIGUA, which were made in the second half of 2005.

Share

The INDUS share displayed positive development overall in the first three months, and was listed at EUR 32.01 on March 31, 2006. This represents an 8.7% rise in the share price compared with the closing quotation at the end of 2005. At the same time, the share recorded a high for the year at the end of the period under review, whereas a low for the year of EUR 28.40 was recorded on January 23. Last year's average turnover of 49,509 was not fully maintained since share trading in the first quarter (47,186 shares) is traditionally weak. As of March 31, the INDUS share had a weighting of 3.03% in the SDAX, placing the company 8th and underscoring its significance to this important small cap index.

Events After the Period Under Review

After the period being reviewed, the Neuss-based portfolio company BETOMAX GmbH & Co. KG acquired a 100% stake in ANCOTEC AG, headquartered in Dielsdorf near Zurich. The Swiss company generated CHF 12.0 million in revenue in fiscal 2005 and has more than 30 people on its payroll at present. ANCOTEC develops, manufactures and markets technically sophisticated and economically appealing special reinforcements and stainless steel parts for the construction industry. Its prime specialty lies in the dimensioning and supply of punching reinforcements certified for all construction applications. BETOMAX and ANCOTEC's product ranges and focal points in sales complement each other ideally, enabling the two companies to improve their joint market position considerably. ANCOTEC's founders and previous owners will remain in charge of the company's operations and keep their positions as general managers.

Risks

There were no major changes in the opportunities and risks presented in the risk report in the review of operations and the Group management report for fiscal 2005 in the first three months of the current fiscal year.

Outlook

The economy gained substantial momentum in the first few months of 2006. The non-recurrent effects of heightened domestic demand driven by the anticipatory impact of the sales tax hike from January 1, 2007, onwards forecasted by economic research institutes will increasingly come into play. Overall, economic research institutes expect the gross domestic product to increase by about 1.8% for the year as a whole.

Sectoral developments will be mainly affected by two factors during the remaining course of the year as well: the price of basic commodities and domestic demand. Companies in the Automotive Industry segment will feel the strongest impact of high raw materials prices. This partially holds true for enterprises in the Consumables and Other Investments segments as well.

Companies in the Construction Industry and Engineering segments, which have become increasingly independent of the domestic economy thanks to their high degree of specialization and the strong export business, continue to experience an encouraging trend.

The Board of Management expects Group revenue for fiscal 2006 to continue growing to approximately EUR 800 million. Based on the plans currently in place, both the continued positive development of our investments as well as additional acquisitions will contribute to the rise. Key earnings figures are anticipated to follow a similar trend.

Additional Information

Segment Reporting

INDUS Holding AG divides its portfolio of companies, which consisted of 42 investments at the end of the period under review, into five segments: Construction Industry, Engineering, Automotive Industry, Consumables and Other Investments. Companies are generally assigned to segments based on the areas in which their sales are concentrated. When calculating figures for each segment, however, the individual companies are broken down in more detail.

Dividend

The company did not pay a dividend in the reporting period from January 1 to March 31, 2006. The joint profit appropriation proposal put forth by the Board of Management and Supervisory Board envisions a two cent dividend increase to EUR 1.20 per share for fiscal 2005. Subject to shareholder approval at this year's Annual Shareholders' Meeting, which will take place on July 11, 2006, the dividend payment will be made on July 12, 2006.

Consolidated Income Statement

EUR '000	Note	**March 31, 2006**	**March 31, 2005**
Revenue		192,753	153,274
Other operating income		2,755	2,048
Own work capitalized		704	434
Change in inventories		3,671	5,704
Cost of materials		– 91,208	– 69,453
Staff costs		– 52,063	– 44,402
Depreciation	(3)	– 10,586	– 8,548
Other operating expenses		– 26,568	– 22,109
Operating result		**19,458**	**16,948**
Net interest		– 6,679	– 5,895
Financial result		174	146
Income before taxes		**12,953**	**11,199**
Taxes		– 5,832	– 5,104
Income from discontinued operations	(1)	–	– 121
Income after taxes		**7,121**	**5,974**
Thereof minority interests		– 1,212	– 722
Income allocable to INDUS shareholders		**5,909**	**5,252**
Diluted earnings per share in EUR Undiluted earnings per share in EUR	(2)	0.33 0.33	0.30 0.30

Consolidated Balance Sheet

Assets

EUR '000	Note	March 31, 2006	March 31, 2005
Goodwill		269,319	269,356
Intangible assets	(4)	21,026	21,570
Property, plant and equipment	(5)	213,659	215,776
Financial assets		8,759	8,205
Shares accounted for using the equity method		4,185	4,072
Other non-current assets		2,013	2,062
Deferred taxes		2,703	3,242
Non-current assets		**521,664**	**524,283**
Cash and cash equivalents		66,453	133,519
Accounts receivable	(6)	102,321	99,915
Inventories	(7)	147,040	137,250
Other current assets		27,835	18,307
Assets held for sale		–	2,080
Current assets		**343,649**	**391,071**
Balance sheet total		**865,313**	**915,354**

Equity and Liabilities

EUR '000	Note	March 31, 2006	March 31, 2005
Paid-in capital		162,955	162,955
Generated capital		39,576	31,643
Shareholders' equity of INDUS shareholders		202,531	194,598
Minority interests in capital		2,687	2,413
Group equity		**205,218**	**197,011**
Non-current financial liabilities		400,842	362,359
Provisions for pensions		14,977	14,719
Other non-current provisions		3,359	3,402
Other non-current liabilities		5,949	6,495
Deferred taxes		15,720	15,609
Non-current liabilities		**440,847**	**402,584**
Current financial liabilities		61,640	151,162
Trade accounts payable		35,548	26,185
Current provisions		37,700	36,400
Other current liabilities		84,360	101,669
Liabilities held for sale		–	343
Current liabilities		**219,248**	**315,759**
Balance sheet total		**865,313**	**915,354**

Consolidated Cash Flow Statement

EUR '000	March 31, 2006	March 31, 2005
Income for the quarter (including minority interests) before income taxes and finance costs	**19,214**	**16,558**
Interest paid	– 7,010	– 6,648
Income tax paid	– 5,083	– 3,936
Depreciation – on non-current assets (excluding deferred taxes)	10,586	8,548
Changes in provisions	1,558	– 55
Increase/decrease in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	– 19,213	– 15,857
Increase/decrease in accounts payable and other liabilities not allocable to investing or financing activities	– 6,699	– 10,254
Cash flows from operating activities	**– 6,647**	**– 11,644**
Net cash change in property, plant and equipment and intangible assets	– 9,876	– 9,610
Net cash change in financial assets	– 554	48
Income from the disposal of shares in fully consolidated companies	1,988	–
Cash flows from investing activities	**– 8,442**	**– 9,562**
Payments made to minority interests	– 938	– 2,556
Net cash change in bank liabilities	– 51,039	47,975
Cash flows from financing activities	**– 51,977**	**45,419**
Net cash change in financial facilities	**– 67,066**	**24,213**
Financial facilities at the beginning of the fiscal year	**133,519**	**150,418**
Financial facilities at the end of the quarter	**66,453**	**174,631**
Cash transactions related to the sale of investments	2,100	–
Financial facilities sold	– 112	–
	1,988	**–**

Consolidated Statement of Equity

Jan. 1 to March 31, 2006 EUR '000	Opening balance Jan. 1, 2006	Dividend payment	Recognized expenses and income	Deferred taxes	Closing balance March 31, 2006
Subscribed capital	46,800	–	–	–	46,800
Additional paid-in capital	116,155	–	–	–	116,155
Paid-in capital	**162,955**	**–**	**–**	**–**	**162,955**
Accumulated earnings	37,909	–	5,909	–	43,818
Currency translation reserve	487	–	– 133	–	354
Reserve for the marked-to-market measurement of financial instruments	– 6,753	–	2,930	– 773	– 4,596
Generated capital	**31,643**	**–**	**8,706**	**– 773**	**39,576**
Equity of INDUS shareholders	**194,598**	**–**	**8,706**	**– 773**	**202,531**
Minority interests	2,413	– 938	1,212	–	2,687
Group equity	**197,011**	**– 938**	**9,918**	**– 773**	**205,218**

Jan. 1 to March 31, 2005 EUR '000	Opening balance Jan. 1, 2005	Dividend payment	Recognized expenses and income	Deferred taxes	Closing balance March 31, 2005
Subscribed capital	46,800	–	–	–	46,800
Additional paid-in capital	116,155	–	–	–	116,155
Paid-in capital	**162,955**	**–**	**–**	**–**	**162,955**
Accumulated earnings	32,212	–	5,252	–	37,464
Currency translation reserve	– 454	–	844	–	390
Reserve for the marked-to-market measurement of financial instruments	– 7,409	–	–493	130	– 7,772
Generated capital	**24,349**	**–**	**5,603**	**130**	**30,082**
Equity of INDUS shareholders	**187,304**	**–**	**5,603**	**130**	**193,037**
Minority interests	5,507	– 2,556	722	–	3,673
Group equity	**192,811**	**– 2,556**	**6,325**	**130**	**196,710**

Reserves for currency translation and the marked-to-market valuation of financial instruments include unrealized gains and losses. The change in reserves for the marked-to-market valuation of financial instruments is based solely on continuous changes in marked-to-market valuation; there were no effects from reclassification.

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 10,753,000 (Q1/2005: EUR 587,000).

General Information

INDUS Holding AG, based in Bergisch Gladbach, Germany, listed in the Cologne commercial register under HRB 46360, prepared its unaudited interim report for the first quarter of fiscal 2006 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 2005. The consolidated financial statements are prepared in euros. 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 and 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. The figure for the first quarter of 2006 includes the anticipated tax expense arising from the sale of operations.

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 divest the company, they are classified as "held for sale."

Business Combinations Pursuant to IFRS 3

In the first quarter of 2005, the stake in IMECO Einwegprodukte GmbH & Co. KG was increased by another 7.5% to 100%. This was the main reason for the rise in goodwill in the quarter under review. No major investments were acquired in the first quarter of 2006. Therefore, the scope of consolidation remained unchanged compared with December 31, 2005.

Disposals Pursuant to IFRS 5

In fiscal 2005 INDUS decided to sell its investment in NEUTRASOFT IT für den Handel GmbH & Co. KG as of January 2, 2006. NEUTRASOFT IT GmbH & Co. KG is a peripheral operation of the NEUTRASOFT Group. The company has now joined forces with a larger competitor in this niche market, in order to improve its long-term prospects. Accordingly, the assets, liabilities and results of the company were reclassified as "held for sale" in the balance sheets and income statements of all interim reports for fiscal 2005.

In the following tables, year-earlier figures (Q1/2005) reflect the reclassifications made in accordance with IFRS 5:

Assets and Liabilities

EUR '000	**March 31, 2005**
Non-current assets	1,611
Current assets	676
Total assets	**2,287**
Non-current liabilities	84
Current liabilities	700
Total liabilities	**784**

Income and Losses

EUR '000	**March 31, 2005**
Income	604
Expenses	– 725
Income before tax	**– 121**
Current taxes	–
Income after tax	**– 121**

[1] Income from Discontinued Operations

This item includes income after tax earned by NEUTRASOFT IT GmbH & Co. KG. The tax expense resulting from income from discontinued operations amounted to EUR 0 (Q1/2005: EUR 0). The tax expense resulting from the sale of companies amounted to EUR 0 (Q1/2005: EUR 420,000).

[2] Earnings per Share

Pursuant to IAS 33, earnings per share are based on consolidated income after tax from continuing operations and is thus adjusted to exclude income from discontinued operations of EUR 0.00 per share (prior year: EUR –0.01 per share). At 18,000,000, the number of shares remained constant in both fiscal 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, adjusted to exclude income from discontinued operations.

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

[3] Depreciation, Amortization, Impairment Losses

EUR '000	**March 31, 2006**	**March 31, 2005**
Depreciation of property, plant and equipment and intangible assets	– 8,136	– 6,089
Amortization of first-time consolidations	– 2,450	– 2,459
Impairment losses from first-time consolidations	–	–
Total	**– 10,586**	**– 8,548**

[4] Intangible Assets

EUR '000	**March 31, 2006**	**March 31, 2005**
Capitalized development costs	4,026	3,501
Licenses, commercial rights and other intangible assets	17,000	18,069
Total	**21,026**	**21,570**

[5] Property, Plant and Equipment

EUR '000	March 31, 2006	March 31, 2005
Land and buildings	106,161	106,792
Technical plant and machinery	71,903	74,342
Other plant, fixtures, furniture and office equipment	28,410	28,368
Advance payments and work in progress	7,185	6,274
Total	**213,659**	**215,776**

[6] Accounts Receivable

EUR '000	March 31, 2006	March 31, 2005
Accounts receivable from customers	91,063	88,992
Future accounts receivable from customer-specific construction contracts	6,636	6,753
Accounts receivable from associated companies	4,622	4,170
Total	**102,321**	**99,915**

[7] Inventories

EUR '000	March 31, 2006	March 31, 2005
Raw materials and supplies	52,527	46,506
Unfinished goods	39,251	35,698
Finished goods and goods for resale	54,170	54,010
Prepayments to third parties for inventories	1,092	1,036
Total	**147,040**	**137,250**

Segment Reporting

The reporting structure used in the preceding annual financial statements was maintained in this interim report with the exception that NEUTRASOFT IT für den Handel GmbH & Co. KG is no longer included in the figures reported for fiscal 2005.

Primary Reporting Format: by Segment

Jan. 1 to March 31, 2006 EUR '000	Construction Industry	Engineering	Automotive Industry	Con-sumables	Other Investments	Total
External revenue	37,144	32,995	60,911	27,658	41,166	199,874
Internal revenue	– 101	– 151	– 2,408	– 2,172	– 2,289	– 7,121
Segment revenue from third parties	**37,043**	**32,844**	**58,503**	**25,486**	**38,877**	**192,753**
Earnings before taxes (EBT)	**2,730**	**3,784**	**3,239**	**1,530**	**1,670**	**12,953**
EBT of discontinued operations						
Workforce	666	592	1,805	848	1,176	5,087

Jan. 1 to March 31, 2005 EUR '000	Construction Industry	Engineering	Automotive Industry	Con-sumables	Other Investments	Total
External revenue	26,096	27,903	39,793	27,239	38,723	159,754
Internal revenue	– 81	– 121	– 1,989	– 1,817	– 2,472	– 6,480
Segment revenue from third parties	**26,015**	**27,782**	**37,804**	**25,422**	**36,251**	**153,274**
Earnings before taxes (EBT)	**1,895**	**2,763**	**2,808**	**1,676**	**2,057**	**11,199**
EBT of discontinued operations					– 121	– 121
Workforce	579	606	1,232	861	1,070	4,348

Secondary Reporting Format: by Region

Jan. 1 to March 31, 2006 EUR '000	Germany	Europe	Rest of the world	Total
External revenue	120,182	52,695	26,997	199,874
Internal revenue	– 7,018	– 80	– 23	– 7,121
Segment revenue from third parties	**113,164**	**52,615**	**26,974**	**192,753**

Jan. 1 to March 31, 2005 EUR '000	Germany	Europe	Rest of the world	Total
External revenue	95,588	37,803	26,363	159,754
Internal revenue	– 6,453	– 11	– 16	– 6,480
Segment revenue from third parties	**89,135**	**37,792**	**26,347**	**153,274**

Continuation of the Reconciliation from HGB to IFRS

Reconciliation of Equity from HGB to IFRS

EUR '000	Jan. 1, 2004	Dec. 31, 2004	March 31, 2005
HGB equity	**124,545**	**124,264**	**124,584**
Assets added due to first-time consolidations	81,020	101,337	104,790
Adjustment of depreciation and amortization	2,577	2,391	2,344
Long-term construction contracts	1,306	1,366	2,331
Intangible assets	540	2,103	2,406
Fair value of securities	– 917	–	–
Provisions for pensions	– 1,562	– 1,451	– 1,451
Lease liabilities	– 3,815	– 2,566	– 2,266
Market value of financial derivatives	– 5,925	– 10,063	– 9,990
Deferred taxes/tax accruals	– 8,588	– 10,839	– 12,221
Disposals due to changes in the scope of consolidation		– 12,609	– 12,609
Other adjustments	– 1,217	– 1,122	– 1,208
Difference between IFRS and HGB	**63,419**	**68,547**	**72,126**
IFRS equity	**187,964**	**192,811**	**196,710**

Reconciliation of Income for the Period from HGB to IFRS 2004

EUR '000		2004	March 31, 2005
HGB net income		**24,344**	**1,832**
Amortization of assets added due to first-time consolidations			
– accounted for in the HGB financial statements	34,211		5,912
– accounted for in the IFRS financial statements	13,894		2,459
Income added due to the adoption of IFRS	**20,317**		**3,453**
Intangible assets	1,563		303
Leasing	1,249		300
Fair value of securities	917		–
Provisions for pensions	111		–
Long-term construction contracts	60		965
Adjustment of depreciation and amortization	– 186		– 47
Income added due to the adoption of IFRS	**3,714**		**1,521**
Deferred taxes/tax accruals	– 3,196		– 960
Disposals due to changes in the scope of consolidation	– 12,609		–
Other	– 211		128
IFRS net income		**32,359**	**5,974**

Comparison of Reconciled Figures: Consolidated Balance Sheet—1st Quarter of 2005

Assets

EUR '000	March 31, 2005	Dec. 31, 2004
Goodwill	233,088	231,994
Intangible assets	20,642	21,619
Property, plant and equipment	183,815	182,870
Financial assets	5,365	5,413
Shares accounted for using the equity method	3,194	3,119
Other non-current assets	2,867	3,104
Deferred taxes	2,932	3,496
Non-current assets	**451,903**	**451,615**
Cash and cash equivalents	174,631	150,418
Accounts receivable	77,171	81,770
Inventories	137,956	124,832
Other current assets	26,177	20,407
Assets held for sale	2,287	–
Current assets	**418,222**	**377,427**
Balance sheet total	**870,125**	**829,042**

Equity and Liabilities

EUR '000	March 31, 2005	Dec. 31, 2004
Paid-in capital	162,955	162,955
Generated capital	30,082	24,349
Equity of INDUS shareholders	193,037	187,304
Minority interests in capital	3,673	5,507
Group equity	**196,710**	**192,811**
Non-current financial liabilities	469,095	428,254
Provisions for pensions	8,741	8,908
Other non-current provisions	1,581	1,581
Other non-current liabilities	5,192	5,123
Deferred taxes	13,738	14,418
Non-current liabilities	**498,347**	**458,284**
Current financial liabilities	44,535	37,400
Trade accounts payable	30,853	28,734
Current provisions	30,764	30,653
Other current liabilities	68,132	81,160
Liabilities held for sale	784	–
Current liabilities	**175,068**	**177,947**
Balance sheet total	**870,125**	**829,042**

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