

[INDUS]
HOLDING AG



**INTERIM REPORT
JAN. 1 TO SEP. 30, 2007**

INDUS HOLDING AG AT A GLANCE

Holding Company		Sep. 30, 2007	Sep. 30, 2006		
Income from investments	EUR in millions	59.1	57.4		
EBIT	EUR in millions	51.2	50.3		
Net profit for the period	EUR in millions	36.6	35.5		
Total assets*	EUR in millions	937.5	900.3		
Fixed assets*	EUR in millions	742.0	724.4		
Equity*	EUR in millions	472.2	457.2		
Equity ratio*	%	50.4	50.8		
Group		Sep. 30, 2007	Sep. 30, 2006		
Revenue	EUR in millions	684.8	615.6		
Export shares	%	39.2	38.5		
EBITDA	EUR in millions	105.3	105.2		
EBIT	EUR in millions	75.6	74.4		
Net income for the period	EUR in millions	37.2	29.4		
Total assets*	EUR in millions	945.0	900.4		
Equity*	EUR in millions	220.2	204.6		
Equity ratio*	%	23.3	22.7		
Employees		5,575	5,163		
– Holding company		18	19		
– Portfolio companies		5,557	5,144		
Share		Jan. 1 to Sep. 30, 2007	Jan. 1 to Sep. 30, 2006	Financial Calendar	
Earnings per share (holding company)	EUR	2.03	1.97	April 30, 2008	Annual Report 2007
Earnings per share (Group)	EUR	2.05	1.69	May 5, 2008	Balance Sheet
Nine-month high	EUR	31.85	33.98	May 6, 2008	Press Conference
Nine-month low	EUR	25.00	24.71	July 1, 2008	Analyst Conference
Price at end of period	EUR	26.00	28.12	August 29, 2008	Annual Shareholders' Meeting, Cologne
Average daily turnover	No. of shares	49,828	47,186		Interim Report on the First Half
Market capitalization	EUR in millions	468.00	506.16	November 28, 2008	Interim Report on the First Three Quarters

* Comparable figures as of December 31, 2006.

Ladies and Gentlemen,

INDUS is still on course for growth. This was again reflected in the company's performance in the first nine months of 2007, during which we boosted Group revenue by 11.2% to EUR 684.8 million. All our growth was achieved with our existing portfolio companies. Since company valuations continue to be too high, we deliberately showed restraint in acquisition activity.

We also posted gains in our key earnings figures. Naturally, our portfolio companies felt the repercussions of the high cost of raw materials, with petroleum and metal leading the way, as well as of the euro's continued gain over the US dollar. Another factor playing a role here were the high collectively bargained wages in recent months. Nevertheless, thanks to the extensive streamlining measures implemented at our portfolio companies, we succeeded in recording a slight increase in earnings before interest and taxes (EBIT) compared with the strong level achieved a year earlier.

The world financial and capital markets have been in a crisis situation ever since the first US subprime problems became apparent. Liquidity has become more expensive and scarce throughout the world. This has had a very tangible impact on private equity companies, which have already had to call off high-profile transactions. These rifts are having a negative effect on the M&A market as a whole. Therefore, we expect valuations to drop significantly. This should benefit INDUS. In light of our deliberate restraint over the last two years, we already have an extremely comfortable liquidity situation along with firm financing commitments from our banks. We will make resolute use of these resources once the level of valuations comes back in line with our long-term vision. We believe we have a formidable point of departure for the coming year with a view to making substantial investments in attractive medium-sized enterprises.

I would like to take this opportunity to thank our employees and general managers who had an influence on the positive development of their companies and, in turn, of INDUS Holding AG once again in the first three quarters of the year.

Sincerely,



Helmut Ruwisch

Chairman of the Board of Management

General Economic Trend

The German economy's upward trend picked up speed in the third quarter of 2007. Net of price, seasonal and calendar effects, the gross domestic product (GDP) was up 0.7% on the second quarter. Growth stimuli in the third quarter came exclusively from Germany. Investment on equipment and buildings increased by 0.6%, while consumer spending advanced by 0.5%. Unlike in the preceding quarter, exports did not stimulate growth, above all due to the considerable rise in imports.

Nevertheless, the economic environment worsened despite the strong development witnessed in the third quarter of 2007. Turmoil on the US subprime mortgage market caused world financial markets to tighten significantly, the effects of which resulted in liquidity problems for European banks as well, which do not seem to have been overcome so far. This will certainly be reflected in slower growth in the US. However, the impact on Europe must not be underestimated. The banks' more cautious lending and the surge in the price of oil, which hit an all-time high of nearly 100 US dollars per barrel, and the euro's steady gain on the US dollar will have ramifications on the development of Germany's economy.

Status of INDUS Holding AG

Earnings Situation

The parent company's revenue includes consulting services rendered by the holding company to the individual portfolio companies. In the first nine months of 2007, revenue increased by a marginal EUR 0.1 million to EUR 2.8 million (Q1–Q3 2006: EUR 2.7 million). Income from investments also posted a slight gain, rising by 3.0% to EUR 59.1 million (Q1–Q3 2006: EUR 57.4 million). Earnings before interest and taxes (EBIT) grew by 1.8% to EUR 51.2 million (Q1–Q3 2006: EUR 50.3 million), with net profit increasing by 3.1% to EUR 36.6 million (Q1–Q3 2006: EUR 35.5 million). This results in slightly higher earnings per share of EUR 2.03 (Q1–Q3 2006: EUR 1.97).

Financial and Net Assets

As of September 30, 2007, INDUS Holding AG's balance sheet total was EUR 37.2 million higher than at the December 31, 2006, balance sheet date. Drivers were fixed assets (EUR +17.6 million) as well as current assets (EUR +19.6 million). In the first nine months, equity advanced by EUR 15.0 million to EUR 472.2 million, despite the EUR 21.6 million dividend payment. This results in a stable equity ratio of 50.4% (December 31, 2006: 50.8%).

Employees

As of September 30, 2007, INDUS Holding AG employed a total of 18 staff members (Q3 2006: 19 staff members).

Status of the INDUS Group

Earnings Situation

Business trend in the first nine months of 2007:

In the first nine months of 2007, the INDUS Group recorded a substantial rise in revenue of 11.2% to EUR 684.8 million (Q1–Q3 2006: EUR 615.6 million). Besides the positive effects of the first-time consolidation of OBUK, this is principally due to the strong development shown by the existing portfolio companies. Repeated gains were achieved above all by the export business, causing the foreign ratio (39.2%) to exceed the year-earlier figure by 0.7 percentage points. Changes in inventories were down from EUR 13.1 million to EUR 1.5 million.

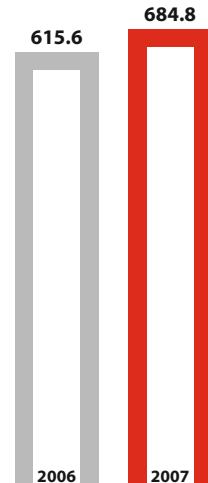
In absolute terms, higher raw material costs and energy prices led to a substantial rise in the cost of materials, which jumped by 11.3% to EUR 325.4 million. However, the ratio of the cost of materials to total revenue remained constant at 47.5%. A slightly positive development was displayed by the ratio of staff costs to total revenue, which declined by 0.2 percentage points to 26.1%. Other operating expenses climbed 11.2% to EUR 86.6 million.

At EUR 105.3 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were on par with the strong level recorded a year earlier (Q1–Q3 2006: EUR 105.2 million). Depreciation and amortization were down 3.6% to EUR 29.7 million, causing earnings before interest and taxes to post a year-on-year gain of 1.6% to EUR 75.6 million (Q1–Q3 2006: EUR 74.4 million). Net interest changed by 8.0% to EUR –18.8 million (Q1–Q3 2006: EUR –17.4 million). In this context, one must take into account the fact that non-operating and non-cash effects of the valuation of instruments used to hedge interest rates are included for 2006 and 2007. Earnings before taxes (EBT) amounted to EUR 56.8 million, thus almost matching the EUR 57.1 million posted a year earlier. The positive effects of the German corporate tax reform led to a significant decrease in taxes, which dropped by 20.9% to EUR 19.7 million. As a result, net income after minority interests improved by 26.5% to EUR 37.2 million (Q1–Q3 2006: EUR 29.4 million). Earnings per share rose from EUR 1.69 to EUR 2.05, largely for tax-related reasons.

Business trend in the third quarter of 2007:

In the third quarter of 2007, revenue climbed 9.1% to EUR 231.3 million (Q1–Q3 2006: EUR 212.1 million). Changes in inventories were down from EUR 4.4 million to EUR –1.3 million. The ratio of the cost of materials to total revenue improved significantly, dropping by 1.8 percentage points to 46.5% (Q1–Q3 2006: 48.3%). Driven by seasonal effects, the ratio of staff costs to total revenue displayed an inverse development, increasing by 0.2 percentage points to 26.1% (Q1–Q3 2006: 25.9%). EBITDA posted a marginal gain, growing by 1.7% to EUR 35.5 million (Q1–Q3 2006: EUR 34.9 million), with EBIT advancing by 5.7% to EUR 26.0 million (Q1–Q3 2006: EUR 24.6 million). Net interest improved by 7.7% to EUR –7.7 million. The one-time positive effects of the German corporate tax reform were especially significant relative to the quarter. Taxes dropped from EUR 7.6 million to EUR 1.7 million, and net income after minority interests grew markedly, jumping from EUR 8.5 million to EUR 17.2 million.

Revenue as of Sept. 30 EUR in millions



Financial and Net Assets Position

At EUR 945.0 million, INDUS Holding AG's balance sheet total was EUR 44.6 million higher than at the balance sheet date on December 31, 2006.

On the assets side of the balance sheet for the period ended September 30, 2007, non-current assets were up EUR 15.0 million to EUR 539.9 million. This rise is predominantly due to the first-time consolidation of OBUK. The remaining non-current asset items only recorded a marginal change. Current assets rose by EUR 29.6 million to EUR 405.1 million. Cash and cash equivalents decreased by a marginal EUR 10.8 million to a comfortable EUR 81.9 million. Owing to the rise in business volume, accounts receivable and inventories grew by EUR 17.7 million to EUR 125.8 million and by EUR 19.1 million to EUR 177.5 million, respectively.

On the equity and liabilities side, shareholders' equity was up EUR 15.6 million to EUR 220.2 million. Since the rise was disproportionately higher than that of the balance sheet total, the equity ratio increased by 0.6 percentage points to 23.3%. Non-current liabilities decreased by EUR 16.6 million to EUR 445.6 million. This decline is primarily due to the EUR 14.8 million drop in non-current financial liabilities. Furthermore, deferred taxes were down EUR 2.6 million to EUR 16.6 million. Current liabilities rose by EUR 45.5 million to EUR 279.2 million. This principally reflected the impact of the rise in current financial liabilities (EUR +36.6 million), trade accounts payable (EUR +4.1 million) and other current provisions (EUR +12.3 million). Other current liabilities decreased by EUR 7.4 million to EUR 57.0 million.

Cash flows from operating activities grew by EUR 3.8 million to EUR 34.2 million. Increased investing activity caused cash flows from investing activities to change by EUR -9.9 million to EUR -44.7 million. Cash flows from financing activities amounted to EUR -30.5 million and were thus markedly higher than the level achieved a year earlier (Q1–Q3 2006: EUR -122.3 million), which was characterized by the repayment of a syndicated credit line.

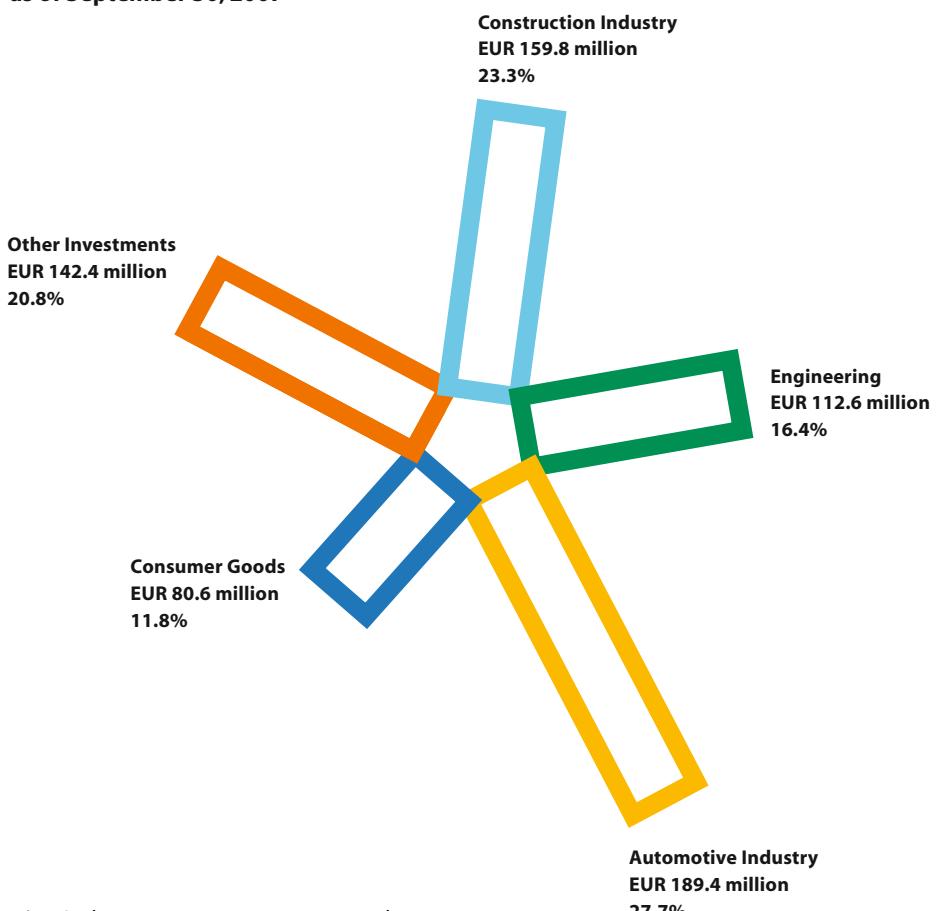
Segment Report

INDUS Holding AG divides its portfolio of companies into five segments: Construction Industry, Engineering, Automotive Industry, Consumer Goods, and Other Investments. Companies are assigned to segments based on the areas in which their revenue is concentrated. As of September 30, 2007, the portfolio of equity holdings encompassed 42 operating units, as before.

Construction Industry

Once again, in the third quarter, the development displayed by the German construction industry was predominantly driven by commercial and public construction. Residential construction experienced a much weaker trend. The main reasons for the development of commercial construction are the abolition of the homeowner subsidy and the sales tax hike. In sum, there has been a 38% decline in building permits over the course of the year so far.

**Revenue by Segment
as of September 30, 2007**



As of September 30, 2007, the Construction Industry segment encompassed a total of ten operating units. The portfolio company added since the same time last year is OBUK Haustürfüllungen GmbH & Co. KG, based in Oelde, Germany, which was acquired in October 2006. The first-time consolidation of the specialist for premium plastic and aluminum door fillings was performed effective January 1, 2007.

In the first nine months of 2007, revenue generated by the Construction Industry segment was up 26.0% to EUR 159.8 million, also driven by consolidation effects. Segment companies continued to benefit from their strong position on the market and were able to decouple themselves from the sector's general trend. Earnings before interest and taxes (EBIT) totaled EUR 20.1 million, nearly matching the year-earlier level (Q1–Q3 2006: EUR 20.4 million), achieving a margin that was considerably higher than the sector's average once again.

Engineering

The growth momentum of the German mechanical engineering sector is decreasing somewhat, but maintaining its high level. Accordingly, the German Engineering Federation (VDMA) reported a 7% real increase in orders received in September. The growth rate was thus in single digits for the first time in 15 months. In the third quarter of 2007, orders received were up a total of 12% compared with the same period last year. In Germany, incoming orders grew by 8%, while foreign orders advanced by 14%.

As of September 30, 2007, the Engineering segment comprised a total of nine operating units, as before.

In the first nine months of 2007, revenue generated by the Engineering segment advanced by 8.2% to EUR 112.6 million. Positive effects originated both from Germany as well as from abroad. But mounting raw material costs and the high collectively bargained wages were a significant burden on earnings. Nevertheless, earnings before interest and taxes posted a slight increase, rising to EUR 14.8 million (Q1–Q3 2006: EUR 14.6 million).

Automotive Industry

Germany's auto industry has benefited from strong exports over the course of the year thus far, whereas domestic business has developed in exactly the opposite direction. In the period from January to October, exports grew 11% to 3.61 million passenger vehicles. Conversely, new passenger car registrations in Germany were down 8% to 2.62 million. This trend will further intensify in the two remaining months, since mobility will continue to become more expensive and purchases were moved up to the end of 2006 owing to the sales tax hike.

As of September 30, 2007, the Automotive Industry segment still consisted of a total of twelve operating units.

Revenue generated by the Automotive Industry segment was up 4.1% to EUR 189.4 million in the first nine months of 2007. The effects of the steep rise in raw material and metal prices are reflected especially clearly in our segment earnings. The high collectively bargained wages put additional pressure on margins as well. By implementing comprehensive efficiency and streamlining measures, our portfolio companies succeeded in partially offsetting these negative effects, enabling earnings before interest and taxes (EBIT) to match the year-earlier level at EUR 19.0 million (Q1–Q3 2006: EUR 19.0 million).

Consumer Goods

Consumer spending in the third quarter made a moderate contribution to overall economic growth. It was up 0.5% compared with the preceding quarter. The positive impact of the continued increase in disposable income (+2.0% year on year) was contrasted by the adverse effects of the accelerated development of the price of food and petroleum products. Furthermore, the savings ratio rose by 0.3 percentage points to 9.3%.

As of September 30, 2007, the Consumer Goods segment still comprised a total of four operating units.

In the first nine months of 2007, revenue earned by the Consumer Goods segment grew by 6.9% to EUR 80.6 million. The positive development witnessed in the preceding quarters thus continued steadily. Earnings before interest and taxes (EBIT) climbed 6.6% to EUR 8.1 million—a respectable result in light of the development of major raw material prices.

Other Investments

The INDUS Group's Other Investments segment includes operating units that supply products to customers in the most diverse sectors and thus cannot be

assigned to any of the four preceding segments. Therefore, it does not have a specific reference indicator. Germany's general economic trend, measured on the basis of the gross domestic product (GDP), is the only suitable yardstick. Preliminary figures have GDP net of price and seasonal effects increasing by 0.7% compared with the second quarter this year and by 2.4% compared with the third quarter last year.

As of September 30, 2007, the Other Investments segment still comprised seven operating units.

Revenue generated by the Other Investments segment was up 11.9% to EUR 142.4 million in the first nine months of 2007. Existing portfolio companies benefited from the economy's positive development and further strengthened their market positions. Earnings before interest and taxes (EBIT) totaled EUR 13.5 million and were thus 4.7% higher year on year (Q1–Q3 2006: EUR 12.9 million).

Capital Expenditure

Combined capital spending by the holding company and the individual portfolio companies amounted to EUR 44.4 million in the first nine months. Capital expenditure was thus 27.6%, or EUR 9.6 million, higher than in the same period last year.

Employees

As of September 30, 2007, the INDUS Group employed 5,575 people, which was about 8% more year on year. Eighteen of them were employed at the holding company (Q3 2006: 19 staff members).

Share

In our opinion, the performance of the INDUS share this year does not reflect the company's positive development so far. INDUS' share price has declined by 15.5% to EUR 25 since the beginning of the year. Including the dividend, the decrease was 11.5%. By comparison, the SDAX was up 3.0% to 5,735.88 points. The average number of INDUS shares traded daily on all German stock exchanges rose by 5.6% to 49,828 (Q1–Q3 2006: 47,186). The INDUS share remains an integral component of the SDAX. Based on market capitalization, the INDUS share ranked 25th in this index on September 30, improving by two positions compared with June 30.

At this year's Annual Shareholders' Meeting on July 3, 2007, in Cologne, Germany, the shareholders approved the joint profit appropriation proposal by the Board of Management and the Supervisory Board. Besides an appropriate retention of profits earned, the proposal envisioned a dividend payment of EUR 1.20 per share. The total dividend payment thus amounted to EUR 21.6 million. The other items on the agenda, including the approval of share buybacks, were all passed by a significant majority vote.

Material Events After the Period Under Review

There were no special reportable events after the first three quarters of 2007.

Risk Management

In the course of their business operations, INDUS Holding and its individual portfolio companies are exposed to a number of risks that are inextricably linked to entrepreneurial activity. These risks were commented on in detail in the risk management report in the 2006 annual report. Over the course of the first three quarters of 2007, there were no major changes to the risks presented in the annual report for fiscal 2006. For further information, the 2006 annual report is available for download at www.indus.de.

Disclosure of Material Transactions with Related Parties

EUR 79,000 (Q3 2006: EUR 79,000) were paid to the members of the Supervisory Board for a leasehold commitment.

Outlook

Despite the increasingly difficult environment, the prognoses for the economic trend this year are positive. Leading economic research institutes expect to see respectable growth in the gross domestic product (GDP) of about 2.4%. However, the rifts on the world financial market triggered by the US subprime crisis, the persistent dynamic rise in petroleum prices, and the continuous gain of the euro over the US dollar will cause growth to slow substantially. It remains to be seen whether the strong growth momentum displayed by Asia's newly industrializing countries will prove to be a robust pillar of the global economy's development.

Against the backdrop of the subprime crisis, banks will re-evaluate their risk assessments and pursue more restrictive lending policies. Based on our assessments, while this will primarily affect the market for large-scale international M&A transactions, it will also have an impact on the market for medium-sized enterprises, which is attractive to INDUS. Over the course of the year so far, prices for equity holding acquisitions have begun to normalize due to the increasingly tight liquidity of major private equity firms. INDUS has consciously kept a low profile in the last few months. Only once the price level has become attractive will INDUS return to playing an active role and take advantage of its years-long experience in acquiring investments. INDUS has enough liquid funds and firm financing commitments from various banks with which it has been maintaining trustworthy working relationships for years.

Assuming that the economic trend will not change, the Board of Management expects revenue to record significant growth and rise to more than EUR 900 million for fiscal 2007 as a whole. The Group's earnings are also expected to display a positive development.

Consolidated Income Statement*

EUR '000	Note	Sep. 30, 2007 Q3	Sep. 30, 2006 Q3	Sep. 30, 2007 Q1–Q3	Sep. 30, 2006 Q1–Q3
Revenue		231,315	212,059	684,801	615,592
Other operating income		1,440	1,372	6,172	5,559
Own work capitalized		732	912	2,661	2,551
Change in inventories		– 1,260	4,355	1,547	13,123
Cost of materials		– 107,561	– 102,547	– 325,404	– 292,351
Staff costs		– 60,447	– 54,933	– 178,444	– 161,903
Depreciation		– 9,438	– 10,253	– 29,737	– 30,838
Other operating expenses		– 28,998	– 26,538	– 86,637	– 77,909
Financial result		238	208	615	580
Operating result (EBIT)		26,021	24,635	75,574	74,404
Interest income		281	269	766	1,011
Interest expenses		– 7,979	– 8,611	– 19,579	– 18,362
Net interest		– 7,698	– 8,342	– 18,813	– 17,351
Income before taxes		18,323	16,293	56,761	57,053
Taxes		– 1,680	– 7,608	– 19,652	– 24,864
Income from discontinued operations	(1)	517	– 75	392	– 933
Income after taxes		17,160	8,610	37,501	31,256
– thereof minority interests		–	– 136	– 287	– 1,853
– thereof income allocable to INDUS shareholders		17,160	8,474	37,214	29,403
Diluted earnings per share in EUR	(2)	0.92	0.47	2.05	1.69
Undiluted earnings per share in EUR		0.92	0.47	2.05	1.69
Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges		17,752	9,589	36,185	26,919

* Prior-year figures adjusted.

Consolidated Balance Sheet**Assets**

EUR '000	Note	Sep. 30, 2007	Dec. 31, 2006
Goodwill		281,201	263,195
Intangible assets	(3)	17,746	19,046
Property, plant and equipment	(4)	224,766	226,791
Financial assets		7,019	6,304
Shares accounted for using the equity method		4,633	4,314
Other non-current assets		2,070	2,163
Deferred taxes		2,459	3,128
Non-current assets		539,894	524,941
Cash and cash equivalents		81,911	92,664
Accounts receivable	(5)	125,814	108,129
Inventories	(6)	177,464	158,437
Other current assets		19,931	16,252
Assets held for sale		–	–
Current assets		405,120	375,482
Balance sheet total		945,014	900,423

Equity and Liabilities

EUR '000	Note	Sep. 30, 2007	Dec. 31, 2006
Paid-in capital		162,955	162,955
Generated capital		55,842	40,102
Shareholders' equity of INDUS shareholders		218,797	203,057
Minority interests in capital		1,432	1,503
Group equity		220,229	204,560
Non-current financial liabilities		405,090	419,924
Provisions for pensions		15,443	14,793
Other non-current provisions		3,729	3,043
Other non-current liabilities		4,750	5,223
Deferred taxes		16,573	19,203
Non-current liabilities		445,585	462,186
Current financial liabilities		136,228	99,625
Trade accounts payable		37,989	33,908
Other current provisions		47,974	35,731
Other current liabilities		57,009	64,413
Liabilities held for sale		–	–
Current liabilities		279,200	233,677
Balance sheet total		945,014	900,423

Consolidated Cash Flow Statement*

EUR '000	Sep. 30, 2007	Sep. 30, 2006
Income after taxes	37,501	31,256
Depreciation/write-backs		
– of non-current assets (excluding deferred taxes)	29,737	30,838
Taxes	19,652	24,864
Net interest	18,813	17,351
Cash earnings of discontinued operations	– 100	– 1,114
Income from companies accounted for using the equity method	– 319	– 338
Other non-cash transactions	– 222	– 193
Changes in provisions	11,657	5,282
Increase (–)/decrease (+) in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	– 37,553	– 40,798
Increase (+)/decrease (–) in trade accounts payable and other liabilities not allocable to investing or financing activities	– 10,519	– 2,057
Income taxes received/paid	– 18,775	– 19,194
Operating cash flow	49,872	45,897
Interest paid	– 16,482	– 16,564
Interest portion	766	1,011
Cash flows from operating activities	34,156	30,344
Cash flows from investments in		
– intangible assets	– 25,730	– 28,308
– financial assets	– 716	– 1,784
– shares in fully consolidated companies	– 18,268	– 6,752
Income from the disposal of		
– shares in fully consolidated companies	–	1,988
Cash flow from discontinued operations	– 6	– 4
Cash flows from investing activities	– 44,720	– 34,860
Dividends paid to INDUS shareholders	– 21,600	– 21,600
Dividends paid to minority interests	– 358	– 290
Cash flows from the issuance of debt	52,245	86,100
Cash flows from the repayment of debt	– 30,476	– 122,307
Cash flows from financing activities	– 189	– 58,097
Net cash change in financial facilities	– 10,753	– 62,613
Financial facilities at the beginning of the reporting period	92,664	133,564
Financial facilities of discontinued operations stated separately on the balance sheet	–	– 154
Financial facilities at the end of the reporting period	81,911	70,797
Cash transactions related to the sale of investments	–	2,100
Financial facilities sold	–	– 112
	–	1,988

* Prior-year figures adjusted.

Consolidated Statement of Equity*

January 1 to September 30, 2007	Opening balance		Recognized expenses and income	Deferred taxes	Closing balance
EUR '000	Jan. 1, 2007	Dividend payment			Sep. 30, 2007
Subscribed capital	46,800	–	–	–	46,800
Additional paid-in capital	116,155	–	–	–	116,155
Paid-in capital	162,955	–	–	–	162,955
Accumulated earnings	40,055	– 21,600	37,214	–	55,669
Currency translation reserve	533	–	– 403	–	130
Reserve for the marked-to-market valuation of financial instruments	– 486	–	718	– 189	43
Generated capital	40,102	– 21,600	37,529	– 189	55,842
Equity of INDUS shareholders	203,057	– 21,600	37,529	– 189	218,797
Minority interests	1,503	– 358	287	–	1,432
Group equity	204,560	– 21,958	37,816	– 189	220,229

January 1 to September 30, 2006	Opening balance		Recognized expenses and income	Deferred taxes	Closing balance
EUR '000	Jan. 1, 2006	Dividend payment			Sep. 30, 2006
Subscribed capital	46,800	–	–	–	46,800
Additional paid-in capital	116,155	–	–	–	116,155
Paid-in capital	162,955	–	–	–	162,955
Accumulated earnings	32,546	– 21,600	29,403	–	40,349
Currency translation reserve	487	–	– 998	–	– 511
Reserve for the marked-to-market valuation of financial instruments	– 1,390	–	533	– 141	– 998
Generated capital	31,643	– 21,600	28,938	– 141	38,840
Equity of INDUS shareholders	194,598	– 21,600	28,938	– 141	201,795
Minority interests	2,413	– 290	1,853	–	3,976
Group equity	197,011	– 21,890	30,791	– 141	205,771

* Prior-year figures adjusted.

Reserves for currency translation and the marked-to-market valuation of financial instruments include unrealized gains and losses. The reserve for the marked-to-market valuation of financial instruments includes the efficient share of interest-rate hedges.

Minority interests in equity relate to external shareholders in limited liability companies and corporations. In accordance with IAS 32, due to the theoretical retractability and redeemability of the shares, minority interests in limited partnerships are reported as debt and stated under other liabilities in the amount of EUR 10,556,000 (previous year: EUR 10,809,000).

General Information

INDUS Holding AG, based in Bergisch Gladbach, Germany, entered in the Cologne commercial register (HRB 46360), prepared its unaudited interim report for the first three quarters of fiscal 2007 in accordance with International Financial Reporting Standards (IFRS) and the interpretation of such by the International Financial Reporting Interpretations Committee (IFRIC). New standards that become effective are reported separately. Otherwise, this interim report was prepared using the accounting policies applied in the consolidated financial statements for fiscal 2006, which are explained in detail therein. Since this interim report does not match the scope of information provided in the consolidated financial statements for fiscal 2006, these interim financial statements must be viewed in the context of the preceding consolidated financial statements for the year as a whole.

The consolidated financial statements are prepared in euros (EUR). Unless otherwise noted, all amounts are stated in thousands of euros (EUR '000).

Management Estimates and Judgments: The preparation of consolidated financial statements is influenced by accounting and valuation principles and requires assumptions and estimates to be made which have an impact on the recognized value of the assets and liabilities carried on the balance sheet, as well as on contingent liabilities as well as income and expenses. When estimates are made regarding the future, actual values may deviate from the estimates. If the original basis for the estimates changes, the statement of the relevant items is adjusted with an effect on income.

Taxes on Income: In the interim report, the income tax expense is calculated on the basis of the most current tax budget. The tax burden ratio for 2007 includes the effects of the German 2008 Corporate Tax Reform Act for the first time.

Scope of Consolidation

In the consolidated financial statements all subsidiary companies are fully consolidated, if INDUS Holding AG has the direct or indirect possibility of influencing the companies' finance and business policy to the benefit of the INDUS Group. Associated companies whose finance and business policy can be significantly influenced are consolidated using the equity method. Companies purchased during the course of the fiscal year are consolidated as of the date of transfer of control over their finance and business policy. Companies which are sold are no longer included in the scope of consolidation starting on the date on which the business is transferred. After the date upon which the decision is made to dispose of the company, they are classified as "held for sale."

Changes in Accounting Policies

In the interim financial statements for the 2006 financial year, the method for accounting for minority interests in limited partnerships, the retirement of financial assets (asset-backed security program), and cash flow hedges (interest-rate swaps) were adjusted in line with the changes made to the financial statements for fiscal 2006. For further details, please refer to the commentary on changes in accounting policies in the 2006 annual report. The reconciliation for the third quarter of 2006 is presented in the chapter entitled "Adjustment of Prior-Year Figures."

Business Combinations Pursuant to IFRS 3

In the first quarter of 2007, we acquired a 75% stake in the investment OBUK Haustürfüllungen GmbH & Co. KG. In accordance with IFRS 3.61 et seq., the first-time consolidation was carried out on the basis of preliminary figures which will be adjusted in the financial statements for fiscal 2007. Besides the addition of some junior shares, this made a substantial contribution to the increase in goodwill. There were no material changes in the scope of consolidation in the third quarter of 2007.

In the first half of 2006, INDUS subsidiary BETOMAX GmbH & Co. KG acquired a 100% stake in Swiss-based ANCOTECH AG. In the third quarter of 2007, the second-tier subsidiary MECALAB AG, Switzerland, was included in the consolidated financial statements for the first time.

Disposals Pursuant to IFRS 5

In the 2006 financial year, the stake in Oskar OVERMANN GmbH & Co. KG was divested as of October 1, 2006. As planned, 90% of the shares in MAPOTRIX Dehnfugen GmbH & Co. KG were sold to its managing director within the scope of a management buy-out in the third quarter of 2007.

Accordingly, the company will be stated as a discontinued operation in the income statements of the relevant interim reports for fiscal 2006. Further details can be found in the chapter entitled "Adjustment of Prior-Year Figures."

[1] Income from Discontinued Operations

This item includes the earnings after taxes of Oskar OVERMANN GmbH & Co. KG and of MAPOTRIX Dehnfugen GmbH & Co. KG. The tax expense resulting from income from discontinued operations amounted to EUR 238 (prior year: EUR –343,000).

[2] Earnings per Share

Pursuant to IAS 33, earnings per share pertain to consolidated income after taxes from continuing operations and thus, adjusted for income from discontinued operations, amount to EUR +0.02 per share (previous year: EUR –0.05 per share). The number of shares remained unchanged at 18,000,000 in both financial years. Dilution is possible in the event that the authorized capital increase is exercised. The earnings taken as a basis are derived from the earnings of the INDUS shareholders, with income from discontinued operations eliminated.

Commentary on select items included in this report:

[3] Intangible Assets

EUR '000	Sep. 30, 2007	Dec. 31, 2006
Capitalized development costs	6,299	5,799
Licenses, commercial rights and other intangible assets	11,447	13,247
Total	17,746	19,046

[4] Property, Plant and Equipment

EUR '000	Sep. 30, 2007	Dec. 31, 2006
Land and buildings	114,048	114,416
Technical plant and machinery	74,698	80,883
Other plant, fixtures, furniture and office equipment	30,443	26,606
Advance payments and work in progress	5,577	4,886
Total	224,766	226,791

[5] Accounts Receivable

EUR '000	Sep. 30, 2007	Dec. 31, 2006
Accounts receivable from customers	116,945	98,829
Future accounts receivable from customer-specific construction contracts	7,290	8,475
Accounts receivable from associated companies	1,579	825
Total	125,814	108,129

[6] Inventories

EUR '000	Sep. 30, 2007	Dec. 31, 2006
Raw materials and supplies	67,428	56,840
Unfinished goods	43,303	39,387
Finished goods and goods for resale	64,642	61,172
Prepayments to third parties for inventories	2,091	1,038
Total	177,464	158,437

Segment Reporting

The reporting structure used in the preceding annual financial statements was maintained in this interim report with the exception that Oskar OVERMANN GmbH & Co. KG and MAPOTRIX Dehnfugen GmbH & Co. KG are no longer included in the figures reported for fiscal 2006.

Primary Reporting Format: by Operation

Q3 2007 EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	55,546	38,674	65,290	28,066	50,083	–	237,659
Internal revenue	– 202	– 303	– 1,652	– 1,963	– 2,224	–	– 6,344
Segment revenue from third parties	55,344	38,371	63,638	26,103	47,859	–	231,315
Operating result (EBIT)	6,573	5,065	7,095	1,734	5,554	–	26,021
Earnings before taxes (EBT)	4,697	3,751	5,385	955	3,757	– 222	18,323
EBT of discontinued operations	497	–	–	–	–	–	497
Depreciation – of which for first-time consolidations	1,141 321	694 74	4,113 930	1,644 14	1,846 540	–	9,438 1,880
Employees	866	670	1,931	865	1,243	–	5,575

Q3 2006 EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	45,318	35,460	63,652	26,245	48,559	–	219,234
Internal revenue	– 95	– 142	– 2,151	– 2,089	– 2,698	–	– 7,175
Segment revenue from third parties	45,223	35,318	61,501	24,156	45,861	–	212,059
Operating result (EBIT)	6,542	5,415	6,615	1,834	4,229	–	24,635
Earnings before taxes (EBT)	5,400	4,295	4,161	991	2,962	– 1,516	16,293
EBT of discontinued operations	66	–	–	–	– 245	–	– 179
Depreciation – of which for first-time consolidations	1,064 330	1,014 196	4,450 989	1,668 196	2,057 995	–	10,253 2,706
Employees	749	634	1,762	824	1,194	–	5,163

Q1–Q3 2007 EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	160,370	113,425	194,734	87,019	149,156	–	704,704
Internal revenue	– 569	– 853	– 5,318	– 6,423	– 6,740	–	– 19,903
Segment revenue from third parties	159,801	112,572	189,416	80,596	142,416	–	684,801
Operating result (EBIT)	20,109	14,784	19,023	8,115	13,543	–	75,574
Earnings before taxes (EBT)	14,875	12,401	14,330	5,085	8,672	1,398	56,761
EBT of discontinued operations	392	–	–	–	–	–	392
Depreciation	3,430	2,235	13,101	5,136	5,835	–	29,737
– of which for first-time consolidations	1,007	271	2,800	153	1,852	–	6,082
Employees	866	670	1,931	865	1,243	–	5,575

Q1–Q3 2006 EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Non- operating	Total
External revenue	127,111	104,516	188,907	81,887	135,321	–	637,742
Internal revenue	– 290	– 435	– 6,948	– 6,486	– 7,991	–	– 22,150
Segment revenue from third parties	126,821	104,081	181,959	75,401	127,330	–	615,592
Operating result (EBIT)	20,364	14,574	18,960	7,633	12,873	–	74,404
Earnings before taxes (EBT)	15,921	11,787	12,790	4,675	8,507	3,373	57,053
EBT of discontinued operations	– 208	–	–	–	– 1,059	–	– 1,267
Depreciation	3,309	2,994	13,378	4,976	6,181	–	30,838
– of which for first-time consolidations	1,003	444	2,967	589	2,411	–	7,415
Employees	749	634	1,762	824	1,194	–	5,163

The non-operating result corresponds to the fair value of interest-rate swaps accounted for in the consolidated income statement.

Secondary Reporting Format: by Region**Q3 2007**

EUR '000	Germany	Europe	Rest of the world	Total
External revenue	147,785	64,272	25,602	237,659
Internal revenue	– 6,162	– 144	– 38	– 6,344
Segment revenue from third parties	141,623	64,128	25,564	231,315

Q3 2006

EUR '000	Germany	Europe	Rest of the world	Total
External revenue	135,915	56,718	26,601	219,234
Internal revenue	– 7,001	– 173	– 1	– 7,175
Segment revenue from third parties	128,914	56,545	26,600	212,059

Q1–Q3 2007

EUR '000	Germany	Europe	Rest of the world	Total
External revenue	435,802	181,432	87,470	704,704
Internal revenue	– 19,564	– 289	– 50	– 19,903
Segment revenue from third parties	416,238	181,143	87,420	684,801

Q1–Q3 2006

EUR '000	Germany	Europe	Rest of the world	Total
External revenue	400,164	166,578	71,000	637,742
Internal revenue	– 21,708	– 388	– 54	– 22,150
Segment revenue from third parties	378,456	166,190	70,946	615,592

Adjustment of Prior-Year Figures

Discontinued operations are accounted for pursuant to IFRS 5.34 separately from the changes in accounting policies in accordance with IAS 8.

Consolidated Income Statement

Adjustment to the previous year's income statement EUR '000	Q1–Q3 2006 published	IAS 8 restatement	IFRS 5 restatement	Q1–Q3 2006 comparable
Revenue	618,649	–	– 3,057	615,592
Other operating income	5,711	–	– 152	5,559
Own work capitalized	2,551	–	–	2,551
Change in inventories	14,551	–	– 1,428	13,123
Cost of materials	– 294,400	–	2,049	– 292,351
Staff costs	– 163,823	–	1,920	– 161,903
Depreciation	– 31,045	–	207	– 30,838
Other operating expenses	– 79,592	–	1,683	– 77,909
Financial result	– 809	1,389	–	580
Operating result (EBIT)	71,793	1,389	1,222	74,404
Interest income	1,012	–	– 1	1,011
Interest expenses	– 21,050	2,642	46	– 18,362
Net interest	– 20,038	2,642	45	– 17,351
Income before taxes	51,755	4,031	1,267	57,053
Taxes	– 23,293	– 1,237	– 334	– 24,864
Income from discontinued operations	–	–	– 933	– 933
Income after taxes	28,462	2,794	–	31,256
– thereof minority interests	– 2,513	660	–	– 1,853
– thereof income allocable to INDUS shareholders	25,949	3,454	–	29,403
Diluted earnings per share in EUR	1.44			1.69
Undiluted earnings per share in EUR	1.44			1.69

Consolidated Balance Sheet

Assets

EUR '000	Sep. 30, 2006 published	IAS 8 restatement	Sep. 30, 2006 comparable
Goodwill	274,494	–	274,494
Intangible assets	19,775	–	19,775
Property, plant and equipment	216,232	–	216,232
Financial assets	10,012	–	10,012
Shares accounted for using the equity method	4,410	–	4,410
Other non-current assets	2,052	–	2,052
Deferred taxes	7,366	–	7,366
Non-current assets	534,341	–	534,341
Cash and cash equivalents	70,228	–	70,228
Accounts receivable	101,929	18,331	120,260
Inventories	163,200	–	163,200
Other current assets	25,521	–6,752	18,769
Assets held for sale	–	–	–
Current assets	360,878	11,579	372,457
Balance sheet total	895,219	11,579	906,798

Equity and Liabilities

EUR '000	Sep. 30, 2006 published	IAS 8 restatement	Sep. 30, 2006 comparable
Paid-in capital	162,955	–	162,955
Generated capital	38,840	–	38,840
Shareholders' equity of INDUS shareholders	201,795	–	201,795
Minority interests in capital	3,976	–	3,976
Group equity	205,771	–	205,771
Non-current financial liabilities	387,729	–	387,729
Provisions for pensions	14,864	–	14,864
Other non-current provisions	3,563	–	3,563
Other non-current liabilities	5,822	–	5,822
Deferred taxes	23,917	–	23,917
Non-current liabilities	435,895	–	435,895
Current financial liabilities	77,376	43,428	120,804
Trade accounts payable	39,965	–	39,965
Other current provisions	42,147	–	42,147
Other current liabilities	94,065	–31,849	62,216
Liabilities held for sale	–	–	–
Current liabilities	253,553	11,579	265,132
Balance sheet total	895,219	11,579	906,798

Related Party Disclosures

Relationships with related parties primarily involve the ongoing compensation of executives in key positions, the Board of Management, and the Supervisory Board. In addition, the company has consultancy agreements as well as rental and lease agreements with minority shareholders and/or their associates and conducts business transactions with associated companies.

In the first three quarters, there were no reportable changes to relationships with related parties since they did not differ materially from those reported in the 2006 consolidated financial statements.

Audit-Like Review by the Auditor of the Consolidated Financial Statements

The interim financial statements for the periods ended September 30, 2007 and 2006 were not subjected to an audit-like review.

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

Investor relations contact:

Haubrok Investor Relations GmbH
Michael Werneke
Kaistraße 16
40221 Düsseldorf
Germany
Phone: +49-211-30126-109
Fax: +49-211-30126-5109
Internet: www.haubrok.de
E-mail: m.werneke@haubrok.de

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This interim report is also available in German. Both the English and the German versions of the interim report can be viewed and downloaded from the Internet at www.indus.de.

This interim report contains forward-looking statements that are subject to certain risks and uncertainties. Future results can significantly deviate from the results that are expected at present. This can be caused by various risk factors and uncertainties such as changes in the business, economic and competitive situation, amendments to laws, fluctuations in currency exchange rates, and further influential factors. INDUS Holding AG cannot assume responsibility for updating the forward-looking statements made in this interim report.