INDUS HOLDING AG

H1

INTERIM REPORT
JANUARY 1 TO JUNE 30, 2008

Group		June 30, 2008	June 30, 2007
Sales	EUR million	**467.1**	453.5
Export share	%	**39.8**	39.4
EBITDA	EUR million	**72.5**	69.9
EBIT	EUR million	**52.7**	49.6
Net income for the period	EUR million	**26.9**	20.1
Depreciation	EUR million	**19.8**	20.3
Total assets*	EUR million	**1,006.1**	931.3
Equity*	EUR million	**273.0**	234.1
Equity ratio*	%	**27.1**	25.1
Employees		**5,742**	5,440
– Holding company		**19**	17
– Portfolio companies		**5,723**	5,423

Share		Jan. 1 to June 30, 2008	Jan. 1 to June 30, 2007
Earnings per share (Group)	EUR	**1.47**	1.12
6-month high	EUR	**25.13**	31.85
6-month low	EUR	**19.23**	26.90
Price at end of period	EUR	**21.49**	30.40
Average daily turnover	No. of shares	**37,763**	57,022
Market capitalization	EUR million	**394.8**	547.2
No. of shares	million	**18.37**	18.00

** Comparable figures as of December 31, 2007.*

Financial Calendar

November 28, 2008	9-Month Report 2008
April 2009	2008 Annual Report
May 2009	Analysts' Conference
May 2009	3-Month Report 2009
July 2009	Annual General Meeting
August 2009	6-Month Report 2009

Dear Shareholders,

Following a satisfactory first quarter, we can report further substantial growth for the second quarter. The results are impressive: Consolidated sales grew by 7.0% to EUR 249.1 million, operating EBIT improved by 8.6% to EUR 31.5 million and net income for the period surged by 43.5% to EUR 18.8 million.

In the first half of 2008, our consolidated sales rose by 3% to EUR 467.1 million, while operating earnings (EBIT) showed disproportionate growth of more than 6% to EUR 52.7 million. After tax, our net income has reached EUR 26.9 million, a leap of more than 33%. Key earnings figures at the holding company (AG) are also around 10% up on the previous year. All in all, notwithstanding the deterioration in the economic climate, INDUS has thus underlined its position as a stable, reliable company.

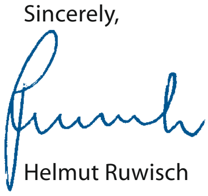
This notable improvement in our operating earnings was mainly driven by the extensive optimization and efficiency enhancement measures we initiated and implemented at our portfolio companies last year. These have enabled us to absorb not only the burden of high raw material and energy costs, but also the rise in personnel expenses in the wake of high pay round agreements. We will maintain this strategy consistently and will continue to draw on targeted measures to further boost the earnings power of the Group and its holding company (AG).

The efforts we have made in the operating business have created a healthy foundation for expanding our investment portfolio in an independent and targeted manner. Surpluses from our operating cash flow have led to a comfortable supply of liquidity which we now intend to channel more strongly into anticyclical activities in the investment market. In a market climate which is once again increasingly characterized by falling valuation standards, larger numbers of attractive companies can be identified with the potential to strengthen INDUS' portfolio on a long-term, sustainable basis. We intend to exploit these opportunities. We are currently holding very promising talks with potential acquisition candidates and are confident of achieving initial results before the end of the current year.

Despite the deterioration in the economic climate, our strong performance in the first half of the year and pleasing start to the third quarter mean that we are confident of meeting our targets for the year as a whole. We aim to achieve further sales and operating earnings growth and expect to generate sale of more than EUR 970 million with an EBIT margin of 10 to 12%. This also forms the basis for maintaining our consistent dividend policy.

I would like to take this opportunity to thank our employees and the managing directors of our portfolio companies—it is their commitment which made possible this successful first half of the year.

Sincerely,



Helmut Ruwisch
Chairman of the Board of Management

Macroeconomic Developments

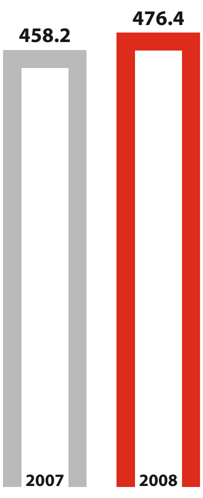
Following a robust first quarter of 2008, the macroeconomic climate has, in line with expectations, deteriorated noticeably in recent months. German gross domestic product (GDP) contracted for the first time in almost four years, falling by 0.5% in the second quarter, while a corrected growth rate of 1.3% was still reported for the first quarter. Consumer spending and capital investment witnessed significant downturns, while the foreign trade balance still provided positive momentum.

Current developments show that the effects of the financial market crisis have, following a certain delay, now also reached other areas of the economy. The ifo business confidence indicator recorded a further significant decline in July, reaching 97.5, a level last seen at the end of 2005. In parallel with the faltering economy, the German inflation rate soared to well above 3%, driven by increased energy and commodity prices, thus additionally burdening German companies and consumers.

Group Accounting

Earnings Position

Total output as of June 30 EUR in millions



Business performance in the second quarter of 2008:
An analysis of the second quarter underlines the increasing dynamism of the Group's earnings performance in the year to date. Consolidated sales increased by 7.0% from EUR 232.8 million to EUR 249.1 million. While the material expenses ratio rose by 1.1 percentage points to 47.2%, the personnel expenses ratio decreased marginally by 0.2 percentage points to 25.5%. EBITDA grew by 6.7% to EUR 41.5 million (Q2 2007: EUR 38.9m), and operating earnings (EBIT) improved by 8.6% from EUR 29.0 million to EUR 31.5 million. Substantially improved net interest expenses (+24.4%) led to marked growth in earnings before taxes (EBT), which rose by 14.7% to EUR 28.1 million. Accounting for the income tax charge and minority interests, net income for the period jumped by 43.4% from EUR 12.9 million to EUR 18.5 million. Earnings per share showed a corresponding increase from EUR 0.72 to EUR 1.01.

Business performance in first half of 2008:
Following a pleasing start to the 2008 financial year, the operating business performance picked up further in the second quarter notwithstanding the overall economic slowdown, thus enabling INDUS to consistently maintain its course of sustainable growth. Consolidated sales rose by 3.0% to EUR 467.1 million in the first half of 2008 (H1 2007: EUR 453.5m). At EUR 476.4 million, total output was 4.0% higher than the equivalent figure of EUR 458.2 million in the previous year. The export share of total sales rose by 0.4 percentage points to 39.8%.

The optimization and rationalization measures already introduced largely compensated for the effects of high raw material and energy costs. The increase in these costs nevertheless represented a major burden on the portfolio companies. The measures implemented enabled the cost of materials to rise merely in line with sales, i.e. by 3.0%, to EUR 224.4 million, as a result of which the materials expense ratio remained constant at 48.0%. We now expect the development in commodity prices to slow. The high pay round agreements seen in recent months already had a tangible impact on personnel expenses, which rose by 5.4% to EUR 124.4 million. This corresponds to an increase in the personnel expenses ratio by 0.6 percentage points. Other operating expenses rose slightly to EUR 59.9 million (H1 2007: EUR 57.6m).

Earnings before interest, taxes, depreciation and amortization grew by 3.7% to EUR 72.5 million (H1 2007: EUR 69.9m). At EUR 19.8 million, depreciation and amortization was 2.5% down on the previous year, leading earnings before interest and taxes (EBIT) to rise by 6.3% to EUR 52.7 million and thus to show disproportionate growth compared with sales (H1 2007: EUR 49.6m). The EBIT margin therefore rose by 0.4 percentage points to 11.3%. Substantial growth in interest income caused net interest expenses to improve by 2.7% to EUR –10.8 million. As a result, earnings before taxes (EBT) grew by 8.8% from EUR 38.4 million to EUR 41.8 million. The income tax charge fell by 18.7% to EUR 14.6 million, leading income after taxes and minority interests for the period to surge by 33.8% to EUR 26.9 million (H1 2007: EUR 20.1m). Earnings per share therefore rose by 31.3% from EUR 1.12 to EUR 1.47.

Financial and Net Asset Position

At the reporting date on June 30, 2008, the total assets of the INDUS Group had risen, largely due to an increase in current assets, by EUR 74.8 million to EUR 1,006.1 million.

On the asset side, non-current assets remained virtually unchanged compared with the 2007 consolidated financial statements, falling by a mere EUR 0.8 million to EUR 561.1 million without any notable developments in individual items. Current assets, by contrast, rose by EUR 75.6 million to EUR 445.0 million. Among other factors, the doubling of the cash flow led cash and cash equivalents to rise significantly by EUR 31.9 million to EUR 109.5 million, thus further improving the Group's comfortable liquidity position. Receivables (EUR +21.2m) and inventories (EUR +15.8m) also rose in line with sales.

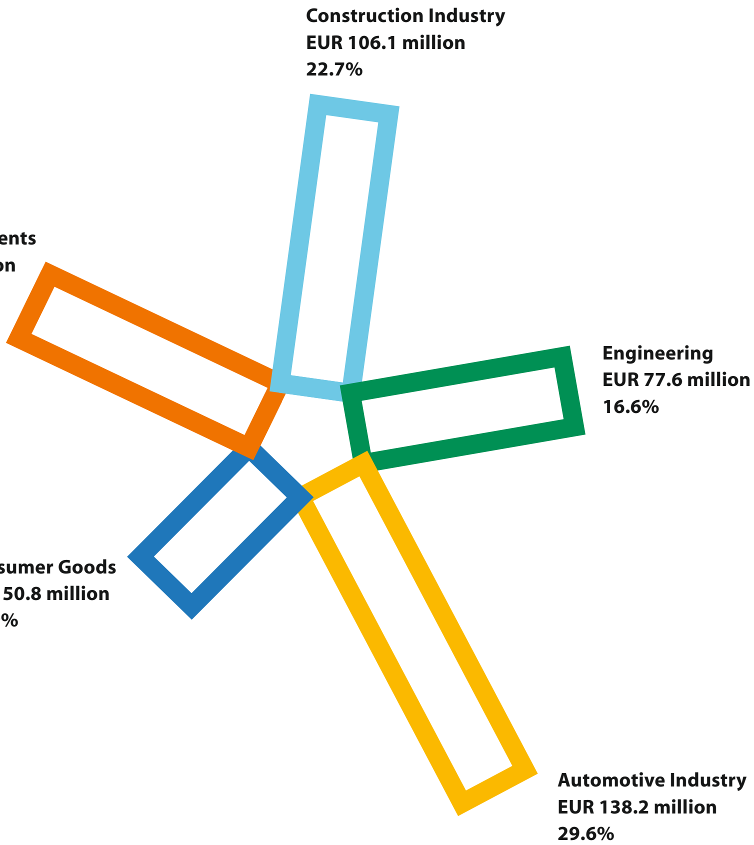
On the equity and liability side, group equity showed substantial growth of EUR 38.9 million to EUR 273.0 million, equivalent to an increase in the equity ratio of two percentage points to 27.1%. This positive development is attributable to the pleasing net income for the period, as well as to the execution of the capital increase upon the acquisition of a further 15% share in the portfolio company SELZER. Overall, net debt recorded a slight decline to EUR 438.5 million (H1 2007: EUR 440.4m). The exploitation of attractive long-term financing opportunities on favorable terms led non-current financial liabilities to show a corresponding increase of EUR 39.4 million. By contrast, current financial liabilities dropped by EUR 9.4 million. All in all, non-current liabilities rose by EUR 41.0 million to EUR 472.3 million, while current liabilities decreased by EUR 5.2 million to EUR 260.7 million. Alongside the fall in current financial liabilities, this decline was chiefly attributable to the reduction in other current liabilities by EUR 15.3 million. Within this item, the purchase price liabilities relating to the increased shareholding in SELZER were correspondingly reduced. This factor was countered by the rise in accounts payable (EUR +9.5m) and in other current provisions (EUR +6.4m), as well as by higher taxes on income (EUR +3.5m).

The pleasing operating performance in the first half of the year is also reflected in the development in the operating cash flow, which virtually doubled (H1 2007: EUR 17.4m). The cash flow from investing activities showed a significant reduction of EUR 16.5 million due to the deliberate restraint of the Group's acquisition policy, as a result of which the outflow of funds amounted to EUR 18.5 million (H1 2007: EUR 35.0m). The cash flow from financing activities rose by EUR 33.3 million to EUR 29.9 million (H1 2007: EUR –3.4m). The outflow of funds of EUR 40.4 million for the repayment of loans was countered by receipts of EUR 70.4 million from taking up loans. As already mentioned, the Group thus drew on more favorable financing terms, especially for long-term facilities.

Segment Report

INDUS Holding AG divides its portfolio of companies into five segments: Construction Industry, Engineering, Automotive Industry, Consumer Goods and Other Investments. As a rule, the individual operating units are assigned to segments in line with the respective company's main source of revenues. As of June 30, 2008, the portfolio of companies comprised an unchanged total of 42 operating units.

Sales by Segment as of June 30, 2008



Construction Industry

Following a strong first quarter of 2008, during which the German construction industry benefited from an extremely mild winter, companies operating in the main building sector managed to maintain their ground in the second quarter as well, notwithstanding the increasingly difficult business environment. Aggregate sales at construction companies rose by 7.3% in the first half of the year. The growth drivers industrial construction (Q2: +13.6%) and public sector construction (Q2: +8.1%) still maintained their rates of growth unchanged, while housing construction (Q2: –1.5%) continued to develop weakly.

The Construction Industry segment comprised an unchanged total of ten operating units as of June 30, 2008.

Sales in the Construction Industry Segment rose by 1.5% to EUR 106.1 million in the first half of 2008 (H1 2007: EUR 104.5m). The strong performance in the second quarter more than made up for the subdued developments seen at the beginning of the year. High raw material and energy costs nevertheless led earnings before interest and taxes (EBIT) to drop slightly by 6.7% to EUR 12.6 million (H1 2007: EUR 13.5m). The EBIT margin, which showed a corresponding decline of 1.0 percentage point to 11.9% (H1 2007: 12.9%), nevertheless remained clearly ahead of the industry average.

As of June 30, 2008, the Construction Industry segment had 895 employees in total (H1 2007: 876 employees).

Engineering

The German engineering sector increasingly felt the effects of the slowdown in the global economy in the first half. Following a robust start to the year, new order volumes weakened ever more markedly in subsequent months. Thanks to a strong performance in April, however, new orders for the second quarter as a whole were nevertheless 5% up on the previous year. Domestic orders rose by 2%, while foreign orders increased by 6%.

The Engineering segment comprised an unchanged total of nine operating units as of June 30, 2008.

The portfolio companies in the Engineering segment also benefited from a strong second quarter. Driven by the ongoing positive performance of the international business, sales grew by 4.6% to EUR 77.6 million (H1 2007: EUR 74.2m). At EUR 9.6 million, earnings before interest and taxes (EBIT) almost matched the previous year's figure of EUR 9.7 million. This respectable earnings figure is mainly attributable to the optimization measures introduced at individual companies, which offset the charge on earnings resulting from high raw material costs virtually in full. The EBIT margin showed a slight decline of 0.7 percentage points to 12.4% (H1 2007: 13.1%).

As of June 30, 2008, the Engineering segment had 677 employees in total (H1 2007: 652 employees).

Automotive Industry

The burden of high raw material costs on the one hand coupled with the rising cost of mobility on the other are having a tangible impact on developments in the German automotive industry. These ever greater challenges have slowed growth in new vehicle registrations. These rose by a mere 1% in June compared with the previous year, while new vehicle registrations for the first half of 2008 as a whole still grew by 4%. New utility vehicle registrations even rose by 5%, although the pace of growth has witnessed a marked slowdown of late.

The Automotive Industry segment comprised an unchanged total of twelve operating units as of June 30, 2008.

The portfolio companies within this segment reported thoroughly positive developments in the first half of 2008. Segment sales grew by 9.9% to EUR 138.2 million (H1 2007: EUR 125.8m). The rationalization measures introduced, coupled with the Group's active internationalization of its production site structure, led earnings to improve significantly in spite of continued severe pressure on prices and the negative impact of developments on commodity markets. Earnings before interest and taxes (EBIT) grew by 26.1% to EUR 15.0 million (H1 2007: EUR 11.9m), while the EBIT margin improved by 1.4 percentage points to 10.9% (H1 2007: 9.5%).

As of June 30, 2008, the Automotive Industry segment had 2,092 employees in total (H1 2007: 1,854 employees).

Consumer Goods

Based on figures released by the German Federal Statistics Office, consumer spending recorded a marked reduction of –0.7% in the second quarter compared with the previous quarter. This development has therefore gained momentum since the decline of –0.4% reported for the first quarter. Even though disposable household income has risen by 2.6%, the dominant topics are still the high inflation rate and emerging fears of recession. This is also reflected in the savings rate, which rose year-on-year by 0.5 percentage points to 10.8%.

The Consumer Goods segment comprised an unchanged total of four operating units as of June 30, 2008.

The portfolio companies in the Consumer Goods segment have continued to focus on boosting their earnings power. As a result, segment sales decreased by 6.8% to EUR 50.8 million (H1 2007: EUR 54.5m). Earnings before interest and taxes (EBIT) nevertheless surged by 12.5% to EUR 7.2 million (H1 2007: EUR 6.4m). This leap in earnings was due both to the deliberate avoidance of unprofitable orders, as well as to the effectiveness of the rationalization measures introduced. The EBIT margin also showed a marked improvement of 2.5 percentage points to 14.2% (H1 2007: 11.7%).

As of June 30, 2008, the Consumer Goods segment had 752 employees in total (H1 2007: 833 employees).

Other Investments

The Other Investments segment includes operating units that supply products to customers in a variety of sectors and thus cannot be clearly assigned to any of the four preceding segments. A rough basis for comparison can therefore only be provided by macroeconomic developments in Germany, measured in terms of the gross domestic product (GDP). This fell by 0.5% in the second quarter. More detailed information can be found in the "Macroeconomic Developments" section of this report.

The Other Investments segment comprised an unchanged total of seven operating units as of June 30, 2008.

At EUR 94.4 million, segment sales virtually matched the equivalent figure of EUR 94.6 million in the previous year. A more dynamic second quarter thus enabled the portfolio companies to make up for the subdued start to the year. This development is even more apparent in earnings before interest and taxes (EBIT), which rose by 3.8% to EUR 8.3 million in the first half (H1 2007: EUR 8.0m), following a marginal decline in the first quarter. The EBIT margin improved by 0.3 percentage points to 8.8% (H1 2007: 8.5%).

As of June 30, 2008, the Other Investments Segment had 1,326 employees in total (H1 2007: 1,225 employees).

Capital Expenditure

INDUS invested a total of EUR 18.9 million at the holding company and the individual portfolio companies in the first half of 2008 (H1 2007: EUR 35.7m). Capital expenditure focused on expansion investments and rationalization projects. Alongside investments in property, plant and equipment, the previous year's figure also includes the purchase of a portfolio company.

Employees

The INDUS Group had a total workforce of 5,742 employees as of June 30, 2008, equivalent to an increase of 302 employees on one year earlier. This growth was mainly attributable to the expansion of the labor force at international production sites and in particular to the new investments in Serbia and Mexico.

Share

Developments on the capital markets were slightly calmer in the second quarter following the severe turbulence seen in connection with the subprime crisis at the beginning of the year. It nevertheless remains the case that the most important international capital markets witnessed a marked fall in prices in the first half of the year.

The index relevant to INDUS, the SDAX, reported an overall decline of 18.3% by June 30, 2008, closing at 4,242.04 points. By comparison, the INDUS share, which declined by 11.4%, did not perform satisfactorily, but was nevertheless notably more stable. The share was listed at EUR 21.49 at the end of the first half of the year. The lowest price was reported at EUR 19.23 in January and the highest at EUR 25.13 in May. The share's relative strength compared with the index enabled INDUS to significantly expand its weighting within the SDAX. This rose to 2.45% (March 31, 2008: 2.0%). INDUS thus ranks 12th among the 50 companies listed in the SDAX. Average trading volumes across all German exchanges amounted to 37,763 shares in the first half (H1 2007: 57,022 shares).

At this year's Annual General Meeting held in Cologne on July 1, 2008, the company's shareholders approved the payment of an unchanged dividend of EUR 1.20 for the 2007 financial year. INDUS distributed a total of EUR 22.0 million to its shareholders after the end of the period under report. The distribution quota thus amounted to 41.2%, with a dividend yield of 5.6% based on the share's closing price at the end of the first half of the year.

Events After the Balance Sheet Date

No specific events have occurred since June 30, 2008 which could, based on our assessment, have a material impact on the earnings, financial or net asset position of the Group or of INDUS Holding AG.

Risk Report

In the course of their business operations, INDUS Holding AG and its individual portfolio companies are exposed to a number of risks that are inextricably linked to entrepreneurial activity. In particular, these risks include macroeconomic and sector-specific risks, strategic risks, performance risks, financial risks and personnel risks. These risks were commented on in detail in the risk report included in the 2007 annual report. There have not been any material changes in the individual risks or the overall risk situation since then. Further information can be found in the 2007 annual report, which is available for downloading at www.indus.de.

Outlook

Following a strong first quarter, the economy has witnessed a marked slowdown in the year to date. The weak state of the US economy, rising inflationary pressure, the high euro exchange rate and high energy and commodity prices will remain the dominant factors confronting the domestic economy as the year progresses. Notwithstanding the decline in GDP in the second quarter, leading economic research institutes continue to expect to see a growth rate of around 1.6%. This represents a significant slowdown compared with growth rates in previous years.

Germany's Central Construction Industry Association points to the sharp turndown in new order growth and extreme increase in raw material costs, but nevertheless sees no reason to revise its 4% sales growth forecast for 2008 as a whole. The German Engineering Association (VDMA) is also upholding its previous forecasts. Output is thus expected to grow by 5% in real terms, as against 11% in the previous year. The German automotive industry is increasingly feeling the effects of the ongoing rise in the cost of mobility, leading the German Association of the Automotive Industry (VDA) to expect the number of cars newly registered in 2008 as a whole to remain at the previous year's level. Rising prices and the economic slowdown have created great uncertainty among consumers. This key growth driver will therefore continue to falter, with a further decline in consumer spending expected.

Nevertheless, the Group's niche investment policy means that the economic slowdown will only impact on INDUS to a lesser extent. Against this backdrop, INDUS will consistently uphold its long-term successful buy-and-hold strategy. The optimization measures initiated at individual portfolio companies have produced tangible margin improvements in spite of increased raw material and energy costs. This has enabled INDUS to sustainably boost the Group's earnings power and to significantly strengthen its liquidity and equity position. Given the ever more favorable climate for acquisitions, the Group will draw on this strong foundation to step up its investments in external growth once again. Acting anticyclically, INDUS will play an active role in the equity investment market, expanding its existing portfolio with targeted acquisitions.

We are confident with regard to the second half of 2008. We expect the accelerated rise in commodity prices to have peaked and to return to lower levels in the coming months. We also expect the euro/US dollar exchange rate to normalize. These positive factors will be countered by the burden of high pay round agreements, which will only take full effect in subsequent months.

All in all, the Board of Management expects the positive performance of the existing investments in the first half of 2008 to continue in the third quarter, as a result of which the company can be expected to develop on target for the 2008 financial year as whole. The sales and earnings forecasts remain unchanged at sales of more than EUR 970 million with an EBIT margin of between 10% and 12%.

Consolidated Income Statement

EUR 000s	Note	June 30, 2008 Q2	June 30, 2007 Q2	June 30, 2008 H1	June 30, 2007 H1
Sales		249,054	232,805	467,064	453,486
Other operating income		2,358	2,800	4,182	4,732
Own work capitalized		1,467	998	2,633	1,929
Change in inventories		820	– 1,521	6,701	2,807
Cost of materials		– 117,645	– 107,280	– 224,428	– 217,843
Personnel expenses		– 63,530	– 59,863	– 124,422	– 117,997
Depreciation		– 9,967	– 9,965	– 19,849	– 20,299
Other operating expenses		– 31,572	– 29,231	– 59,915	– 57,639
Income from shares accounted for using the equity method		488	100	588	200
Other financial result		54	117	117	177
Operating result (EBIT)		**31,527**	**28,960**	**52,671**	**49,553**
Interest income		1,157	89	1,826	485
Interest expenses		– 4,601	– 4,599	– 12,671	– 11,600
Net interest		– 3,444	– 4,510	– 10,845	– 11,115
Income before taxes		**28,083**	**24,450**	**41,826**	**38,438**
Taxes		– 9,279	– 11,205	– 14,614	– 17,972
Income from discontinued operations	(1)	–	– 125	–	– 125
Income after taxes		**18,804**	**13,120**	**27,212**	**20,341**
– of which: minority interests		– 252	– 199	– 280	– 287
– of which: income allocable to INDUS shareholders		18,552	12,921	26,932	20,054
Diluted earnings per share in EUR	(2)	1.01	0.72	1.47	1.12
Basic earnings per share in EUR		1.01	0.72	1.47	1.12
Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges		16,244	11,131	25,275	18,433

Summary of Income and Expenses Recognized in Equity

EUR 000s	Q2 2008	Q2 2007	H1 2008	H1 2007
Currency translation adjustment	340	– 71	328	– 336
Changes in the fair value of derivative financial instruments	1,849	816	1,760	1,019
Netting of deferred taxes	– 292	– 215	– 278	– 269
Income and expenses directly recognized in equity	**1,897**	**530**	**1,810**	**414**
Income after taxes	18,804	13,120	27,212	20,341
Total income and expenses recognized in equity	**20,701**	**13,650**	**29,022**	**20,755**
– of which: minority interests	252	199	280	287
– of which: shares allocable to INDUS shareholders	20,449	13,451	28,742	20,468

Consolidated Balance Sheet

Assets

EUR 000s	Note	June 30, 2008	Dec. 31, 2007
Goodwill		285,905	285,606
Intangible assets	(3)	17,861	18,147
Property, plant and equipment	(4)	238,428	239,381
Financial assets		7,485	7,853
Shares accounted for using the equity method		5,245	4,657
Other non-current assets		2,152	2,109
Deferred taxes		3,988	4,144
Non-current assets		**561,064**	**561,897**
Cash and cash equivalents		109,536	77,617
Accounts receivable	(5)	136,661	115,543
Inventories	(6)	177,039	161,351
Other current assets		17,779	10,442
Current income taxes		4,014	4,463
Assets held for sale		–	–
Current assets		**445,029**	**369,416**
Total assets		**1,006,093**	**931,313**

Equity and Liabilities

EUR 000s	June 30, 2008	Dec. 31, 2007
Paid-in capital	172,930	162,955
Generated capital	97,859	69,117
Shareholders' equity of INDUS shareholders	270,789	232,072
Minority interests in capital	2,232	2,058
Group equity	**273,021**	**234,130**
Non-current financial liabilities	425,997	386,568
Provisions for pensions	15,367	15,124
Other non-current provisions	2,522	2,452
Other non-current liabilities	8,200	8,435
Deferred taxes	20,248	18,705
Non-current liabilities	**472,334**	**431,284**
Current financial liabilities	121,989	131,410
Accounts payable	42,841	33,286
Other current provisions	35,237	28,834
Other current liabilities	46,740	61,986
Current income taxes	13,931	10,383
Liabilities held for sale	–	–
Current liabilities	**260,738**	**265,899**
Total equity and liabilities	**1,006,093**	**931,313**

Consolidated Cash Flow Statement*

EUR 000s	June 30, 2008	June 30, 2007
Income after taxes	**27,212**	**20,341**
Depreciation/write-backs – of non-current assets (excluding deferred taxes)	19,849	20,299
Taxes	14,614	17,972
Net interest	10,845	11,115
Cash earnings of discontinued operations	–	– 100
Income from companies accounted for using the equity method	– 588	– 200
Other non-cash transactions	303	– 141
Changes in provisions	6,716	55
Increase (–)/decrease (+) in inventories, accounts receivable and other assets not allocable to investing or financing activities	– 42,099	– 40,272
Increase (+)/decrease (–) in accounts payable and other liabilities not allocable to investing or financing activities	4,720	714
Income taxes received/paid	– 10,189	– 12,412
Dividend received	–	–
Operating cash flow	**31,383**	**17,371**
Interest paid	– 12,675	– 11,343
Interest received	1,826	485
Cash flow from operating activities	**20,534**	**6,513**
Cash flow from investments in – intangible assets – financial assets – shares in fully consolidated companies	 – 18,909 – –	 – 17,061 – 559 –
Income from the disposal of – shares in fully consolidated companies – other assets	 – 368	 – 17,422 –
Cash flow from investing activities of discontinued operations	–	– 6
Cash flow from investing activities	**– 18,541**	**– 35,048**
Dividends paid to minority interests	– 107	– 336
Cash flow from taking up of debt	70,439	10,000
Cash flow from the repayment of debt	– 40,431	– 13,037
Cash flow from financing activities	**29,901**	**– 3,373**
Cash-effective change in cash and cash equivalents	**31,894**	**– 31,908**
Changes in cash and cash equivalents caused by currency exchange rates	**25**	**– 130**
Cash and cash equivalents at the beginning of the period	**77,617**	**92,664**
Cash and cash equivalents at the end of the period	**109,536**	**60,626**

** Prior-year figures adjusted.*

Consolidated Statement of Equity

January 1 to June 30, 2008 EUR 000s	Opening balance Jan. 1, 2008	Dividend payment	Recognized expenses and income	Capital increase	Closing balance June 30, 2008
Subscribed capital	46,800	–		962	47,762
Capital reserve	116,155	–		9,013	125,168
Paid-in capital	**162,955**	**–**		**9,975**	**172,930**
Accumulated earnings	68,399	–	26,932	–	95,331
Currency translation reserve	578	–	328	–	906
Reserve for the marked-to-market valuation of financial instruments	140	–	1,482	–	1,622
Generated capital	**69,117**	**–**	**28,742**	**–**	**97,859**
Equity of INDUS shareholders	**232,072**	**–**	**28,742**	**9,975**	**270,789**
Minority interests	2,058	– 106	280	–	2,232
Group equity	**234,130**	**– 106**	**29,022**	**9,975**	**273,021**

January 1 to June 30, 2007 EUR 000s	Opening balance Jan. 1, 2007	Dividend payment	Recognized expenses and income	Capital increase	Closing balance June 30, 2007
Subscribed capital	46,800	–	–	–	46,800
Capital reserve	116,155	–	–	–	116,155
Paid-in capital	**162,955**	**–**	**–**	**–**	**162,955**
Accumulated earnings	40,055	–	20,054	–	60,109
Currency translation reserve	533	–	– 336	–	197
Reserve for the marked-to-market valuation of financial instruments	– 486	–	750	–	264
Generated capital	**40,102**	**–**	**20,468**	**–**	**60,570**
Equity of INDUS shareholders	**203,057**	**–**	**20,468**	**–**	**223,525**
Minority interests	1,503	– 336	287	–	1,454
Group equity	**204,560**	**– 336**	**20,755**	**–**	**224,979**

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 retirability and redeemability of the shares, minority interests in limited partnerships are reported as debt and stated under other liabilities in the amount of EUR 5,358k (Q1 2007: EUR 17,130k).

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 half of the 2008 financial year 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 accounting policies applied in the consolidated financial statements for the 2007 financial year, which are explained in detail therein. Since this interim report does not match the scope of information provided in the consolidated financial statements for the 2007 financial year, 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 000s).

Management Estimates and Assumptions: 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 in the balance sheet, as well as on contingent liabilities as well as income and expenses. When estimates are made regarding the future, actual values may deviate from the estimates. If the original basis for the estimates changes, the statement of the relevant items is adjusted with an effect on income.

Taxes on Income: In the interim report, the income tax expense is calculated on the basis of the most current tax budget.

Scope of Consolidation

In the consolidated financial statements all subsidiary companies are fully consolidated, if INDUS Holding AG has the direct or indirect possibility of influencing the companies' finance and business policy to the benefit of the INDUS Group. Associated companies whose finance and business policy can be significantly influenced are consolidated using the equity method. Companies purchased during the course of the financial 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."

Business Combinations Pursuant to IFRS 3

No major companies were acquired in the first half of 2008.

A 75% stake was purchased in the investment OBUK Haustürfüllungen GmbH & Co. KG in the first quarter of 2007. In accordance with IFRS 3.61 et seq., the first-time consolidation was carried out on the basis of preliminary figures which were adjusted in the financial statements for the 2007 financial year.

Disposals Pursuant to IFRS 5

In the 2007 financial year, a 90% interest in the investment MAPOTRIX Dehnfugen GmbH & Co. KG was sold to its managing director within the scope of a management buyout. This company's income statement was already reported as income from discontinued operations.

[1] Income from Discontinued Operations

This item includes the earnings after taxes of MAPOTRIX Dehnfugen GmbH & Co. KG. The tax expense resulting from income from discontinued operations amounted to EUR 0k (prior year: EUR 0k).

[2] Earnings per Share

Pursuant to IAS 33, earnings per share pertain to consolidated income after taxes from continuing operations and are thus adjusted for income from discontinued operations, which amounts to EUR 0.00 per share (previous year: EUR –0.01 per share). The number of shares rose from18,000,000 in the first quarter of 2007 to 18,370,033 in the first quarter of 2008. 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.

Disclosures Concerning Net Interest Expenses:

Net interest expenses include expenses of EUR –544k relating to the share of profits allocable to minority interests in partnerships (H1 2007: EUR –740k). Moreover, net interest expenses have also been affected to the tune of EUR 2,031k by changes in the fair value of interest swaps not covered by micro-hedging (H1 2007: EUR 2,201k). Net operating interest expenses due to third parties in connection with ongoing financing facilities thus amount to EUR –12,332k (H1 2007: EUR –12,576k).

Commentary on Select Items Included in This Report:

[3] Intangible Assets

EUR 000s	June 30, 2008	Dec. 31, 2007
Capitalized development costs	8,059	7,256
Licenses, commercial rights and other intangible assets	9,802	10,891
Total	**17,861**	**18,147**

[4] Property, Plant and Equipment

EUR 000s	June 30, 2008	Dec. 31, 2007
Land and buildings	118,405	119,209
Technical plant and machinery	81,253	85,491
Other plant, fixtures, furniture and office equipment	28,609	27,693
Advance payments and work in progress	10,161	6,988
Total	**238,428**	**239,381**

[5] Accounts Receivable

EUR 000s	June 30, 2008	Dec. 31, 2007
Accounts receivable from customers	125,379	109,140
Future receivables from customer-specific construction contracts	9,987	5,364
Receivables from associated companies	1,295	1,039
Total	**136,661**	**115,543**

[6] Inventories

EUR 000s	June 30, 2008	Dec. 31, 2007
Raw materials and supplies	64,656	58,720
Unfinished goods	43,824	40,552
Finished goods and goods for resale	66,529	60,680
Prepayments to third parties	2,030	1,399
Total	**177,039**	**161,351**

Segment Reporting

The reporting structure used in the preceding annual financial statements was maintained in this interim report with the exception that MAPOTRIX Dehnfugen GmbH & Co. KG is no longer included in the figures reported for the 2007 financial year.

Primary Reporting Format: by Operation

Q2 2008 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	59,657	41,318	76,647	28,388	52,795	258,805
Internal sales	– 542	– 442	– 3,740	– 2,142	– 2,885	– 9,751
Segment sales from third parties	**59,115**	**40,876**	**72,907**	**26,246**	**49,910**	**249,054**
Operating result (EBIT)	**9,034**	**4,588**	**8,609**	**3,869**	**5,427**	**31,527**
EBIT of discontinued operations	–	–	–	–	–	–
Depreciation	1,195	727	4,762	1,507	1,776	9,967
– of which: for first-time consolidations	402	53	901	5	456	1,817
– of which: impairment	–	–	–	–	–	–
Employees	895	677	2,092	752	1,326	5,742

Q2 2007 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	55,446	37,804	65,541	29,349	51,106	239,246
Internal sales	– 185	– 278	– 1,486	– 2,197	– 2,295	– 6,441
Segment sales from third parties	**55,261**	**37,526**	**64,055**	**27,152**	**48,811**	**232,805**
Operating result (EBIT)	**9,559**	**4,823**	**6,878**	**3,343**	**4,357**	**28,960**
EBIT of discontinued operations	– 105	–	–	–	–	– 105
Depreciation	1,109	729	4,492	1,646	1,989	9,965
– of which: for first-time consolidations	331	74	931	15	578	1,929
– of which: impairment	–	–	–	–	–	–
Employees	876	652	1,854	833	1,225	5,440

H1 2008 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	107,067	78,322	145,502	55,173	99,817	485,881
Intercompany sales	– 950	– 755	– 7,297	– 4,352	– 5,463	– 18,817
Segment sales with third parties	**106,117**	**77,567**	**138,205**	**50,821**	**94,354**	**467,064**
Operating result (EBIT)	**12,605**	**9,585**	**15,007**	**7,156**	**8,318**	**52,671**
EBIT of discontinued operations	–	–	–	–	–	–
Depreciation	2,386	1,416	9,453	2,983	3,611	19,849
– of which: for first-time consolidations	804	107	1,802	10	911	3,634
– of which: impairment	–	–	–	–	–	–
Employees	895	677	2,092	752	1,326	5,742

H1 2007 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	104,824	74,751	129,444	58,953	99,073	467,045
Intercompany sales	– 367	– 550	– 3,666	– 4,460	– 4,516	– 13,559
Segment sales from third parties	**104,457**	**74,201**	**125,778**	**54,493**	**94,557**	**453,486**
Operating result (EBIT)	**13,536**	**9,719**	**11,928**	**6,381**	**7,989**	**49,553**
EBIT of discontinued operations	– 105	–	–	–	–	– 105
Depreciation	2,289	1,541	8,988	3,492	3,989	20,299
– of which: for first-time consolidations	685	197	1,870	139	1,311	4,202
– of which: impairment	–	–	–	–	–	–
Employees	876	652	1,854	833	1,225	5,440

Secondary Reporting Format: by Region

Q2 2008 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	158,372	56,995	43,438	258,805
Intercompany sales	– 8,573	– 797	– 381	– 9,751
Segment sales with third parties	**149,799**	**56,198**	**43,057**	**249,054**

Q2 2007 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	148,111	58,088	33,047	239,246
Intercompany sales	– 6,345	– 89	– 7	– 6,441
Segment sales with third parties	**141,766**	**57,999**	**33,040**	**232,805**

H1 2008 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	298,240	108,270	79,371	485,881
Intercompany sales	– 16,875	– 1,340	– 602	– 18,817
Segment sales with third parties	**281,365**	**106,930**	**78,769**	**467,064**

H1 2007 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	288,017	117,160	61,868	467,045
Intercompany sales	– 13,402	– 145	– 12	– 13,559
Segment sales with third parties	**274,615**	**117,015**	**61,856**	**453,486**

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 half of 2008, there were no reportable changes to relationships with related parties since they did not differ materially from those reported in the 2007 consolidated financial statements.

Events After the Interim Balance Sheet Date

There were no special reportable events after the interim balance sheet date.

Audit Review by the Group Auditor

Neither the half-year financial statements as of June 30, 2008 nor the financial statements as of June 30, 2007 have been subject to an audit review.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Bergisch Gladbach, August 2008

The Board of Management

Helmut Ruwisch   Jürgen Abromeit   Wolfgang E. Höper   Dr. Johannes Schmidt

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 6-month 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.