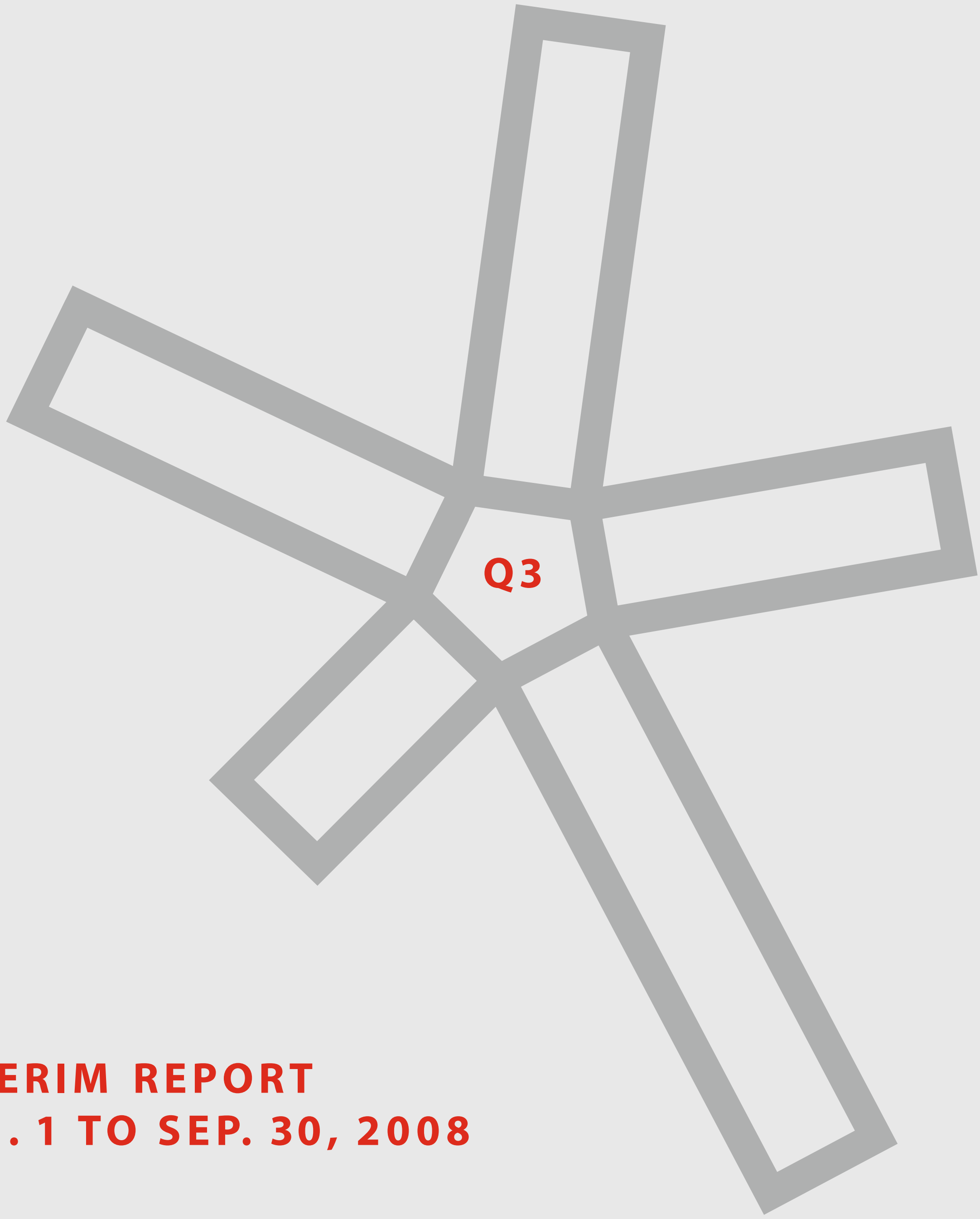
INDUS
HOLDING AG



INTERIM REPORT
JAN. 1 TO SEP. 30, 2008

Group		**Sep. 30, 2008**	Sep. 30, 2007
Sales	EUR million	**709.9**	684.8
Export share	%	**40.5**	39.2
EBITDA	EUR million	**105.7**	105.3
EBIT	EUR million	**76.0**	75.6
Net income for the period	EUR million	**35.8**	37.2
Depreciation	EUR million	**29.7**	29.7
Total assets*	EUR million	**1,004.5**	931.3
Equity*	EUR million	**258.7**	234.1
Equity ratio*	%	**25.7**	25.1
Employees		**5,770**	5,575
– Holding company		**18**	18
– Portfolio companies		**5,752**	5,557

Share		**Jan. 1 to Sep. 30, 2008**	Jan. 1 to Sep. 30, 2007
Earnings per share (Group)	EUR	**1.95**	2.05
9-month high	EUR	**25.13**	31.85
9-month low	EUR	**16.20**	25.00
Price at end of period	EUR	**16.75**	26.00
Average daily turnover	no. of shares	**47,252**	49,828
Market capitalization	EUR million	**307.7**	468.0
Number of shares	million	**18.37**	18.00

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

Financial Calendar

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
November 2009	9-Month Report 2009

Dear Shareholders,

The first nine months of the year have developed successfully in line with our targets. Consolidated sales rose by 3.7% to EUR 709.9 million, while operating EBIT reached EUR 76.0 million and thus exceeded the strong previous year's figure. Our performance in the year to date thus remains within the framework budgeted at the beginning of the financial year. Since October, the financial crisis has impacted tangibly on the real economy, also leading to a deterioration in the economic climate for some of our segments.

In general, our portfolio companies have maintained their positive performance and are proving thoroughly robust in a period of economic weakness. This provides confirmation not least of our underlying acquisitions strategy of only investing in established production companies positioned in attractive market niches. These market niches offer manifold protection and mitigate negative factors in periods of economic weakness. Having said this, our portfolio companies will also not be able to escape the overall trend, at least in some segments of the market.

As well as offering stability and security, the company's broadly diversified structure also provides INDUS Holding AG in the current climate with opportunities for expanding its well-balanced portfolio of companies by stepping up its investments in external growth in a targeted manner. We took a first step in this direction in September already with the acquisition of the KÖSTER Group. Founded in 1952, this company is a system provider producing connecting elements for use in stud welding techniques, including the necessary specialist machinery. With a superb sales network in more than 80 countries, the KÖSTER Group will successfully post sales of around EUR 23 million in 2008 and will benefit in the longer term from the backlog of demand in the infrastructure sector. The company has been consolidated since October 1, 2008, which means that we only expect this acquisition to impact positively on the Group's sales and earnings from the following quarter.

After years of restraint, the anti-cyclical acquisition of the KÖSTER Group by no means marks the completion of our activities in this area. Conditions remain favorable for making further acquisitions. We stand to benefit from a market climate characterized by falling valuation levels for attractive companies. The comfortable liquidity position we have built up allows us to act in the investment market both flexibly and independently of banks.

In spite of the marked decline in economic momentum, we are still confident that we will achieve our targets for the year as whole. We currently expect to generate annual sales of around EUR 960 million with an operating EBIT margin of around 10%—a respectable figure given the economic climate.

Our company founder, Dr. Winfried Kill, has retired from his position on the Supervisory Board due to poor health. I would like to take this opportunity of thanking him for his great commitment. With his longstanding experience, Dr. Kill provided me and my colleagues on the Board of Management with boundless support and played a decisive role over many years in shaping the company's business policies.

My thanks are also due to our employees and our managing directors for their commitment and achievements in the year to date. They are the pillars of our success.

Sincerely,

Helmut Ruwisch
Chairman of the Board of Management

Macroeconomic Developments

The downward trend apparent in the German economy gained further momentum in the third quarter. Gross domestic product (GDP) declined by 0.5% compared with the previous quarter. GDP already fell in the second quarter (–0.4%), so that following two successive quarters of negative growth Germany is now technically in recession. The German economy has been especially hard hit by the marked weakening in exports, while the domestic economy still provided marginally positive growth momentum.

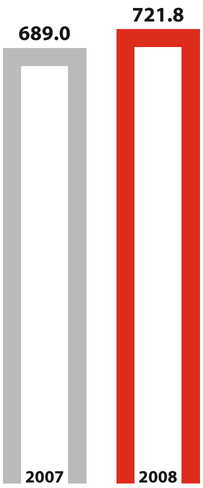
The substantial decline in the third quarter shows that the negative effects of the financial market crisis have finally reached the real economy. There has been a significant deterioration in confidence among investors and consumers, leading to a tangible reduction in their willingness to take risks. Companies are consequently finding it increasingly difficult to finance planned investments with equity or debt capital. At the same time, consumers are reacting with a marked tendency to save, a factor also reflected in the savings rate, which has risen by 0.5 percentage points to 11.3%.

Group Accounting

Earnings Position

Business performance in the first nine months of 2008:
The consolidated sales of INDUS Holding AG rose by 3.7% compared with the first nine months of 2007 to reach EUR 709.9 million. The company has thus further maintained its course of sustainable growth. Total output increased by 4.8% to EUR 721.8 million. The export share of sales grew by 1.3 percentage points to 40.5%.

Total output as of Sep. 30 EUR in millions



The optimization measures taken have mitigated the negative impact of high raw material and energy costs. The material expenses ratio rose by 1.1 percentage points to 48.6%. The recent decline in various commodities prices is only expected to be reflected to any significant extent at the beginning of the coming financial year. The high pay round agreements already concluded in some cases led the personnel expense ratio to rise by 0.4 percentage points to 26.5%.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved slightly by 0.4% to EUR 105.7 million. Depreciation and amortization remained unchanged at EUR 29.7 million. At EUR 76.0 million, operating earnings before interest and taxes (EBIT) even slightly exceeded the high figure of EUR 75.6 million reported in the previous year. Including net interest, which remained unchanged, earnings before taxes (EBT) grew by 0.5% to EUR 57.1 million. Tax expenses rose by 5.6% to EUR 20.8 million. Following the deduction of minority interests, income after taxes for the period amounted to EUR 35.8 million, thus falling slightly short of the previous year's figure of EUR 37.2 million. Earnings per share therefore amounted to EUR 1.95 (previous year: EUR 2.05).

Business performance in the third quarter of 2008:
Sales grew by a further 5.0% to EUR 242.9 million in the third quarter of 2008. In view of the increasingly difficult economic climate, this provides proof of the stability and well-balanced nature of the existing investment portfolio.

The materials expense ratio rose by 3.1 percentage points to 49.6%, while the personnel expense ratio remained constant at 26.2%. As a result of higher cost burdens, EBITDA decreased by 6.2% to EUR 33.2 million. An additional increase in depreciation and amortization by 4.5% led to EBIT of EUR 23.3 million, equivalent to a decline of EUR 2.7 million on the previous year's period. Net interest reduced by 3.9%, as a result of which EBT amounted to EUR 15.3 million, around EUR 3.0 million lower than in the previous year. The initial recognition in the equivalent quarter in the previous year of the effects relating to the 2008 tax reform resulted in a positive one-off deferred tax item of EUR 5.0 million in the previous year, a factor which was not repeated in the quarter under report. As a result, the tax expenses requiring report in the third quarter of 2008 virtually quadrupled to EUR 6.2 million. Income after taxes for the period thus amounted to EUR 8.9 million (previous year: EUR 17.2 million). Accordingly, earnings per share amounted to EUR 0.48, as against EUR 0.92.

Financial and Net Asset Position

Total assets amounted to EUR 1,004.5 million as of September 30, 2008 and were thus EUR 73.2 million higher than at December 31, 2007. This increase was mainly attributable to the sharp increase in current assets, and in particular in cash and cash equivalents, receivables and inventories.

Non-current assets showed a slight increase of EUR 1.5 million to EUR 563.4 million. A glance at the individual items reveals that this growth was chiefly due to property, plant and equipment (EUR +1.4 million) and to shareholding measured using the equity method (EUR +0.7 million). While non-current assets showed only moderate growth, current assets showed a considerably more substantial increase, rising by EUR 71.7 million. While current taxes on income decreased by EUR 0.8 million, substantial increases were also reported in receivables (EUR +25.4 million), inventories (EUR +15.5 million) and other current assets (EUR +6.4 million). Moreover, the positive development in the cash flow led to a further expansion in liquidity, which grew by EUR 25.2 million to EUR 102.8 million. INDUS thus has a comfortable supply of liquidity and is therefore in a position to implement further rationalization measures in its investment portfolio, even in difficult stages of the economic cycle. Part of the free liquidity is now to be used anti-cyclically to make further acquisitions.

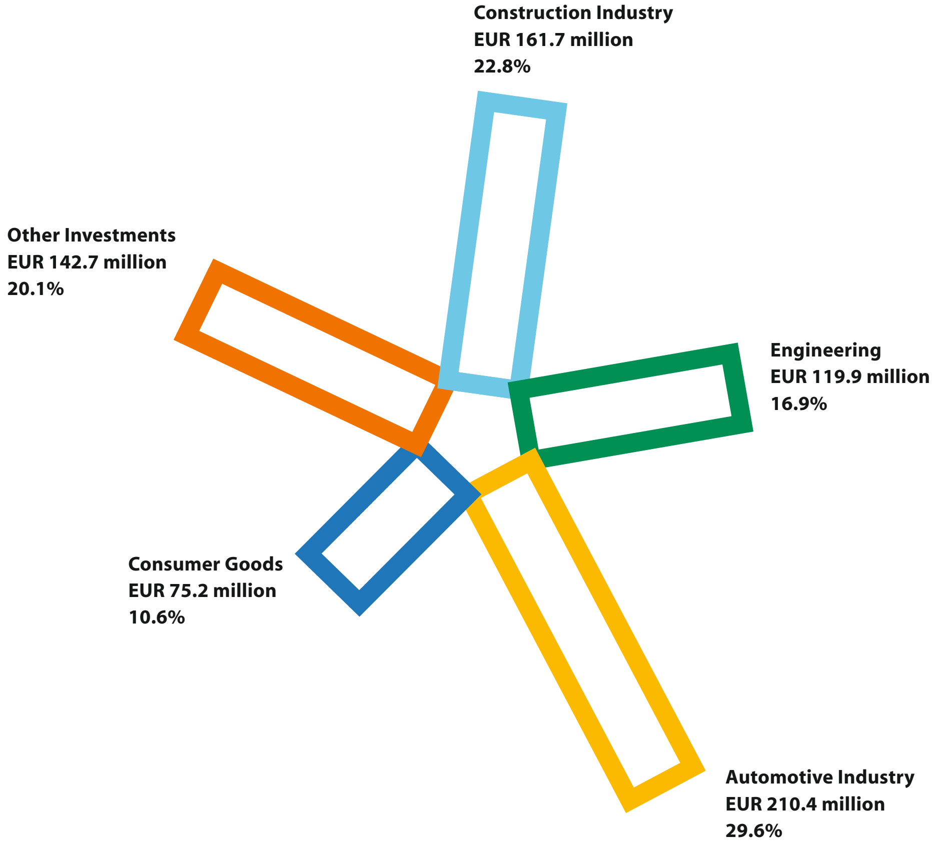
Group equity has risen by EUR 24.5 million compared with December 31, 2007 to reach EUR 258.7 million. This positive development is attributable to the pleasing earnings for the period, as well as to the capital increase executed in connection with the acquisition of a further 15% in the portfolio company SELZER. The disproportionate rise in equity compared with total assets enabled the equity ratio to improve by 0.6 percentage points to 25.7%. Considered as of the reporting date, net debt showed a slight increase of EUR 9.5 million to EUR 449.9 million. At EUR 459.5 million, non-current liabilities were EUR 28.2 million higher than the figure as of December 31, 2007. This development was chiefly due to the increase in non-current financial liabilities (EUR +26.2 million) and deferred taxes (EUR +1.9 million). Current financial liabilities rose by EUR 20.5 million to EUR 286.4 million. While other current liabilities declined by EUR 9.9 million due to the reduction in purchase price liabilities in connection with the stocking up of the shareholding in SELZER, other items showed increases, in some cases significant. Current financial liabilities thus rose by EUR 8.5 million, accounts payable by EUR 6.2 million, current taxes on income by EUR 2.7 million and other current provisions by EUR 13.1 million. This increase is due to deferrals of current business transactions within the financial year.

The inflow of funds from operating activities (cash flow from operating activities) showed a marked year-on-year increase of EUR 9.4 million (+27.5%) to EUR 43.7 million. This figure was affected by the rise in provisions, as well as by higher liabilities and other items on the liabilities side of the balance sheet not allocable to investing or financing activities. The outflow of funds for investing activities (cash flow from investing activities) fell by EUR 13.8 million to EUR 30.9 million. This reflects the deliberate restraint in terms of the acquisition strategy in the first nine months of 2008. The inflow of funds from financing activities (cash flow from financing activities) rose by EUR 12.5 million to EUR 12.3 million. The outflow of funds of EUR 54.4 million for the repayment of loans was countered by receipts of EUR 89.1 million from taking up loans. The change in maturities is to be viewed in the light of attractive short-term interest rates.

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 September 30, 2008, the portfolio of companies comprised 42 operating units.

Sales by Segment as of Sep. 30, 2008



Construction Industry

The German construction industry has shown consistently positive developments in the year to date. In the first half of 2008, companies operating in the main building sector successfully increased their sales by 7.3%. The growth drivers were still industrial construction (+11.9% in nominal terms) and public sector construction (+10.0% in nominal terms), while housing construction (–0.2% in nominal terms) remained the construction industry's problem child. New orders consistently upheld their positive performance and overall were 11.7% up on the previous year in nominal terms at the beginning of the second half.

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

Sales in the Construction Industry segment rose by 1.2% to EUR 161.7 million in the first nine months of 2008 (previous year: EUR 159.8 million). The development seen in the first half of the year thus continued virtually unchanged in the third quarter. Notwithstanding increased personnel expenses, the segment was able to post earnings before interest and taxes (EBIT) of EUR 19.5 million, thus almost matching the previous year's figure. The EBIT margin declined slightly by 0.5 percentage points to 12.1% (previous year: 12.6%). In terms of profitability, the segment remained clearly ahead of the industry average.

As of September 30, 2008, the Construction Industry segment had 899 employees in total (previous year: 866 employees).

Engineering

The German engineering sector showed unexpectedly positive developments in September, reporting a 2% increase in new orders in real terms. A year-on-year comparison of the third quarter, which is less affected by short-term fluctuations, nevertheless reveals a 5% decline in new orders in the third quarter compared with the previous year's period. Domestic orders rose by 2% in the period from July to September 2008, while international orders dropped by 9%.

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

The portfolio companies in the Engineering segment continued to benefit from a positive order situation in the first nine months. As a result, sales rose by 6.5% to EUR 119.9 million (previous year: EUR 112.6 million). Due to higher material, energy and personnel expenses, earnings before interest and taxes (EBIT) only improved by 1.3% to EUR 15.0 million in the first nine months (previous year: EUR 14.8 million). The EBIT margin thus showed a slight decline of 0.6 percentage points to 12.5% (previous year: 13.1%).

As of September 30, 2008, the Engineering segment had 694 employees in total (previous year: 670 employees).

Automotive Industry

In recent months, German automakers have felt the effects of the marked unwillingness to spend shown by private consumers in the wake of the turbulence on the capital markets. The number of new car registrations may have risen year-on-year by around 1% as of September 30, 2008, but the trend is clearly heading downwards, as is apparent from the October registration figures, which were 8% down on the already weak previous year's figures. More positive developments were still reported for utility vehicles, where new vehicle registrations rose by around 2% as of September 30.

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

The portfolio companies in the Automotive Industry segment reported consistently positive developments in the first nine months. Sales rose by 11.1% to EUR 210.4 million (previous year: EUR 189.4 million). The rationalization measures implemented and increasing internationalization of production capacities more than made up for the severe pressure on prices and negative impact of raw materials costs. Earnings before interest and taxes (EBIT) grew by 8.4% to EUR 20.6 million (previous year: EUR 19.0 million). Notwithstanding the substantial rise in sales, the EBIT margin decreased by a mere 0.2 percentage points to 9.8% (previous year: 10.0%). With a view to the earnings performance in the third quarter, it can nevertheless be established that the companies in the segment are increasingly feeling the effects of the economic downturn.

As of September 30, 2008, the Automotive Industry segment had 2,087 employees in total (previous year: 1,931 employees).

Consumer Goods

Having shown extremely weak developments in the first six months, private consumer spending generated only marginal growth momentum in the third quarter. Further growth in employment totals, the pay round increases successfully negotiated and decline in the inflation rate due to the noticeably more subdued development in prices have improved the underlying framework for consumers. The increase in the savings rate by 0.5 percentage points to 11.3% of disposable income at the end of the first half of 2008 nevertheless demonstrates that consumers give priority to security in periods of economic insecurity.

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

The portfolio companies have focused their strategies on boosting their profitability and have consistently avoided unprofitable activities. As a result, sales dropped by 6.7% to EUR 75.2 million in the first nine months (previous year: EUR 80.6 million). The rationalization measures implemented led to a markedly disproportionate earnings performance. Earnings before interest and taxes (EBIT) grew by 23.5% to EUR 10.0 million (previous year: EUR 8.1 million). The EBIT margin showed corresponding growth of 3.3 percentage points to 13.3% (previous year: 10.0%).

As of September 30, 2008, the Consumer Goods segment had 751 employees in total (previous year: 865 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 third 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 September 30, 2008. Pursuant to IFRS, the 100% stake acquired in Anneliese KÖSTER GmbH & Co. KG in September will only be consolidated with effect from October 1, 2008. The KÖSTER Group consists of the operating company KÖSTER & Co. GmbH, Ennepetal, as well as of further Czech and Italian production and sales subsidiaries. Founded in 1952, the company is a system provider producing connecting elements for use in stud welding techniques, including the necessary specialist machinery. With a global sales network in more than 80 countries, the company is superbly positioned in the market. With around 100 employees in total, it will generate sales of around EUR 23 million in 2008, with an export share of approx. 70%.

Sales in the Other Investments segment showed slight growth of 0.2% to EUR 142.7 million in the first nine months (previous year: EUR 142.4 million). However, the negative impact of high raw material and energy prices and weaker capacity utilization rates at some portfolio companies in the third quarter had a noticeable influence on the earnings performance, leading earnings before interest and taxes (EBIT) to decline to EUR 10.9 million (previous year: EUR 13.5 million) and depressing the EBIT margin to 7.6% (previous year: 9.5%).

As of September 30, 2008, the Other Investments segment had 1,339 employees in total (previous year: 1,243 employees).

Capital Expenditure

The Group invested a total of EUR 31.1 million in the first nine months of 2008 (previous year: EUR 44.7 million). Capital expenditure focused on rationalization investments and on strategically necessary projects at international production sites.

Employees

The total workforce rose by 195 to 5,770 employees as of September 30, 2008. This growth was attributable to the expansion of the labor force at international production sites, and in particular to the new investments in Serbia and Mexico.

Share

The turbulence on the capital markets intensified even further following the collapse of Lehman Brothers in September. Governments around the world were obliged to introduce extensive rescue packages to stabilize the banks. This new intensity of the financial crisis led to a marked loss of confidence among investors in the international capital markets, which in turn reported drastic falls in share prices.

The SDAX, the index in which the INDUS share is also listed, showed a further substantial reduction in the third quarter of 2008. It closed on September 30 at 3,396.37 points, equivalent to a loss of 34.6% since the beginning of the year. The INDUS share outperformed the SDAX, but the 30.9% decline in the price to EUR 16.75 is by no means satisfactory. The highest price was reported at EUR 25.13 in May, while the lowest price was reached at EUR 16.20 in the wake of the turmoil on financial markets at the end of September. The share's relative strength compared with the SDAX led to an increased index weighting of 2.51% for INDUS (June 30, 2008: 2.45%). In terms of its market capitalization, INDUS thus ranks 10th among the 50 companies listed in the SDAX. In spite of the turbulence, average trading volumes across all German exchanges remained virtually constant at 47,252 shares (previous year: 49,828 shares).

The company has distributed an unchanged dividend of EUR 1.20 per share to its shareholders for the 2007 financial year. This measure and the authorization to acquire treasury stock were both approved by a large majority of shareholders at this year's Annual General Meeting in Cologne on July 1, 2008. The total sum distributed to shareholders in connection with the dividend payment amounted to EUR 22.0 million, or 41.2% of unappropriated net profit at INDUS Holding AG. This is equivalent to a dividend yield of 7.2% based on the closing price of the INDUS share on September 30.

Events After the Balance Sheet Date

In November 2008, the US subsidiary of GETRAG filed for creditor protection under Chapter 11. This measure will also affect SELZER in terms of the development of a US production site. All activities initiated have been terminated with immediate effect, while advance payments already received have been offset against our claims against GETRAG. The remaining risk is expected to be in the medium single-digit million range.

At the beginning of November, Dr. Winfried Kill, founder and longstanding CEO and then Chairman of the Supervisory Board of INDUS Holding AG, retired from the position he had held on the Supervisory Board since summer 2002 for reasons of poor health. Until a new Chairman of the Supervisory Board has been elected, his duties will be assumed by Günter Kill as Deputy Chairman of the Supervisory Board.

Burkhard Rosenfeld, the longstanding former member of the Board of Management of INDUS Holding AG responsible for technology and investments, joined the Supervisory Board with effect from November 7, 2008. His appointment by the District Court is valid through to the expiry of the next Annual General Meeting.

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 presented and 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

There has been a drastic deterioration in the prospects for the global economy in recent weeks. The turbulence on the international financial markets has spilled over onto the real economy. Uncertainty and skepticism concerning future economic developments are leading the various players in the market to act cautiously, as a result of which their willingness and ability to invest are in limited supply at present. The substantial reduction in energy and commodity prices will only have a positive impact in the medium term, as will the depreciation in the euro exchange rate and decline in inflation. All in all, leading economic research institutes now only expect to see GDP growth of 1.7% in 2008 and at best stagnation in 2009.

In this context, Germany's Central Construction Industry Association remains optimistic for 2008 as a whole. Driven by a substantial year-on-year increase in orders on hand, sales are still expected to rise by around 4% in nominal terms. Sales growth of 2.5% is forecast for the main building sector in 2009. A similar picture is to be found in the German engineering sector. The German Engineering Association (VDMA) continues to expect production growth of around 5%, and thus a calming in the market compared with previous years. Aggregate sales in German engineering sector are nevertheless expected to pass the EUR 200 billion mark for the first time.

Initial forecasts for 2009 are far more cautious, with sales only expected to stagnate. The German automotive sector has been severely affected by the decline in overall demand in recent months already. Following a weak performance in the months of September and October, the German Association of the Automotive Industry (VDA) expects to see further declines and has therefore reduced its forecast for the year by 3% to a maximum of 3.1 million new car registrations. Private consumer spending is also not expected to provide any notable momentum in the remainder of the year. At the same time, the more subdued development in prices, coupled with higher disposable incomes, should at least produce a slight stabilization.

The marked slowdown in economic growth will also affect the performance of individual portfolio companies. However, this will only be the case to a limited extent. Past experience has shown that, thanks to their superb positions in their respective market niches, the companies are able to perform relatively robustly even in periods of weaker economic developments. Taken together with the well-balanced ratio of opportunities and risks in the overall portfolio and the absence of so-called cluster risks, INDUS will therefore show more stable developments than the overall market.

The comfortable liquidity situation is to be drawn on gradually to make further acquisitions and to promote the targeted development of the existing portfolio of companies. The acquisition of the KÖSTER Group represents a first step in this direction. Further steps are set to follow in 2009. Acting anti-cyclically, INDUS will thus play an active role in the investment market and increasingly invest in its external growth.

In spite of the marked downturn in the performance of the economy, the Group is upholding its targets of generating annual sales of around EUR 960 million with an operating EBIT margin of approximately 10% in the 2008 financial year as a whole.

Consolidated Income Statement

EUR 000s	Note	Sep. 30, 2008 Q3	Sep. 30, 2007 Q3	Sep. 30, 2008 9 months	Sep. 30, 2007 9 months
Sales		242,856	231,315	709,920	684,801
Other operating income		2,308	1,440	6,490	6,172
Own work capitalized		1,223	732	3,856	2,661
Change in inventories		1,301	– 1,260	8,002	1,547
Cost of materials		– 120,411	– 107,561	– 344,839	– 325,404
Personnel expenses		– 63,584	– 60,447	– 188,006	– 178,444
Depreciation		– 9,858	– 9,438	– 29,707	– 29,737
Other operating expenses		– 30,599	– 28,998	– 90,514	– 86,637
Income from shares accounted for using the equity method		72	100	660	300
Other financial result		12	138	129	315
Operating result (EBIT)		**23,320**	**26,021**	**75,991**	**75,574**
Interest income		1,096	281	2,922	766
Interest expenses		– 9,100	– 7,979	– 21,771	– 19,579
Net interest		– 8,004	– 7,698	– 18,849	– 18,813
Income before taxes		**15,316**	**18,323**	**57,142**	**56,761**
Taxes		– 6,210	– 1,680	– 20,824	– 19,652
Income from discontinued operations	(1)	–	517	–	392
Income after taxes		**9,106**	**17,160**	**36,318**	**37,501**
– of which: minority interests		– 219	–	– 499	– 287
– of which: income allocable to INDUS shareholders		8,887	17,160	35,819	37,214
Diluted earnings per share in EUR	(2)	0.48	0.92	1.95	2.05
Basic earnings per share in EUR		0.48	0.92	1.95	2.05
Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges		10,100	17,752	35,375	36,185

Summary of Income and Expenses Recognized in Equity

EUR 000s	Q3 2008	Q3 2007	9 months 2008	9 months 2007
Currency translation adjustment	– 414	– 67	– 86	– 403
Changes in the fair value of derivative financial instruments	– 935	– 300	825	719
Netting of deferred taxes	148	79	– 130	– 190
Income and expenses directly recognized in equity	**– 1,201**	**– 288**	**609**	**126**
Income after taxes	9,106	17,160	36,318	37,501
Total income and expenses recognized in equity	**7,905**	**16,872**	**36,927**	**37,627**
– of which: minority interests	219	–	499	287
– of which: shares allocable to INDUS shareholders	7,686	16,872	36,428	37,340

Consolidated Balance Sheet

Assets

EUR 000s	Note	**Sep. 30, 2008**	**Dec. 31, 2007**
Goodwill		285,998	285,606
Intangible assets	(3)	17,799	18,147
Property, plant and equipment	(4)	240,773	239,381
Financial assets		7,587	7,853
Shares accounted for using the equity method		5,317	4,657
Other non-current assets		2,122	2,109
Deferred taxes		3,828	4,144
Non-current assets		**563,424**	**561,897**
Cash and cash equivalents		102,813	77,617
Accounts receivable	(5)	140,987	115,543
Inventories	(6)	176,825	161,351
Other current assets		16,856	10,442
Current income taxes		3,642	4,463
Assets held for sale		–	–
Current assets		**441,123**	**369,416**
Total assets		**1,004,547**	**931,313**

Equity and Liabilities

EUR 000s	Sep. 30, 2008	Dec. 31, 2007
Paid-in capital	172,930	162,955
Generated capital	83,760	69,117
Shareholders' equity of INDUS shareholders	256,690	232,072
Minority interests in capital	1,961	2,058
Group equity	**258,651**	**234,130**
Non-current financial liabilities	412,741	386,568
Provisions for pensions	15,469	15,124
Other non-current provisions	2,581	2,452
Other non-current liabilities	8,121	8,435
Deferred taxes	20,562	18,705
Non-current liabilities	**459,474**	**431,284**
Current financial liabilities	139,941	131,410
Accounts payable	39,465	33,286
Other current provisions	41,881	28,834
Other current liabilities	52,079	61,986
Current income taxes	13,056	10,383
Liabilities held for sale	–	–
Current liabilities	**286,422**	**265,899**
Total equity and liabilities	**1,004,547**	**931,313**

Consolidated Cash Flow Statement*

EUR 000s	Sep. 30, 2008	Sep. 30, 2007
Income after taxes	**36,318**	**37,501**
Depreciation/write-backs – of non-current assets (excluding deferred taxes)	29,707	29,737
Taxes	20,824	19,652
Net interest	18,849	18,813
Cash earnings of discontinued operations	–	– 100
Income from companies accounted for using the equity method	– 660	– 319
Other non-cash transactions	– 160	– 51
Changes in provisions	13,521	11,657
Increase (–)/decrease (+) in inventories, accounts receivable and other assets not allocable to investing or financing activities	– 45,458	– 37,553
Increase (+)/decrease (–) in accounts payable and other liabilities not allocable to investing or financing activities	3,527	– 10,519
Income taxes received/paid	– 16,459	– 18,775
Operating cash flow	**60,009**	**50,043**
Interest paid	– 19,200	– 16,482
Interest received	2,922	766
Cash flow from operating activities	**43,731**	**34,327**
Cash flow from investments in		
– intangible assets	– 31,143	– 25,730
– financial assets	–	– 716
– shares in fully consolidated companies	–	–
Income from the disposal of		
– shares in fully consolidated companies	–	– 18,268
– other assets	266	–
Cash flow from investing activities of discontinued operations	–	– 6
Cash flow from investing activities	**– 30,877**	**– 44,720**
Payment of dividend	– 21,785	– 21,600
Dividends paid to minority interests	– 596	– 358
Cash flow from taking up of debt	89,140	52,245
Cash flow from the repayment of debt	– 54,436	– 30,476
Cash flow from financing activities	**12,323**	**– 189**
Cash-effective change in cash and cash equivalents	**25,177**	**– 10,582**
Changes in cash and cash equivalents caused by currency exchange rates	**19**	**– 171**
Cash and cash equivalents at the beginning of the period	**77,617**	**92,664**
Cash and cash equivalents at the end of the period	**102,813**	**81,911**

** Prior-year figures adjusted.*

Consolidated Statement of Equity

January 1 to September 30, 2008 EUR 000s	Opening balance Jan. 1, 2008	Dividend payment	Recognized expenses and income	Capital increase	Closing balance Sep. 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	– 21,785	35,819	–	82,433
Currency translation reserve	578	–	– 86	–	492
Reserve for the marked-to-market valuation of financial instruments	140	–	695	–	835
Generated capital	**69,117**	**– 21,785**	**36,428**	**–**	**83,760**
Equity of INDUS shareholders	**232,072**	**– 21,785**	**36,428**	**9,975**	**256,690**
Minority interests	2,058	– 596	499	–	1,961
Group equity	**234,130**	**– 22,381**	**36,927**	**9,975**	**258,651**

January 1 to September 30, 2007 EUR 000s	Opening balance Jan. 1, 2007	Dividend payment	Recognized expenses and income	Capital increase	Closing balance Sep. 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	– 21,600	37,214	–	55,669
Currency translation reserve	533	–	– 403	–	130
Reserve for the marked-to-market valuation of financial instruments	– 486	–	529	–	43
Generated capital	**40,102**	**– 21,600**	**37,340**	**–**	**55,842**
Equity of INDUS shareholders	**203,057**	**– 21,600**	**37,340**	**–**	**218,797**
Minority interests	1,503	– 358	287	–	1,432
Group equity	**204,560**	**– 21,958**	**37,627**	**–**	**220,229**

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 (9 months 2007: EUR 10,556k).

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 third quarter 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 new companies were acquired in the first nine months of 2008.

A 75% stake was acquired in the investment OBUK Haustürfüllungen GmbH & Co. KG in the first nine months of 2007. In accordance with IFRS 3.61 et seq., the first-time consolidation was carried out on the basis of preliminary figures. These were adjusted in the annual 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 238k).

[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 0.03 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 –755k relating to the share of profits allocable to minority interests in partnerships (9 months 2007: EUR –1,093k). Moreover, net interest expenses have also been affected to the tune of EUR 591k by changes in the fair value of interest swaps not covered by micro-hedging (9 months 2007: EUR 1,436k). Net operating interest expenses due to third parties in connection with ongoing financing facilities thus amount to EUR –18,685k (9 months 2007: EUR –19,156k).

Commentary on Selected Items Included in the Consolidated Balance Sheet:

[3] Intangible Assets

EUR 000s	Sep. 30, 2008	Dec. 31, 2007
Capitalized development costs	8,431	7,256
Licenses, commercial rights and other intangible assets	9,368	10,891
Total	**17,799**	**18,147**

[4] Property, Plant and Equipment

EUR 000s	Sep. 30, 2008	Dec. 31, 2007
Land and buildings	119,535	119,209
Technical plant and machinery	81,172	85,491
Other plant, fixtures, furniture and office equipment	28,639	27,693
Advance payments and work in progress	11,427	6,988
Total	**240,773**	**239,381**

[5] Accounts Receivable

EUR 000s	Sep. 30, 2008	Dec. 31, 2007
Accounts receivable from customers	128,286	109,140
Future receivables from customer-specific construction contracts	11,703	5,364
Receivables from associated companies	998	1,039
Total	**140,987**	**115,543**

[6] Inventories

EUR 000s	Sep. 30, 2008	Dec. 31, 2007
Raw materials and supplies	62,513	58,720
Unfinished goods	42,333	40,552
Finished goods and goods for resale	69,824	60,680
Prepayments to third parties	2,155	1,399
Total	**176,825**	**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

Q3 2008 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	56,119	42,696	75,702	26,536	51,253	252,306
Internal sales	– 539	– 356	– 3,480	– 2,197	– 2,878	– 9,450
Segment sales with third parties	**55,580**	**42,340**	**72,222**	**24,339**	**48,375**	**242,856**
Operating result (EBIT)	**6,867**	**5,377**	**5,569**	**2,884**	**2,623**	**23,320**
EBIT of discontinued operations	–	–	–	–	–	–
Depreciation	1,135	724	4,631	1,510	1,858	9,858
– of which: for first-time consolidations	335	54	902	6	453	1,750
– of which: impairment	–	–	–	–	–	–
Employees	899	694	2,087	751	1,339	5,770

Q3 2007 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	55,546	38,674	65,290	28,066	50,083	237,659
Internal sales	– 202	– 303	– 1,652	– 1,963	– 2,224	– 6,344
Segment sales with 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**
EBIT of discontinued operations	497	–	–	–	–	497
Depreciation	1,141	694	4,113	1,644	1,846	9,438
– of which: for first-time consolidations	322	74	930	14	541	1,880
– of which: impairment	–	–	–	–	–	–
Employees	866	670	1,931	865	1,243	5,575

9 months 2008 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	163,186	121,018	221,204	81,709	151,070	738,187
Intercompany sales	– 1,489	– 1,111	– 10,777	– 6,549	– 8,341	– 28,267
Segment sales with third parties	**161,697**	**119,907**	**210,427**	**75,160**	**142,729**	**709,920**
Operating result (EBIT)	**19,472**	**14,962**	**20,576**	**10,040**	**10,941**	**75,991**
EBIT of discontinued operations	–	–	–	–	–	–
Depreciation	3,521	2,140	14,084	4,493	5,469	29,707
– of which: for first-time consolidations	1,139	161	2,704	16	1,364	5,384
– of which: impairment	–	–	–	–	–	–
Employees	899	694	2,087	751	1,339	5,770

9 months 2007 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	160,370	113,425	194,734	87,019	149,156	704,704
Intercompany sales	– 569	– 853	– 5,318	– 6,423	– 6,740	– 19,903
Segment sales with 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**
EBIT 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
– of which: impairment	–	–	–	–	–	–
Employees	866	670	1,931	865	1,243	5,575

Secondary Reporting Format: by Region

Q3 2008 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	149,030	53,690	49,586	252,306
Intercompany sales	– 8,245	– 654	– 551	– 9,450
Segment sales with third parties	**140,785**	**53,036**	**49,035**	**242,856**

Q3 2007 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	147,785	64,272	25,602	237,659
Intercompany sales	– 6,162	– 144	– 38	– 6,344
Segment sales with third parties	**141,623**	**64,128**	**25,564**	**231,315**

9 months 2008 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	447,270	161,960	128,957	738,187
Intercompany sales	– 25,120	– 1,994	– 1,153	– 28,267
Segment sales with third parties	**422,150**	**159,966**	**127,804**	**709,920**

9 months 2007 EUR 000s	Germany	Europe	Rest of the world	Total
External sales	435,802	181,432	87,470	704,704
Intercompany sales	– 19,564	– 289	– 50	– 19,903
Segment sales with third parties	**416,238**	**181,143**	**87,420**	**684,801**

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.

There were no reportable changes in relationships with related parties in the quarterly financial statements as these did not differ materially from those reported in the 2007 annual financial statements.

Events After the Quarterly Balance Sheet Date

A 100% shareholding in Anneliese KÖSTER GmbH & Co. KG, Ennepetal, (KÖCO) was acquired with economic effect as of October 1, 2008. KÖCO consists of the operating company KÖSTER & Co. GmbH, Ennepetal, as well as of further Czech and Italian production and sales subsidiaries.

The KÖSTER Group is characterized by its dynamic growth. In the 2008 financial year, around 100 employees will generate sales of more than EUR 23 million with an export share of approximately 70 %.

Audit Review by the Group Auditor

Neither the quarterly financial statements as of September 30, 2008 nor the financial statements as of September 30, 2007 have been subject to an audit review.

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