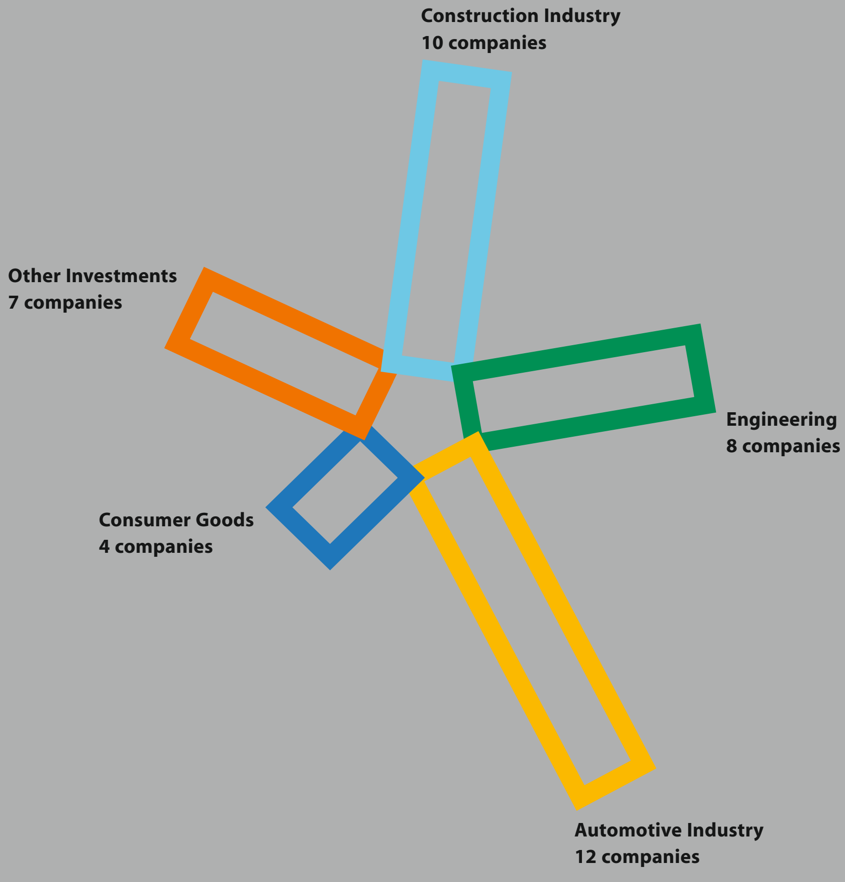
INDUS
HOLDING AG

2008

INDUS ranks among the leading specialists for investments in medium-sized enterprises in German-speaking regions. The maxim governing all activities is long-term entrepreneurial thinking and diversification, which has been adhered to for over 20 years. More than 40 companies in the construction, engineering, automotive and consumer goods sectors belong to the investment portfolio, with medical technology gradually accounting for an increasing share. More than 5,800 employees work for INDUS Group companies in various parts of the world and generated some EUR 930 million in sales.



Group		2006	2007*	**2008**	+/– %
Sales	EUR in millions	846.0	915.0	**928.4**	+1.5
– Germany	EUR in millions	524.4	551.3	**549.6**	–0.3
– Abroad	EUR in millions	321.6	363.7	**378.8**	+4.2
EBITDA	EUR in millions	146.7	143.1	**134.2**	–6.2
EBIT	EUR in millions	85.6	102.4	**87.1**	–14.9
EBT	EUR in millions	61.8	77.4	**56.7**	–26.7
Net income	EUR in millions	29.1	49.9	**27.9**	–44.1
Cash flows from operating activities	EUR in millions	61.3	82.1	**80.7**	–1.7
Total assets	EUR in millions	900.4	931.3	**950.6**	+2.1
Equity	EUR in millions	204.6	234.1	**247.4**	+5.7
Net debt	EUR in millions	426.9	440.4	**438.5**	–0.4
Equity ratio	%	22.7	25.1	**26.0**	+3.6
Employees		5,174	5,777	**5,862**	+1.5

** Prior-year figures adjusted to comply with IFRS.*

Holding Company		2006	2007	**2008**	+/– %
Net profit	EUR in millions	– 29.3	52.7	**30.1**	–42.9
Total assets	EUR in millions	900.3	934.7	**953.7**	+2.0
Fixed assets	EUR in millions	724.4	762.2	**772.9**	+1.4
Capital stock	EUR in millions	46.8	46.8	**47.8**	+2.1
Equity	EUR in millions	457.2	488.4	**506.7**	+3.7
Equity ratio	%	50.8	52.2	**53.1**	+1.7

INDUS Share Key Figures

		2006	2007 *	**2008**	+/– %
Earnings per share (Group)	EUR	1.73	2.74	**1.63**	–40.5
Cash flow per share (Group)	EUR	3.41	4.52	**4.39**	–2.9
Dividend per share	EUR	1.20	1.20	**0.80**	–33.3
Dividend payout	EUR in millions	21.60	21.60	**21.79**	+0.9
12-month high	EUR	33.98	31.85	**25.18**	–21.1
12-month low	EUR	24.71	22.00	**10.10**	–54.1
Price at year-end	EUR	29.60	24.25	**13.37**	–44.9
Average daily turnover	No. of shares	42,353	52,413	**57,415**	+9.5
Market capitalization on Dec. 31	EUR in millions	532.80	436.50	**245.61**	–43.7

** Prior-year figures adjusted to comply with IFRS.*

INDUS Share Data

ISIN	DE0006200108
Stock exchange abbreviation	INH
Share class	Non-par value registered shares
Capital stock	EUR 47.76 million
Number of shares	18,370,033
Market segment	Prime Standard
Indices	SDAX, CDAX

Financial Calendar

Balance Sheet Press Conference, Düsseldorf	April 27, 2009
Analyst Conference, Frankfurt am Main	April 28, 2009
Interim report on the first quarter	May 27, 2009
Annual Shareholders' Meeting, Cologne	July 1, 2009
Interim report on the first half	August 27, 2009
Interim report on the first three quarters	November 27, 2009

Ladies and Gentlemen,

Helmut Ruwisch
Chairman

Fiscal 2008 was not a challenging year for INDUS Holding AG alone. The abrupt and rapid weakening of the economic trend starting late in the summer of 2008 in the world's major industrialized nations created a setting requiring swift action which is certain to be a main determinant of developments in 2009 and 2010 as well. In this context, the prerequisite for entrepreneurial success alongside the initiation of measures with short-term effects, which are undoubtedly in place, is that one not lose sight of long-term strategic goals. In fact, the task at hand is to seize the opportunities arising on the individual markets with resolve. We succeeded in doing this again in 2008.

Sales recorded another marginal increase last year, advancing 1.5% to EUR 928.4 million despite the economy's collapse in the second half of the year. Achieving an EBIT margin of 9.4%, in 2008, we nearly matched the earnings forecast published in the third quarter. Proof of INDUS Holding AG's persistently stable earnings power can be seen in the EUR 80.7 million in cash flows from operating activities, which were on par with 2007. Our existing portfolio companies and our new acquisition, the KÖSTER Group, contributed to this performance, which in our view is still satisfactory. This demonstrates that we resolutely continued to pursue our long-proven strategy of improving through both organic and external growth.

Our investment approach focuses primarily on medium-sized manufacturing enterprises occupying strong positions in attractive niche markets. Our portfolio presently consists of a total of 41 portfolio companies in the four following core segments: Construction Industry, Engineering, Automotive Industry and Consumer Goods. Whereas these segments will continue to make up our core business, we believe other sectors such as medical and environmental technology as well as measuring, control and energy technology offer attractive opportunities in the current market environment.

Last year, we fortified our Other Investments segment by acquiring a 100% stake in the KÖSTER Group. The company is one of the leading system suppliers of stud welding fasteners and stud welding machines. Headquartered in Ennepetal, in 2008, the company generated EUR 23.8 million in sales with about 100 employees, while exports accounted for 23.5%.

Our widely diversified portfolio benefits from the fact that our dependence on development in individual branches of industry is relatively low and that the effects general economic trends have on us are buffered due to our portfolio companies' high degree of specialization. We manage our portfolio of equity holdings based on the buy-and-hold approach, which clearly sets us apart from our competitors and above all from private equity firms, which have short-term horizons. We steadily expand our market position. Last year, we made substantial investments in our existing portfolio companies once again. We significantly improved efficiency by investing in streamlining measures and constantly establishing and expanding foreign production plants.

In addition, we constantly optimize our portfolio in terms of critical mass and medium-term development potential. We see to it that the balanced opportunity-risk profile is not jeopardized by unusual developments displayed by individual portfolio companies. At the same time, portfolios can only be managed efficiently if the companies they encompass have a certain size. Optimization measures we took in 2008 related to our investments ALUCOLOR und NEUTRASOFT. In August 2008, we merged ALUCOLOR and HAUFF-TECHNIK due to the increasing overlaps of their product ranges. Furthermore, after NEUTRASOFT's successful realignment, we sold the company to the Wilken Group in December 2008. In NEUTRASOFT, we shed a software provider the activities of which no longer figured among the core fields of our overall portfolio.

Fiscal 2009 will see us continue refining our strategy consistently. We will further develop our portfolio companies and purposefully expand the existing portfolio. Our comfortable liquidity position in excess of EUR 87 million and the financing commitments made by our principal banks will serve as a basis to this end. This will enable us to take action on the acquisition market whenever we wish to. Making an accurate forecast for the year underway is impossible given the persistent economic and financial crises. However, developments since the fourth quarter of 2008 have shown that our portfolio companies are affected by the trend to varying degrees. In our opinion, it remains to be seen whether the economic revitalization hoped for the second half of 2009 occurs and how comprehensive it will be. At present, we do not expect being able to match the level of sales and earnings we achieved last year.

In light of the substantial uncertainty surrounding the economy's continued development, the proposal for the appropriation of distributable profit we made jointly with the Supervisory Board envisages reducing the dividend by EUR 0.40 to EUR 0.80 per share. This represents a dividend yield of approximately 8.0%.

I would like to take this opportunity to express my gratitude to our company's founder Dr. Winfried Kill, who resigned his post as Chairman of the Supervisory Board for health-related reasons effective October 31, 2008. We thank Dr. Kill for his tireless commitment to the INDUS Group and wish him the best of health. My appreciation also goes out to our managing directors at the individual portfolio companies as well as to all our employees. Their dedicated work is the basis for our company's success. And I would like to thank you, dear shareholders, for placing your trust in INDUS Holding AG.

Sincerely,

Helmut Ruwisch
Chairman of the Board of Management

The Board of Management of
INDUS Holding AG
from left to right:
Helmut Ruwisch,
Jürgen Abromeit,
Dr. Wolfgang Höper,
Dr. Johannes Schmidt

Board of Management

Helmut Ruwisch
Chairman
– Banks
– Human Resources
– Public Relations

Jürgen Abromeit
since April 1, 2008
– Reporting
– Controlling
– IT/Services

Dr. Wolfgang E. Höper
– Finance
– Accounts
– Taxes/Law

Dr.-Ing. Johannes Schmidt
– Capital Expenditure
– Technology
– Research/Development

Michael Eberhart
Until March 31, 2008

Ladies and Gentlemen,

Günter Kill
Chairman

In the 2008 financial year, the performance delivered by INDUS Holding AG was satisfactory although the economic environment became increasingly difficult. The basis for this success was the well balanced portfolio, which builds on manufacturing companies from various industries and was further expanded via the acquisition of the KÖSTER Group. As we work in tandem with the Board of Management, we will continue to ensure a healthy ratio of internal to external growth as we go forward.

Cooperation between the Supervisory Board and the Board of Management

A total of four Supervisory Board meetings took place in fiscal 2008. All of the Supervisory Board members attended all of the sessions.

The Supervisory Board diligently fulfilled the tasks required of it by law and the company's articles of association and dealt in depth with the company's economic and financial development as well as with its strategic orientation. In the year under review, the Supervisory Board regularly monitored the Board of Management's work and provided it with advice on all major issues. These primarily included consultative sessions on further acquisitions, the portfolio's optimization and strategic updates to the business concept.

The Supervisory Board discussed all major decisions with the Board of Management. The Board of Management comprehensively informed the Supervisory Board of the company's business trend, earnings and financial position as well as budgets and continued development. Reports were also submitted on the management of risks and opportunities as well as on the implementation of corporate governance principles within the company. Thorough advisory sessions were held above all to address measures requiring Supervisory Board approval. The Supervisory Board adopted all of the Board of Management's draft resolutions concerning these measures. The Board of Management regularly informed the Chairman of the Supervisory Board of major transactions between meetings as well, ensuring that the Supervisory Board was always abreast of business policies, compliance with the corporate budget—including the financial, investment and personnel budgets—the company's profitability, and the development of its operations.

The Personnel Committee convened twice in the fiscal year. Besides permanently monitoring the compensation system for the Board of Management, it addressed various affairs pertaining to the Board of Management as well as further issues concerning the remuneration of the Board of Management.

Corporate Governance

The Supervisory Board regularly concerns itself with compliance with, and the refinement of, corporate governance within the company. In the year being reviewed, the Supervisory Board and the Board of Management discussed the amendments to the version of the German Corporate Governance Code that entered into force on June 6, 2008, and adopted a joint statement of compliance in accordance with Sec. 161 of the German Stock Corporation Act (AktG) at the meeting on December 11, 2008. The statement of compliance was published on the company's website thereafter, making it permanently available to the public. Furthermore, it is part of the Corporate Governance Report in this annual report (see page 65).

Item 5.5.2 of the German Corporate Governance Code obliges Supervisory Board members to disclose potential conflicts of interest vis-à-vis the Supervisory Board and forbids them from addressing issues involving a conflict of interest. There were no conflicts of interest in the year under review.

Financial Statements of the Holding Company and the Group

Treuhand- und Revisions-Aktiengesellschaft Niederrhein, based in Krefeld, Germany, audited the financial statements and the review of operations of INDUS Holding AG (German Commercial Code—HGB) as well as the consolidated financial statements and the Group management report (IFRS) for fiscal 2008 and issued an unqualified auditor's opinion thereon. Moreover, the auditor of the financial statements confirmed that the risk management system complied with statutory regulations and that there were no identifiable risks that might jeopardize the company's subsistence. In the 2008 financial year, the focal points of the audit besides the assessment of the status quo and the risk management system were above all derivative transactions and risks arising from the interest and principal repayment structure of outstanding loans. The interim financial reports were not subjected to an audit-like review.

The financial statements and the review of operations, the consolidated financial statements and the Group management report as well as the audit reports were submitted to all of the members of the Supervisory Board in good time. They were reviewed thoroughly and discussed in detail at the Supervisory Board meeting for the adoption of the balance sheet on April 24, 2009. The auditor of the financial statements was present during these debates, reported on all of the audit's material results and was available to answer questions. We reviewed and discussed all the submissions and audit reports in depth. Following the final result of our own audit and the documents submitted to us, we do not raise any objections and concur with the result of the auditor of the financial statements. We endorse the financial statements prepared by the Board of Management for the holding company and the Group. The financial statements of INDUS Holding AG are thus adopted. We agree with the Board of Management's proposed appropriation of distributable profit.

Composition of the Supervisory Board and Board of Management

Dr. Winfried Kill, the years-long Chairman of the Supervisory Board and company founder, retired from the Supervisory Board effective October 31, 2008, for health-related reasons. We thank Dr. Kill for his tireless commitment to INDUS Holding AG, the development of which he assisted as Chairman of the Supervisory Board as well. On suggestion from the Supervisory Board and the Board of Management, the district court appointed Mr. Burkhard Rosenfeld to fill the seat vacated on the Supervisory Board as of November 7, 2008. His appointment shall remain in force until the next Ordinary Shareholders' Meeting. Dr. Jürgen Allerkamp was elected my successor as Deputy Chairman and I was elected Chairman of the Supervisory Board in the Supervisory Board meeting held on December 11, 2008.

There was a change on the company's Board of Management. Effective April 1, 2008, the Supervisory Board appointed Mr. Jürgen Abromeit to the Board of Management where he was put in charge of Reporting, Controlling and IT/Services. On behalf of the Supervisory Board, I wish to thank Mr. Michael Eberhart, who left the company as of March 31, 2008, for personal reasons at his own request, for his years-long commitment to our company.

The Supervisory Board expresses its gratitude to the Board of Management, the portfolio companies' managing directors, and all the employees of the INDUS Group for their dedication and successful work in fiscal 2008.

Bergisch Gladbach, April 2009

Günter Kill
Chairman

Supervisory Board

Dipl.-Kfm. Günter Kill
Chairman
Cologne
(Chairman since December 11, 2008)

Dr. Jürgen Allerkamp
Deputy Chairman
Hanover
(Deputy Chairman since December 11, 2008)

Dr. Ralf Bartsch
Porta Westfalica

Dr. Uwe Jens Petersen
Hamburg

Dr. Egon Schlütter
Cologne

Burkhard Rosenfeld
Bergisch Gladbach
Since November 7, 2008

Dr. Winfried Kill
Chairman
Bergisch Gladbach
Until October 31, 2008

Business and Economic Environment

Group Structure

INDUS ranks among the leading specialists for investments in medium-sized enterprises in Europe's German-speaking regions. The INDUS Group consists of INDUS Holding AG acting as the Group's holding company and the individual portfolio companies, which are autonomous operating units. The Group's economic development is largely determined by the subsidiaries owned directly or indirectly in Germany and abroad. As of December 31, 2008, the portfolio of equity holdings encompassed 41 operating units (previous year: 42). All of the major and second-tier subsidiaries were included in the consolidated financial statements. They broke down into 122 fully consolidated subsidiaries (prior year: 117) and three companies accounted for at equity (previous year: three).

Segments

INDUS Holding AG's investment portfolio is divided into four core segments: Construction Industry, Engineering, Automotive Industry and Consumer Goods, supplemented by Other Investments. Each portfolio company is assigned to one of these segments, depending only on the sector to which it predominantly supplies its products. The Other Investments division includes companies that cannot be assigned to any of the four core segments due to their sales structures. In the medium term, this business area may form the basis for a fifth or sixth core segment as a result of further planned acquisitions. Medical and environmental technology as well as measuring, control and energy technology are fields which are especially attractive to the Board of Management.

Segments	Number of companies as of December 31, 2008	Share of consolidated sales in 2008 in %	Share of consolidated EBIT in 2008 in %
Construction Industry	10	23.3	27.7
Engineering	8	16.5	17.8
Automotive Industry	12	29.5	19.2
Consumer Goods	4	10.6	16.2
Other Investments	7	20.1	19.1

Organizational Structure

Tasks are clearly distributed between the individual portfolio companies and the holding company, based on a decentralized approach. Responsibility for the development of business operations is borne by the managing directors of the portfolio companies. This primarily encompasses the key areas, namely production and sales, marketing and administration as well as research and development. The holding company focuses on classical corporate functions, i.e. finance, controlling, accounting, taxes and legal affairs. Besides having access to the know-how of the members of the Board of Management and controlling specialists, the portfolio companies benefit especially from centralized finance management. Since INDUS Holding AG has been receiving investment-grade credit ratings from its underwriting banks for years, we can give our portfolio companies access to financing options and conditions that are out of reach for independent medium-sized enterprises.

Management and Control

INDUS Holding AG's management system is based on regular strategic discussions conducted amongst the members of the Board of Management as well as with the portfolio companies' managing directors. Furthermore, the Board of Management and the individual managing directors hold detailed budget and planning talks over the course of the year. During these discussions, detailed short and medium-term planning scenarios including individual profitability targets are established for each of the portfolio companies on the basis of refined strategies. An efficient controlling system monitors compliance with these scenarios and goals, enabling the early detection of deviations from plans and the initiation of suitable corrective measures. The key performance indicators used for this purpose are primarily the EBIT margin, the return on sales, equity and total capital as well as the net cash flow.

Strategy

INDUS invests in medium-sized manufacturing companies. This is the core element of INDUS Holding AG's corporate strategy, which has a long positive track record. It builds on acquisitions of majority stakes in medium-sized enterprises and the continued development of each investment within the overall portfolio. All of the portfolio companies are industrial manufacturing firms that largely sell their products and services on interesting niche markets with a limited number of competitors. They generally rank among the leading companies within their respective markets.

Acquisition activities solely target companies commanding strong positions within an attractive niche market and have already proven that they are established manufacturers with a robust business model and high-growth products. We do not invest in startups or restructuring candidates.

A detailed analysis based on both quantitative and qualitative criteria is performed before a decision is made to invest in a new company. Potential acquisition targets are subject to pre-defined size ceilings so as to avoid concentration risks and to size floors for reasons of efficiency. Companies generating annual sales of between EUR 15 million and 100 million along with earnings before interest and taxes (EBIT) of between EUR 2 million and 8 million are a perfect fit for the INDUS portfolio. This limits the degree of interdependency within the investment portfolio, ensuring that the balanced risk-reward profile is not jeopardized. Another major issue when analyzing companies is the targets' financing structure. They should have an equity ratio of more than 30%. In addition, acquisition candidates should generate positive cash flows and have a low volume of accounts payable to banks.

Two of the main elements scrutinized by INDUS besides subjecting acquisition targets to qualitative analyses are the business model and the relevant sector's situation. What is decisive above all is the business model's long-term stability. Both the company and the sector in which it operates within an attractive niche market must have sufficient long-term growth potential. It takes a successful and innovative product range to realize this potential. A diversified customer mix reduces dependency on individual customers and helps stabilize both the company and the overall portfolio. The objective pursued by INDUS with all acquisitions is to acquire a 100% stake in the long run.

INDUS Holding AG's corporate strategy is designed for the long term. Our investment approach thus differs significantly from that of other investment firms and, above all, short-term-oriented private equity companies. INDUS acquires companies with a view to keeping and developing them further for long periods of time. Our corporate strategy does not include exit strategies, which are only considered in exceptional cases. These could be occasioned by incisive changes within a niche market with the potential to change the company's long-term development prospects substantially.

Major Sales Markets and Competitive Positions

INDUS Group companies are active in a variety of sales markets. They are assigned to segments depending on their sales market. Further information on the development of the individual branches of industry can be gleaned from the segment report. The German market continues to play a key role for the portfolio companies from a regional perspective. However, activities undertaken in the last few years have helped increase the operations' international footprint, which explains the foreign share of 40.8% in the year under review.

Disclosure in Compliance with Sec. 289, Para. 4 and Sec. 315, Para. 4 of the German Commercial Code

Capital stock, voting rights and transfer of shares:
As of December 31, 2008, INDUS Holding AG's capital stock amounted to EUR 47,762,086 and was divided into 18,370,033 non-par value common shares in the name of the bearer. Each share bears one vote. The Board of Management has no knowledge of limitations pertaining to voting rights or the transfer of shares.

Shareholdings in excess of 10%:
INDUS Holding AG did not receive any notices stating that a direct or indirect stake held by a third party exceeded 10% of the company's voting rights.

Privileges and monitoring of voting rights:
The company does not have any shares bearing privileges that would confer monitoring rights. The Board of Management does not have any knowledge that voting rights may be monitored to verify whether employees have shares in INDUS Holding AG's capital without exercising the monitoring rights directly.

Appointment and removal of members of the Board of Management:
Members of the Board of Management are appointed and removed in accordance with statutory regulations as set forth in Secs. 84 & 85 of the German Stock Corporation Act. The articles of association do not contain any special rules in this regard. The Supervisory Board appoints members of the Board of Management for a maximum of five years, and appointments may be repeated by the Supervisory Board. In accordance with Item 5.1 of the Articles of Association, the Board of Management consists of one or several individuals. Pursuant to Item 5.2 of the Articles of Association, the Supervisory Board may appoint a member of the Board of Management Chairman of the Board of Management and another member Deputy Chairman of the Board of Management.

Amendments to the articles of association:
Changes to the articles of association are made in accordance with Sec. 179 of the German Stock Corporation Act per resolutions passed by the Annual Shareholders' Meeting. On principle, amendments to the articles of association require approval from at least three quarters of the capital stock represented during the decision-making process. Pursuant to Item 7.12 of the Articles of Association, the Supervisory Board is empowered to adopt amendments to the Articles of Association that merely update it to reflect the latest events and, pursuant to Item 4.5, to adopt amendments that only affect the wording in order to bring the Articles in line with the extent to which authorized capital has been used.

Powers of the Board of Management relating to share issuances and buybacks:
According to Item 4.3 of the Articles of Association, subject to the approval of the Supervisory Board, the Board of Management is authorized to increase the company's capital stock by up to EUR 18,720,000 through the one-time or multiple issuance of new bearer shares in exchange for contributions in cash (authorized capital I) by June 30, 2009. Shareholders are to be awarded subscription rights in the event of a capital increase. However, subject to Supervisory Board approval, the Board of Management is empowered to exempt fractional amounts from the shareholder subscription rights.

According to Item 4.4 of the Articles of Association, subject to the approval of the Supervisory Board, the Board of Management is authorized to increase the company's capital stock by up to EUR 3,717,914 through the one-time or multiple issuance of new bearer shares in exchange for contributions in cash and/or in kind (authorized capital II) by June 30, 2009. Subject to the approval of the Supervisory Board, the Board of Management is entitled to decide on the exclusion of shareholder subscription rights and to determine other details of the capital increase. The authorization to exclude shareholder subscription rights shall only be valid with the proviso that, pursuant to the limitation to 10% of the capital stock stipulated by Sec. 186, Para. 3, Sentence 4 of the German Stock Corporation Act, the shares taken into account are those which are sold in the period from July 5, 2004, until said authorization is exercised based on an authorization by the company to sell treasury stock under exclusion of shareholder subscription rights.

Furthermore, the Annual Shareholders' Meeting on July 1, 2008, authorized the company in accordance with Sec. 71, Para. 1, Item 8 of the German Stock Corporation Act to buy back a maximum of 1,837,000 shares, corresponding to approximately 10% of the current number of individual share certificates and thus to about 10% of the company's current capital stock, until December 31, 2009. The authorization can be exercised in full or in part as well as either once or several times. However, no more than 10% of the company's capital stock may be bought back, including shares already purchased and owned by the company. The purchase shall be made on the stock market. The price of each share purchased may not exceed or fall short of 5% of the INDUS share's average closing quotation (excluding ancillary purchase costs) on the Frankfurt Securities Exchange on the five trading days prior to the buyback. The Board of Management is authorized to sell shares bought back on the stock exchange or—subject to Supervisory Board approval—by other means under exclusion of shareholder subscription rights. If the shares bought back are sold on the stock exchange, the sales price per share may not exceed or fall short of 5% of the INDUS share's average closing quotation (excluding ancillary sales costs) on the Frankfurt Securities Exchange on the five trading days prior to the sales transaction. If the shares bought back are sold over the counter, the sales price may not fall short of the INDUS share's average closing quotation on the Frankfurt Securities Exchange on the five trading days prior to the sales offer by more than 5% (excluding ancillary purchase costs). The sales price may not fall short of the shares' imputed par value. But the authorization to exclude shareholder subscription rights shall only apply as long as the shares sold under exclusion of shareholder subscription rights after raising authorized capital II are applied to the limit of 10% of the company's capital stock set by Sec. 186, Para. 3, Sentence 4 of the German Stock Corporation Act. Furthermore, subject to the approval of the Supervisory Board, the Board of Management is authorized to retire shares bought back without the retirement or the transaction requiring a new resolution from the Annual Shareholders' Meeting.

Material agreements in the event of a change of control:
In the event of a change of control, the members of the Board of Management of INDUS Holding AG have a special right to terminate their employment contracts and the right to a severance payment covering their full compensation through the end of the employment contract.

Remuneration of the Board of Management and the Supervisory Board

The Board of Management's compensation is composed of a fixed and a variable component, in line with the individual's tasks and performance as well as the company's commercial success. Supervisory Board members receive fixed and variable remuneration in line with the dividend. Details of board remuneration are described in the compensation report included in the corporate governance report and the notes.

General Economic Environment

The sustained period of economic growth witnessed in recent years slowed considerably in 2008 before coming to a complete halt in the fourth quarter. After a good start to the year with growth rates which were still strong, the problems faced by financial and capital markets had a delayed negative impact on the global economic trend. Financing conditions worsened significantly in the second half of the year. The significant rise in raw material prices and the high price of oil had a dampening effect, and saturation effects were felt from both the USA and China. Corporate earnings forecasts deteriorated increasingly in third and fourth quarters of 2008. Some industrial nations suffered a substantial decrease in gross domestic product (GDP). However, emerging countries displaying strong growth in the past were also affected by the waning demand and saw their growth rates drop. Unlike in earlier periods of recession, the persistent downturn is affecting not only individual economic regions, but the world economy as a whole. The macroeconomic trend experienced an abrupt and dramatic turnaround in the second six months of 2008. In the year under review, the world economy grew by a mere 2.4% in terms of gross domestic product, with emerging countries posting a gain of 6.4% and industrialized nations recording a rate of increase of 1.2%.

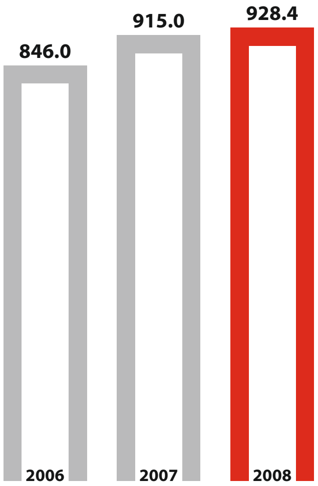
Gross domestic product in the Eurozone displayed slightly weaker development than the global economy in the year being reviewed, expanding by just 1.0%. In the fall of 2008, this region's economic situation clouded considerably as well. Investments collapsed, exports advanced at a much slower pace than imports, and consumption stagnated at a low level. Waning rates of inflation enabled the European Central Bank to implement several interest-rate cuts in order to re-stabilize the economic trend. At the same time, various European governments introduced extensive packages of measures aiming to counter the dramatic downturn. However, measures already implemented in 2008 have had a very limited impact so far. Italy and Ireland have already suffered a decline in gross domestic product, whereas Slovenia, Cyprus, Greece, Luxembourg, Malta, Finland, and the Netherlands still succeeded in recording gains.

Germany's economic development has been on a steep downward trend since the middle of the year. Gross domestic product rose significantly in the first quarter of 2008, jumping 1.5% quarter on quarter (net of price, seasonal and calendar effects), in part benefiting from the more favorable weather. The massive deterioration in the economic environment had an increasing effect in the following quarters. Driven by the marked intensification of the financial crisis, gross domestic product shrank by 0.5% quarter on quarter in both the second and third quarters. The downward trend accelerated substantially in the fourth quarter, recording a drop of 2.1% compared with the third quarter, which was already weak. In sum, the German economy benefited from the good start, allowing gross domestic product to climb again, advancing by 1.3%. This growth is primarily due to the 4.4% rise in gross domestic investment and the 2.0% increase in public spending. Exports were up 2.7%, outpaced by imports, which advanced by 4.0%. Consumer spending declined by 0.1%, while the savings rate continued to rise, achieving a record level of nearly 11.0%. Households thus mirrored the mounting uncertainty. Never before has the world economy declined at this alarming speed and vehemence in recent decades. Given its strong dependence on exports, Germany is especially hard hit by this development.

Earnings Situation

Sales

Group sales
EUR in millions



Sales generated by the INDUS Group in the 2008 financial year grew by 1.5% to EUR 928.4 million (previous year: EUR 915.0 million). EUR 8.0 million of the sales, which were up EUR 13.4 million, were achieved by existing portfolio companies, with the KÖSTER Group contributing EUR 5.4 million, which was consolidated as of October 1, 2008. Domestic sales declined 0.3% to EUR 549.6 million, while foreign sales jumped 4.1% to EUR 378.8 million. Therefore, the foreign share of sales increased by 1.1 percentage points to 40.8% (prior year: 39.7%). The sale of NEUTRASOFT in December 2008 also caused prior-year figures to be adjusted.

Income and Expenses

Other operating income recorded a marginal fall, declining to EUR 14.2 million (previous year: EUR 14.5 million). The cost of materials advanced by EUR 10.7 million to EUR 443.7 million (prior year: EUR 433.0 million). This is due to the rise in sales and the fact that raw material and energy prices remained high until late in the second half of the year. Thanks to the optimization measures taken, the individual portfolio companies succeeded in cushioning the negative effects and increasing the efficiency of materials used in production processes. As a result, the ratio of the cost of materials to total sales rose by a mere 0.5 percentage points to 47.8% (previous year: 47.3%).

The high collectively bargained wage increases and the workforce expansion caused personnel costs to rise by 3.6% to EUR 245.4 million (prior year: EUR 236.9 million). EUR 206.2 million thereof were attributable to wages and salaries (previous year: EUR 198.3 million), EUR 37.2 million to social security contributions (previous year: EUR 36.6 million) and EUR 2.0 million to pension expenses (prior year: EUR 2.0 million). The ratio of staff costs to total sales rose by 0.5 percentage points to 26.4% (previous year: 25.9%).

Depreciation and amortization were up to EUR 47.0 million (prior year: EUR 40.7 million). Impairment losses resulting from mandatory impairment tests primarily related to the Automotive Industry and Engineering segments and amounted to EUR 6.8 million (previous year: EUR 0.0 million).

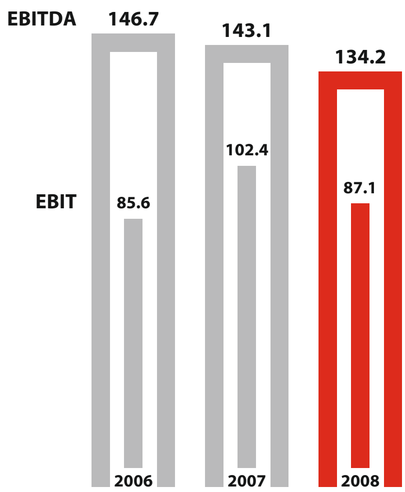
At EUR 132.9 million, other operating expenses were higher than the year-earlier level (prior year: EUR 122.9 million).

Key Earnings Figures in %	2006	2007	**2008**	+/– %
EBIT margin	10.1	11.2	**9.4**	–15.2
Return on sales	7.3	8.3	**6.1**	–26.5
Return on equity	30.2	32.8	**22.9**	–30.2
Return on total capital employed	6.9	8.3	**6.0**	–27.7

Earnings

The operating result (EBIT) of EUR 87.1 million includes two one-off effects amounting to a combined EUR 17.0 million. Net of impairment losses and non-recurrent other operating expenses incurred by our SELZER investment in connection with the establishment of a US factory (see the segment report on the Automotive Industry), adjusted EBIT was on par year on year.

EBITDA / EBIT
EUR in millions



At EUR 134.2 million, earnings before interest, taxes, depreciation and amortization (EBITDA) in the year under review were down 6.2% (previous year: EUR 143.1 million). The higher level of depreciation and amortization led to EUR 87.1 million in earnings before interest and taxes (EBIT) (prior year: EUR 102.4 million), which was 14.9% less than a year earlier. Accordingly, the EBIT margin decreased by 1.8 percentage points to 9.4% (previous year: 11.2%).

Net interest rose to EUR –30.5 million (prior year: EUR –25.0 million). However, EUR 3.6 million of this sum are attributable to non-cash changes from the fair valuation of interest-rate hedging instruments. Earnings before taxes (EBT) experienced a corresponding decline to EUR 56.7 million (previous year: EUR 77.4 million). At EUR 26.2 million, taxes were essentially flat overall, despite higher deferred taxes (prior year: EUR 26.7 million), resulting in a tax rate of 46.2% (previous year: 34.5%). The effective tax payment decreased to EUR 24.3 million (prior year: EUR 28.3 million). Consolidated net income recorded a corresponding drop to EUR 28.6 million (previous year: EUR 50.9 million). Thereof the shareholders of INDUS AG are due EUR 27.9 million (prior year: EUR 49.9 million), while the minority interest has the right to EUR 0.4 million (previous year: EUR 1.0 million). Earnings per share totaled EUR 1.63 and were thus down year on year (prior year: EUR 2.74).

Application of Profits

The parent company's distributable profit is the basis for the dividend payment. INDUS Holding AG had a distributable profit of EUR 30.7 million in fiscal 2008, which was 42.5% lower than a year earlier (previous year: EUR 53.4 million). More detailed information on the parent company's business trend can be found in the subsequent review of operations.

In light of the severe economic crisis and substantial uncertainty surrounding the economy's continued development, the joint proposal for the appropriation of distributable profit made by the Board of Management and the Supervisory Board envisages reducing the dividend by EUR 0.40 to EUR 0.80 per share. This represents a dividend yield of approximately 8.0% on the quotation at year-end. Profits retained will strengthen INDUS' financial basis while providing a foundation for attractive acquisitions.

Financial Position

Finance Management System

The finance management system in place within the INDUS Group is controlled centrally by the holding company. It predominantly encompasses liquidity control and the management of interest and currency risks. The objective of this centralized approach is to make optimal use of cash flows from operating activities, which have a tradition of being high, and to put the company in a position to invest flexibly at all times on the strength of a comfortable level of liquidity in combination with firm financing commitments entered into by banks. When financing transactions, INDUS ensures that borrowings are spread among several lenders and that they have declining repayment structures. When managing market price risks, the Group uses interest-rate and currency derivatives, all of which serve to hedge risks.

Cash Flow Statement

At EUR 107.3 million, cash flows from operating activities (cash inflow) were almost flat (previous year: EUR 108.0 million). Based on EUR 28.3 in net income, the main contributors were the depreciation of non-current assets, net interest, as well as other non-cash transactions and changes to provisions totaling EUR +19.2 million.

Cash flows from investing activities (cash outflow) declined by EUR 17.9 million to EUR 55.5 million (previous year: EUR 73.4 million). This significant decrease is partially due to the change in investments made for shares in fully consolidated companies. In the year under review, capital expenditure in this area amounted to EUR 17.9 million—EUR 8.6 million less than in the preceding year. Furthermore, capital expenditure was down EUR 3.2 million to EUR 44.3 million on property, plant and equipment and down EUR 3.7 million to EUR 5.0 million on intangible assets. For more detailed information on capital expenditure, please turn to the section headed "Capital Expenditure."

Cash flows from financing activities (cash inflow) declined by EUR 8.7 million to EUR –14.9 million (previous year: EUR –23.6 million). INDUS repaid EUR 83.2 million in loans in the year being reviewed. This was EUR 15.6 million more year on year. At the same time, cash flows from new loans rose by EUR 25.4 million to EUR 91.5 million. This served to increase the level of cash and cash equivalents compared with the previous year and to expand the liquidity reserve.

Cash Flows EUR in millions	2006	2007	**2008**	+/– %
Operating cash flow	86.5	108.0	**107.3**	0.6
Cash flows from operating activities	61.3	82.1	**80.7**	–1.7
Cash flows from investing activities	–53.3	–73.4	**–55.5**	+24.4
Cash flows from financing activities	–48.4	–23.6	**–14.9**	+36.9
Cash and cash equivalents at the end of the period	92.7	77.6	**87.8**	+13.1

Capital Expenditure

In the year under review, capital expenditure amounted to EUR 56.3 million (previous year: EUR 77.8 million). Of this sum, EUR 44.9 million were spent on property, plant and equipment, with the outlay for intangible assets accounting for EUR 4.7 million. Capital expenditure on property, plant and equipment primarily related to technical plant and machinery (EUR 21.2 million), other plant, factory and office equipment (EUR 10.1 million) as well as land and buildings (EUR 3.4 million). EUR 6.7 million were invested in fully consolidated companies. This largely pertains to the acquisition of the KÖSTER Group. Depreciation and amortization amounted to EUR 47.0 million, exceeding the year-earlier level of EUR 40.7 million due to losses resulting from impairment tests.

Streamlining measures and expansion projects were the investment magnets.

Other Financial Obligations

INDUS primarily uses rental and leasehold agreements, operating leases for IT equipment and company cars as off-balance-sheet financing vehicles. As of December 31, 2008, lease obligations amounted to EUR 81.8 million (previous year: EUR 83.7 million). In addition, other financial obligations included EUR 16.5 million in possible purchase price payments that would come due in the event that minority shareholders exercised their option rights at the probable exercise date (prior year: EUR 29.8 million). The option rights relate to the stakes held in OBUK Haustürfüllungen GmbH & Co. KG and SELZER Fertigungstechnik GmbH & Co. KG. There were no other off-balance-sheet financing vehicles materially affecting the company’s economic situation.

Net Assets Position

By December 31, 2008, the balance-sheet total had advanced by EUR 19.3 million to EUR 950.6 million (previous year: EUR 931.3 million). The rise primarily stems from the expansion of operations, which is reflected above all in the change in accounts receivable, inventories, and cash and cash equivalents.

Assets

Non-current assets posted a marginal gain, rising by EUR 7.0 million to EUR 568.9 million (prior year: EUR 561.9 million). Goodwill decreased by EUR 4.6 million to EUR 281.0 million. Intangible assets were down EUR 0.8 million to EUR 17.4 million. Property, plant and equipment rose by EUR 11.3 million to EUR 250.7 million. Further details concerning investments made in the year under review can be gleaned from the section entitled “Capital Expenditure.” Financial assets, shares measured at equity, other non-current assets and deferred taxes were essentially unchanged.

Current assets were up EUR 12.3 million to EUR 381.7 million (previous year: EUR 369.4 million). This was chiefly due to the rise in cash and cash equivalents. Accounts receivable and inventories were flat overall, as were other current assets. Current income taxes advanced by EUR 2.0 million to EUR 6.5 million.

Key Balance-Sheet Figures		2006	2007	**2008**	+/– %
Cash and cash equivalents	EUR in millions	92.7	77.6	**87.8**	+13.1
Equity	EUR in millions	204.6	234.1	**247.4**	+5.7
Equity ratio	%	22.7	25.1	**26.0**	+3.6
Net financial debt	EUR in millions	426.9	440.4	**438.5**	–0.4
Gearing	%	208.7	188.1	**177.2**	–5.8
Working capital	EUR in millions	227.6	236.8	**244.4**	+2.8

Equity and Liabilities

Equity rose by EUR 13.3 million to EUR 247.4 million (prior year: EUR 234.1 million). This positive development stems from the good result for the year as well as the capital increase carried out in connection with the rise in the stake held in SELZER. By December 31, 2008, the equity ratio had improved by 0.9 percentage points to 26.0%.

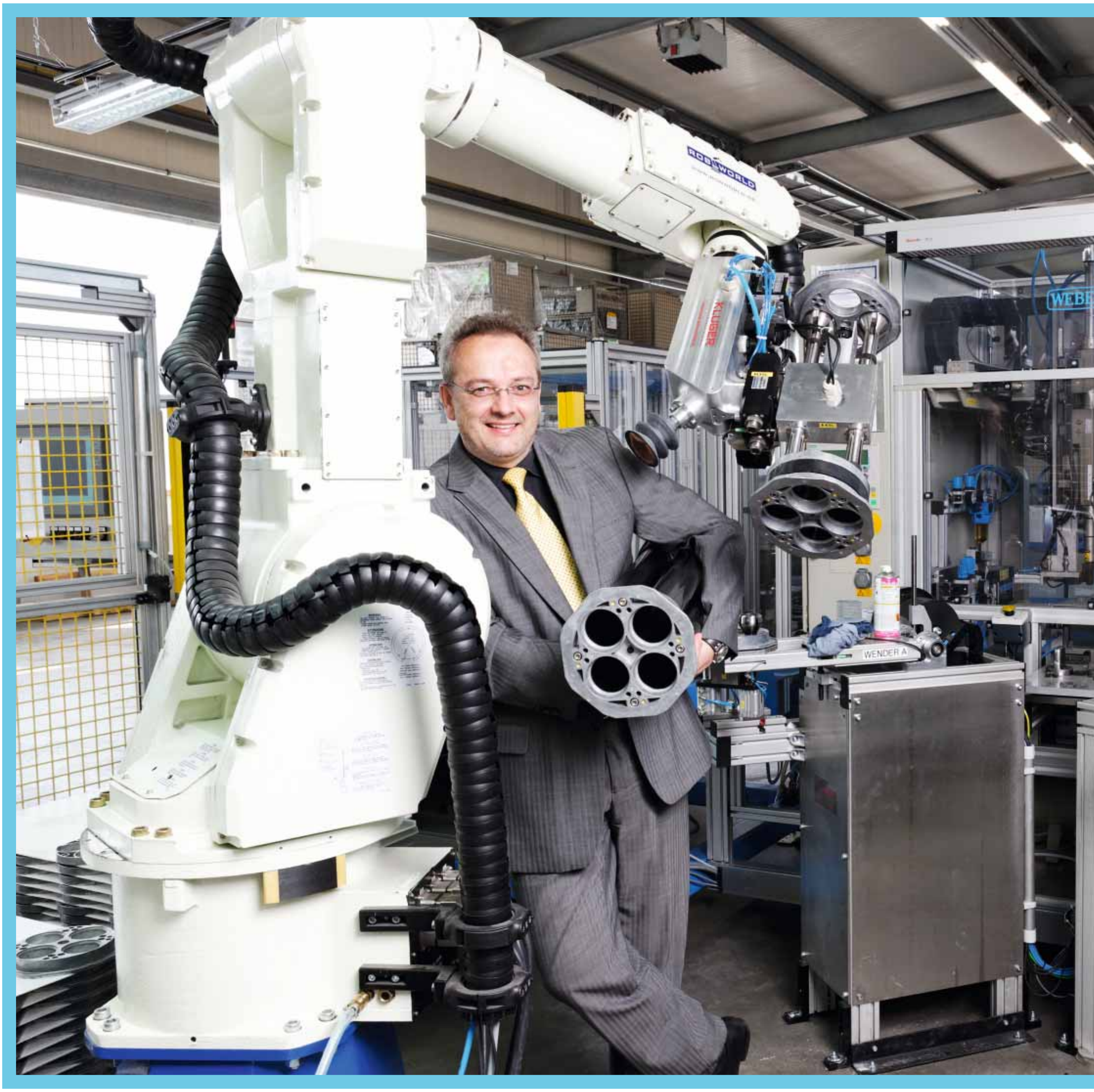
Non-current liabilities decreased by EUR 7.3 million to EUR 424.0 million (previous year: EUR 431.3 million), especially due to the development of non-current financial liabilities, which at EUR 378.4 million were EUR 8.2 million lower than in the preceding year. Other non-current provisions (EUR 2.4 million) were virtually unchanged. Deferred taxes and provisions for pensions increased by EUR 1.3 million to EUR 20.0 million and by EUR 1.1 million to EUR 16.2 million, respectively.

Current liabilities were up by EUR 13.2 million to EUR 279.1 million (previous year: EUR 265.9 million), while current financial liabilities climbed by EUR 16.4 million to EUR 147.8 million. The trend witnessed in the last quarter mirrors the development of trade accounts payable, which were EUR 5.2 million lower. Other current provisions rose by EUR 5.4 million to EUR 34.2 million, while other current liabilities dropped by EUR 6.7 million to EUR 55.2 million, mainly due to the reclassification of the obligations—which had been carried as liabilities in the preceding year—in connection with the transfer to equity made within the scope of the real capital increase (15.0% of the shares in SELZER). Current income taxes advanced by EUR 2.7 million to EUR 13.1 million.

Net Debt and Working Capital

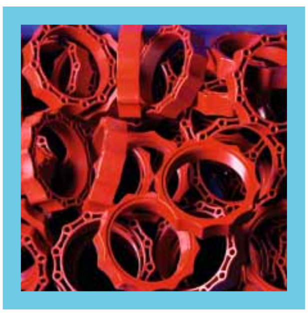
INDUS calculates net debt as the difference between non-current and current financial liabilities and cash and cash equivalents. As of December 31, 2008, net debt totaled EUR 438.5 million, down EUR 1.9 million from the preceding year (prior year: EUR 440.4 million). The ratio of net debt to equity (gearing) improved to 177.2%, owing to the disproportionate rise in equity (previous year: 188.1%).

Working capital is the result of deducting trade accounts payable and prepayments received from inventories and trade accounts receivable. By December 31, 2008, working capital had increased by EUR 6.6 million to EUR 244.4 million (prior year: EUR 237.8 million). This rise is largely due to the expansion of the scope of consolidation and raw material price increases.



Managing Director Dr.-Ing. Michael Seibold





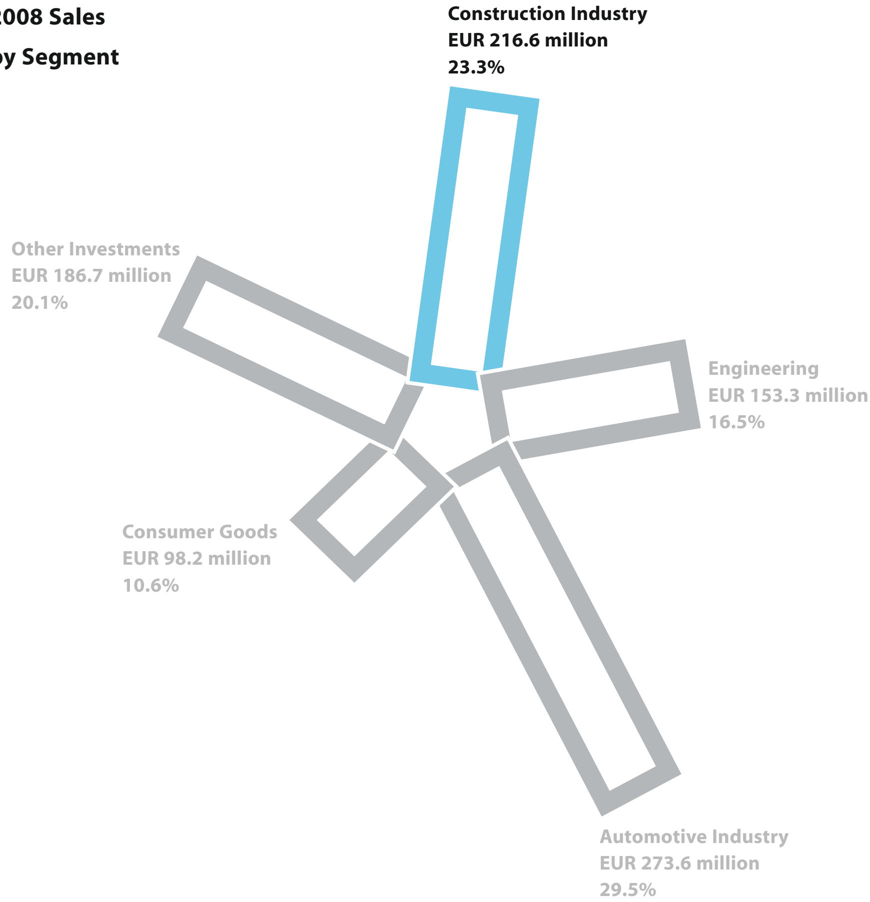

In the financial year that just came to a close, the Construction Industry segment generated 23.3% of the INDUS Group's sales. HAUFF-TECHNIK is presented below as a portfolio company typical of this segment.

HAUFF-TECHNIK GmbH & Co. KG develops and manufactures sealing systems for cable, pipe and wire ducts in its three production plants. Established in 1955, the company has been a member of the INDUS Group since as far back as 1986.

HAUFF-TECHNIK sells some 3,000 articles in five product groups worldwide and ranks among Europe's leading manufacturers in its segment. Innovative wall ducts for cables and pipes creating seals against water and gas while providing protection against fire combined with efficient manufacturing processes enabling HAUFF to cater to special customer needs have turned the company into the clear leader in its market in Germany. Customers served by HAUFF-TECHNIK primarily include power utilities, municipal utilities, construction companies, installation outfits, industrial enterprises, and private principals.

Spearheaded by Dr.-Ing. Michael Seibold as managing director, the company has four German sales centers and is active in 19 countries the world over.

2008 Sales by Segment



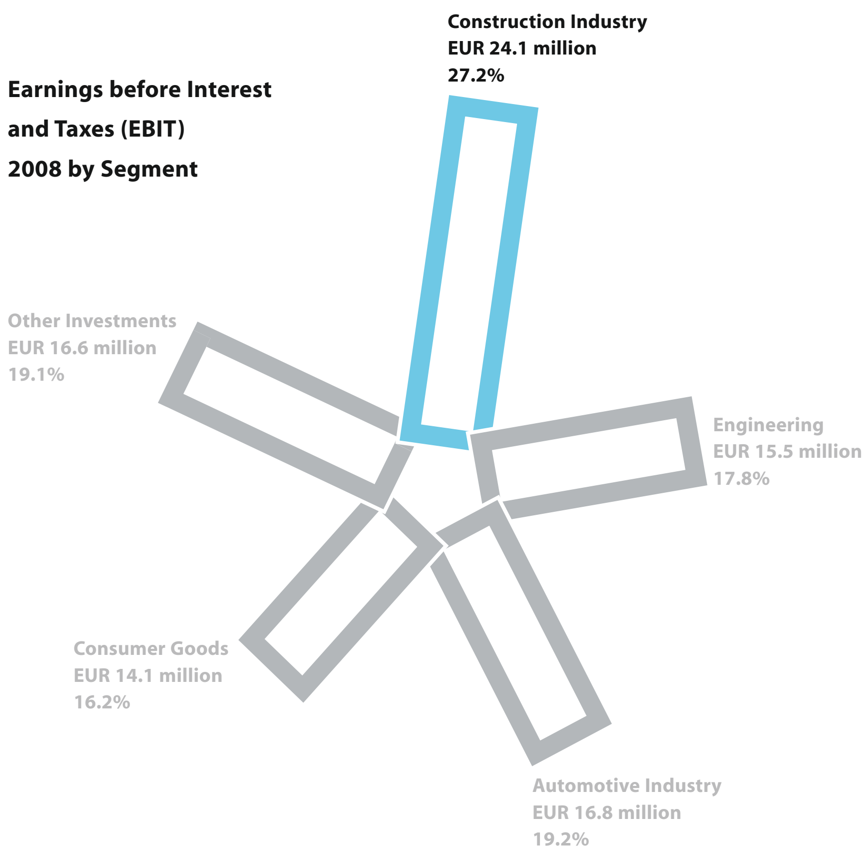
Construction Industry

Companies active in the German construction industry displayed positive developments in the year under review. The German Central Construction industry Association reported a nominal 6.1% rise in sales generated from construction activities in the building and civil engineering trade. Once again, commercial construction provided the main stimulus for the substantial rise. Sales recorded in this sector were 10.7% higher year on year. Residential construction demonstrated a much weaker trend, gaining 2.1%. Public construction stood its ground despite a weak development in the fourth quarter, in which incoming orders fell by 23.1%, managing to post an overall rise of 4.6% thanks to the strong trend in the first three quarters.

As of December 31, 2008, the Construction Industry segment comprised a total of ten operating units, as before.

Sales achieved by the Construction Industry segment in the year under review declined by 4.7% to EUR 216.6 million (prior year: EUR 227.3 million) for invoicing-related reasons. Whereas the portfolio companies benefited above all from the robust development of the commercial and public construction sectors owing to their high degree of specialization, they were especially hard hit by the cyclical downturn in the fourth quarter.

Earnings before Interest and Taxes (EBIT) 2008 by Segment



Earnings before interest and taxes (EBIT) totaled EUR 24.1 million and were thus markedly down year on year (prior year: EUR 31.3 million). Higher expenses incurred for materials could only partially be passed through to customers. The EBIT margin dropped accordingly, slipping by 2.7 percentage points to 11.1% (prior year: 13.8%). But the profitability of our segment companies was still much higher than the sector average.

Capital expenditure amounted to EUR 5.7 million, clearly falling short of the prior year's level. The entire capex volume was earmarked for property, plant and equipment and intangible assets. Spending magnets were the setup of automated manufacturing facilities at the BETOMAX and HAUFF portfolio companies. The average headcount dropped by 93 to 891 employees, in part due to the measure described earlier taken to optimize the portfolio.

Construction Industry Segment		2006	2007	**2008**	+/– %
Sales	EUR in millions	179.6	227.3	**216.6**	–4.7
EBIT	EUR in millions	26.6	31.3	**24.1**	–23.0
EBIT margin	%	14.8	13.8	**11.1**	–19.6
Depreciation	EUR in millions	6.6	5.2	**5.3**	+1.9
Capital expenditure	EUR in millions	14.1	23.0	**5.7**	–75.2
Employees	Ø	737	984	**891**	–9.5

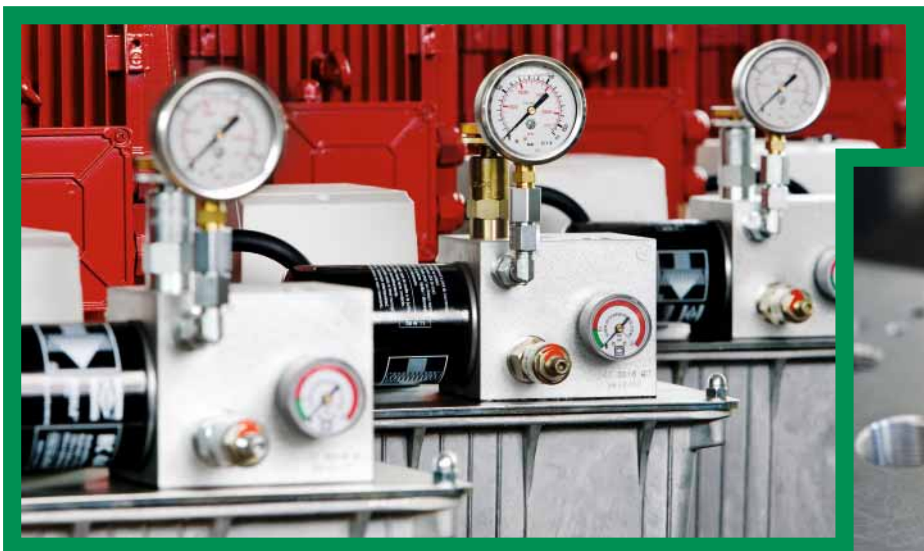
Here, we would like to showcase MEWESTA, a company we have selected to represent the Mechanical Engineering segment and which contributed 16.5% of total sales in 2008.

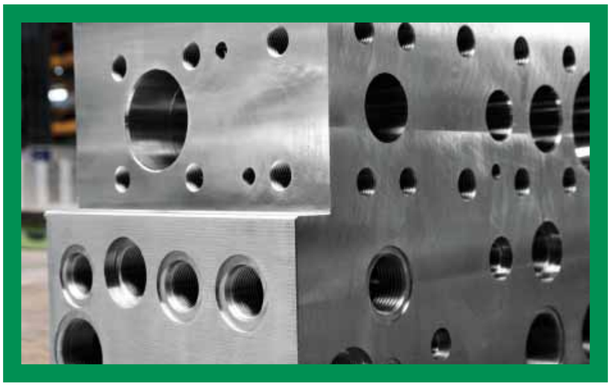
MEWESTA Hydraulik GmbH & Co. KG was founded in 1970 in Münsingen and started as a supplier to renowned hydraulics manufacturers. Over time, the company became a specialist in the construction and production of hydraulic manifolds. MEWESTA now commands a leading position on the market in this segment. Furthermore, the company engineers and manufactures customized hydraulic assemblies and hydraulic components of virtually any dimension. MEWESTA customers are mainly renowned manufacturers in the plastic, construction and tool businesses as well as the conveyor technology sector.

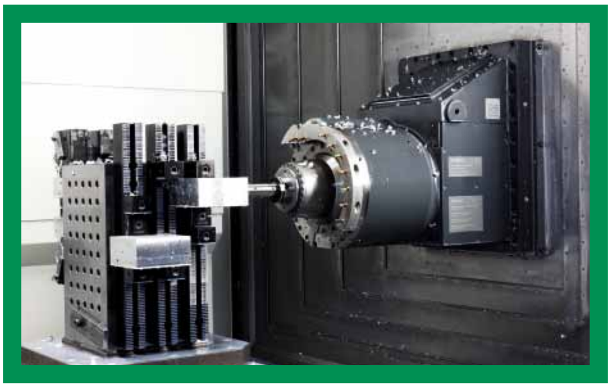
The company joined the INDUS Group in 1997. Under the management of Dipl.-Ing. Hans-Joachim Wunn, 50 highly skilled employees ensure no-hassle and extremely profitable production workflows, from planning, projecting and manufacturing to final inspection.

A modern machine fleet with a total of 25 CNC processing centers at its heart and a plurality of application-specific tools for processing the most diverse valve inserts are the guarantors of automation, consistently high levels of productivity, and the utmost flexibility.

Managing Director Dipl.-Ing. Hans-Joachim Wunn







Operations Manager
Dierk Dvorak

2008 Sales by Segment

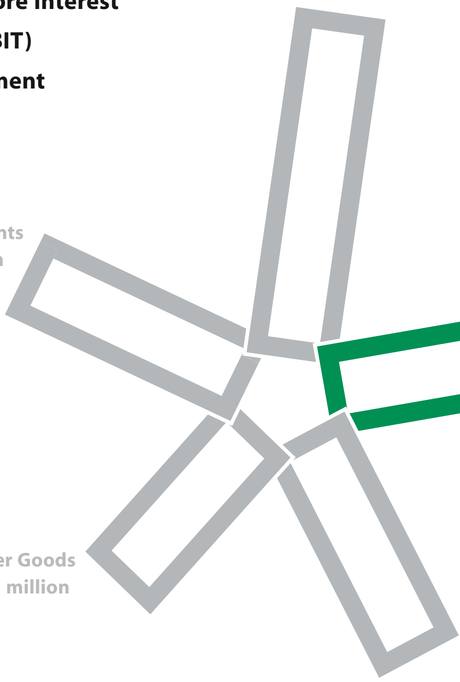
Engineering

Overall, Germany's mechanical and plant engineering sector had another good year in 2008. Machine production grew a real 5.4% to EUR 194 billion in the year under review, with sector sales jumping a nominal 8.0% to EUR 205 billion. First and foremost, it was the process and agricultural engineering subsectors which displayed extremely dynamic development. As a result, the mechanical engineering sector benefited from strong incoming orders in the first six months as well as from the high level of orders on hand, which were processed in the second half of the year. The waning economy had a drastic impact on the fourth quarter, causing order intake through December to fall 40% below the previous year's level. This decline affected business in Germany and abroad.

As of December 31, 2008, the Engineering segment encompassed eight operating units, which was one less than at the cutoff date in the preceding year.

Sales generated by the Engineering segment rose marginally, advancing to EUR 153.3 million (prior year: EUR 152.9 million). Our portfolio companies were able to capitalize on strong exports and the persistently high level of orders on hand. Therefore, the effects of the general weakness in the fourth quarter were very small. Major stimulus for the positive organic development came from the export business.

Earnings before Interest and Taxes (EBIT) 2008 by Segment



EBIT recorded a slight drop, declining to EUR 15.5 million (previous year: EUR 16.3 million) due to the EUR 2.2 million increase in depreciation. In consequence, the EBIT margin was 10.1% (prior year: 10.6%).

Capital expenditure totaled EUR 3.5 million, and was thus marginally up year on year. The entire capex volume was used on property, plant and equipment and intangible assets. Investing activity focused on automated assembly plants for BETEK and a rapid prototyping plant for ASS. The average number of staff members rose marginally, growing by three to 686.

Engineering Segment		2006	2007	**2008**	+/– %
Sales	EUR in millions	140.3	152.9	**153.3**	+0.3
EBIT	EUR in millions	12.1	16.3	**15.5**	–4.9
EBIT margin	%	8.6	10.7	**10.1**	–5.6
Depreciation	EUR in millions	7.6	2.9	**5.1**	+75.9
Capital expenditure	EUR in millions	2.9	3.2	**3.5**	+9.4
Employees	Ø	644	683	**686**	+0.4

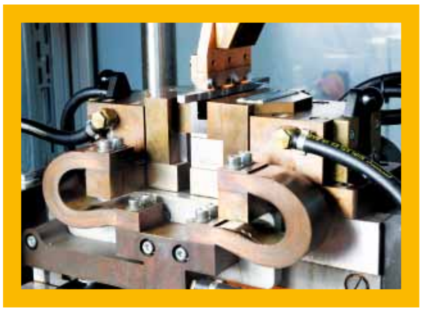
The Automotive Industry segment, which accounts for 29.5% of total sales, is represented on this page by SELZER Fertigungstechnik GmbH & Co. KG.

Founded as far back as 1923 in Driedorf-Roth, SELZER Fertigungstechnik GmbH & Co. KG is an established developer and manufacturer of ready-to-install metal components and subassemblies. The parts are used in gearboxes, brakes, engines and professional power tools. SELZER offers the full range of service, running the gamut from product engineering to prototype construction to series manufacturing.

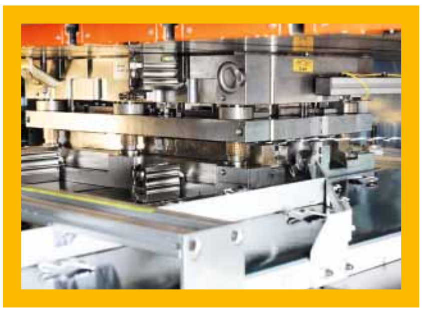
Demands placed by the market and cutting-edge technologies call for highly qualified and motivated employees across all the companies' departments and divisions. With managing directors Dr. Norbert Koch and Tobias Selzer, the SELZER organization's workforce is characterized by the experience and creativity that flow into implementation. Life-long basic and advanced training programs, structured teamwork and constant dialogue with customers are the keys to the successful development and manufacture of high-quality products.

In addition to its site in Driedorf-Roth, SELZER, which has been part of the INDUS Group since 2005, has a factory in Vinhedo, Brazil.

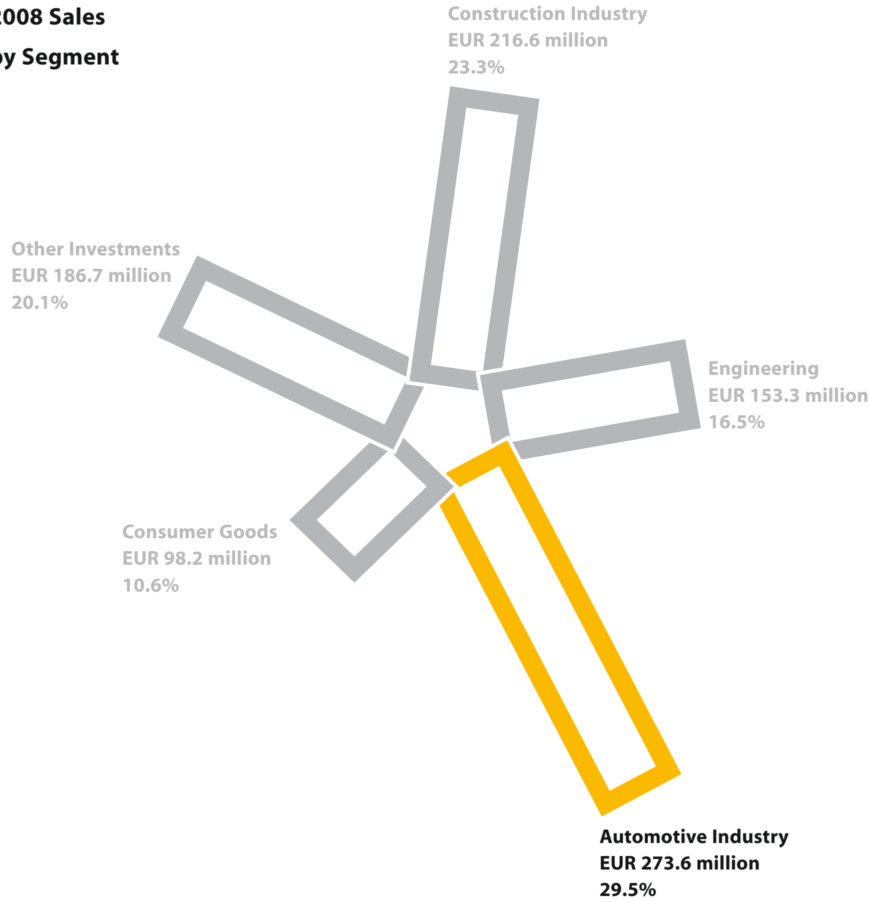
The SELZER management team from left to right:
Gerhard Semmelrogge, Karl-Heinz Broschwik, Tobias Selzer, Matthias Oft, Dr. Norbert Koch, Frank Ronthaler, Klaus Groth



The two managing directors
Tobias Selzer and Dr. Norbert Koch



2008 Sales by Segment



Automotive Industry

Last year, the German automotive industry clearly felt the ramifications of the dramatic deterioration of the world economy. As uncertainty rose amid potential customers, only 3.1 million new passenger vehicles were registered. This represents a 1.9% decline. All in all, production by German auto manufacturers dropped by 3.0% to approximately 5.5 million units. After six straight record years, exports were down 4.0% to 4.1 million units. Hand in hand with the weakening economy, demand decreased rapidly, especially in the closing quarter. This was reflected in the commercial vehicle sector. Only thanks to the high level of orders on hand was it possible to match the year-earlier level of 335,000 vehicles.

As of December 31, 2008, the Automotive Industry segment still consisted of a total of twelve operating units.

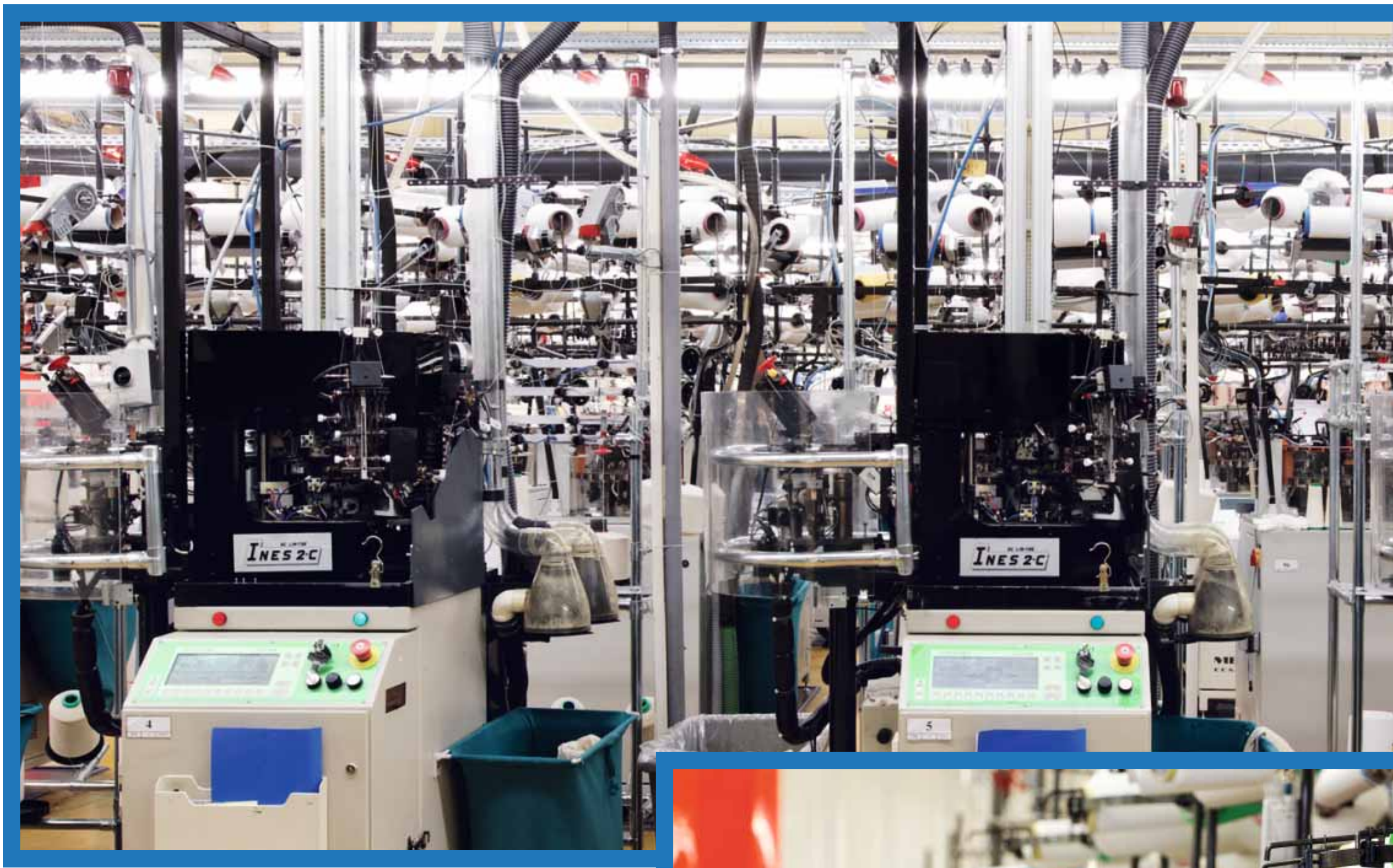
Sales posted by the Automotive Industry segment stagnated due to an extremely weak business trend in the fourth quarter of 2008, only posting a marginal rise to EUR 273.6 million (prior year: EUR 271.7 million). Whereas the portfolio companies active in development, special solutions and measuring technology were hardly affected by the cyclical downturn, those supplying car manufacturers and major automotive suppliers directly clearly felt the impact. The level of their incoming orders was much lower and inventories were bigger as products stockpiled due to cancellations within the scope of call-off master purchase agreements.

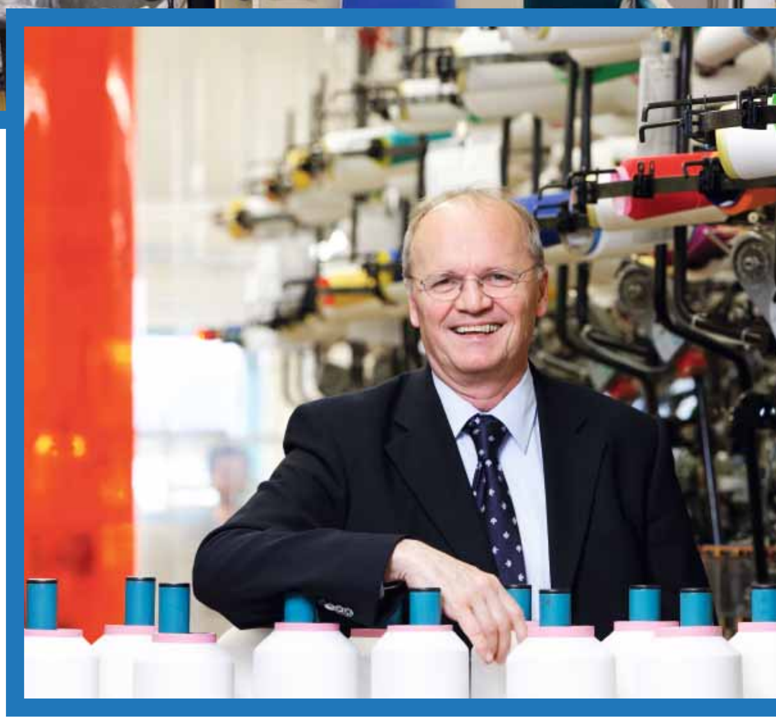
Earnings before Interest and Taxes (EBIT) 2008 by Segment

As raw material prices declined over the course of the year and call-off orders slipped, inventories rose and accounting adjustments had to be made for them, which had a negative impact on earnings. Furthermore, gloomy expectations regarding the future development of individual companies were taken into account when the mandatory impairment tests were carried out. This resulted in EUR 3.5 million in depreciation on the measurement. Accordingly, the EBIT margin was 6.1% (previous year: 9.6%). In addition, the segment result was dampened by one-off expenses incurred by our SELZER investment to the tune of EUR 10.2 million. These funds were used to set up a US production site, a project which was discontinued due to the exit from the US market. Segment earnings before interest and taxes (EBIT) were down to EUR 16.8 million (prior year: EUR 26.0 million).

The volume of capital spending was decreased by EUR 6.2 million to EUR 25.6 million (previous year: EUR 31.8 million). The main areas of capital expenditure were the highly automated manufacturing plants for new project startups at series suppliers. The average employee headcount was up marginally, rising by five to 2,051.

Automotive Industry Segment		2006	2007	**2008**	+/– %
Sales	EUR in millions	245.6	271.7	**273.6**	+0.7
EBIT	EUR in millions	21.0	26.0	**16.8**	–35.4
EBIT margin	%	8.6	9.6	**6.1**	–36.5
Depreciation	EUR in millions	24.9	18.7	**22.7**	+21.4
Capital expenditure	EUR in millions	27.0	31.8	**25.6**	–19.5
Employees	Ø	1,757	2,046	**2,051**	+0.2



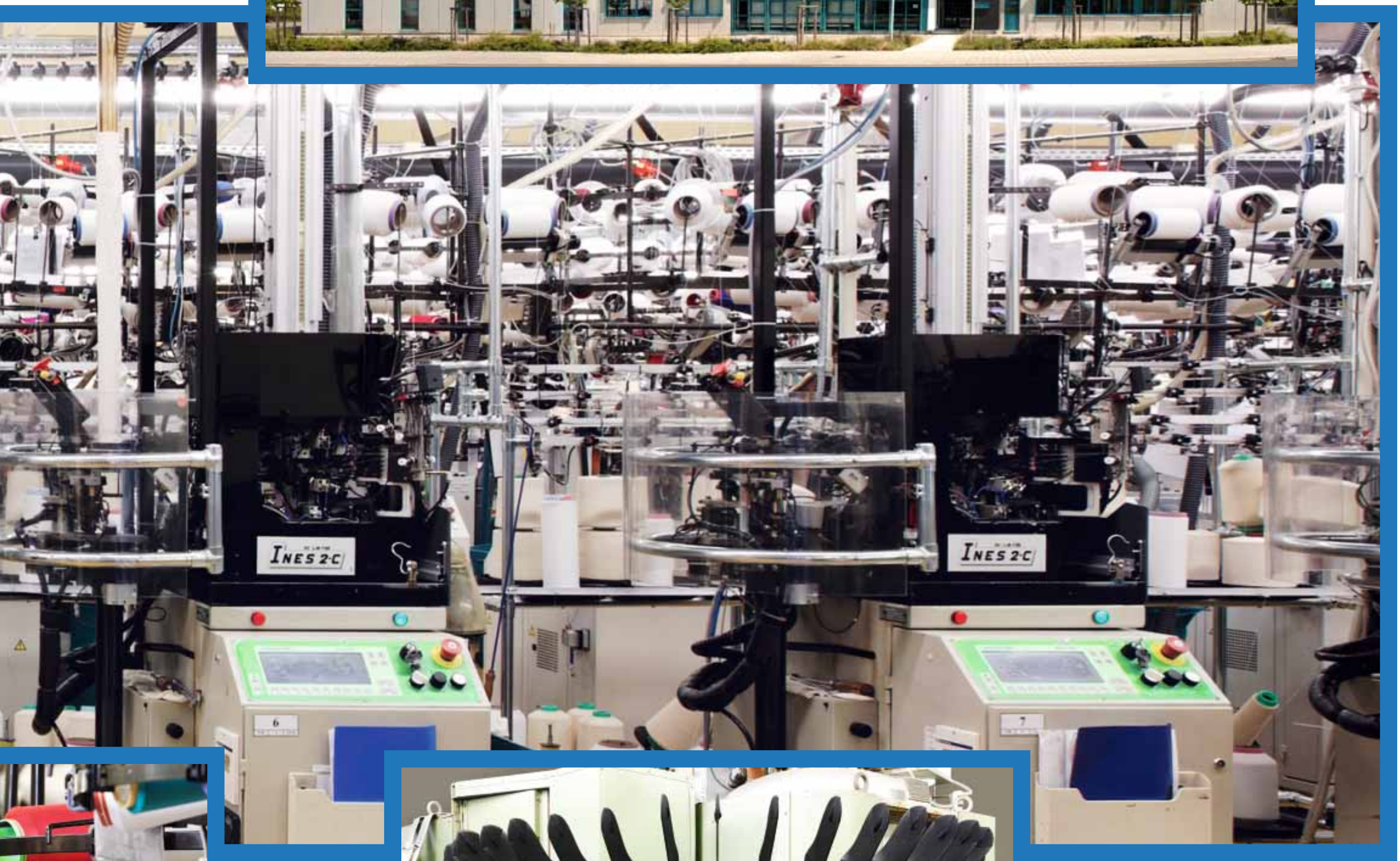


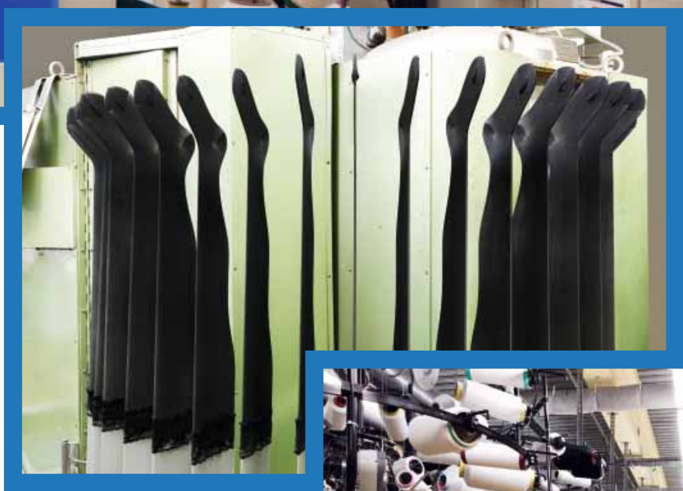
Below, the Consumer Goods segment, which contributed 10.6% of INDUS' sales in 2008, is represented by OFA Bamberg GmbH by way of example.

OFA Bamberg GmbH was founded in 1928 in Zeulenroda/Thuringia and has been an INDUS Group member since 2000. The company has been headquartered in Bamberg since 1948.

Today, OFA figures among Germany's premier manufacturers of medical stockings and bandages under the direction of its managing director Dr. Hartwig Frinke. Its excellent market position is partially built on the pioneer role it played in tailor-made articles. OFA manufactures medical stockings offering outstanding wear properties since they are made to measure.

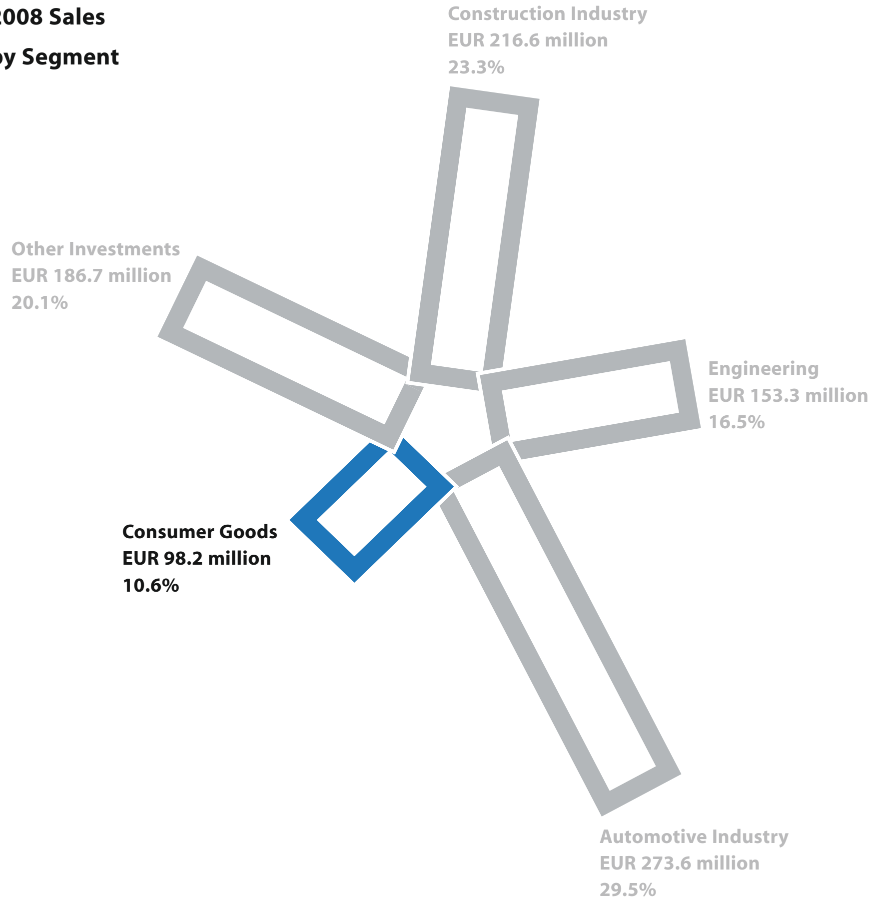
The company's product range includes various medical articles, including a broad range of compression hoses, support hoses, joint bandages and other modern medical aids. Furthermore, OFA offers so-called health and comfort shoes.





Managing Director
Dr. Hartwig Frinke

2008 Sales by Segment



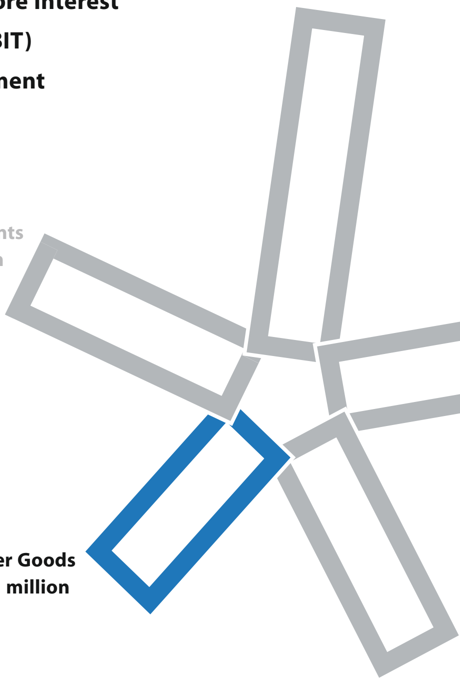
Consumer Goods

As in the preceding years, consumer spending in the year under review was disappointing, although the preconditions for the propensity of Germany's consumers to purchase goods were definitely in place. Discretionary income grew substantially due to the high collectively agreed wage increases in some cases, while prices fell. Positive developments were also witnessed on the labor market. The number of gainfully employed individuals rose by more than 800,000 to 40.5 million within a single year. Jobless figures averaged for the year amounted to 3.3 million people, falling below the last low, which was posted in 2001. This represents an unemployment rate of 7.8%. However, the collapse of the economy towards the end of the year caused uncertainty to rise among consumers, which was also reflected in the continued rise in the savings rate to nearly 11.0%.

As of December 31, 2008, the Consumer Goods segment still comprised four operating units.

Sales generated by the Consumer Goods segment in the year under review posted a slight increase, rising to EUR 98.2 million (prior year: EUR 96.1 million). The strategic focus was clearly on increasing profitability. The ramifications of the weak economic environment in the second half of the year had a very insignificant impact.

Earnings before Interest and Taxes (EBIT) 2008 by Segment



Earnings before interest and taxes (EBIT) were boosted to EUR 14.1 million (previous year: EUR 11.6 million). As expected, the optimization measures implemented had a positive effect. Accordingly, the EBIT margin advanced by 2.2 percentage points to 14.3% (prior year: 12.1%).

Capital expenditure amounted to EUR 6.9 million, 14.8% down on the prior year's level. The investment magnets were streamlining projects and the establishment of a new tool-making facility at the SIMON group of companies. The average headcount declined by 26 employees, dropping from 784 to 758.

Consumer Goods Segment		2006	2007	**2008**	+/– %
Sales	EUR in millions	102.0	96.1	**98.2**	+2.2
EBIT	EUR in millions	10.4	11.6	**14.1**	+21.6
EBIT margin	%	10.2	12.1	**14.3**	+18.2
Depreciation	EUR in millions	6.7	6.0	**6.2**	+3.3
Capital expenditure	EUR in millions	12.8	8.1	**6.9**	–14.8
Employees	Ø	846	784	**758**	–3.3

Managing Director
Dr. Klaus Mlejnek

The Other Investments segment, which contributed 20.1% of total sales last fiscal year, includes MIKROP AG.

Domiciled in Wittenbach/Switzerland, MIKROP AG was established in 1981 and has belonged to the INDUS Group since the year 2000.

Spearheaded by Managing Director Dr. Klaus Mlejnek, the company is among the technology leaders in the miniaturization of high-precision optics with diameters down to less than 0.5 mm. They include all variants of spherical lenses as well as optical subassemblies. Typical applications are image recording and transmission, sensor technology and no-contact measuring techniques, laser beam focusing and optical communication. All optics are engineered, manufactured and assembled on commission from customers.

The MIKROP team has amassed a wealth of experience in the production of miniaturized high-precision optics, creating a unique knowledge base. Quality, punctual delivery, personal customer care—all at attractive prices—are the highest priority. MIKROP's know-how is used in the fields of endoscopy, medical engineering, automotive, quality control, telecommunications, printing technology, research and astronomy.

Production
Director
Daniel Schneider

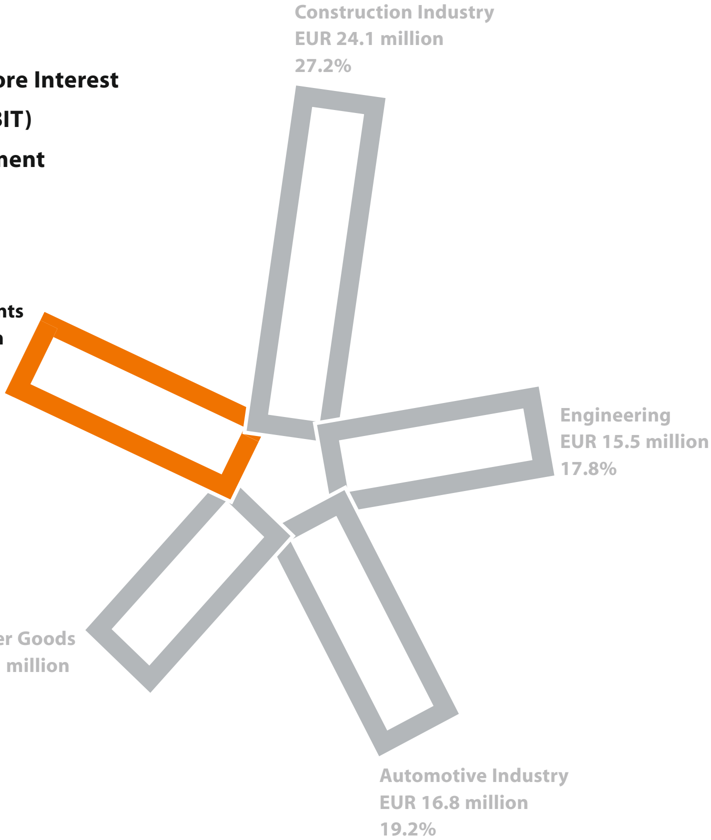
2008 Sales by Segment

Other Investments

The Other Investments segment consists of operating units that supply products to customers in diverse sectors or customers in sectors outside the four core segments, namely Construction Industry, Engineering, Automotive Industry and Consumer Goods. Therefore, the economy's overall development, expressed as the gross domestic product, is used as the only rough yardstick for this segment. In the period under review, GDP grew by 1.3%, driven by a strong first quarter. The cyclical downturn which became apparent as early as in the second and third quarters became much more severe in the fourth quarter, forcing Germany into a major recession by year-end. Further commentary on the economic trend can be found in the section on the general economic environment.

As of December 31, 2008, the Other Investments segment encompassed seven operating units, which was one more than at the cutoff date in the preceding year. Anneliese KÖSTER GmbH & Co. KG, which was fully acquired in September, was added. The KÖSTER Group includes the operating company KÖSTER & Co. GmbH, Ennepetal, as well as further Czech and Italian production and sales subsidiaries. Established in 1952, the company is a system provider which manufactures stud welding fasteners along with associated machines. Thanks to its worldwide sales network in over 80 countries, the company commands a formidable position on the market. In 2008, approximately 100 employees generated some EUR 23.8 million in sales, with exports accounting for approximately 23.5%. The KÖSTER Group was consolidated in accordance with IFRS effective October 1, 2008.

Earnings before Interest and Taxes (EBIT) 2008 by Segment



NEUTRASOFT GmbH & Co. KG, which was sold on December 18, 2008, with commercial effect as of January 1, 2009, is not included in sales or earnings reported under IFRS and thus no longer belongs to the segment.

Sales achieved by the Other Investments segment in the year under review posted a considerable increase, rising to EUR 186.7 million (prior year: EUR 167.0 million). The newly acquired KÖSTER Group contributed EUR 5.4 million. The companies developed satisfactorily in the difficult fourth quarter as well. The economy's downward trend did not have a visible material impact.

Earnings before interest and taxes (EBIT) declined by 2.9% to EUR 16.7 million, burdened by high raw material and energy prices (previous year: EUR 17.2 million). The EBIT margin dropped accordingly, slipping by 1.4 percentage points to 8.9% (prior year: 10.3%).

Capital expenditure amounted to EUR 14.6 million, clearly besting the prior year's level. Investing activity focused on streamlining projects. The average headcount rose by 196 to 1,476 employees, in part as the result of the first-time consolidation of the KÖSTER Group.

Other Investments Segment		2006	2007	**2008**	+/– %
Sales	EUR in millions	178.4	167.0	**186.7**	+11.8
EBIT	EUR in millions	15.5	17.2	**16.7**	–2.9
EBIT margin	%	8.7	10.3	**8.9**	–13.6
Depreciation	EUR in millions	15.4	7.8	**7.8**	–
Capital expenditure	EUR in millions	9.5	11.8	**14.6**	+23.7
Employees	Ø	1,190	1,280	**1,476**	+15.3

Non-Financial Performance Indicators

Employees

In the year being reviewed, the INDUS Group had an average employee headcount of 5,862 (previous year: 5,777). The number of employees thus increased by 85. This is primarily due to the expansion of the labor force caused by the first-time consolidation of the newly acquired KÖSTER Group. In sum, 4,999 employees worked for the INDUS Group in Germany (prior year: 4,972 employees) and 863 of the personnel worked abroad (previous year: 805 employees).

Employees by Segment	2006	2007	**2008**	+/– %
Construction Industry	737	984	**891**	–9.5
Engineering	644	683	**686**	+0.4
Automotive Industry	1,757	2,046	**2,051**	+0.2
Consumer Goods	846	784	**758**	–3.3
Other Investments	1,190	1,280	**1,476**	+15.3
Group	5,174	5,777	**5,862**	+1.5

Training young adults in technical and commercial professions is accorded substantial importance in medium-sized enterprises. In the year under review, our portfolio companies stepped up their commitment in this area, increasing the number of trainees by 38 to 302 (previous year: 264). The objective is to establish a pool of qualified candidates in order to be able to recruit the next generation of professionals and executives from within our own ranks. Many of the trainees who graduated from their programs successfully with suitable qualifications in the year under review were offered a job. The ratio of trainees to total staff was 5.2% (previous year: 4.8%).

Specialist and interpersonal staff skills are a company's prime assets. Our portfolio companies offer a comprehensive range of advanced training and continued education activities tailored to each employee's skills, with a view to nurturing this capital. The decentralized organization of the advanced training and continued education program by the portfolio companies working in concert with local partners ensures that know-how is increased to meet specific requirements precisely.

Research and Development

Constant research and development work forms the basis for the portfolio companies' establishing a successful position on their respective niche markets. The goal pursued by these activities, which are managed by the individual portfolio companies autonomously, is to refine existing products, develop new, innovative products until they become marketable, and to optimize manufacturing processes. All methods employed are constantly refined and new technologies and materials are permanently examined to identify potential for improvement within the process chain. Research and development activities center on ensuring that products add value for the customer as well as on environmental issues. Associated spending including own work capitalized amounted to EUR 10.0 million (previous year: EUR 12.0 million).

Environmental and Social Responsibility

INDUS Group companies assumed their ecological and social responsibility once again in the period under review. Making responsible use of natural resources is a fixture of our corporate culture. All of the Group's employees are called upon to comply with environmental regulations in the fields of procurement, production and waste disposal. The foundation for action taken in this regard are detailed rules and measures developed and implemented by the portfolio companies' managing directors in line with the corporate philosophy, while taking the business environment into account.

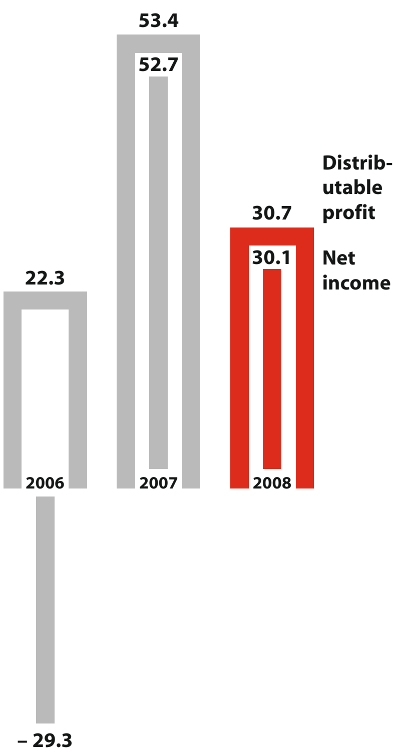
Status of INDUS Holding AG

Earnings Situation

At EUR 6.1 million, sales were higher than the year-earlier level (prior year: EUR 3.6 million). They exclusively relate to services rendered by the holding company to the portfolio companies. As in preceding years, no business transactions were concluded with external third parties. Other operating income increased by 17.9% to EUR 3.3 million (previous year: EUR 2.8 million).

Staff costs declined by 16.7% to EUR 3.0 million (prior year: EUR 3.6 million). Amortization on intangible assets and depreciation on property, plant and equipment remained flat at EUR 0.4 million. Other operating expenses rose to EUR 7.8 million (previous year: EUR 7.4 million).

Holding company distributable profit/net income
EUR in millions



Whereas income from investments dropped to EUR 51.5 million (prior year: EUR 79.0 million) as a result of active management, income from long-term loans classified as financial assets rose considerably. It totaled EUR 35.0 million (previous year: EUR 5.3 million). Earnings from these two sources of income in the year under review amounted to EUR 86.5 million and were thus 2.6% higher year on year (prior year: EUR 84.3 million).

Other interest and similar income declined to EUR 6.4 million (previous year: EUR 7.1 million). Depreciation on financial assets was up by EUR 27.2 million to EUR 29.3 million (prior year: EUR 2.1 million). This development reflects the remeasurement of financial assets. By making this correction, we paid tribute to the dramatic deterioration of the economic situation in the fourth quarter. Portfolio companies in the Automotive Industry segment, which supply auto manufacturers and major automotive suppliers directly, were especially hard hit by this downward trend, which will continue into next year. EUR 19.7 million are allocable to this segment.

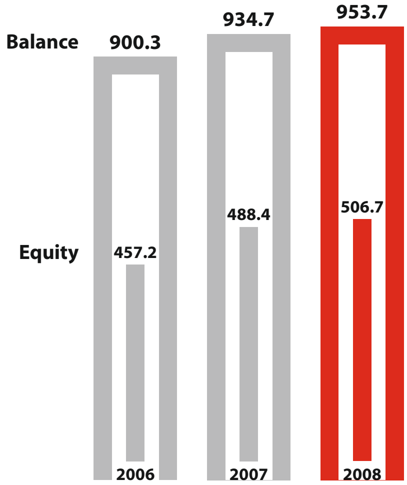
Interest expenses advanced to EUR 25.0 million (previous year: EUR 23.6 million). In sum, the profit from operating activities thus declined to EUR 35.5 million (prior year: EUR 60.0 million), largely due to depreciation and amortization. After deducting EUR 5.4 million in tax payments due (previous year: EUR 7.3 million), the income statement shows a net income of EUR 30.1 million (prior year: EUR 52.7 million). This corresponds to EUR 1.64 in earnings per share (previous year: EUR 2.90).

Financial and Net Assets Position

INDUS Holding AG's balance-sheet total increased by EUR 19.0 million to EUR 953.7 million (previous year: EUR 934.7 million). Non-current assets rose by EUR 10.7 million to EUR 772.9 million (prior year: EUR 762.2 million) owing to the rise in financial assets. Accounts receivable and other assets, which are classified as current assets, advanced by EUR 4.6 million to EUR 157.5 million (previous year: EUR 152.9 million). Cash and cash equivalents were up to EUR 23.1 million (prior year: EUR 19.4 million). Current assets were thus EUR 8.3 million higher than the EUR 172.3 million recorded in the preceding year.

Shareholders' equity rose by EUR 18.3 million to EUR 506.7 million (previous year: EUR 488.4 million). Despite the depreciation of financial assets, INDUS' equity ratio climbed to 53.1% (prior year: 52.2%). At EUR 402.4 million, bank debt were virtually flat (previous year: EUR 390.2 million).

Holding company balance-sheet structure EUR in millions



Employees

As of December 31, 2008, the holding company had an employee headcount of 18 (prior year: 18).

General Statement Concerning the Economic Situation

INDUS resolutely continued to implement its long-proven corporate strategy in the 2008 financial year. Strategic investments in existing portfolio companies further enhanced the efficiency of their production processes. By acquiring the KÖSTER Group, INDUS spent additional capital on external growth and thus played an active role on the investment market, as announced. Management plans to make use of the company's liquidity position, which is still comfortable, as well as of financing commitments by various banks to expand its portfolio of investments via acquisitions again in 2009.

Sales generated in the year under review amounted to EUR 928.4 million, exceeding the year-earlier level, while at 9.4%, the operating EBIT margin fell just short of the self-imposed goal of approximately 10.0%. The financing structure did not change materially: The equity ratio rose to 26.0% at the Group and 53.1% at the holding company level. All in all, fiscal 2008's business trend was still satisfactory for the INDUS Group. Over the medium term, INDUS can avail itself of all conceivable options to seize any opportunity that may arise in an extremely difficult economic environment. Nevertheless, underlying economic conditions will be extremely challenging for the portfolio companies in 2009. In light of the economy's weakness, which already began to affect the development of the operations of certain portfolio companies in the fourth quarter, INDUS will continue to implement the measures designed to render capacity flexible that have already been initiated and accord even higher importance to taking precautionary action regarding its liquidity.

Events After the Balance-Sheet Date

Except for the clouding of the economic environment, no events occurred after the close of the 2008 financial year that were of material importance to INDUS Holding AG's earnings, financial or net assets position.

Risk Report

Opportunity and Risk Management System

INDUS Holding AG and its portfolio companies are exposed to a plurality of risks by virtue of their international activities. Entrepreneurial action is inextricably linked to risk-taking. This also enables the company to seize new opportunities and thus defend and strengthen the position on the market occupied by the company and its portfolio companies. The Board of Management has established an efficient risk management system for the early detection, extensive analysis and resolute handling of risks.

The risk management system involves the portfolio companies submitting reports on the status of, and changes in, material risks to the holding company, while strictly adhering to existing controlling processes. As a result, opportunities and risks are continuously reassessed. In so doing, both company-specific as well as external events and developments are analyzed and evaluated. Sudden risks of relevance to the Group as a whole are communicated to the people in charge by the portfolio companies' managing directors independently of the normal reporting lines. The fundamentals of the risk management system and, above all, of its organizational integration into daily operations primarily consist of the management structure, the budgeting system as well as detailed reporting and information systems.

The objective of implementing the risk management system is to identify, assess, control and document risks systematically. The Board of Management regularly prepares status reports presenting the major risk positions. Necessary countermeasures can be developed and initiated rapidly on this basis.

The risk management system's structure and effectiveness are regularly subjected to internal audits. Results obtained by these audits continuously flow into the refinement of the risk management system, as do the remarks made by the independent auditor within the scope of the audit of the annual financial statements.

Opportunities

Opportunity management is closely linked to risk management at INDUS. The managing directors of the individual portfolio companies analyze and control opportunities at the operating level. Comprehensive analyses of relevant markets and competitors as well as of various scenarios depicting the development of decisive cost drivers and success factors form the basis for this. Opportunities primarily arise from the constant development of new products with a view to strengthening positions on niche markets. Opportunity analysis and control are based on in-depth analyses used as a point of reference to quantify, assess and review all strategic measures for effectiveness and economic viability at the holding company as well. From a strategic point of view, additional opportunities to spur the company's development arise mainly as a result of the increasing internationalization of manufacturing plants and the continued expansion of the existing investment portfolio. Acquisition candidates are continuously subjected to sophisticated analytics based on qualitative and quantitative factors before the first rounds of talks are conducted with their owners. One of the main supporting documents during these talks is a comprehensive report on the candidate's probable opportunity-to-risk ratio.

Risks Affecting the Business and Sectoral Environment

INDUS focuses on acquiring medium-sized production firms in Germany and other German-speaking countries. 59.2% of total sales are generated in Germany (prior year: 60.3%). Therefore, the Group's development is affected by Germany's economic trend. In recent years, this dependence has decreased steadily, as the international business has been expanded strategically. Over the last three years, the foreign share advanced by 2.8 percentage points. The regional diversification of operations reduces the national economic risks to which INDUS is exposed. In addition to economic risks, changes in energy and commodity prices are risks to the development of the Group's individual portfolio companies.

INDUS avoids being dependent on individual branches of industry by virtue of its well balanced investment portfolio of five segments. Furthermore, the portfolio companies' sectoral and general economic risk exposure is mitigated by their high degree of specialization and strong positions within their niche markets. Of course, basic economic and sector-specific risks remain present in extreme situations.

Risks Associated with Corporate Strategy

Risks associated with corporate strategy are mainly the result of faulty assessments of acquired portfolio companies' future developments on the market and of the development of each company's operations.

The company's long-term success mainly hinges on the careful selection of acquisition targets and the holding company's management of its investment portfolio. The holding company employs an extensive array of tools to analyze the market in each sector as well as its own quantitative analysis tools in order to minimize risks arising from erroneous assessments of future market developments.

INDUS counters potential risks associated with faulty assessments of business operations by monitoring both markets and competitors closely and holding regular strategic reviews with the portfolio companies' managing directors, major customers and suppliers. All portfolio companies submit reports on their current business trends and individual risk situations on a monthly basis. Each of the portfolio companies' short and medium-term budgets on their own merits and aggregated for the holding company constantly provide a comprehensive overview of the risk situation of each portfolio company and of the Group.

Performance Risks

Besides risks associated with corporate strategy, INDUS and its portfolio companies are exposed to performance risks primarily consisting of procurement risks, production risks and sales risks.

The portfolio companies need raw materials and supplies sourced from various suppliers to manufacture their products. Given the wide diversification of the INDUS Group's overall portfolio, supply risks are of subordinate importance as regards their potential impact on the Group. Purchase prices of raw materials and energy sources can vary considerably. Depending on the situation prevailing on the market, the portfolio companies may not always be able to quickly and fully pass the resulting burdens through to their customers. Officers in charge of operations are in permanent contact with the suppliers and customers in order to be able to react to potential price and volume risks on procurement and sales markets with suitable and extensive packages of measures.

The portfolio companies' production plants are subjected to a permanent optimization process. INDUS makes use of a variety of monitoring and control systems to this end. Potential production risks can be detected early and the company can react to them appropriately in this manner. INDUS' strategic objective is to extend the international reach of its manufacturing operations on the basis of cost-benefit analyses and thus capitalize on further potential cost advantages.

Personnel Risks

The INDUS Group's long-term success largely depends on its employees' know-how and commitment. Risks can arise primarily from the recruitment and development of staff as well as through the fluctuation of employees in key positions. INDUS limits these risks with a comprehensive offering of purpose-designed basic and advanced training measures as well as compensation that reflects performance appropriately and includes a performance-linked incentive system. In sum, these measures make INDUS and its portfolio companies attractive employers, enabling them to proactively mitigate risks associated with employee turnover, demographic development and skill drain.

IT Risks

The basis of a modern work environment is a secure and effective IT infrastructure. The rise in networking between different IT systems and the need for them to be available permanently place high demands on the information technologies in use. INDUS mitigates risks associated with computer crashes, network failure, unauthorized access to data and data abuse by regularly investing in hardware and software, deploying virus scanners and firewall systems, and using effective access controls. These measures are permanently monitored by internal and external experts. Based on knowledge currently available to us, the company is not exposed to any material IT risks.

Financial Risks

Financial risks to which the INDUS Group is exposed due to its operating activities primarily consist of liquidity, default, interest rate and foreign exchange risks.

The individual portfolio companies are financed centrally by the holding company. On principle, the individual portfolio companies finance themselves through their operating results. Transfers to or from the holding company are made depending on the particulars of the liquidity situation. The holding company keeps a suitable amount of liquidity in reserve in order to ensure that it can act and that the portfolio companies are financed sufficiently at all times. As of December 31, 2008, the holding company had a total of EUR 87.8 million in cash and cash equivalents (prior year: EUR 77.6 million). Moreover, its widely diversified financing structure, which is spread over 22 banks, keeps it from being dependent on individual lenders. As a result, from our current perspective, the company is unlikely to be exposed to a liquidity risk, despite the turmoil in the banking sector.

Default risk is clearly limited by the widely diversified portfolio and the autonomy of the portfolio companies, which focus their activities on diverse markets that they serve with various products. The investment portfolio, which is designed for the long term, is financed with matching maturities. For this purpose, INDUS uses a mix of fixed-interest and variable financing, the latter of which is converted to fixed-interest financing via interest-rate swaps. From an economic perspective, a change in interest rates would hardly affect the earnings situation at all, since the aforementioned instruments almost completely hedge the interest-rate risks. This is because changes in the interest rates of variable-interest financial liabilities and derivative financial instruments offset each other. As of December 31, 2008, the nominal value of hedged interest-rate risks on our books was EUR 282.1 million (previous year: EUR 260.4 million).

Currency risks rise in line with the growth of the individual portfolio companies' international activities and as a result of financing transactions concluded with our Swiss portfolio companies. INDUS mitigates the resultant risks by hedging them with forward transactions and appropriate option transactions on a case by case basis. As of December 31, 2008, the nominal value of hedged currency risks on our books was EUR 20.4 million (previous year: EUR 3.4 million).

Legal Risks

INDUS Holding AG and its portfolio companies are exposed to a number of legal risks. They primarily encompass risks related to the fields of competition and antitrust law as well as fiscal law. Furthermore, risks arise from the individual portfolio companies' operations in connection with warranty claims triggered by customer complaints. Efficient quality management minimizes this risk, but it cannot be ruled out on principle. This is why EUR 12.8 million in provisions for warranties due to legal or factual obligations were carried on the balance sheet last year (previous year: EUR 11.6 million).

Neither INDUS Holding AG, nor any of its portfolio companies, are exposed to risks associated with the result of legal or arbitration proceedings which, based on our current perspective, would have a material adverse effect on the Group's economic situation.

Other Risks

Making responsible use of natural resources plays an important role at INDUS Holding AG. The individual portfolio companies' manufacturing processes are constantly optimized with a view to minimizing the burden they place on the environment and, above all, energy consumption. Moreover, the Group's entire staff is obliged to abide by the environmental regulations within their fields of activity and to submit suggestions for improved rules going above and beyond established standards. Damages arising from potential environmental risks are covered by an insurance policy with sufficient coverage. No environmental risks to the holding company or its portfolio companies are currently identifiable.

Owing to its strategy of expanding diversification through the continuous enlargement of its investment portfolio, the Group carried EUR 281.0 million in goodwill on its balance sheet (previous year: EUR 285.6 million). IAS 36 stipulates that it be subjected to an impairment test once a year. Impairment losses are recognized whenever a decrease in the value of goodwill is identified. In the year under review, impairment losses totaled EUR 6.8 million (prior year: EUR 0.0 million).

Assessment of Overall Risk Exposure

The Group's overall risk exposure consists of the aggregation of individual risks of all risk categories. Among the material potential risks to INDUS Holding AG's future development are primarily those due to the current unfavorable economic situation. In the financial year that just came to a close, no risks were identifiable that could jeopardize the Group's subsistence either individually or in combination with other risks. From our current perspective, no such risks are imminent in the future, either.

Outlook

General Economic Environment

The recession faced by the world economy will intensify in 2009. According to a prognosis made by ifo-Institut, gross domestic product will increase by a mere 0.3%. Whereas industrial nations are expected to record a decline of 1%, positive contributions to this trend will only come from emerging countries, which are forecast to post a growth rate of 4.6%, which is much lower than in previous years. Gross domestic product in the Eurozone is anticipated to decrease by at least 1.3%.

Germany's economy continues to be weak as well. As an industrialized country that depends on exports, Germany is especially affected by the global recession. Although the German government has also adopted economic stimulus packages in the meantime, it remains to be seen whether they actually succeed in reinvigorating the economy or merely manage to provide short-term stimulus to individual sectors. The Board of Management also believes that it is impossible to tell whether the economic revitalization expected by many will occur in 2009 or 2010. As regards the year as a whole, capital investment is expected to decrease considerably as a result of declining capacity utilization, significant downward adjustments being made to earnings forecasts, and restrictive financing conditions. Consumer spending is likely to rise only marginally, despite the increase in real average wages. This is due to the expected significant decline in employment and the persistently high savings rate occasioned by general uncertainty. Foreign demand is not expected to provide positive stimulus, either. In sum, based on prognoses published by leading economic research institutions, this will cause gross domestic product to drop by between 3.0 and 5.0% in 2009.

Sectoral Developments

Trend forecasts for the branches of industry of relevance to INDUS in 2009 differ widely.

Germany's Central Construction Industry Association expects the economic stimulus packages adopted by the government to have a positive impact, above all on public construction. If they are implemented swiftly, the low level of incoming orders in the fourth quarter of 2008 should be more than offset over the full year, giving rise to the forecast for this segment envisioning 8.0% nominal growth. In contrast, commercial (nominal –5.0%) and residential construction (nominal –1.0%) are expected to experience a decline.

The German Mechanical and Plant Engineering Federation (VDMA) anticipates that production of machinery and plant will decline by 7% in real terms, owing to the sustained economic slump. The VDMA expects companies to react to the sustained uncertainty concerning the economy's continued development by freezing investment and expenditure on a large scale. All in all, the individual branches of industry are expected to display widely differing developments.

At the beginning of the year, parts of the German automotive industry benefited from the government's economic package providing for an environmental rebate of EUR 2,500 on the purchase of a new vehicle or of a car used by a dealership employee for a year on condition that the buyer's old car be scrapped. However, this measure is likely to have a short-lived positive effect on the development of the German auto industry. The German Association of the Automotive Industry (VDA) prognosticates a further decline in new passenger car registrations as well as a substantial drop in commercial vehicle sales.

According to leading economic research institutes, consumer spending will again fail to help stabilize the economy in 2009. Whereas collectively agreed wages are set to rise to a similar degree as in the year under review, total man hours and employment are expected to decrease. It is expected that joblessness figures will rise commensurate to the number of people registered as doing short-time work. In light of the sustained uncertainty, the savings rate is expected to increase further from its already high level.

Developments by Segment

Expectations regarding the development of our five segments differ substantially. Companies in the Construction Industry segment are only little affected by the weak demand in the residential construction sector, thanks to their high degree of specialization. They should benefit from the announced infrastructural measures, but it entirely remains to be seen when the government's measures start to take effect. Companies active in the Engineering segment have an order backlog, which should secure employment far into 2009. We will monitor these companies very closely, in order to be in a position to take countermeasures in the absence of follow-on contracts.

We anticipate the development displayed by the Automotive Industry segment to be significantly different. Companies that supply their products directly to major automotive suppliers and car manufacturers will be substantially affected by the market's poor constitution. Conversely, those of our portfolio companies which are active in the fields of development, customized solutions and metrology will develop positively. This development became apparent as early as the fourth quarter of 2008, and we believe that it will persist in the months to come.

Companies assigned to the Consumer Goods segment and those belonging to the Other Investments segment are expected to be relatively robust. However, we will track the development of orders received in the next few weeks and months in these areas very closely as well.

Strategic Goals

We will continue to pursue our extensively proven strategy this year as well. In so doing, as before, we will focus on the continued development of our portfolio companies and the expansion of our investment portfolio through appropriate acquisitions. Nevertheless, the thrust of our capital expenditure will shift following the substantial investments made in existing portfolio companies in recent years, which served to make production processes much more efficient. We will increasingly spend capital on additional acquisitions, acting anticyclically in accordance with our philosophy. Thanks to the fact that our liquidity situation is still comfortable and to financing commitments made by banks, we will be in a position to take advantage of the devaluation of attractive medium-sized enterprises caused by the general economic crisis and the liquidity problems faced by many private equity firms.

Furthermore, this year, we will continue to implement measures to render capacities flexible initiated in the fourth quarter of 2008. These measures include reducing work time account balances, trimming the temporary workforce, renouncing work contract extensions, strategically reducing personnel and, of course, insourcing. By taking these measures, we will prepare our portfolio companies for a difficult fiscal 2009, while establishing the basis from which to take advantage of chances to expand our market position once the economy brightens.

Sales and Earnings

It is currently impossible to make quantitative forecasts in light of the substantial uncertainty regarding the economy's continued development in Germany and on our key sales markets. In sum, we expect to benefit from our wide diversification in the 2009 financial year and to be able to cushion the effects of the extremely difficult economic environment. We anticipate that business conditions will be extremely challenging and that, from our current perspective, they will keep us from matching the level of sales and earnings achieved last year.

Bergisch Gladbach, April 14, 2009

The Board of Management

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

The INDUS Share

Turbulent Year on Stock Markets

The German stock market was among those affected by the dramatic events on international financial and capital markets in 2008. As a result of the final collapse of the US subprime mortgage market, numerous banks increasingly ran into liquidity problems over the course of the year. This imposed a hitherto unrivaled burden on the worldwide financial system. Governments of major economies and industrialized nations offered domestic lenders extensive liquidity and guarantee programs, with a view to stabilizing the system. But mutual distrust among market participants and banks rose nevertheless, nearly causing interbank trading to come to a complete halt. Further negative stimulus resulting from an abrupt decrease in demand across virtually all economic sectors and extremely weak economic indicators in the second half of the year triggered an outright flight of investors from stocks to government bonds and money market accounts, which are purportedly safe.

DAX and SDAX Post Substantial Losses

Closing 2008 at 4,810.20 points, the DAX dropped by 40.4% within a single year. Following its 12-month high of 7,949.11 points on January 2, 2008, the DAX became highly volatile, falling to its low for the year of 4,127.41 points on November 21, 2008. The loss recorded by the SDAX was even more pronounced, as this index decreased by 46.1% to 2,800.73 points. Analogously to the DAX, the SDAX posted its 12-month high on January 2, 2008, reaching 5,191.56 points, and recorded its low for the year on November 21, 2008, at 2,414.96 points. The SDAX experienced a more severe decline especially due to the stronger uncertainty surrounding the companies it encompasses, which tend to have more cyclical exposure.

INDUS Share Caught in the Downward Spiral of a Weak Environment

Although the INDUS share was unable to decouple itself from the extremely weak setting, it outperformed the SDAX, its benchmark index. Following a strong start to the stock market year buoyed by record sales and earnings figures in 2007, the INDUS share posted a 12-month high of EUR 25.12 on May 12, 2008. Despite respectable interim financial statements, the INDUS share suffered under the turbulence on capital markets and mounting uncertainty among market participants regarding the economy's continued development. The 12-month low of EUR 10.10 was witnessed on December 5, 2008. By the end of the year, the INDUS share had recovered to EUR 13.37. This corresponds to a year-on-year decrease of 44.9%, or 39.9% including the dividend.

Performance		2007	**2008**
INDUS (dividend included)	%	–14.0	**–39.9**
INDUS (dividend excluded)	%	–18.1	**–44.9**
DAX	%	+22.3	**–40.4**
SDAX	%	–6.7	**–46.1**

Position in the SDAX Further Strengthened

The INDUS share gained substantial importance in the SDAX last year. According to statistics published by Deutsche Börse, the INDUS share had a 2.63% weighting in terms of market capitalization, ranking it 12th among the 50 companies that make up the index (previous year: 1.84%, ranked 26th). The average trading volume on all domestic exchanges was up 9.5% to 57,415 shares. A total of 14,583,480 shares were thus traded on Germany's stock exchanges last year. In addition to its strong position in the SDAX, the INDUS share is an integral component of the DAX International Mid 100, DAXsector Financial Services, DAXsubsector Diversified Financial Services, Classic All Share, Prime All Share and CDAX indices.

Positive Analyst Coverage Across the Board

Analysts from five banks and investment trusts covered the INDUS share regularly last year. The financial institutions they represented were Bankhaus Lampe, Commerzbank, Independent Research, WestLB and WGZ-Bank. The recommendation issued by all five analysts was a unilateral "buy/add."

Dividend of EUR 0.80 per Share

The joint proposal made by the Board of Management and the Supervisory Board of INDUS Holding AG for the appropriation of distributable profit envisions paying a dividend of EUR 0.80 per share, which would be EUR 0.40 lower than in the previous year (prior year: EUR 1.20 per share).This does justice to the persistent economic crisis and the substantial uncertainty concerning the economy's future development. Moreover, the distributable profit retained will serve to strengthen the company's financial basis. As a result, the dividend payment will decrease by EUR 7.1 million to EUR 14.7 million (prior year: EUR 21.8 million) on the back of a payout ratio of 49.0%.

Comprehensive Investor Relations

The primary objective of INDUS Holding AG's investor relations work is to disseminate transparent, timely and comprehensive information on all of the company's events of relevance to the capital market. Center stage in this context is taken above all by shareholders, analysts, financial journalists and shareholder associations. The Board of Management went on road shows in Germany and in other European countries to inform institutional investors about the company's strategy and latest developments in numerous one-on-ones. May saw the annual analyst conference take place in Frankfurt am Main, Germany. Moreover, the Board of Management participated in the German Equity Forum in Frankfurt am Main.

Once again, INDUS welcomed some 1,300 shareholders to the Annual Shareholders' Meeting, the most important opportunity to engage in direct dialogue with private shareholders. Another central source of first-hand information for shareholders is the investor relations space on the company's website. It was completely redesigned at the beginning of 2009, and the range of information published on it was expanded considerably.

Corporate Governance Report

The maxims of corporate governance are the good and responsible management and monitoring of a company with a view to creating value over the long term. This definition is the basis of the close and efficient cooperation between the Board of Management and the Supervisory Board of INDUS Holding AG, transparent communication with shareholders as well as orderly accounting and audits of the financial statements.

INDUS Holding AG welcomes this year's amendments to the German Corporate Governance Code. INDUS will follow the new recommendations of the June 6, 2008, version of the Code as regards the adequacy of management board compensation, the severance cap and the Supervisory Board's work with respect to the interim financial reports. Therefore, there were no changes to the statement of compliance issued last year. Only on eight points does INDUS continue to deviate from the recommendations on grounds of circumstances specific to the company. In December 2008, the Board of Management and the Supervisory Board issued the statement of compliance required pursuant to Sec. 161 of the German Stock Corporation Act and made it permanently available to the company's shareholders at www.indus.de. It has also been printed on page 69 et seq. and is thus part of the corporate governance report.

Shareholders and Annual Shareholders' Meeting

The shareholders of INDUS Holding AG exercise their rights within the framework of the Annual Shareholders' Meeting. Each share bears one vote. INDUS publishes all of the documents required for making a decision in good time on its website. INDUS helps its shareholders exercise their voting rights by nominating proxies who cast votes in accordance with the instructions they receive from shareholders.

Last year, the Annual Shareholders' Meeting took place in Cologne on July 1, 2008. About 1,300 shareholders passed management's draft resolutions, including the approval of the acts of the Board of Management and Supervisory Board and the authorization to conduct share buybacks with a clear majority vote.

Cooperation between the Board of Management and the Supervisory Board

The Board of Management informs the Supervisory Board first and foremost about all relevant issues pertaining to the corporate budget, strategic development, earnings and financial position as well as the risk situation in a regular, timely and comprehensive manner. Decisions of material nature to the Group require Supervisory Board approval. Detailed information on the focal points of Supervisory Board activity last year has been printed on page 10 et seqq. of the report of the Supervisory Board.

There were no consulting or other service or manufacturing contracts between individual members of the Supervisory Board and the company in the 2008 financial year. In the year under review, members of the Board of Management and the Supervisory Board had no conflicts of interest that would have been immediately reportable to the Supervisory Board.

Board of Management

The Board of Management of INDUS Holding AG runs the company and manages its business activities. It develops the company's strategic orientation, coordinates and agrees it with the Supervisory Board, and ensures its implementation. Furthermore, the Board of Management establishes entrepreneurial goals, the annual and multi-year budgets, the internal control and risk management system, and the investments' controlling practices. Another of the Board of Management's duties is to prepare the quarterly, half-year, and annual consolidated financial statements.

The Board of Management consisted of four people in the year under review. As before, Helmut Ruwisch (Chairman), Dr. Wolfgang E. Höper and Dr.-Ing. Johannes Schmidt sat on the Board of Management. Jürgen Abromeit was appointed to the Board of Management by the Supervisory Board effective April 1, 2008. He succeeds Michael Eberhart, who left the company at his own request for personal reasons as of March 31, 2008.

Supervisory Board

The Supervisory Board of INDUS Holding AG appoints the Board of Management, advises it in matters concerning company management, and monitors its management activities. Detailed information on the focal points of Supervisory Board activity last year has been printed on page 10 et seqq. of the report of the Supervisory Board.

The Supervisory Board consisted of six people in the year being reviewed. With one exception, the tenure of all of the members of the Supervisory Board ends on conclusion of the Annual Shareholders' Meeting at which a resolution will be passed on the approval of the acts of the Supervisory Board for the 2011 financial year. This exception relates to Burkhard Rosenfeld, who was appointed to the Supervisory Board per a decision made by the district court on November 7, 2008, until the next Ordinary Shareholders' Meeting and replaced Dr. Winfried Kill, who retired from the Supervisory Board for health-related reasons. Günter Kill, the former Deputy Chairman of the Supervisory Board, took the office of Chairman of the Supervisory Board upon Dr. Kill's departure.

Compensation Report

The following compensation report is also part of the consolidated financial statements and the Group management report. The compensation of the Board of Management and the Supervisory Board is disclosed in summarized fashion for each of the bodies pursuant to a resolution passed by the Annual Shareholders' Meeting in accordance with Sec. 315, Para. 2, Item 4 of the German Commercial Code.

Board of Management

The structure of the compensation system for the Board of Management is determined and constantly reviewed by the Supervisory Board. The main criteria for determining the appropriateness of the compensation of a member of the Board of Management are the tasks fulfilled, personal performance, the accomplishments of the Board of Management as a whole, and the company's economic situation. The Board of Management's remuneration consists of a performance-linked component and a component independent of performance. Remuneration that is independent of performance is made up of fixed compensation as well as payments in kind and fringe benefits. The performance-linked component is paid as a bonus. With the exception of pension commitments financed by a portion of the salaries that is renounced, members of the Board of Management are not entitled to any other pension benefits that would have to be disclosed on the balance sheet. There are no stock option plans or comparable compensation components with long-term incentives.

Compensation independent of performance is paid as a monthly salary and reviewed by the Supervisory Board when contracts are extended. In addition, members of the Board of Management receive payments in kind, consisting of the use of company cars. The bonus is determined solely on the basis of the company's operating performance.

In the 2008 financial year, the Board of Management's remuneration totaled EUR 1,744,000 (prior year: EUR 1,959,000). EUR 1,207,000 thereof was compensation independent of performance (previous year: EUR 1,191,000) and EUR 537,000 consisted of performance-linked remuneration (prior year: EUR 768,000). An additional EUR 54,000 in compensation was converted to grant pension benefits (previous year: EUR 154,000).

Supervisory Board

The Supervisory Board's compensation is determined by the Annual Shareholders' Meeting of INDUS Holding AG. It is governed by Item 6.16 of the articles of association. It stipulates that Supervisory Board members receive a fixed base salary of EUR 10,000 and variable compensation in addition to the reimbursement of out-of-pocket expenses. EUR 500 in variable compensation is paid for every percentage point by which the dividend paid to the shareholders exceeds 4% of the capital stock. The Chairman of the Supervisory Board receives twice the two aforementioned sums, and his deputy receives one-and-a-half times these amounts. There are no stock option plans or similar securities-based incentive systems for the Supervisory Board, either.

In the 2008 financial year, the Supervisory Board's remuneration totaled EUR 227,000 (prior year: EUR 233,000). EUR 73,000 thereof was fixed compensation (previous year: EUR 75,000) with the variable component accounting for EUR 154,000 (prior year: EUR 158,000). In the year under review, Supervisory Board members received EUR 27,000 (previous year: EUR 8,000) for personal advisory services rendered to Group companies and EUR 87,800 (prior year: EUR 105,000) in payments for a leasehold obligation.

Transparence

INDUS provides its shareholders, shareholder associations, analysts, the media and the interested public with information on the company's business trend and situation in a regular and timely manner. The objective in this regard is to serve these target groups simultaneously while treating them equally. Therefore, all material information, primarily consisting of annual and interim reports, press and ad-hoc releases, analyst estimates and a financial calendar, are published on the company's website. To ensure that the consolidated financial statements and the interim reports are prepared with the necessary care, the annual report is published four months after the end of the fiscal year, and the interim reports are released two months after the end of the quarter. INDUS did not publish any ad-hoc releases pursuant to Sec. 15 of the German Securities Trading Act (WpHG). Major news about the company was published via press releases. Although a communication on directors' dealings was published in accordance with Sec. 15a of the German Securities Trading Act, no notices concerning voting rights pursuant to Sec. 26 of the German Securities Trading Act (WpHG) were issued.

Accounting and Audit of the Financial Statements

Since the beginning of 2005, the consolidated financial statements have been prepared in compliance with the principles set forth in the International Financial Reporting Standards (IFRS). As before, the separate financial statements of INDUS Holding AG are prepared in accordance with the provisions of the German Commercial Code (HGB). The audit of the consolidated and separate financial statements was performed by Treuhand- und Revisions-Aktiengesellschaft Niederrhein, Krefeld. The corresponding statement of independence in accordance with Item 7.2.1 of the German Corporate Governance Code was obtained by the Supervisory Board. The audit assignment for the holding company financial statements and consolidated financial statements was issued by the Supervisory Board following the resolution passed by the Annual Shareholders' Meeting. The Supervisory Board and the auditor of the financial statements agreed that the Chairman of the Supervisory Board be immediately informed of any grounds of exemption or prejudice. Furthermore, the auditor of the financial statements is obliged to immediately report on any material findings and events material to the Supervisory Board's tasks.

Declatation of Conformity with the German Corporate Governance Code as of December 2008

The Board of Management and the Supervisory Board declare that the company has complied—and continues to comply—with the recommendations set forth in the June 6, 2008, version of the German Corporate Governance Code. The Board of Management and the Supervisory Board intend to follow the recommendations in the future as well. The following exceptions shall be made:

Code Item 3.8
When concluding a D&O insurance policy, members of the Board of Management and the Supervisory Board did not, and do not, pay a deductible.

Code Items 5.1.2 and 5.4.1
There was, and is, no age limit for members of the Board of Management or Supervisory Board.

Code Item 5.3.2
An audit committee did not, and does not, exist on the Supervisory Board.

Code Item 5.4.2

It was, and is, possible to have more than two former members of the Board of Management sit on the Supervisory Board.

Code Item 5.4.7

Remuneration received by members of the Supervisory Board was, and is, presented in the notes to the consolidated financial statements in total, broken down into fixed and performance-linked components. An itemized statement was not, and is not, made in the corporate governance report.

Code Item 6.6

The notes to the consolidated financial statements did not, and will not, include information on the purchase or sale of treasury stock by members of the Board of Management or Supervisory Board. Furthermore, the consolidated financial statements did not, and will not, include information on shares held by individual members of the Board of Management or Supervisory Board exceeding 1.0%. Even if the combined share ownership of the Board of Management and Supervisory Board exceeded 1.0% of the stock issued by the company, it was not, and will not be, disclosed separately by member of the Board of Management or Supervisory Board.

Code Item 7.1.2

Publication of the consolidated financial statements within 90 days of the end of the financial year and publication of the interim report within 45 days of the end of the period under review was not, and is not, possible with the required care and diligence.

On behalf of the Board of Management

Helmut Ruwisch
Jürgen Abromeit

On behalf of the Supervisory Board

Günter Kill

Consolidated Financial Statements

Financial Statements of the Holding Company

Consolidated Income Statement*

EUR '000	Note	2008	2007
Sales	(1)	928,429	915,031
Other operating income	(2)	14,236	14,530
Own work capitalized	(3)	4,543	5,081
Change in inventories	(3)	8,017	– 234
Cost of materials	(4)	– 443,680	– 433,032
Personnel expenses	(5)	– 245,416	– 236,922
Depreciation	(6)	– 47,012	– 40,685
Other operating expenses	(7)	– 132,926	– 122,927
Income from shares accounted for using the equity method		686	1,196
Other financial result	(8)	263	368
Operating result (EBIT)		**87,140**	**102,406**
Interest income		3,951	3,584
Interest expenses		– 34,416	– 28,581
Net interest	(9)	– 30,465	– 24,997
Income before taxes		**56,675**	**77,409**
Taxes	(10)	– 26,221	– 26,703
Income from discontinued operations	(11)	– 2,149	237
Income after taxes		**28,305**	**50,943**
– Minus minority interests		– 420	– 999
– Income allocable to INDUS shareholders		**27,885**	**49,944**
Diluted earnings per share in EUR Basic earnings per share in EUR	(12)	1.63 1.63	2.74 2.74
Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges		31,005	48,351

** The previous year's figures have been restated.*

Summary of Income and Expenses Recognized in Equity

	2008	2007
Currency translation adjustment	1,915	45
Changes in the fair value of derivative financial instruments	– 4,499	744
Netting of deferred taxes	711	– 118
Income and expenses directly recognized in equity	**– 1,873**	**671**
Income after taxes	28,305	50,943
Total income and expenses recognized in equity	**26,432**	**51,614**
– of which minority interests	420	999
– of which shares allocable to INDUS shareholders	26,012	50,615

Consolidated Balance Sheet

Assets

EUR '000	Note	Dec. 31, 2008	Dec. 31, 2007
Goodwill	(13)	281,016	285,606
Intangible assets	(13)	17,360	18,147
Property, plant and equipment	(13)	250,663	239,381
Financial assets	(14)	8,190	7,853
Shares accounted for using the equity method	(14)	4,663	4,657
Other non-current assets	(15)	3,168	2,109
Deferred taxes	(16)	3,834	4,144
Non-current assets		**568,894**	**561,897**
Cash and cash equivalents		87,791	77,617
Accounts receivable	(17)	104,546	115,543
Inventories	(18)	172,047	161,351
Other current assets	(15)	9,960	10,442
Current income taxes	(16)	6,493	4,463
Assets held for sale		856	–
Current assets		**381,693**	**369,416**
Total assets		**950,587**	**931,313**

Equity and Liabilities

EUR '000	Note	Dec. 31, 2008	Dec. 31, 2007
Paid-in capital		172,930	162,955
Generated capital		73,344	69,117
Shareholders' equity of INDUS shareholders		246,274	232,072
Minority interests in capital		1,134	2,058
Group equity	(19)	**247,408**	**234,130**
Non-current financial liabilities	(20)	378,413	386,568
Provisions for pensions	(21)	16,164	15,124
Other non-current provisions	(22)	2,410	2,452
Other non-current liabilities	(23)	7,074	8,435
Deferred taxes	(16)	19,981	18,705
Non-current liabilities		**424,042**	**431,284**
Current financial liabilities	(20)	147,841	131,410
Accounts payable		28,109	33,286
Current provisions	(22)	34,169	28,834
Other current liabilities	(23)	55,249	61,986
Current income taxes	(16)	13,054	10,383
Liabilities held for sale		715	–
Current liabilities		**279,137**	**265,899**
Total equity and liabilities		**950,587**	**931,313**

Consolidated Statement of Equity

2008 EUR '000	Opening balance Jan. 1, 2008	Dividend payment	Recognized expenses and income	Capital increase	Closing balance Dec. 31, 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	27,885	–	74,499
Currency translation reserve	578	–	1,915	–	2,493
Reserve for the marked-to-market valuation of financial instruments	140	–	– 3,788	–	– 3,648
Capital generated	**69,117**	**– 21,785**	**26,012**	**–**	**73,344**
Equity of INDUS shareholders	**232,072**	**– 21,785**	**26,012**	**9,975**	**246,274**
Minority interests	2,058	– 1,344	420	–	1,134
Group equity	**234,130**	**– 23,129**	**26,432**	**9,975**	**247,408**

2007 EUR '000	Opening balance Jan. 1, 2007	Dividend payment	Recognized expenses and income	Capital increase	Closing balance Dec. 31, 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	49,944	–	68,399
Currency translation reserve	533	–	45	–	578
Reserve for the marked-to-market valuation of financial instruments	– 486	–	626	–	140
Capital generated	**40,102**	**– 21,600**	**50,615**	**–**	**69,117**
Equity of INDUS shareholders	**203,057**	**– 21,600**	**50,615**	**–**	**232,072**
Minority interests	1,503	– 444	999	–	2,058
Group equity	**204,560**	**– 22,044**	**51,614**	**–**	**234,130**

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

The dividend payment is based on a dividend of EUR 1.20 per individual share certificate bearing the number WKN 620010/ISIN DE 0006200108 (18,000,000 shares) and a dividend of EUR 0.50 per individual share certificate resulting from the capital increase and bearing the number WKN A0SMM2 / ISIN DE 000A0SMM20 (373,033 shares).

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 3,818,000 (previous year: EUR 4,887,000).

Consolidated Cash Flow Statement*

EUR '000	2008	2007
Income after taxes	**28,305**	**50,943**
Depreciation/write-backs		
– of non-current assets (excluding deferred taxes)	47,203	40,733
– due to gains (–)/losses (+) from the disposal of assets	– 426	30
Taxes	26,221	26,703
Net interest	30,465	24,997
Cash earnings of discontinued operations	86	144
Income from companies accounted for using the equity method	– 686	– 1,196
Other non-cash transactions	2,047	239
Changes in provisions	3,470	– 1,961
Increase (–)/decrease (+) in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	5,062	– 7,214
Increase (+)/decrease (–) in trade accounts payable and other liabilities not allocable to investing or financing activities	– 10,233	– 2,057
Income taxes received/paid	– 24,939	– 24,145
Dividend portion	680	831
Operating cash flow	**107,255**	**108,047**
Interest paid	– 30,539	– 29,617
Interest received	3,951	3,706
Cash flow from operating activities	**80,667**	**82,136**
Cash flow from investments in		
– intangible assets	– 5,038	– 8,729
– property, plant and equipment	– 44,348	– 47,538
– financial assets	– 1,107	– 2,022
– shares in fully consolidated companies	– 9,354	– 17,935
Income from the disposal of		
– shares in fully consolidated companies	–	715
– other assets	4,814	2,743
Cash flow from investing activities of discontinued operations	– 474	– 644
Cash flow from investing activities	**– 55,507**	**– 73,410**
Dividends paid to shareholders	– 21,785	– 21,600
Dividends paid to minority interests	– 1,344	– 444
Cash flow from the issuance of debt	91,472	66,058
Cash flow from the repayment of debt	– 83,196	– 67,629
Cash flow from financing activities	**– 14,853**	**– 23,615**
Net cash change in financial facilities	**10,307**	**– 14,889**
Changes in cash and cash equivalents caused by currency exchange rates	**– 133**	**– 158**
Cash and cash equivalents at the beginning of the period	**77,617**	**92,664**
Cash and cash equivalents at the end of the period	**87,791**	**77,617**

Continued on page 76

EUR '000	2008	2007
Cash transactions related to the sale of investments	–	720
Plus financial liabilities sold	–	–
Minus financial facilities sold	–	– 5
Net sales proceeds	–	**715**
Cash transactions related to the acquisition of investments	– 11,111	– 19,452
Plus financial liabilities assumed	–	–
Minus financial facilities purchased	1,757	1,517
Net purchase price	**– 9,354**	**– 17,935**

** The previous year's figures have been restated.*

Cash and cash equivalents include a limited-authorization account with a balance of EUR 318,000 (previous year: EUR 282,000). EUR 9,495,000 in investing and financing transactions not affecting cash and cash equivalents (previous year: EUR 1,520,000) are not part of the cash flow statement and primarily related to the real capital increase in connection with the increase in the stake held in SELZER (see note [19]).

Cash and cash equivalents of discontinued operations stated separately on the balance sheet amount to EUR 0 (previous year: EUR 0).

General Information

INDUS Holding AG, based in Bergisch Gladbach, Germany, entered in the Cologne commercial register (HRB 46360), prepared its consolidated financial statements for fiscal 2008 from January 1, 2008, to December 31, 2008, in accordance with International Financial Reporting Standards (IFRS) and the interpretation of such by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Union. The consolidated financial statements are prepared in euros (EUR).Unless otherwise noted, all amounts are stated in thousands of euros (EUR '000). The consolidated financial statements are prepared using historical cost accounting, with the exception of financial instruments, which must be marked to market. The financial statements of the companies included in the scope of consolidation were prepared as of the balance-sheet date of INDUS Holding AG and are based on uniform accounting policies. Pursuant to Sec. 315a of the German Commercial Code (HGB), INDUS Holding AG is obligated to prepare its consolidated financial statements in compliance with IFRS. The basis for this is Directive No. 1606/2002 of the European Parliament and the Council on the application of international accounting standards in the European Union. Information that must be included in the notes in accordance with the German Commercial Code (HGB) and goes above and beyond statements mandatory pursuant to IFRS is thus presented in the notes to the consolidated financial statements as well. Prior-year figures were adjusted in all relevant presentations in order to reflect the reclassification of discontinued operations. The financial statements were released for submission to the Supervisory Board on April 24, 2008.

Application and Impact of New and Revised Standards

All standards mandatory as of December 31, 2008, were taken into account. We did not exercise the discretionary right to apply standards that will become mandatory in the future early on.

Mandatory Standards and Interpretations for Fiscal 2008:

In October 2008, the IASB amended IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures." This amendment did not affect the consolidated financial statements.

Standards adopted by the EU through December 31, 2008, which were not applied early in these financial statements:

On November 2, 2006, the IFRIC published IFRIC 11 "IFRS 2—Group and Treasury Share Transactions." This interpretation is mandatory for the INDUS consolidated financial statements for fiscal 2009. It does not have an impact on the consolidated financial statements.

On November 30, 2006, the IASB published IFRS 8 "Operating Segments" which became mandatory as of January 1, 2009. The standard results in changes to segment reporting in the consolidated financial statements.

On March 29, 2007, the IASB published IAS 23 "Borrowing Costs" which became mandatory as of January 1, 2009. The application of this standard causes the recognition of qualified assets on the balance sheet to rise.

On July 5, 2007, the IFRIC published IFRIC 13 "Customer Loyalty Programs" which must be applied when preparing INDUS' consolidated financial statements from January 1, 2009, onwards. Its application will not have an impact on the consolidated financial statements.

On July 5, 2007, the IFRIC published IFRIC 14 "IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction." This interpretation, which became mandatory effective January 1, 2009, does not affect the consolidated financial statements.

On January 17, 2008, the IASB published amendments to the International Financial Reporting Standard IFRS 2 "Share-Based Payment" which became mandatory as of January 1, 2009. These amendments did not affect the consolidated financial statements.

In May of 2008, the IASB published amendments entitled Improvements to the International Financial Reporting Standards within the scope of its annual updates, aiming to streamline international accounting standards and make them clearer. They encompass 35 amendments to the standards in two parts, the first of which results in changes to accounting policies directed to presentation, recognition and measurement, while Part II encompasses terminological and editorial amendments. This interpretation becomes mandatory starting with the INDUS consolidated financial statements for 2010. This does not have a material effect on the consolidated financial statements.

Consolidation Principles

Capital consolidation is performed in accordance with the purchase method. In respect of business combinations, assets, liabilities and contingent liabilities are measured at fair value as of the time of purchase. Goodwill is determined as the difference between the acquisition costs of the business combination and the purchaser's share of the fair value of the acquired assets, liabilities and contingent liabilities. Positive goodwill is not amortized. Instead, it is tested at least once annually for impairment. A negative difference is recognized immediately with an effect on income.

When acquired companies are included in the scope of consolidation for the first time, the carrying amount of the investments in the holding company's accounts is offset against assets and liabilities. In periods thereafter, the carrying amount of the holding company's investment is offset against the carrying amount of the subsidiary's equity capital.

Receivables and liabilities as well as expenses and income between consolidated companies are offset against each other. Intercompany results in inventories and non-current assets are eliminated. Deferred taxes are accrued for consolidation adjustments affecting net income.

Currency Translation

Foreign currency transactions in the individual financial statements are translated at the exchange rates prevailing at the time of the transaction. The fair value of monetary items is converted as of the balance-sheet date using the appropriate exchange rate, with an effect on the income statement.

In accordance with the concept of functional currency, companies located outside of the Eurozone prepare their financial statements in the currency of the country in which they are domiciled. For assets and liabilities, translation of these financial statements into euros occurs using the exchange rate prevailing on the balance-sheet date. With the exception of items recognized directly in equity, equity capital is carried at historical rates. Items in the income statement are translated at average exchange rates, and any differences resulting from currency translation are recognized without an effect on the income statement. The exchange rates used are shown in the following table:

		Exchange rate as of the balance-sheet date		Average exchange rate	
	1 EUR =	**2008**	**2007**	**2008**	**2007**
Brazil	BRL	3.244	2.613	2.674	2.669
Canada	CAD	1.700	1.445	1.559	1.468
China	CNY	9.496	10.772	10.224	10.435
Czech Republic	CZK	26.875	26.628	24.946	27.766
Mexico	MXN	19.233	16.089	16.291	14.989
Poland	PLN	4.154	3.594	3.512	3.784
Serbia	RSD	90.197	81.390	82.039	81.070
Slovakia	SKK	30.126	33.583	31.262	33.775
South Africa	ZAR	13.067	10.030	12.059	9.660
Switzerland	CHF	1.485	1.655	1.587	1.643
Turkey	TRY	2.149	1.717	1.906	1.786
USA	USD	1.392	1.472	1.471	1.370

In the presentation of the development of property, plant and equipment, provisions and equity capital, the opening and closing balances are translated using the exchange rates prevailing on the balance-sheet date, while changes during the year under review are translated using the average exchange rate. Resulting exchange rate differences are reported separately, without an effect on the income statement.

Accounting Policies

Due to its undetermined useful life, **goodwill** is not amortized, but is tested at least once annually for impairment. In the course of this, the value in use is taken as a basis, in accordance with the current planning prepared by management. Such planning takes into account both current knowledge and historical developments. After the 3-year planning periods, future cash flows are calculated using a growth rate of no more than 1%. Results obtained in this manner are discounted using a capital cost rate of 10%. Goodwill is tested for impairment at the level at which this is reasonable from an economic point of view. In most cases, goodwill is assigned to the portfolio companies and their subsidiaries. These are the operating units that are listed in the notes. In the few cases in which there is a close intragroup trade relationship between these companies, they are combined to form operating units, and goodwill is tested for impairment on this basis.

Individually acquired **intangible assets** are measured at cost and amortized over their useful lives of 3 to 8 years, as long as they are determinable. Internally generated intangible assets which fulfill the criteria of IAS 38 are capitalized at cost; otherwise the expenses are recognized with an effect on the income statement in the year in which they are incurred. Amortization begins upon use, using the straight-line method over a period of 5 to 10 years.

Property, plant and equipment is stated at cost less scheduled depreciation and impairments, if applicable. Depending on the actual useful life, depreciation using both the straight-line and the declining-balance method is applied. If the reason for an impairment loss recognized in prior years has ceased to exist, a writeback is performed. Investment subsidies are recorded as liabilities and reversed over their useful life. The cost of self-constructed property, plant and equipment consists of the direct costs and appropriate allocations of relevant overheads; interest is not included. Expenses for maintenance and repairs are charged against income, unless they must be capitalized. Depreciation periods are mainly based on the following useful lives:

	Years
Buildings	20 to 50
Improvements	8 to 20
Technical equipment, plant and machinery	5 to 15
Fixtures, furniture and office equipment	3 bis 15

Depending on the distribution of the major benefits and risks, **lease** agreements are classified as operating leases or finance leases, whereby finance leases are recognized as assets. For sale-and-leaseback transactions, the accounting treatment of the result of the transaction varies: if the underlying transaction is classified as a finance lease, or if in the event of an operating lease the sales price is higher than the market value, the result is distributed over the term of the lease.

Inventories are measured at the lower of cost or net realizable value. The cost consists of all direct costs and appropriate allocations of relevant overheads; interest is not included. Overheads are generally allocated on the basis of actual capacity, if this essentially corresponds to normal capacity.

Raw material and goods for resale are measured at average cost. In the event of longer storage periods or reduced realizable value, inventories are written down to the lower net realizable value.

Customer-specific **construction contracts** are recognized using the percentage of completion (POC) method. Sales revenues are recognized based on the percentage of completion. The result of the contract is not recognized solely upon transfer of risk, but rather based on the degree of completion. Revenue from the contract agreed with the customer and the anticipated costs of the contract is taken as a basis. The percentage of completion is calculated on the basis of the ratio of costs incurred to the total costs of the contract.

Anticipated losses from customer-specific construction contracts are recognized as expenses as soon as they are identified. If the result of a customer-specific construction contract is not certain, revenue is only recognized to the extent of the costs of the contract that have been incurred.

Financial instruments are contracts which result in a financial asset at one company and a financial liability or equity instrument at another company. In the event of a normal purchase, financial instruments are recognized on the date of performance. When measured for the first time, they are stated at fair value. Subsequent asset valuations are carried out in the four following categories: "measured at fair value through profit or loss," "held-to-maturity investments," "loans and receivables," and "available for sale." Financial liabilities are recognized in the two categories "measured at fair value through profit or loss" and "measured at amortized cost."

The fair value of financial instruments is determined on the basis of market information available on the balance-sheet date or by way of accepted valuation methods, such as the discounted cash flow method, and by confirmations from the banks carrying out the transactions. The interest rates employed are adjusted to the maturity and risk of the underlying financial instrument.

Non-derivative financial instruments: Loans and receivables and liabilities as well as financial investments held to maturity are carried at amortized cost. Financial assets available for sale are stated at fair value. Changes in fair value are recognized in equity, without an effect on the profit or loss, taking into account deferred taxes. Changes in the fair value of financial instruments which are designated as "measured at fair value through profit or loss" have a direct effect on the results for the period.

Investments stated under **financial assets** are carried at cost, as no quoted market price exists for such and their fair value cannot be reliably determined at a reasonable cost. Associated companies, in which INDUS Holding AG exercises significant influence (usually by holding between 20% and 50% of the voting rights), are accounted for using the equity method. When measured for the first time, they are stated at cost. For subsequent measurement, the carrying amount of the pro-rata changes in equity of the associated company is amortized.

Receivables and other assets are stated at net realizable value. Individual risks are taken into account through suitable impairments. General credit risks are recognized through impairments to receivables, based on past empirical experience or more current knowledge. In principle, valuation allowances recognized for receivables are recorded in separate accounts.

For current receivables and liabilities, the amortized costs essentially correspond to the net realizable cost or the repayable amount.

INDUS employs **derivative financial instruments** to hedge underlying transactions based on future cash flows. Derivatives employed as hedging instruments are primarily swaps, although forwards and suitable options are also used. A prerequisite for hedge accounting is that the hedge between the underlying transaction and the hedge instrument is effective and that this is documented and continuously monitored.

The statement of documented hedges depends on the type of relationship in question. In the case of hedging the fair value of a balance-sheet item (fair value hedges), the underlying transaction and the hedge transaction are recognized through profit or loss with counteracting effects. In the case of hedging cash flows (cash flow hedges), the change in the fair value is recorded in equity without an effect on income, taking into account all deferred taxes.Termination of the position with an effect on income occurs either upon completion of the underlying transaction, or when it is determined that the hedge is ineffective.

Non-current assets available for sale are classified as such if the corresponding carrying amount is to be realized primarily by sale and not by continued use. This is considered to be the case if the probability of sale is high and specific objective measures have taken place. Such assets are stated at the lower of the carrying amount or fair value less costs to sell. Amortization has been discontinued.

Discontinued operations are operations that can be isolated and have either been sold or are held for sale. Assets and debt of these operations are reclassified as assets and liabilities held for sale until the sale has been completed. They are measured based on the principles applied to non-current assets held for sale. The result of this measurement, current income and the sales proceeds are stated as "Income from discontinued operations." Prior-year figures on the income statement are adjusted accordingly.

Pensions: There are several benefit plans with different characteristics, in part for former shareholders of acquired companies. All of the benefit plans stated in the financial accounts are closed, and some are already in the payout phase.

Expenses from defined contribution plans relate to payments by INDUS to external institutions, without any additional obligations for the beneficiary.

With regard to defined benefit obligations, pensions and other benefits on termination of the employment contract are calculated in accordance with the projected unit credit method. Future obligations are measured based on the benefit claims earned pro rata up to the balance-sheet date and thus reflect the portion of benefit obligations that has been recognized with an effect on income up to such date. The valuation uses assumptions about the future development of several different parameters, in particular increases in wages and pensions.

For each pension plan, the projected benefit obligation is reduced by the fair value of the plan assets. Actuarial gains and losses are not recognized if the cumulative value of such remains within what is referred to as a "corridor". This corridor is calculated for each pension plan as the greater of 10% of the defined benefit obligation and the fair value of the qualified plan assets. Actuarial gains or losses outside the corridor are distributed prospectively over the expected average remaining working lives of the employees participating in the plan, with an effect on income. Periods of 1 to 15 years may be applied in this regard.

Other provisions are calculated for existing legal or constructive obligations to third parties relating to past events, in respect of which it is probable that an outflow of resources will be required and for which it is possible to make a reliable estimate of the amount of the obligation. The settlement amount is calculated on the basis of the best possible estimation. Provisions are discounted when their effect is significant. Individual provisions are formed for known damages. Provisions for product warranties are calculated for the sales bearing a warranty and the relevant warranty period, based on past empirical experience. Provisions for pending expenses, pending losses on contracts and other obligations from sales activities are calculated on the basis of the services to be rendered.

Contingent liabilities and assets essentially consist of possible obligations or assets resulting from past events, the existence of which depends on uncertain future events, and which cannot be influenced in full by INDUS. As long as an outflow of resources cannot be completely ruled out, information on contingent liabilities is included in the notes.

Deferred taxes are identified for all temporary differences between the value recognized in the IFRS financial statements and the corresponding tax bases of assets and liabilities based on the balance sheet approach. Temporary differences arise when the realization of the asset or settlement of the liability leads to income or expenses that differ from a tax perspective. Deferred taxes on goodwill are only accrued to the extent that they may be deducted. This is generally the case for German limited partnerships. Deferred taxes must also be calculated if the realization of this goodwill, e.g., by way of disposal of the relevant limited partnerships, is not planned. This leads to a continuous accrual of deferred tax liabilities for INDUS.

Deferred tax assets are recognized for tax loss carryforwards with regard to which it is probable that sufficient taxable income will be available over a planning horizon of 5 years.

Deferred tax assets are recognized as soon as it is probable that sufficient taxable income will be available, against which the deductible temporary difference can be offset.

Deferred taxes are measured using the tax rate valid for the periods in which the difference is expected to be reversed. Regardless of maturity, deferred taxes are not discounted. Deferred taxes are recognized on the basis of the tax rates prevailing or approved in the various countries, in accordance with the current legal situation. Due to the broadly long-term nature of deferred taxes at INDUS, short-term fluctuations in tax rates are not taken into account. Germany's corporate tax has been 15% since the 2008 German corporate tax reform. Taking into consideration the average local trade tax multiplier of 370% and the solidarity surcharge of 5.5%, the tax rate on earnings for companies in Germany amounts to 28.8% for all reporting periods. Foreign tax rates range from 10% to 40%.

Recognition of expenses and income: With the exception of sales from customer-specific construction contracts (see above), sales revenues are recognized when the services are rendered, or when the goods or products are delivered with simultaneous transfer of risk to the customer. Rebates are deducted from sales revenues. One general prerequisite for this is that the amount of sales can be reliably determined and that there is sufficient certainty that INDUS will derive economic benefits from such. Income and expense items are recognized in accordance with the principle of accrual as per the IAS framework.

In accordance with the provisions of IAS 7, the **cash flow statement** is divided into the sections "Cash flows from operating activities," "Cash flows from investing activities," and "Cash flows from financing activities." Effects of changes in the scope of consolidation are eliminated in the relevant items, and interest and dividends received are assigned to cash flows from operating activities. Financial facilities on hand are equivalent to the balance-sheet item "Cash and cash equivalents" and include demand deposits and cash on hand. Cash flows from operating activities are determined using the indirect method. Operating expenses and income without an effect on net cash are eliminated in cash flows from operating activities. As a result, data in the cash flow statement cannot be directly derived from the balance sheet and the income statement.

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

The realization of balance-sheet items can be influenced by future events which cannot be controlled. This can relate to the loss of receivables, useful lives of intangible assets or property, plant and equipment or other aspects, as well as risks that are integrally related to business activities. The recognition of such items is based on long-term experience and the assessment of current conditions.

Systemic uncertainties derive from balance-sheet items in respect of which future cash flows must be discounted. The path of such cash flows depends on future events regarding the assumptions that must be made. In particular, this is the case when testing assets for impairment in terms of value in use, as well as the calculation of pension provisions pursuant to the projected unit credit method.

Other uncertainties stem from items that must be measured on the basis of a range of possible future values; this applies to other provisions in particular.

Global developments in the past fiscal year shook the foundation of the financial markets. At present, it is difficult to predict the long-term impact this might have on the real economy and, in turn, on the sales markets of relevance to INDUS. Therefore, the assumptions and estimates we make in these consolidated financial statements are subject to more uncertainty than in earlier years. This holds true especially as regards the forecast cash flows and discount rates used in measuring items on the balance sheet that are long-term in nature.

Management was not aware of any new significant findings which might result in a material change in the valuation of balance-sheet items when these consolidated financial statements were prepared.

Adjustment of Prior-Year Figures

When accounting for discontinued operations in compliance with IFRS 5.34, one has to adjust prior-year figures as shown below. Detailed information and disclosure in the notes pertaining to the previous year were also adjusted.

Income Statement

Adjustment to the previous year's income statement EUR '000	**2007** published	Restatement **IFRS 5**	**2007** comparable
Sales	929,775	– 14,744	915,031
Other operating income	15,145	– 615	14,530
Own work capitalized	5,081	–	5,081
Change in inventories	– 137	– 97	– 234
Cost of materials	– 437,104	4,072	– 433,032
Personnel expenses	– 245,236	8,314	– 236,922
Depreciation	– 40,685	–	– 40,685
Other operating expenses	– 126,460	3,533	– 122,927
Income from shares accounted for using the equity method	1,196	–	1,196
Other financial result	368	–	368
Operating result (EBIT)	**101,943**	**463**	**102,406**
Interest income	3,706	– 122	3,584
Interest expenses	– 28,709	128	– 28,581
Net interest	– 25,003	6	– 24,997
Income before taxes	**76,940**	**469**	**77,409**
Taxes	– 26,579	– 124	– 26,703
Income from discontinued operations	582	– 345	237
Income after taxes	**50,943**	**–**	**50,943**
– Minority interests	– 999	–	– 999
– Amount allocable to INDUS shareholders	49,944	–	49,944
Diluted earnings per share in EUR Basic earnings per share in EUR	2.72 2.72	0.02 0.02	2.74 2.74

Consolidation and Scope of Consolidation

In the consolidated financial statements, all subsidiary companies are fully consolidated if the INDUS Group has the direct or indirect possibility of influencing the companies' finance and business policy to the benefit of the INDUS Group. Associated companies whose finance and business policy can be significantly influenced are consolidated using the equity method. Companies purchased during the course of the fiscal year are consolidated as of the date on which control over their finance and business policy is transferred. 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 on which the decision is made to divest the company, they are classified as "held for sale."

Number of companies included	**Germany**	**Abroad**	**Total**
Fully consolidated subsidiaries			
January 1, 2007	**98**	**18**	**116**
Additions	3	2	5
Disposals	3	1	4
January 1, 2008	**98**	**19**	**117**
Additions	4	4	8
Disposals	3	0	3
December 31, 2008	**99**	**23**	**122**
Companies accounted for using the equity method			
January 1, 2007	**1**	**3**	**4**
Additions	0	0	0
Disposals	0	1	1
January 1, 2008	**1**	**2**	**3**
Additions	0	0	0
Disposals	0	0	0
December 31, 2008	**1**	**2**	**3**

Four other associated companies, which are of lesser importance for the consolidated financial statements due to their small size or very limited economic activity, were recognized at amortized cost in accordance with IAS 39 (Financial Instruments: Recognition and Measurement).

Disposals of fully consolidated subsidiaries result from their being folded into other companies. This disclosure encompasses 35 fully limited liability companies, which form what is termed a "unit company" with the related limited commercial partnerships (as of December 31, 2007: 36 fully limited liability companies). The material operating companies are presented in the notes. A full list of shareholdings is submitted to the operator of the electronic German Federal Gazette.

SELZER Automotive LP, USA, was established in 2008 to supply the customer GETRAG Transmission Manufacturing LLC, USA, with parts locally. SELZER LP discontinued its operations due to the insolvency of this customer. SELZER LP was not included in the scope of consolidation because it stopped doing business. All costs already incurred and the risks of which there was still knowledge were disclosed in the financial statements of SELZER Fertigungstechnik GmbH & Co. KG. This project resulted in the recognition of EUR 10,249,000 in one-off costs in the consolidated financial statements. Above all, this caused operating expenses to rise (see note [7]).

Business Combinations

Per a purchase agreement dated September 15, 2008, INDUS Holding AG acquired a 100% stake in Anneliese KÖSTER GmbH & Co. KG and its subsidiaries. These eight companies were included in the consolidated financial statements for the first time effective October 2008.

Furthermore, existing majority stakes were increased in 2008 by acquiring a 10% interest in ASS Maschinenbau GmbH and a 15% interest in SELZER Automotiva Ltda., Brazil, via INDUS subsidiary SELZER Fertigungstechnik GmbH & Co. KG. INDUS now holds a 100% stake in ASS Maschinenbau GmbH and a 76.5% interest in SELZER Automotiva Ltda.

Acquisition costs for all additions including the minority shareholdings acquired amounted to EUR 12,136,000 (previous year: EUR 30,830,000).The purchase prices were determined on the basis of a standardized enterprise valuation model.

Disclosure on first-time consolidations for the current fiscal year:

Acquisitions made in 2008: KÖSTER Group

EUR ’000	Carrying amounts at time of addition	Assets added due to first-time consolidations	Additions consolidated balance sheet
Non-current assets	1,412	4,974	6,386
Current assets	8,968	789	9,757
Total assets	**10,380**	**5,763**	**16,143**
Non-current liabilities	791	22	813
Current liabilities	3,777	442	4,219
Total liabilities	**4,568**	**464**	**5,032**

The purchase price including ancillary costs amounted to EUR 11,111,000 and was paid in cash. EUR 1,757,000 in financial assets were assumed in the process. Non-current assets include EUR 1,798,000 in goodwill. The goodwill represents inseparable assets such as the personnel’s know-how and positive expected future earnings. The KÖSTER Group contributed EUR 5,407,000 in sales and EUR –437,000 in earnings to the consolidated financial statements. Had the first-time consolidation been effected as of January 1, 2008, the KÖSTER Group would have been included in the consolidated financial statements with sales of EUR 23,785,000 and earnings of EUR 1,989,000.

The KÖSTER Group is a system supplier domiciled in Ennepetal and the Czech Republic where it manufactures stud welding fasteners as well as associated stud welding machines. Thanks to the company's worldwide sales network, the products have an excellent market position in more than 80 countries. The KÖSTER Group has been assigned to the "Other Investments" segment.

Disclosure on the preceding year:

Acquisitions made in 2007

EUR '000	Carrying amounts at time of addition	Assets added due to first-time consolidations	Additions consolidated balance sheet
Non-current assets	1,330	18,071	19,401
Current assets	5,680	420	6,100
Total assets	**7,010**	**18,491**	**25,501**
Non-current liabilities	347	59	406
Current liabilities	4,449	1,194	5,643
Total liabilities	**4,796**	**1,253**	**6,049**

Sales generated by all newly consolidated companies for the financial year running from January 1 to December 31, 2007, would amount to EUR 21.9 million. In the 2007 consolidated financial statements, these companies contributed EUR 21.7 million in sales, EUR 19.0 million and EUR 2.7 million of which were attributable to OBUK and TOMCAST, respectively.

The allocation of the purchase prices of the new acquisitions resulted in EUR 16.0 million in goodwill. In 2007, EUR 15.7 million of this sum was allocable to the Construction Industry segment, while EUR 0.3 million was attributable to the Other Investments segment.

Disposals

The investment in MAPOTRIX Dehnfugen GmbH & Co. KG was sold as of January 1, 2007. The company was purchased by the years-long managing director in the framework of a management buyout (MBO).

In the 2008 financial year, INDUS decided to sell the operating activities of NEUTRASOFT GmbH & Co. KG. To this end, major portions of the assets and debt of NEUTRASOFT GmbH & Co. KG were transferred to a new company. They are stated as assets and liabilities held for sale. The company which was up for sale bears the name WILKEN NEUTRASOFT GmbH and was sold to the Ulm-based WILKEN Group as of January 1, 2009.

The prior year's income statement was adjusted. Details are included in the reconciliation above (see: Adjustment of prior-year figures).

In fiscal 2008 and 2007, income and expenses attributable to discontinued operations broke down as follows:

Disclosure in Accordance with IFRS 5

EUR '000	**2008**	**2007**
Sales	13,428	15,171
Expenses and other income	– 16,012	– 15,727
Operating result	**– 2,584**	**– 556**
Net interest	– 30	– 26
Earnings before taxes	**– 2,614**	**– 582**
Taxes	465	153
Income after taxes from continuing operations	– 2,149	– 429
Income from deconsolidations	0	665
Income from discontinued operations	**– 2,149**	**236**
Tax expense/revenue from divestments	0	– 79

Given the EUR 2,000,000 in proceeds on the sale of WILKEN NEUTRASOFT GmbH, income from the deconsolidation in 2009 is expected to amount to EUR 1,565,000.

The following is an overview of reclassifications of assets and liabilities stated on the balance sheet as held for sale. The carrying amount of goodwill included in the reclassifications was EUR 0,000.

EUR '000	**2008**	**2007**
Non-current assets	630	–
Current assets	226	–
Total assets	**856**	**–**
Non-current liabilities	–	–
Current liabilities	715	–
Total liabilities	**715**	**–**

Call and Put Options

There are call and put options for minority interests in fully consolidated companies. In all major cases, purchase price models ensure that the shares can be assessed objectively taking company-specific risk structures into account, which enables one to exchange the minority interests at fair value. As a rule, both of the contractual parties can exercise the options. In some cases, provisions establish when the call or put option may be exercised for the first time.

Notes to the Consolidated Income Statement

[1] Sales

Sales includes EUR 4,914,000 in sales from services (previous year: EUR 4,665,000) and EUR 232,000 in service fees (previous year: EUR 261,000). Sales also include EUR 59,880,000 in sales from customer-specific construction contracts (prior year: EUR 41,093,000). EUR 5,407,000 of the EUR 13,398,000 increase in sales stems from the first-time consolidation of companies in 2008. In fiscal 2007, EUR –14,744,000 in sales was reclassified to income from discontinued operations. In 2008, sales decreased by EUR 13,428,000 to EUR 928,429,000 from EUR 941,857,000 due to the reclassification in accordance with IFRS 5.

A more detailed presentation of sales can be found in the section entitled "Segment Reporting".

[2] Other Operating Income

EUR '000	**2008**	**2007**
Income from the release of accruals	1,876	2,000
Income from currency translation	1,647	1,319
Release of valuation allowances	1,328	971
Transfer to earnings/release of deferrals carried as liabilities	781	702
Income from asset disposals	747	534
Insurance coverage for disposals of property, plant and equipment	679	639
Other operating income	7,178	8,365
Total	**14,236**	**14,530**

Income from currency translation was contrasted by EUR –3,692,000 in expenses (previous year: EUR –2,728,000). Currency differences included in income thus amounted to EUR –2,045,000 (prior year: EUR –1,409,000).

[3] Own Work Capitalized

EUR '000	**2008**	**2007**
Other own work capitalized	2,168	2,856
Own work capitalized in accordance with IAS 38	2,375	2,225
Total	**4,543**	**5,081**

Furthermore, EUR 7,609,000 in research and development expenses were recognized as part of the expenses for the period (prior year: EUR 7,757,000).

Changes in Finished Goods and Work in Progress

EUR '000	2008	2007
Work in progress	3,413	5,137
Finished goods	4,604	– 5,371
Total	**8,017**	**– 234**

[4] Cost of Materials

EUR '000	2008	2007
Raw materials and goods for resale	– 393,624	– 388,626
Purchased services	– 50,056	– 44,406
Total	**– 443,680**	**– 433,032**

[5] Personnel Expenses

EUR '000	2008	2007
Wages and salaries	– 206,177	– 198,349
Social security	– 37,191	– 36,571
Pensions	– 2,048	– 2,002
Total	**– 245,416**	**– 236,922**

Personnel expenses do not include the interest accretion to transfers to pension provisions, which amounted to EUR –845,000 and was recognized as part of the net interest (previous year: EUR –768,000).

[6] Depreciation, Amortization, Write-Downs, Impairment Losses

EUR '000	2008	2007
Depreciation of property, plant, equipment and intangible assets	– 33,086	– 32,453
Amortization of value added within the Group	– 7,125	– 8,232
Impairment losses from first-time consolidations	– 6,801	–
Total	**– 47,012**	**– 40,685**

Impairment losses recognized due to first-time consolidations relate to write-downs on goodwill occasioned by the decreased earnings power of business areas. Write-downs on goodwill were performed for business areas with a useful value that was below their carrying amount. Impairment losses from first-time consolidation are broken down by segment in the segment report. Additionally, EUR 658,000 in impairment losses were recognized for property, plant and equipment (previous year: EUR 309,000), while EUR 0,000 were recognized for intangible assets (prior year: EUR 3,000).

[7] Other Operating Expenses

EUR '000	2008	2007
Operating expenses	– 42,921	– 43,394
Selling expenses	– 50,384	– 49,323
Administrative expenses	– 23,939	– 22,935
Other expenses	– 15,682	– 7,275
Total	**– 132,926**	**– 122,927**

[8] Financial Result

EUR '000	2008	2007
Depreciation of financial assets	– 191	– 48
Income from financial assets	454	416
Total	**263**	**368**

[9] Net Interest

EUR '000	2008	2007
Interest and similar income	3,951	3,584
Interest and similar expenses	– 31,212	– 29,436
= Interest from operations	– 27,261	– 25,852
IFRS interest: market value of interest-rate swaps	– 3,617	2,049
IFRS interest: minority interests	413	– 1,194
= IFRS interest	– 3,204	855
Total	**– 30,465**	**– 24,997**

Although some interest derivatives are very commercially effective hedges, they are not accounted for as hedges for purely formal reasons. Above,we have adjusted the change in the market value of these interest-rate derivatives in the item "IFRS interest: market value of interest-rate swaps" with an effect on net income.

The item "IFRS interest: minority interests" includes income after taxes that is allocable to minority interests in limited partnerships. Since in principle, shares in limited partnerships can be retired by minority shareholders, their shares in capital are stated as part of other liabilities and the associated changes are presented as the return on this item.

[10] Taxes

EUR '000	2008	2007
Non-recurrent taxes	– 1,723	– 281
Current taxes	– 22,575	– 28,316
Deferred taxes	– 1,923	1,894
Total	**– 26,221**	**– 26,703**

Income from deferred taxes in 2007 results from the change in tax rates occasioned by the German 2008 tax reform. Non-recurrent taxes in 2008 stem from audits.

Special Tax Aspects

INDUS Holding AG's business model is based on the idea of building up a portfolio of medium-sized niche enterprises which hold leading positions in their respective markets. Synergies play a secondary role in respect of acquisitions. Each company is responsible for its own success, supported if necessary by the holding company's resources.

INDUS focuses above all on the acquisition of German limited partnerships. Acquiring such companies has the following tax consequences:

Assets added from the purchase price allocation for tax purposes are deductible as write-downs from supplementary balances, distributed over the relevant useful life. This means that the tax base is reduced by the write-downs; even for companies with stronger earnings, this can result in a tax loss with corresponding tax savings, in trade tax at limited partnerships, and in corporate tax at INDUS Holding. There are no longer any positive effects on earnings due to the recognition of deferred taxes pursuant to the temporary concept as per IFRS. Recognition of deferred tax assets for tax carryforwards only occurs in the Group if the realization of such is probable over a 5-year planning period.

Trade tax is due at the level of the limited partnerships. With regard to trade tax, offsetting tax gains and losses between limited partnerships is not allowed. The taxable earnings after trade tax are ascribed to INDUS Holding AG and then subject to corporate tax. No tax group contracts have been concluded with any of the limited liability companies. This is reflected in the item "No offsetting of income for independent subsidiaries."

In accordance with the corporate philosophy, the holding company handles financing for all of the portfolio companies. Most of the Group's financial expenses are thus incurred by the holding company. Financial expenses for stock corporations are tax-deductible for the holding company, whereas distributions are tax-exempt. As a result, the holding company incurs trade tax losses, which increase the Group's tax rate.

Reconciliation from the Expected to the Actual Tax Expense

EUR '000		**2008**	**2007**
Income before income taxes		**56,675**	**77,409**
Expected tax expense*	28.8%	16,322	29,261
Reconciliation			
Goodwill amortization		1,959	–
Capitalization or value allowance of deferred tax loss carryforwards		1,496	– 969
Non-recurrent taxes		1,723	281
Equity measurement of associated companies		– 198	– 452
Structural effects of			
– deviating local tax rates		– 209	– 198
– deviating national tax rates		– 285	129
Commercial tax losses of INDUS Holding AG		40	823
No offsetting of income for independent subsidiaries		1,507	704
Foreign withholding tax on tax-free dividends		13	–
Effects of the interest deduction ceiling on INDUS AG		1,572	–
Other non-deductible expenses or tax-free income		3,102	2,941
Use of actual tax loss carryforwards		– 821	– 1,064
Change in domestic tax rates		–	– 4,753
Actual tax expense		**26,221**	**26,703**
As a percentage of income		46.3	34.5

**Previous year: 37.8%*

Based on a corporate tax rate of 15%, taking into account an average commercial tax assessment rate of 370% and the 5.5% solidarity surcharge, the income tax rate for domestic companies is 28.8%.

[11] Income from Discontinued Operations

As in the preceding year, in the current year, income from discontinued operations includes income after taxes earned by NEUTRASOFT GmbH & Co. KG. In 2007 income after taxes recorded by MAPOTRIX Dehnfugen GmbH & Co. KG was included as well.

[12] Earnings per Share

Earnings per share total EUR 1.63 (previous year: EUR 2.74). In 2008, the weighted average number of shares was 18,370,033 (prior year: 18,154,180). Please turn to note [19] for further details.

The earnings taken as a basis are derived from the earnings of the INDUS shareholders, adjusted to exclude income from discontinued operations. Including income from discontinued operations in the basis decreases earnings per share for 2008 by EUR 0.12 per share and increases earnings for 2007 by EUR 0,01 per share.

Notes to the Consolidated Balance Sheet

[13] Development of Intangible Assets and Property, Plant and Equipment

Cost in 2008 EUR '000	Opening balance Jan. 1, 2008	Changes in the scope of con-solidation	Additions	Disposals	Transfers	Currency translation	Closing balance Dec. 31, 2008
Goodwill	**325,179**	**125**	**413**	**–**	**–**	**–**	**325,717**
Capitalized development costs	8,221	–	2,375	–	–	–	10,596
Licenses, commercial rights, and other intangible assets	92,465	– 8,535	2,319	448	–	–	85,801
Total intangible assets	**100,686**	**– 8,535**	**4,694**	**448**	**–**	**–**	**96,397**
Land and buildings	152,686	2,708	3,437	9	631	–	159,453
Technical plant and machinery	258,828	693	21,166	8,326	4,936	–	277,297
Other plant, fixtures, furniture and office equipment	91,521	– 1,685	10,115	4,402	181	–	95,730
Advance payments and work in progress	6,988	– 7	10,148	860	– 5,748	– 38	10,483
Total property, plant and equipment	**510,023**	**1,709**	**44,866**	**13,597**	**–**	**– 38**	**542,963**

Cost in 2007 EUR '000	Opening balance Jan. 1, 2007	Changes in the scope of con-solidation	Additions	Disposals	Transfers	Currency translation	Closing balance Dec. 31, 2007
Goodwill	**302,768**	**15,950**	**6,478**	**17**	**–**	**–**	**325,179**
Capitalized development costs	6,251	–	2,225	255	–	–	8,221
Licenses, commercial rights, and other intangible assets	90,885	282	2,637	1,332	– 7	–	92,465
Total intangible assets	**97,136**	**282**	**4,862**	**1,587**	**– 7**	**–**	**100,686**
Land and buildings	143,266	9	7,810	1,262	2,863	–	152,686
Technical plant and machinery	235,950	2,153	21,022	3,016	2,719	–	258,828
Other plant, fixtures, furniture and office equipment	83,893	616	9,978	3,562	596	–	91,521
Advance payments and work in progress	4,886	–	8,373	100	– 6,171	–	6,988
Total property, plant and equipment	**467,995**	**2,778**	**47,183**	**7,940**	**7**	**–**	**510,023**

Depreciation in 2008 EUR '000	Opening balance Jan. 1, 2008	Changes in the scope of consolidation	Additions	Write-ups	Disposals and transfers	Currency translation	Closing balance Dec. 31, 2008
Goodwill	**39,573**	**– 1,673**	**6,801**	**–**	**–**	**–**	**44,701**
Capitalized development costs	965	–	870	–	–	–	1,835
Licenses, commercial rights, and other intangible assets	81,574	– 8,931	4,924	–	364	– 1	77,202
Total intangible assets	**82,539**	**– 8,931**	**5,794**	**–**	**364**	**– 1**	**79,037**
Land and buildings	33,477	–	5,170	–	9	5	38,643
Technical plant and machinery	173,337	–	20,792	–	7,186	102	187,045
Other plant, fixtures, furniture and office equipment	63,828	– 1,767	8,455	–	3,896	– 8	66,612
Advance payments and work in progress	–	–	–	–	–	–	–
Total property, plant and equipment	**270,642**	**– 1,767**	**34,417**	**–**	**11,091**	**99**	**292,300**

Depreciation in 2007 EUR '000	Opening balance Jan. 1, 2007	Changes in the scope of consolidation	Additions	Write-ups	Disposals and transfers	Currency translation	Closing balance Dec. 31, 2007
Goodwill	**39,573**	**–**	**–**	**–**	**–**	**–**	**39,573**
Capitalized development costs	452	–	513	–	–	–	965
Licenses, commercial rights, and other intangible assets	77,638	–	5,275	–	1,343	4	81,574
Total intangible assets	**78,090**	**–**	**5,788**	**–**	**1,343**	**4**	**82,539**
Land and buildings	28,850	–	4,833	–	212	6	33,477
Technical plant and machinery	155,067	– 56	20,603	–	2,609	332	173,337
Other plant, fixtures, furniture and office equipment	57,287	– 34	9,461	–	2,871	– 15	63,828
Advance payments and work in progress	–	–	–	–	–	–	–
Total property, plant and equipment	**241,204**	**– 90**	**34,897**	**–**	**5,692**	**323**	**270,642**

Intangible assets have determinable useful lives.

The change in the scope of consolidation relates to additions pursuant to IFRS 3 and disposals under IFRS 5. This includes reclassifications in accordance with IFRS 5: goodwill (cost: EUR 1,673,000, amortization: EUR 1,673,000, residual carrying amount: EUR 0,000), intangible assets (cost: EUR 9,295,000, amortization: EUR 8,931,000, residual carrying amount: EUR 364,000) and property, plant and equipment (cost: EUR 2,033,000, amortization: EUR 1,767,000, residual carrying amount: EUR 266,000).

Residual carrying amounts of fixed assets developed as follows:

EUR '000	Dec. 31, 2008	Jan. 1, 2008	Jan. 1, 2007
Goodwill	**281,016**	**285,606**	**263,195**
Capitalized development costs	8,761	7,256	5,799
Licenses, commercial rights, and other intangible assets	8,599	10,891	13,247
Total intangible assets	**17,360**	**18,147**	**19,046**
Land and buildings	120,810	119,209	114,416
Technical plant and machinery	90,252	85,491	80,883
Other plant, fixtures, furniture and office equipment	29,118	27,693	26,606
Advance payments and work in progress	10,483	6,988	4,886
Total property, plant and equipment	**250,663**	**239,381**	**226,791**

[14] Financial Assets and Shares Accounted for Using the Equity Method

EUR '000	2008	2007
Other investments	243	173
Other loans	7,947	7,680
Shares accounted for using the equity method	4,663	4,657
Total	**12,853**	**12,510**

Loans relate to loans granted by the company, which are carried at amortized cost. Some of the loans are extended interest-free, but the majority of them have interest rates suitable for their durations and long-term fixed rates. There were no defaults in either of the financial years.

The following overview contains additional information on associated companies:

Associated companies

EUR '000	2008	2007
Purchase price of associated companies	2,857	2,857
Appropriated income	686	1,196
Key figures of associated companies		
Assets	8,514	9,657
Liabilities	3,888	5,084
Capital	4,626	4,573
Sales	27,248	31,224
Earnings	1,857	2,352
Relations with associated companies		
Accounts receivable	1,030	1,039
Sales	2,187	2,067
Goods purchased	1,344	1,955

[15] Other Assets

EUR '000	2008	2007
Other tax refund claims	3,692	2,243
Accrual of payments not relating to the period under review	1,850	2,378
Reinsurance premiums	2,423	1,747
Loans and other accounts receivable	728	860
Positive swap market value	842	1,964
Miscellaneous assets	3,593	3,359
Total	**13,128**	**12,551**
– of which current – of which non-current	9,960 3,168	10,442 2,109

[16] Deferred Taxes

EUR 632,000 in capitalized current income taxes are long-term in nature (previous year: EUR 725,000) and principally stem from capitalized corporate tax credits. EUR 4,487,000 in current income tax liabilities are allocable to income tax liabilities (prior year: 372,000), while EUR 8,567,000 are attributable to income tax provisions (previous year: EUR 10,011,000).

The origin of **deferred tax** assets and deferred tax liabilities is broken down by balance-sheet item as follows:

2008 EUR '000	**Assets**	**Liabilities**	**Balance**
Goodwill of limited partnerships	1,351	– 21,376	– 20,025
Intangible assets	932	– 1,906	– 974
Property, plant and equipment	2,964	– 1,659	1,305
Other non-current assets	240	–	240
Receivables and inventories	7,453	– 3,506	3,947
Other current assets	150	–	150
Long-term provisions	787	– 74	713
Current liabilities	3,413	– 6,312	– 2,899
Capitalization of losses carried forward	1,396	–	1,396
Netting-out of accounts at the company level	– 12,235	12,235	–
Netting-out of accounts at the Group level	– 2,617	2,617	–
Deferred taxes	**3,834**	**– 19,981**	**– 16,147**

2007 EUR '000	**Assets**	**Liabilities**	**Balance**
Goodwill of limited partnerships	1,559	– 20,969	– 19,410
Intangible assets	2,329	– 1,669	660
Property, plant and equipment	3,614	– 1,987	1,627
Other non-current assets	240	– 2	238
Receivables and inventories	5,611	– 2,273	3,338
Other current assets	152	–	152
Long-term provisions	802	– 81	721
Current liabilities	910	– 5,690	– 4,780
Capitalization of losses carried forward	2,893	–	2,893
Netting-out of accounts at the company level	– 12,230	12,230	–
Netting-out of accounts at the Group level	– 1,736	1,736	–
Deferred taxes	**4,144**	**– 18,705**	**– 14,561**

The netting-out of deferred tax assets and deferred tax liabilities at the company level (for the same tax entity) primarily relates to receivables, inventories and current liabilities resulting from treatment pursuant to IAS 11 (Construction Contracts). Netting within the Group (between different tax entities) is undertaken for income tax which is due to the same tax authority. This mainly relates to the corporate tax of INDUS Holding AG and those of its German subsidiaries which are incorporated companies by law.

Deferred tax liabilities mainly result from the calculation of deferred taxes on the tax-deductible goodwill of limited partnerships. For tax purposes, rules governing the purchase price allocation are similar to those under IFRS for limited partnerships, and the resulting assets are tax-deductible, as is goodwill of fiscal nature. As goodwill is no longer amortized pursuant to IFRS, henceforth, deferred taxes will be accrued in line with the amortization of fiscal goodwill in accordance with the conditions of IAS 12.21B. Deferred taxes must be recognized up until the sale of the company. As INDUS principally engages in long-term investments in subsidiaries, this item will increase constantly in the future.

The change in the balance of deferred taxes was recognized with an effect on income in the income statement and amounted to EUR –1,923,000 (previous year: EUR +1,894,000). This also results from adjustments without an effect on income within the framework of capital consolidation and reserves for the marked-to-market valuation of financial instruments.

Due to the decline in the opportunities to realize such, deferred tax assets in the amount of EUR 1,445,000 were not recognized (previous year: EUR 550,000). We believe that EUR 10,740,000 in losses carried forward (previous year: EUR 22,200,000) are realizable over a planning horizon of 5 years. EUR 103,152,000 in losses carried forward (previous year: EUR 89,475,000), which are unlikely to be realized, were not capitalized. The vast majority of this pertains to trade tax loss carryforwards resulting from the special tax conditions existing at INDUS Holding AG, as explained in note [10]. Possible future opportunities to realize such carryforwards are determined by the trade tax rate. The single-largest item is the holding company's trade tax loss carryforward. The use of loss carryforwards is not subject to any time limits.

Taking applicable tax rates into account, this results in EUR 1,397,000 in capitalized tax loss carryforwards (previous year: EUR 2,893,000). The impact this has on earnings is EUR –1,496,000 (previous year: EUR 969,000).

In fiscal 2008, EUR 711,000 (prior year: EUR –118,000) in deferred taxes were accrued for the items recognized in equity without an effect on net income.

[17] Accounts Receivable

EUR '000	2008	2007
Accounts receivable from customers	95,068	109,140
Future accounts receivable from customer-specific construction contracts	8,448	5,364
Accounts receivable from associated companies	1,030	1,039
Total	**104,546**	**115,543**

In the year under review, EUR 487,000 in accounts receivable from customers were stated as part of non-current assets because they had maturities of more than one year.

EUR 922,000 of accounts receivable from customer-specific construction contracts in the future have long-term maturities (previous year: EUR 893,000). Further information on construction contracts is contained in the following table:

Completion of Contracts

EUR '000	2008	2007
Costs incurred including prorated income	27,250	21,724
Advance payments received	21,915	19,520
Construction contracts with a positive balance	8,448	5,364
Construction contracts with a negative balance	3,113	3,160
Contingent liabilities	13,935	11,905

Construction contracts with a balance on the liabilities side are reported under other liabilities. No major collateral was retained.

Accounts receivable include EUR 5,744,000 in **valuation allowances** (previous year: EUR 4,337,000). They developed as follows:

EUR '000	2008	2007
Valuation allowances as of January 1	4,337	4,840
Currency translation	13	– 3
Changes in the scope of consolidation	18	– 17
Additions	3,491	1,908
Usage	– 700	– 1,388
Releases	– 1,415	– 1,003
Valuation allowances as of December 31	5,744	4,337

[18] Inventories

EUR '000	2008	2007
Raw materials and supplies	60,737	58,720
Unfinished goods	44,864	40,552
Finished goods and goods for resale	65,593	60,680
Prepayments to third parties for inventories	853	1,399
Total	**172,047**	**161,351**

The value of the carrying amounts of inventories was adjusted downward by EUR 10,069,000 (prior year: EUR 6,557,000), EUR 2,274,000 of which were reductions to fair value (previous year: EUR 1,387,000). No inventories were pledged as collateral for liabilities.

[19] Equity

Subscribed Capital

As of the balance-sheet date, the capital stock amounted to EUR 47,762,086. The capital stock is divided into 18,370,033 non-par-value shares. The shares are in the name of the bearer and each grant the bearer one vote at the Annual Shareholders' Meeting. The shares are registered for regulated trading on the Düsseldorf and Frankfurt Stock Exchanges and for over-the-counter trading in Berlin, Hamburg and Stuttgart. The company is listed in the SDAX and CDAX.

In a written communication dated July 23, 2007, the co-shareholder SELZER Fertigungstechnik GmbH & Co. KG exercised its right to tender 15% of the shares in its limited partnership to INDUS Holding Aktiengesellschaft. The shares were transferred to INDUS Holding Aktiengesellschaft as a contribution in kind of EUR 9,975,000 with commercial effect as of August 1, 2007. On November 14, 2007, the Board of Management passed a resolution to implement the capital increase required to implement the contribution, which was approved by the Supervisory Board on December 5, 2007, and was entered into the commercial register on March 26, 2008. In this connection, 370,033 shares were issued, which increased subscribed capital by EUR 962,086 to EUR 47,762,086. The difference has been transferred to additional paid-in capital as a share issuance premium.

According to Item 4.3 of the Articles of Association, subject to the approval of the Supervisory Board, the Board of Management is authorized to increase the company's capital stock by up to EUR 18,720,000 through the one-time or multiple issuance of new bearer shares in exchange for contributions in cash (authorized capital I) by June 30, 2009. Shareholders are to be awarded subscription rights in the event of a capital increase. However, subject to Supervisory Board approval, the Board of Management is empowered to exempt fractional amounts from the shareholder subscription rights.

According to Item 4.4 of the Articles of Association, subject to the approval of the Supervisory Board, the Board of Management is authorized to increase the company's capital stock by up to EUR 3,717,914 through the one-time or multiple issuance of new bearer shares in exchange for contributions in cash and/or in kind (authorized capital II) by June 30, 2009. Subject to the approval of the Supervisory Board, the Board of Management is entitled to decide on the exclusion of shareholder subscription rights and to determine other details of the capital increase. The authorization to exclude shareholder subscription rights shall only be valid with the proviso that, pursuant to the limitation to 10% of the capital stock stipulated by Sec. 186, Para. 3, Sentence 4 of the German Stock Corporation Act, the shares taken into account are those which are sold in the period from July 5, 2004, until said authorization is exercised based on an authorization by the company to sell treasury stock under exclusion of shareholder subscription rights.

Furthermore, the Annual Shareholders' Meeting on July 1, 2008, authorized the company in accordance with Sec. 71, Para. 1, Item 8 of the German Stock Corporation Act to buy back a maximum of 1,837,000 shares, corresponding to approximately 10% of the current number of individual share certificates and thus to about 10% of the company's current capital stock, until December 31, 2009. The authorization can be exercised in full or in part as well as either once or several times. However, no more than 10% of the company's capital stock may be bought back, including shares already purchased and owned by the company. The purchase shall be made on the stock market. The price of each share purchased may not exceed or fall short of 5% of the INDUS share's average closing quotation (excluding ancillary purchase costs) on the Frankfurt Securities Exchange on the five trading days prior to the buyback. The Board of Management is authorized to sell shares bought back on the stock exchange or—subject to Supervisory Board approval—by other means under exclusion of shareholder subscription rights. If the shares bought back are sold on the stock exchange, the sales price per share may not exceed or fall short of 5% of the INDUS share's average closing quotation (excluding ancillary sales costs) on the Frankfurt Securities Exchange on the five trading days prior to the sales transaction. If the shares bought back are sold over the counter, the sales price may not fall short of the INDUS share's average closing quotation on the Frankfurt Securities Exchange on the five trading days prior to the sales offer by more than 5% (excluding ancillary purchase costs). The sales price may not fall short of the shares' imputed par value. But the authorization to exclude shareholder subscription rights shall only apply as long as the shares sold under exclusion of shareholder subscription rights after raising authorized capital II are applied to the limit of 10% of the company's capital stock set by Sec. 186, Para. 3, Sentence 4 of the German Stock Corporation Act. Furthermore, subject to the approval of the Supervisory Board, the Board of Management is authorized to retire shares bought back without the retirement or the transaction requiring a new resolution from the Annual Shareholders' Meeting.

Reserves and Consolidated Net Income Available for Distribution

The development of reserves is presented in the statement of changes in equity and includes INDUS Holding AG's additional paid-in capital. As of the balance-sheet date, the equity ratio was 26.0% (previous year: 25.1%).

Minority Interest

Interests held by other shareholders essentially consist of the minority interests in the limited liability companies WEIGAND Bau GmbH and SELZER Automotiva Ltda. Minority interests in limited partnerships were reclassified to other liabilities [23]. This primarily relates to SELZER Fertigungstechnik GmbH & Co. KG, OBUK Haustürfüllungen GmbH & Co. KG and Helmut RÜBSAMEN GmbH & Co. KG.

Application of Profits

The Board of Management will propose to the Annual Shareholders' Meeting that the following dividend payments be made:

Payment of a dividend of EUR 0.80 per individual share certificate, this corresponds to a payment of EUR 14,696,026.40.

The complete text of the dividend proposal is published separately.

Managing Capital

INDUS Holding AG manages its capital in order to increase its return on equity. The ratio of equity to interest-bearing total capital, consisting of interest-bearing debt and equity, is constantly optimized to the same end. Interest-bearing capital comprises provisions for pensions and financial liabilities, less cash and cash equivalents, and amounts to EUR 454,627,000 (previous year: EUR 455,485,000). Relative to total interest-bearing capital employed, the equity ratio rose from 34.0% in 2007 to 35.2% in 2008.

INDUS Holding AG is not subject to any capital requirements stipulated by th articles of association.

[20] The following tables contain information on **financial liabilities** and the related derivatives:

Information on contractual repayment obligations/ remaining terms EUR '000	**Dec. 31, 2008** Carrying amount period under review	Repayment obligations 1 year	Over 1 year to 5 years	More than 5 years
Bank debt				
– in the Group's currency (euro)	422,310	78,836	240,258	103,216
– in Swiss franks	23,709	1,575	20,220	1,914
– in other currencies	3,070	265	1,282	1,523
ABS financing	44,665	44,665	–	–
Notes payable	32,500	22,500	10,000	–
Total financial liabilities	**526,254**	**147,841**	**271,760**	**106,653**
Derivatives/interest-rate swaps (nominal values)	282,111	115,428	110,180	56,503

Information on contractual repayment obligations/ remaining terms EUR '000	**Jan. 1, 2008** Carrying amount period under review	Repayment obligations 1 year	Over 1 year to 5 years	More than 5 years
Bank debt				
– in the Group's currency (euro)	407,797	78,721	231,127	97,949
– in Swiss franks	25,183	3,261	19,901	2,021
– in other currencies	3,316	246	1,189	1,881
ABS financing	46,682	46,682	–	–
Notes payable	35,000	2,500	30,000	2,500
Total financial liabilities	**517,978**	**131,410**	**282,217**	**104,351**
Derivatives/interest-rate swaps (nominal values)	260,393	33,282	177,529	49,582

EUR '000 Interest obligation period	Risk-free going interest rates	Weighted interest rate based on the carrying amount	Financial liabilities: Nominal volume/ historical cost	Carrying amount as of Dec. 31, 2008	Carrying amount as of Dec. 31, 2007	Derivatives: interest-rate swaps: Nominal value as of Dec. 31, 2008	Nominal value as of Dec. 31, 2007
< 1 year	1.61 %	5.06 %	346,810	282,044	224,861	103,323	32,500
1 to < 2 years	1.83 %	5.89 %	70,705	41,601	47,676	10,546	113,579
2 to < 3 years	2.04 %	4.63 %	45,113	31,347	47,250	13,052	11,385
3 to < 4 years	2.26 %	4.91 %	63,766	38,073	34,104	5,832	9,775
4 to < 5 years	2.46 %	4.76 %	51,836	32,595	41,904	11,500	6,546
> 5 years	3.28 %	5.23 %	118,660	100,594	122,183	137,858	86,608
Total			**696,890**	**526,254**	**517,978**	**282,111**	**260,393**
Market value of non-derivative and derivative financial instruments				**507,453**	**517,810**	**– 7,918**	**327**

As of the balance-sheet date, EUR 50,062,000 in accounts receivable (prior year: EUR 52,917,000) were transferred within the scope of ABS financing, since they could not be retired due to the remaining credit risk. In this context, EUR 44,665,000 in financing (previous year: EUR 46,682,000), which had been classified as collateralized debt in the consolidated financial statements, was recognized in the balance sheet.

Financial facilities from the sale of accounts receivable are stated as part of financial liabilities with short maturities and adjusted interest rates.

[21] Disclosure in Accordance with IAS 19: Balance Sheet and Income Statement

EUR '000	**2008**	**2007**	Deviation—change in the scope of consolidation	Other difference
Income statement				
Current service cost	230	243	–	– 13
Interest cost	845	768	–	77
Income from plan assets	– 67	– 58	–	– 9
Recognized actuarial gain or loss	– 20	– 16	–	– 4
Service cost subject to retrospective settlement	40	40	–	–
Cost of defined benefit obligation	**1,028**	**977**	**–**	**51**
+ Defined contribution plan cost	1,798	1,485	–	313
= Cost of pension commitments for the period carried on the income statement	2,826	2,462	–	364

EUR '000	**2008**	**2007**	Deviation—change in the scope of consolidation	Other difference
Balance sheet statement				
Present value of benefit obligations financed by provisions	16,211	14,910	842	459
Present value of funded benefit obligation	1,565	1,587	–	– 22
DBO: accumulated benefit obligation	**17,776**	**16,497**	**842**	**437**
Market value of plan assets	– 1,565	– 1,587	–	22
Net obligation	**16,211**	**14,910**	**842**	**459**
Unrecognized actuarial result	– 47	214	–	– 261
Closing balance: amount carried on the balance sheet as of December 31	**16,164**	**15,124**	**842**	**198**
Pension obligation expenses	1,028	977	–	51
Pension payments	– 830	– 816	–	– 14
Changes in the scope of consolidation	842	170	–	–
Opening balance: amount carried on the balance sheet as of January 1	**15,124**	**14,793**	**–**	**–**
Underlying assumptions				
Discount rate	5.25%	5.25%		
Salary trend	2.50%	2.00%		
Pension trend	1.75%	1.50%		
Expected income from plan assets	4.25%	4.25%		

Interest expenses are stated in the item "interest result." The anticipated income on plan assets essentially corresponds to actual income. In 2008, the change to the scope of consolidation was due to the fact that KÖSTER & Co. GmbH was consolidated for the first time.

Plan assets only include reinsurance policies. Plan assets developed as follows:

Development of plan assets

EUR '000	2008	2007
Assets as of January 1	**1,587**	**1,375**
Expected return on plan assets	67	58
Ongoing employer contributions	50	64
Benefits paid	– 156	– 74
Reclassification of pension plans	–	–
Changes in the scope of consolidation	–	195
Other	17	– 31
Assets as of December 31	**1,565**	**1,587**

The following table provides an overview of the development of pension obligations, the fair value of plan assets, and the benefit obligation exceeding the assets for the year under review and the four preceding years. No material adjustments based on experience were made to pension obligations or assets not stemming from changes in actuarial assumptions.

Development of Key Figures

EUR '000	2008	2007	2006	2005	2004
Defined benefit obligation (DBO)	17,776	16,497	16,565	16,811	10,266
Fair value of plan assets	– 1,565	– 1,587	– 1,375	– 755	– 757
Benefit obligation	16,211	14,910	15,190	16,056	9,509
Unrecognized actuarial gain/loss	– 47	214	– 397	–1,337	– 601
Closing balance: amount carried on the balance sheet as of December 31	**16,164**	**15,124**	**14,793**	**14,719**	**8,908**

[22] Provisions

2008 EUR '000	Opening balance Jan. 1, 2008	Changes in scope of con-solidation	Amount used	Unused amounts released	Additions/ new accruals	Currency adjust-ments	Closing balance Dec. 31, 2008
Sales and purchasing obligations	11,592	44	8,446	1,275	10,818	38	12,771
Personnel expenses	11,138	– 252	8,796	348	8,426	52	10,220
Other provisions	8,556	142	5,427	672	10,955	34	13,588
Total	**31,286**	**– 66**	**22,669**	**2,295**	**30,199**	**124**	**36,579**

2007 EUR '000	Opening balance Jan. 1, 2007	Changes in scope of con-solidation	Amount used	Unused amounts released	Additions/ new accruals	Currency adjust-ments	Closing balance Dec. 31, 2007
Sales and purchasing obligations	10,074	348	7,650	970	9,799	– 9	11,592
Personnel expenses	11,529	162	8,262	609	8,333	– 15	11,138
Other provisions	10,972	22	4,622	876	3,089	– 29	8,556
Total	**32,575**	**532**	**20,534**	**2,455**	**21,221**	**– 53**	**31,286**

Additions to provisions for pensions [21] include EUR 845,000 in interest accretions (previous year: EUR 768,000). There is no other significant interest accretion. Liabilities from sales activities include provisions for warranties based on legal or construction obligations, obligations for customer bonuses and rebates, as well as estimated values for anticipated invoices. Provisions for personnel expenses are formed for personnel credit hours, service anniversaries, old-age part-time work, severance commitments and similar obligations. Other provisions relate to a range of possible individual risks, which are measured in terms of their probability of occurrence. There were no significant expected reimbursements in relation to obligations recognized as per IAS 37.

[23] Other Liabilities

EUR '000	**2008**	Current	Non-current	**2007**	Current	Non-current
Accounts payable to outside shareholders	7,401	7,401	–	18,674	18,674	–
Accounts payable for personnel	9,120	9,120	–	9,202	9,202	–
Other tax liabilities	8,828	8,828	–	8,214	8,214	–
Accrual of non-recurrent payments	6,254	2,638	3,616	7,347	2,646	4,701
Advance payments received	4,096	4,096	–	5,765	5,765	–
Construction contracts with a negative balance	3,113	3,113	–	3,160	3,160	–
Investment subsidies	3,116	365	2,751	3,488	382	3,106
Derivative financial instruments	7,686	7,686	–	1,536	1,536	–
Miscellaneous other liabilities	12,709	12,002	707	13,035	12,407	628
Total	**62,323**	**55,249**	**7,074**	**70,421**	**61,986**	**8,435**

The minority interests in the capital of limited partnerships (EUR 3,818,000; previous year: EUR 4,887,000) in which other external shareholders own stakes is reported under liabilities vis-à-vis outside shareholders.

Information on the Significance of Financial Instruments

Financial Instruments: Assets

EUR '000	2008	Measured by other standards*	Financial instruments IFRS 7	2007	Measured by other standards*	Financial instruments IFRS 7
Financial assets	8,190	–	8,190	7,853	–	7,853
Cash and cash equivalents	87,791	–	87,791	77,617	–	77,617
Accounts receivable	104,546	8,448	96,098	115,543	5,364	110,179
Other assets	13,128	3,692	9,436	12,551	2,243	10,308
Total financial instruments			**201,515**			**205,957**

** IAS 11, IAS 12*

Financial Instruments: Equity and Liabilities

EUR '000	2008	Measured by other standards*	Financial instruments IFRS 7	2007	Measured by other standards*	Financial instruments IFRS 7
Financial liabilities	526,254	–	526,254	517,978	–	517,978
Accounts payable for supplies and services	28,109	–	28,109	33,286	–	33,286
Other liabilities	63,323	15,068	47,255	70,421	14,862	55,559
Total financial instruments			**601,618**			**606,823**

** IAS 11, IAS 12 and IAS 20*

Financial Instruments by Valuation Categories

2008 EUR '000	Carrying amount	Market value	Net gains/ losses
Measured at fair value with an effect on income			
For trading purposes	842	842	842
Designated instrument	–	–	–
Held-to-maturity financial investments	–	–	–
Loans and receivables	200,430	200,700	– 2,628
Financial assets available for sale	243	243	228
Financial instruments: assets	**201,515**	**201,785**	**– 1,558**
Measured at fair value with an effect on income			
For trading purposes	7,686	7,686	– 3,617
Designated instrument	–	–	–
Financial liabilities measured at their residual carrying amounts	593,932	574,828	– 2,067
Financial instruments: equity and liabilities	**601,618**	**582,514**	**– 5,684**

Financial Instruments by Valuation Categories

2007 EUR ’000	Carrying amount	Market value	Net gains/ losses
Measured at fair value with an effect on income			
For trading purposes	1,964	1,964	* –
Designated instrument	–	–	–
Held-to-maturity financial investments	–	–	–
Loans and receivables	203,820	203,618	– 2,078
Financial assets available for sale	173	173	–
Financial instruments: assets	**205,957**	**205,755**	**– 2,078**
Measured at fair value with an effect on income			
For trading purposes	1,536	1,536	* 2,049
Designated instrument	–	–	–
Financial liabilities measured at their residual carrying amounts	605,287	604,351	– 1,227
Financial instruments: equity and liabilities	**606,823**	**605,887**	**822**

** Net gains and losses on derivatives are stated as liabilities.*

Financial assets available for sale primarily consist of long-term financial investments which do not have a price quoted on an active market and have a fair value which cannot be determined reliably. According to IAS 39.46c, they are accounted for at acquisition costs.

Net gains and losses on loans and receivables as well as financial liabilities accounted for at their residual carrying amounts largely stem from valuation allowances (EUR 4,013,000; prior year: EUR 2,506,000), income from payments received and currency translation. Net gains and losses on financial assets available for sale correspond to the result from these financial investments.

Net gains and losses on financial instruments recognized at fair value take into account the change in the market value of interest-rate and currency hedges which do not meet the formal requirements of hedge accounting.

Interest income and expenses associated with financial instruments measured at fair value total EUR –26,416,000 (previous year: EUR –25.084,000).

Types and Scope of Risks Resulting from Financial Instruments

Principles of Financial Risk Management

In keeping with the philosophy of INDUS Holding AG, the financing of individual companies within the portfolio is centrally controlled, while the assessment and management of operating risks is the responsibility of the portfolio companies and their management. Risks which have an impact on the cash flow of the Group are generally hedged. Such risks are hedged via non-derivative and derivative financial instruments, whereby the use of the latter is restricted solely to hedging.

Risk Management and Financial Derivatives

The INDUS Group runs an effective risk management system to detect business risks at an early stage, focusing on the key types of problems facing a diversified portfolio of investments. This system integrates the specific aspects of financial risk management as per the definition set forth in IFRS 7. The principles and exercise of the financial risk management policies are established by the Board of Management every year and are continuously monitored by it.

Liquidity Risk

Basically, the individual portfolio companies finance themselves based on their operating results. Transfers to INDUS Holding AG are made depending on the particulars of the liquidity situation. The holding company has adequate reserves of liquidity to ensure that it can act quickly at any time. Borrowings are widely diversified, which prevents the company from depending on individual lenders. The existing level of liquidity and firm financing commitments enable the company to take advantage of acquisition opportunities at any time. The financing risk is limited since financing is planned with a long-term perspective and risk clusters associated with the revolving refinancing of the existing financial requirement were identified and dissolved in the past.

The following cash flows, which are considered in the INDUS Group's long-term financial planning, were determined taking the conditions for financial instruments set as of the balance-sheet date into account:

Cash Outflow

EUR '000	1 year	Between 1 and 5 years	More than 5 years
Financial liabilities	171,003	319,579	119,364
Interest derivatives	2,732	4,089	927
Trade accounts payable	28,109	–	–
Other liabilities	47,198	4,323	–
Financial instruments	**249,042**	**327,991**	**120,291**

Cash flows consist of principal payments and associated interest. They also include interest payments on derivatives with a positive market value which act as commercial hedges for financial liabilities.

Default Risk

When financing transactions, contracts are only concluded with counterparties with first-class creditworthiness. In the field of operations, the portfolio companies are responsible for decentralized risk monitoring on a continuous basis. Default risks are taken into consideration by way of appropriate valuation allowances. The maximum default risk corresponds to the stated value of loans extended and receivables, while for derivatives it is equal to the sum total of their positive market value.

Corporate risk is widely diversified since INDUS Group companies are independent and each offer a variety of products on a different market.

The only concentration of default risks arising from business relationships with debtors is in the Automotive Industry segment and stems from its oligopolistic customer structure. On both cutoff dates, fewer than 10 customers accounted for more than 1% of total accounts receivable from customers. These customers account for approximately 20% of accounts receivable. This basically corresponds to the share of sales accounted for by the top ten customers in the 2007 and 2008 financial years.

As in the prior year, as of the balance-sheet date, none of the accounts receivable from customers and associated companies would have been overdue without renegotiation. Furthermore, some accounts receivable from customers and associated companies are overdue, but no valuation allowances were recognized for them. In general, there are no major payment defaults with due dates of up to three months, since overdue payments largely result from timing differences in their booking. Since trade accounts receivable were not subjected to valuation allowances and were not overdue, there were no indications as of the cutoff date that the debtors may not be able to meet their payment obligations.

Accounts Receivable from Customers and Associated Companies

EUR '000	2008	2007
Amount carried on the balance sheet*	96,514	110,179
+ valuation allowances included	5,744	4,337
= gross value of accounts receivable before valuation allowances	102,258	114,516
of which as of the balance-sheet date – neither with a valuation allowance, nor overdue:	67,480	80,006
– without a valuation allowance and due within the following periods:		
– less than 3 months	23,110	26,529
– between 3 and 6 months	3,586	2,292
– between 6 and 9 months	646	528
– between 9 and 12 months	559	237
– more than 12 months	965	646

** Excluding accounts receivable from construction contracts in accordance with IAS 11.*

Interest-Rate Risk

INDUS Holding AG supports and coordinates the financing and liquidity of all of the portfolio companies, focusing on ensuring financing for the long-term development of its investment portfolio. Accordingly, financing with suitable maturity is obtained for the acquisition of investments. The means employed include fixed-rate and variable-rate financing instruments, which are converted to fixed-rate instruments by way of interest-rate swaps.

Changes in interest rates might affect the market value of financial instruments and their cash flows. These effects are calculated by performing a sensitivity analysis which involves shifting each of the relevant interest-rate structure curves by 100 basis points in parallel. The effects that are calculated are those of the conditions of financial instruments on the books as of the balance-sheet date.

Changes in market values have an impact on the presentation of the net worth as well as the financial and earnings positions, depending on the valuation categories of the underlying financial instruments. Changing the interest-rate level by ±100 basis points changes the market values of all financial instruments by approximately EUR ±16.5 million (prior year: EUR ±15.0 million). The market values of interest-rate derivatives change by about EUR ±6.2 million (previous year: EUR ±5.0 million), of which EUR ±2.6 million (prior year: EUR ±1.5 million) would be recognized as part of equity due to closed hedges. The impact on net interest would amount to EUR ±3.6 million (prior year: EUR ±3.5 million). The effects on earnings and equity are reversed in subsequent periods until the derivatives' final maturities.

Since interest-rate risks have nearly completely been hedged from a commercial perspective, changes in the interest rates of variable-interest financial liabilities and derivative financial instruments would offset each other. Therefore, future cash flows will not be significantly affected.

Currency Risk

Currency risks essentially stem from the operating activities of the Group companies and financing transactions between the portfolio companies abroad and the respective parent companies. Risk analyses are performed on a net basis, while hedges are concluded by the portfolio companies on a case-by-case basis, in accordance with the philosophy of business autonomy. The instruments employed are currency futures and suitable options.

Currency risks have an effect on the presentation of the net worth as well as the financial and earnings positions when financial instruments are denominated in currencies other than the functional currency of the Group company in question. Risks arising from the currency translation of financial statements to the Group currency are not considered. Since currency hedges are not formally accounted for as hedges, this does not have an impact on provisions for the marked-to-market valuation of financial instruments.

Assuming that the exchange rates of all foreign currencies were 10% up on the euro as of the balance-sheet date, net income from currency translation would increase by EUR 4.0 million (previous year: EUR 3.1 million). This is primarily due to the EUR +2.8 million loan taken out by INDUS Holding AG in Swiss franks (prior year: EUR +2.9 million) and EUR +1.1 million in forward transactions concluded in US dollars (previous year: EUR –0.2 million).

Hedge Accounting

Hedging Activities

Currency hedges as of the balance-sheet dates nearly exclusively related to US dollars and had a nominal volume of EUR 20.4 million (previous year: EUR 3.4 million). In 2008, these hedges had a positive market value of EUR 842,000 (previous year: EUR –231,000).

A nominal EUR 282 million in interest-rate hedges were on our books (prior year: EUR 260 million). They had a market value of EUR –7,918,000 (previous year: EUR +327,000). Further details on terms and maturities are included in the report on financial liabilities.

Segment Reporting

Primary Reporting Format: by Operation

2008 EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	224,900	155,772	288,635	107,593	203,015	979,915
Internal sales	– 8,279	– 2,466	– 15,037	– 9,347	– 16,357	– 51,486
Segment sales from third parties	**216,621**	**153,306**	**273,598**	**98,246**	**186,658**	**928,429**
EBIT	**24,141**	**15,475**	**16,780**	**14,086**	**16,658**	**87,140**
Income from discontinued operations (EBIT)	–	–	–	–	– 2,584	– 2,584
Capital expenditure	5,657	3,498	25,605	6,888	14,627	56,275
– of which due to changes in the scope of consolidation	–	–	–	–	6,301	6,301
– of which other capital expenditure	5,657	3,498	25,605	6,888	8,325	49,973
Depreciation	5,344	5,076	22,655	6,172	7,765	47,012
– of which for first-time consolidations	1,444	211	3,545	21	1,904	7,125
– of which impairment	–	3,301	3,500	–	–	6,801
Employees	891	686	2,051	758	1,476	5,862
Segment assets	**198,863**	**117,459**	**303,497**	**128,345**	**195,930**	**944,094**
Segment liabilities	**141,860**	**79,401**	**235,021**	**87,764**	**146,078**	**690,124**
Non-cash expenses	1,108	187	2,303	251	1,035	4,884
Companies accounted for using the equity method						
– Earnings	228	–	–	458	–	686
– Assets	1,216	–	–	3,447	–	4,663

2007* EUR '000	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total
External sales	229,890	154,226	287,613	104,488	177,735	953,952
Internal sales	– 2,635	– 1,321	– 15,903	– 8,356	– 10,706	– 38,921
Segment sales from third parties	**227,255**	**152,905**	**271,710**	**96,132**	**167,029**	**915,031**
EBIT	**31,328**	**16,275**	**26,003**	**11,590**	**17,210**	**102,406**
Income from discontinued operations (EBIT)	572	–	–	–	– 463	109
Capital expenditure	22,952	3,182	31,812	8,094	11,764	77,804
– of which due to changes in the scope of consolidation	18,933	–	–	–	347	19,280
– of which other capital expenditure	4,019	3,182	31,812	8,094	11,417	58,524
Depreciation	5,179	2,930	18,730	5,999	7,847	40,685
– of which for first-time consolidations	1,773	338	3,754	131	2,236	8,232
– of which impairment	–	–	–	–	–	–
Employees	984	683	2,046	784	1,280	5,777
Segment assets	**202,154**	**122,328**	**303,982**	**128,087**	**170,299**	**926,850**
Segment liabilities	**151,216**	**85,634**	**229,206**	**91,545**	**129,199**	**686,800**
Non-cash expenses	827	345	1,051	371	925	3,519
Companies accounted for using the equity method						
– Earnings	673	–	–	523	–	1,196
– Assets	1,144	–	–	3,513	–	4,657

** Figures adjusted,*

Companies are assigned to segments based on their sales markets.

Secondary Reporting Format: by Region

2008 EUR '000	Germany	Europe	Rest of the world	Total
External sales	590,432	209,737	179,746	979,915
Internal sales	– 40,808	– 1,331	– 9,347	– 51,486
Segment sales from third parties	**549,624**	**208,406**	**170,399**	**928,429**
Segment assets	857,827	53,196	33,071	944,094
Capital expenditure on property, plant and equipment and intangible assets	50,829	2,465	2,981	56,275

2007 EUR '000	Germany	Europe	Rest of the world	Total
External sales	589,297	210,264	154,391	953,952
Internal sales	– 37,984	– 450	– 487	– 38,921
Segment sales from third parties	**551,313**	**209,814**	**153,904**	**915,031**
Segment assets	843,525	53,481	29,844	926,850
Capital expenditure on property, plant and equipment and intangible assets	69,520	2,411	5,873	77,804

The regional breakdown of sales pertains to the sales markets. The other information relates to the domicile of the companies themselves. Further differentiation is not expedient, as the majority of the companies are domiciled in Germany.

Intersegment prices are based on arm's length prices to the extent that they can be established in a reliable manner and are determined using the cost-plus pricing method.

Other Information

Contingent liabilities from customer-specific construction contracts are listed separately in the section on receivables and inventories. Collateral put up to back financial liabilities is presented in the following table.

Contingent Liabilities

EUR '000	2008	2007
Accounts payable due to the issuance and transfer of drafts	–	50

Pledged Assets

EUR '000	2008	2007
Land charges	32,862	22,922
Other collateral	50,605	55,656
Total collateral	**83,467**	**78,578**

Other collateral primarily consists of pledged property, plant and equipment as well as accounts receivable pledged on the basis of short-term, rolling ABS financing totaling EUR 50,062,000 (prior year: EUR 52,917,000).

Other Financial Obligations

Other financial obligations from rental, tenancy and operating lease agreements are reported as the sum totals falling due by the earliest possible cancellation date.

Maturities

EUR '000	2008	2007
Up to 1 year	10,758	11,448
Between 1 and 5 years	25,954	25,437
More than 5 years	45,125	46,749
Total	**81,837**	**83,634**

In addition, obligations exist in connection with possible purchase price payments in the amount of EUR 16,544,000, which would have to be met if minority shareholders exercised option rights at the probable exercise date (prior year: EUR 29,759,000).

Purchase obligations relating to fixed assets amount to EUR 5,505,000 (prior year: EUR 6,605,000), broken down into EUR 5,397,000 for property, plant and equipment (previous year: EUR 6,538,000) and EUR 108,000 for intangible assets (prior year: EUR 67,000).

Real estate leases are concluded with clauses allowing for the adjustment of the lease installments based on the development of price indices. The contracts contain regular purchase options. The exercise price at the end of the lease period is not expected to be considerably lower than the market value.

Lease installments in the year under review amounted to EUR 12,044,000 (prior year: EUR 12,275,000).

Employees

Averaged over the fiscal year	**2008**	**2007**
Wage earners	3,847	3,869
Salaried employees	2,015	1,908
Total	**5,862**	**5,777**

Related Party Disclosures

Members of Management in Key Positions and Affiliated Persons

In accordance with the structure of the INDUS Group, members of management in key positions sit on the Supervisory Board (7 members in 2008 and 8 members in 2007), the Board of Management of INDUS Holding AG (2008: 4 members; 2007: 4 members) and include the managing directors/boards of management of the operating companies (2008: 62 individuals; 2007: 56 individuals). In fiscal 2008, 4 managing directors held minority interests in their companies (previous year: 5). Their shares in earnings are contained in minority interests.

There is no share-based payment as defined in IFRS 2, in particular with regard to stock option plans. There are no pension commitments by INDUS Holding AG for members of the Board of Management which must be disclosed in the financial statements. In the year under review, payments of EUR 54,000 (prior year: EUR 154,000) were made within the framework of a defined contribution plan for members of the Board of Management.

Overview of Compensation

2008 EUR '000	Period expense	Of which severance	Of which wages and salaries	Of which pensions
INDUS Holding AG				
– Supervisory Board	227	–	227	–
– Board of Management	1,798	–	1,798	–
Subsidiaries				
– Managing directors	11,336	361	10,859	116
– Family members	492	–	492	–
Total	**13,853**	**361**	**13,376**	**116**

2007 EUR '000	Period expense	Of which severance	Of which wages and salaries	Of which pensions
INDUS Holding AG				
– Supervisory Board	233	–	233	–
– Board of Management	2,113	–	2,113	–
Subsidiaries				
– Managing directors	10,959	–	10,902	57
– Family members	594	–	592	2
Total	**13,899**	**–**	**13,840**	**59**

In fiscal 2008, 9 family members of partners or managing directors were employed at the portfolio companies (previous year: 11 members).

Remuneration of the Supervisory Board

The Supervisory Board held four sessions in 2008 and six in 2007. For their services, Supervisory Board members are reimbursed for out-of-pocket expenses and receive a base compensation of EUR 10,000, as well as variable compensation depending on the amount of the dividend. The Chairman of the Supervisory Board receives twice the amount of the fixed and variable compensation, and his or her deputy receives 1.5 times these sums. Variable pay in 2008 amounted to EUR 154,000 (previous year: EUR 158,000).

Remuneration of the Board of Management

The variable component of the compensation due to the Board of Management depends on the company's results and is determined based on the profit from operating activities of INDUS Holding AG. The variable component amounted to EUR 537,000 (prior year: EUR 768,000).

Other Relations

Former members of the Board of Management received EUR 150,000 for consulting services (previous year: EUR 101,000) and EUR 49,000 in other emoluments (prior year: EUR 0,000). In fiscal 2008, the members of the Supervisory Board received

EUR 27,000 (previous year: EUR 8,000) in compensation for services rendered to Group companies on personal account and EUR 88,000 (prior year: EUR 105,000) for a leasehold obligation.

Above and beyond this, business relations existed with minority shareholders involving consulting (EUR 325,000; prior year: EUR 245,000), property and building leases (EUR 892,000; previous year: EUR 663,000) and other services (EUR 1,250,000; prior year: EUR 1,464,000). There were EUR 73,000 in outstanding accounts receivable from affiliated companies as of the balance-sheet date (prior year: EUR 228,000). There were also EUR 450,000 in loans (previous year: EUR 484,000) with arm's length interest rates.

In order to enhance clarity, information on business relations between associated companies is presented in the section on key figures [14, 17].

Expenses Related to the Audit of the Holding Company Financial Statements and Consolidated Financial Statements

Treuhand- und Revisions-Aktiengesellschaft Niederrhein was paid the following fees: EUR 156,000 (prior year: EUR 176,000) for the audit of the financial statements, EUR 3,000 (previous year: EUR 3,000) for other services involving opinions and valuations, EUR 49,000 (prior year: EUR 37,000) for tax consulting, and EUR 10,000 (previous year: EUR 17,000) for other services.

Corporate Governance Code

In December 2008, the Supervisory Board issued a declaration on the Corporate Governance Code pursuant to Sec. 161 of the German Stock Corporation Act (AktG), and published it for the shareholders on INDUS Holding AG's website (http://www.indus.de).

Application of Sec. 264, Para. 3, and Sec. 264b of the German Commercial Code (HGB)

Subsidiaries making use of their exemption from the obligation to make disclosures in accordance with Sec. 264, Para. 3, or Sec. 264b of the German Commercial Code have been flagged in the list of shareholdings filed in the electronic version of the commercial register.

Bergisch Gladbach, April 14, 2009

The Board of Management

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

Responsibility Statement

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

Bergisch Gladbach, April 14, 2009
INDUS Holding AG

The Board of Management

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

Report of the Independent Auditors

We have audited the consolidated financial statements prepared by INDUS Holding Aktiengesellschaft, Bergisch Gladbach—consisting of the income statement, balance sheet, statement of changes in equity, cash flow statement and notes—as well as the Group management report, which is combined with the review of operations from the holding company's annual financial statements, for the financial year from January 1 to December 31, 2008. These consolidated financial statements and the Group management report prepared in accordance with IFRS as adopted by the EU, the commercial rules applicable pursuant to Sec. 315a, Para. 1 of the German Commercial Code (HGB), and the supplementary provisions included in the articles of association are the responsibility of the company's legal representatives. Our responsibility is to express an opinion on these consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 of the German Commercial Code (HGB) and the German regulations for the audit of financial statements promulgated by the German Institute of Certified Public Accountants (IDW). Those standards require that we plan and perform the audit such that misstatements and violations materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used, and significant estimates made by the company's legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the results of our audit, the consolidated financial statements are in compliance with IFRS, as adopted by the EU, the additional provisions stated in Sec. 315a, Para. 1 of the German Commercial Code, and the supplementary provisions included in the articles of association, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The Group management report is in accordance with the consolidated financial statements and provides, on the whole, a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development.

Krefeld, April 23, 2009

Treuhand- und Revisions-Aktiengesellschaft
Niederrhein
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

(Dr. Schlotter)
German CPA

(Oymanns by proxy)
German CPA

Balance Sheet of the Holding Company

Assets

EUR			Dec. 31, 2008	Dec. 31, 2007
Non-current assets				
Intangible assets				
Software			20,992.00	12,477.00
Property, plant and equipment				
Leasehold rights and buildings		2,832,132.00		3,074,394.00
Other plant, fixtures, furniture and office equipment		450,051.00		413,299.00
			3,282,183.00	3,487,623.00
Financial assets				
Shares in affiliated companies		591,093,510.24		612,725,071.68
Long-term loans to affiliated companies		177,096,166.57		144,900,267.00
Other long-term loans		1,408,579.88		1,080,966.77
			769,598,256.69	758,706,305.45
Current assets				
Accounts receivable and other assets				
Accounts receivable from affiliated companies		148,369,044.99		146,133,429.27
Other assets		9,131,191.78		6,757,485.30
– of which with a remaining term of more than 1 year: – previous year:	609,450.34 521,146.32			
			157,500,236.77	152,890,914.57
Cash on hand and bank balances			23,098,683.51	19,385,178.67
Advance payments			151,930.00	212,230.00
			953,652,281.97	**934,694,728.69**

Balance Sheet of the Holding Company

Equity and Liabilities

EUR			Dec. 31, 2008	Dec. 31, 2007
Equity				
Subscribed capital		47,762,086.00		46,800,000.00
Capital reserve		125,168,108.86		116,155,194.86
Retained earnings				
Statutory reserve		1,022,583.76		1,022,583.76
Other retained earnings		302,000,000.00		271,000,000.00
Distributable profit				
Profit carried forward		601,350.22		669,986.22
Net income		30,146,994.75		52,716,380.50
			506,701,123.59	488,364,145.34
Provisions				
Provisions for pensions		517,000.00		457,500.00
Provisions for taxes		503,000.00		1,030,000.00
Other provisions		3,602,000.00		3,588,000.00
			4,622,000.00	5,075,500.00
Liabilities				
Bank debt		402,363,836.41		390,172,665.42
Accounts payable for supplies and services		287,648.31		414,063.03
Accounts payable to affiliated companies		1,221,826.73		–.––
Other liabilities		38,455,846.93		50,668,354.90
– of which resulting from taxes: – previous year:	261,221.64 209,980.43			
			442,329,158.38	441,255,083.35
			953,652,281.97	**934,694,728.69**

Income Statement of the Holding Company

EUR			2008	2007
Net sales			6,064,050.25	3,597,947.40
Other operating income			3,301,661.61	2,775,392.86
			9,365,711.86	**6,373,340.26**
Personnel expenses				
Wages and salaries		2,749,120.59		3,350,195.46
Cost of social security, retirement and other benefits		243,507.64		299,321.42
– of which for retirement benefits: – previous year:	92,068.32 145,346.11			
			2,992,628.23	3,649,516.88
Depreciation and amortization of intangible fixed assets and property, plant and equipment			412,107.87	412,903.34
Other operating expenses			7,773,568.09	7,374,654.71
Income from investments		51,549,466.54		78,955,608.71
– of which from affiliated companies: – previous year:	51,549,466.54 78,955,608.71			
Income from long-term loans classified as financial assets		35,012,837.11		5,299,892.12
– of which from affiliated companies: – previous year:	34,951,908.80 5,254,876.84			
Other interest and similar income		6,378,021.27		7,141,896.24
– of which from affiliated companies: – previous year:	4,081,255.20 6,039,347.53			
Depreciation and amortization of financial assets		29,295,000.00		2,076,370.34
Cost of the assumption of losses		1,300,919.72		603,559.90
Interest and similar expenses		24,986,422.97		23,639,739.18
– of which paid to affiliated companies: – previous year:	352,942.93 195,469.37			
			37,357,982.23	65,077,727.65
Profit from operating activities			**35,545,389.90**	**60,013,992.98**
Taxes on income			5,398,395.15	7,297,612.48
Net income			**30,146,994.75**	**52,716,380.50**
Profit carried forward			601,350.22	669,986.22
Distributable profit			**30,748,344.97**	**53,386,366.72**

Proposed Appropriation of Distributable Profit

Management proposes to the Annual Shareholders' Meeting that the EUR 30,748,344.97 in distributable profit for fiscal 2008 be appropriated as follows:

Payment of a dividend of EUR 0.80 per individual share certificate (18,370,033) on the capital stock of EUR 47,762,086.00	14,696,026.40 EUR
Transfer to other retained earnings	15,000,000.00 EUR
Profit carried forward	1,052,318.57 EUR
Distributable profit	30,748,344.97 EUR

Bergisch Gladbach, April 14, 2009

The Board of Management

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

By Segment	Capital EUR in millions	INDUS stake
Construction Industry		
BETOMAX Kunststoff- und Metallwarenfabrik GmbH & Co. KG*, Neuss	3.19	100%
FS Kunststofftechnologie GmbH & Co. KG*, Reichshof/Hahn	0.72	100%
HAUFF-TECHNIK GmbH & Co. KG, Herbrechtingen	1.58	100%
MIGUA Fugensysteme GmbH & Co. KG*, Wülfrath	1.85	100%
OBUK Haustürfüllungen GmbH & Co. KG*, Oelde	0.29	75%
REMKO GmbH & Co. KG Klima- und Wärmetechnik*, Lage	1.56	100%
Max SCHUSTER Wärme • Kälte • Klima GmbH & Co. KG, Neusäß	1.05	100%
SEMET Maschinenbau GmbH & Co. KG, Meimsheim	0.80	100%
WEIGAND Bau GmbH, Bad Königshofen	1.00	80%
WEINISCH GmbH & Co. KG, Oberviechtach	0.53	100%
Engineering		
ASS Maschinenbau GmbH*, Overath	0.54	100%
BACHER AG*, Reinach/Switzerland	3.70**	100%
Maschinenfabrik BERNER GmbH & Co. KG, Bischofsheim	1.31	100%
BETEK Bergbau- und Hartmetalltechnik Karl-Heinz Simon GmbH & Co. KG, Aichhalden	1.56	100%
GSR Ventiltechnik GmbH & Co. KG*, Vlotho	0.57	100%
MEWESTA Hydraulik GmbH & Co. KG, Münsingen	0.54	100%
NISTERHAMMER Maschinenbau GmbH & Co. KG, Nister	0.80	100%
PLANETROLL GmbH & Co. KG, Munderkingen	0.54	100%
Automotive Industry		
AURORA Konrad G. Schulz GmbH & Co. KG*, Mudau	3.07	100%
BILSTEIN & SIEKERMANN GmbH + Co. KG, Hillesheim	1.03	100%
Emil FICHTHORN Metallwarenfabrik GmbH & Co. KG, Hattingen	0.65	100%
IPETRONIK GmbH & Co. KG*, Baden-Baden	0.55	100%
KIEBACK GmbH & Co. KG, Osnabrück	0.54	100%
REBOPLASTIC GmbH & Co. KG, Kalletal	0.80	100%
Konrad SCHÄFER GmbH*, Osnabrück	1.50	100%
SELZER Fertigungstechnik GmbH & Co. KG*, Driedorf-Roth	7.54	85%
SITEK-Spikes GmbH & Co. KG, Aichhalden	1.05	100%
S.M.A. Metalltechnik GmbH & Co. KG*, Backnang	1.08	100%
WFV Werkzeug-, Formen- und Vorrichtungsbau GmbH & Co. KG, Lampertheim-Hüttenfeld	0.54	100%
WIESAUPLAST Kunststoff und Formenbau GmbH & Co. KG*, Wiesau	1.76	100%
Consumer Goods		
IMECO Einwegprodukte GmbH & Co. KG Vliesstoffvertrieb*, Hösbach	0.88	100%
OFA Bamberg GmbH, Bamberg	1.50	100%
SIKU GmbH, Rickenbach/Switzerland	0.80**	100%
Karl SIMON GmbH & Co. KG, Aichhalden	2.19	100%
Other Investments		
M. BRAUN Inertgas-Systeme GmbH*, Garching	1.32	100%
HORN GmbH & Co. KG, Flensburg	1.33	100%
Anneliese KÖSTER GmbH & Co. KG*, Ennepetal	2.57	100%
MIKROP AG*, Wittenbach/Switzerland	0.05**	100%
Helmut RÜBSAMEN GmbH & Co. KG, Metalldrückerei · Umformtechnik, Bad Marienberg	0.53	88.89%
TSN Turmbau Steffens & Nölle GmbH, Berlin	0.50	100%
VULKAN INOX GmbH*, Hattingen	1.11	100%

** including subsidiaries ** CHF in millions*

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