INDUS HOLDING AG

Q1

INTERIM REPORT
JAN. 1 TO MARCH 31, 2009

Group		March 31, 2009	March 31, 2008
Sales	EUR million	**178.4**	215.6
Export share	%	**42.3**	40.1
EBITDA	EUR million	**19.0**	32.6
EBIT	EUR million	**8.9**	22.8
Net income for the period	EUR million	**0.1**	8.4
Depreciation	EUR million	**10.1**	9.9
Total assets*	EUR million	**941.3**	950.6
Equity*	EUR million	**245.9**	247.4
Equity ratio*	%	**26.1**	26.0
Employees		**5,540**	5,683
– Holding company		**18**	18
– Portfolio companies		**5,522**	5,665

Share		March 31, 2009	March 31, 2008
Earnings per share (Group)	EUR	**–0.08**	0.53
3-month high	EUR	**13.54**	24.19
3-month low	EUR	**7.90**	19.23
Price at end of period	EUR	**8.71**	22.20
Average daily turnover	no. of shares	**34,074**	46,367
Market capitalization	EUR million	**160.0**	407.8
Number of shares	million	**18.37**	18.37

** Comparable figures as of December 31, 2008*

Financial Calendar

August 27, 2009	6-Month Report 2009
November 27, 2009	9-Month Report 2009
April 2010	2009 Annual Report
May 2010	Analysts' Conference
May 2010	3-Month Report 2010

Dear Shareholders,

Even at the beginning of 2009, most economic experts were still only forecasting a slight drop in GDP, and referred cautiously to the onset of a recession. Now, we find ourselves in the midst of the severest recession the global economy has experienced since World War Two. The only questions now remaining concern the severity of the recession and when it will bottom out. The first three months of 2009 saw an extremely difficult start to the year for the German manufacturing sector, with its strong focus on exports, following an already difficult fourth quarter of 2008. This was also the case at INDUS Holding AG, albeit to a milder extent.

The Group's overall sales fell by around 17% in the first quarter compared with the same period in 2008. More important in our opinion is the fact that INDUS nevertheless managed to report positive earnings and cash flow figures even in the first quarter of 2009. Given the numerous cases of losses being announced by large industrial companies, this was not necessarily to be taken for granted.

The five core segments at INDUS Holding AG have shown disparate developments. While new orders fell sharply in the Automotive segment, the Engineering segment remained highly stable at the beginning of the year, thanks to a high volume of orders on hand. With only moderate declines in sales, our Construction Industry and Consumer Goods segments also still proved to be relatively immune to the crisis.

The policy of extended vacation closedowns already introduced by large automakers in December meant that automotive suppliers saw contractually agreed orders not being called up until well into February. In many areas, customers waited to see how the crisis would develop and relied in the meantime on clearing their stocks. What's more, virtually all companies introduced targeted halts to investment at the beginning of the year. The order situation in the manufacturing sector subsequently eased in March. We are not yet in a position to predict whether this indicates a turnaround, or merely represents a one-off catch-up effect due to stock clearance.

Within this extremely difficult climate, in which many companies have taken to only communicating worst-case scenarios, INDUS Holding AG acted early and consistently. We reacted immediately to the first signs of the crisis in the fourth quarter of 2008 already. Where necessary, we adjusted our costs, as well as our flexible capacities. In view of the circumstances, we therefore see the results for the first quarter as being satisfactory overall. After all, thanks to our rapid crisis management we have been able to post respectable operating earnings (EBIT) of EUR 9 million. Given the difficult climate, we also view the EBIT margin we achieved of just under 5% as still being acceptable. We correspondingly generated a cash flow from operating activities of almost EUR 8 million, and continue to have comfortable liquidity resources at our disposal.

The coming months will nevertheless continue to be extremely challenging for the INDUS Group as well. The global synchronization of the economic crisis is unprecedented, and the resultant uncertainties on the markets have led the order situation to fluctuate month by month. We see those companies which relied on risk diversification even in the boom years as being best prepared for these difficult times. INDUS Holding AG is a prime example of one such company. We are convinced that INDUS' business model will prove itself in the crisis. We continue to rely on the diversification of our risks and opportunities, offer a broad-based portfolio with no cluster risks, unite healthy medium-sized companies operating in profitable niche markets under a single lean roof and have a stable financing structure with a long-term focus, not to mention our management team with its longstanding experience and in-depth industry expertise, both at the holding company and at our portfolio companies.

Our main focus in the coming months will be on maintaining our profitable structures, while at the same time making the Group fit for the future. We are confident that our diversified structure will help us in successfully overcoming the crisis.

Not least, a crisis also offers opportunities. Hardly any company can be more aware of this than INDUS Holding AG, as we have already successfully mastered two crises in our history of more than twenty years, namely at the end of the nineties and at the beginning of the new millennium. By analogy with the situation five years ago, we aim to exploit the current situation to achieve anti-cyclical growth. The underlying framework is in our favor—many medium-sized companies still need to clarify their succession planning, valuations are on the decline and, thanks to its solid financing policy, INDUS Holding AG has sufficient liquidity to seize any acquisition opportunities which come its way.

Sincerely,

Helmut Ruwisch
Chairman of the Board Management

Macroeconomic Situation

Macroeconomic Developments

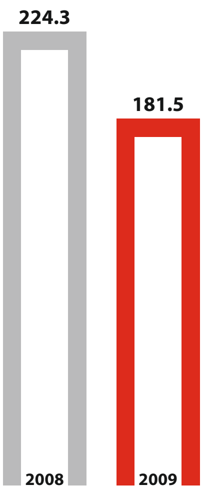
The German economy finds itself in its deepest recession since the Federal Republic was established after WW2. Overall, according to the spring survey, gross domestic product (GDP) fell by 3.5% in the first quarter of 2009 following adjustment for price, seasonal and calendar factors. As a major exporter, the German economy has been particularly hard hit by the global economic crisis due to the rapid decline in demand for investment goods. New orders and production in the manufacturing sector have fallen dramatically. Not only that, the extensive government programs intended to stabilize the economy have not yet shown any sustainable impact in the year to date.

An analysis of the components of real GDP expenditure shows that virtually all areas have been affected. Exports fell by 15%, while imports also dropped sharply by 10%. Net exports therefore contributed –2.7% to the change in gross domestic product. Domestic expenditure reduced by 0.8%. Only government spending is expected to be positive, with growth of 1.2%, while the other components have reported declines of up to 8.5%. Consumer spending has remained remarkably robust, falling only 0.1% short of the level in the previous quarter.

Group Accounting

Earnings Position

Total output as of March 31 EUR in millions



The consolidated sales of INDUS Holding AG amounted to EUR 178.4 million, and thus fell by 17.3% compared with the first three months of 2008 (previous year: EUR 215.6 million). Total output also reduced, dropping from EUR 224.3 million to EUR 181.5 million. The export share of sales rose slightly to 42.3% (previous year: 40.1%).

The fall in raw material and energy prices led cost of materials to reduce, leading to a significant decline in the material expenses ratio from 49.1% in the first quarter of 2008 to 45.3% in the period under report. Given the ongoing current decline in raw material prices, further positive effects are expected as the year progresses. Personnel expenses also decreased, in this case from EUR 58.5 million to EUR 55.9 million. In view of the weak order situation, flexible capacities were scaled back wherever possible. However, the impact of these measures will only be apparent from the second quarter.

Earnings before interest, taxes, depreciation and amortization (EBITDA) directly mapped the implications of the drop in demand. Due to the reduction in sales, EBITDA declined from EUR 32.6 million to EUR 19.0 million. Depreciation and amortization remained virtually unchanged at EUR 10.1 million. Operating earnings before interest and taxes (EBIT) also showed negative developments. At EUR 8.9 million, EBIT was significantly down on the figure of EUR 22.8 million reported in the first quarter of the previous year.

With an EBIT margin of 5.0% (previous year: 10.6%), INDUS Holding AG nevertheless posted what, given the extremely weak economic climate, can be viewed as a respectable result in the first three months of 2009. By means of rapid, tough crisis intervention, the Group has thus managed to report clearly positive EBIT.

Earnings before taxes (EBT) dropped to EUR 0.6 million (previous year: EUR 15.3 million). Tax expenses reduced from EUR 5.6 million to EUR 2.1 million. Following the deduction of minority interests, income after taxes for the period amounted to EUR 0.1 million (previous year: EUR 8.4 million). Due to the disposal of NEUTRASOFT in the first quarter of 2009, earnings per share amounted to EUR –0.08 (previous year: EUR 0.53). Please also see Note 2 in the notes to the financial statements for details.

Financial and Net Asset Position

The total assets of INDUS Holding AG amounted to EUR 941.3 million as of March 31, 2009 and were thus slightly below the figure of EUR 950.6 million reported at the end of 2008. This reduction was chiefly due to a decline in current assets, involving receivables and inventories, as well as cash and cash equivalents. At EUR 567.4 million, non-current assets remained virtually unchanged on the figure of EUR 568.9 million reported at the end of 2008.

Group equity amounted to EUR 245.9 million and thus remained stable at the high level seen at the end of 2008 (December 31, 2008: EUR 247.4 million). As a result, the equity ratio remained stable at 26.1% in spite of the weaker performance in the first quarter (December 31, 2008: 26.0%).

Non-current liabilities rose by EUR 8.2 million compared with the end of 2008 to reach EUR 432.2 million. Current liabilities were reduced in parallel, falling by EUR 16.0 million from EUR 279.1 million to EUR 263.1 million. The main factor influencing the decline in current liabilities was the reduction in other current liabilities from EUR 55.2 million to EUR 45.3 million. Further effects related to the decline in current income taxes from EUR 13.1 million to EUR 8.4 million. The financing structure of INDUS Holding AG accordingly improved and shifted in favor of non-current liabilities.

At EUR 7.7 million, the inflow of funds from operations (cash flow from operating activities) remained respectable in view of the extremely difficult course of business in the first quarter (previous year: EUR 17.0 million).

The outflow of funds for investments (cash flow from investing activities) rose from EUR 8.2 million to EUR 12.2 million. This was solely due to follow-up items in connection with investments in property, plant and equipment.

The inflow of funds from financing activities (cash flow from financing activities) fell from EUR 24.6 million to EUR 5.9 million in the period under report. The outflows of EUR 19.1 million to redeem loans were countered by inflows of EUR 25.0 million from taking up new loans.

Share of Sales by Segment as of March 31, 2009

Segment Report

INDUS Holding AG divides its portfolio of companies into five segments: Construction Industry, Engineering, Automotive Industry, Consumer Goods and Other Investments. As a rule, the individual operating units are assigned to segments in line with the respective company's main source of revenues. As of March 31, 2009, the portfolio of companies comprised 41 operating units.

Due the application of IFRS 8, there has been an amendment in the presentation of the segment report; as in the previous year, when calculating sales and EBIT margins, INDUS continues only to account for sales with external third parties (please also see Note 8 in the notes to the financial statements for details).

Construction Industry

The economic stimulus programs introduced by the government have not yet had any stabilizing impact, as a result of which the German main construction sector is also increasingly feeling the effects of the recession in the economy as a whole. This development was exacerbated by the severe winter and the long interruption to construction activities required as a result. According to Germany's Central Construction Industry Association, new orders plummeted by 18.2% in nominal terms in the first two months of 2009. This affected commercial construction (–27.5%), housing construction (–17.8%), and public sector construction (–5.7%).

The Construction Industry segment comprised an unchanged total of ten operating units as of March 31, 2009. At EUR 44.5 million, sales were only 3.7% down on the previous year's pleasing figure of EUR 46.2 million, and that in spite of the severe winter compared with the previous year. The construction companies in INDUS' portfolio thus succeeded in escaping the trend in the overall sector. Earnings before interest and taxes (EBIT) amounted to EUR 2.3 million and were thus 41.0% down on the previous year's figure of EUR 3.9 million. Accordingly, the EBIT margin reduced to 5.2% (previous year: 8.4%).

Engineering

Companies in the German engineering sector came under ever greater pressure in the first quarter of 2009. New orders plunged by 39% in the domestic business and by 43% in the international business. The particularly severe impact of the global recession is also reflected in the dramatic reduction in capacity utilization rates. This figure dropped to 78.3% in February, thus losing a total of around 11 percentage points since October 2008. Companies thus returned to the level seen in 1993.

The Engineering segment comprised eight operating units as of March 31, 2009, and thus one operating unit fewer than in the previous year. In the course of the portfolio optimization measures, the portfolio company ALUCOLOR was merged with the portfolio company HAUFF-Technik, which is located in the Construction Industry segment, in 2008 already.

The portfolio companies in the Engineering segment were able to latch seamlessly onto the pleasing figures seen in the same quarter in the previous year. At EUR 33.5 million, segment sales fell short of the previous year's figure of EUR 37.1 million. However, this decline of 9.7% still did not reflect any significant impact of the crisis. The INDUS Group therefore outperformed the market by a clear margin in this segment as well. At EUR 3.5 million, earnings before interest and taxes (EBIT) were substantially lower than the record figure of EUR 5.3 million in 2008. Given its double-digit EBIT margin of 10.4%, however, the segment nevertheless achieved good financial results (previous year: 14.3%).

Automotive Industry

The German automotive industry has profited significantly from payment of the German government's old-car scrapping incentive scheme in the year to date. The number of cars newly registered in Germany rose by more than 18% to almost 1.25 million in the first four months of the current year. This is equivalent to additional turnover of almost 200,000 cars compared with registration volumes in the previous year. By contrast, turnover with utility vehicles, which declined by 32% to 21,500 new vehicle registrations in April, was considerably down on the previous year.

The Automotive Industry segment comprised an unchanged total of twelve operating units as of March 31, 2009 and was the segment most severely hit by the economic downturn in the first quarter. Segment sales fell to EUR 41.4 million (previous year: EUR 66.2 million). Earnings before interest and taxes (EBIT) dropped, in this case from EUR 6.6 million to EUR –0.7 million. Given the sharp fall in EBIT, the EBIT margin was negative for the first time at –1.7% (previous year: 10.0%). INDUS Holding AG initiated targeted efforts in the second half of 2008 already to stabilize the companies thereby affected. As a result, the sharp reduction in sales by 37.0% did not impact with full force on segment earnings.

Consumer Goods

With an expected decline of 0.1%, private consumer spending remained surprisingly robust in the first three months of 2009. This was assisted above all by the measures introduced to reduce tax and social security charges, as well as by lower price levels compared with the previous year. Insecurity among consumers concerning the developments in the economy and in their personal situation is nevertheless on the increase. The unemployment total rose year-on-year by 171,000 to 3,585,000 in April.

The Consumer Goods segment continued to comprise four operating units as of March 31, 2009. The portfolio companies in the Consumer Goods segment also felt the effects of the economic crisis in the first quarter. Segment sales dropped to EUR 22.2 million (previous year: EUR 24.2 million), while earnings before interest and taxes (EBIT) fell from EUR 3.4 million to EUR 2.0 million. This corresponds to an EBIT margin of 9.0% (previous year: 14.0%).

Other Investments

The Other Investments segment includes operating units that supply products to customers in a variety of sectors or to customers in sectors outside the four core segments. A rough basis for comparison can therefore only be provided by macroeconomic developments in Germany, measured in terms of the gross domestic product (GDP). According to the spring survey, this fell by 3.5% in the first quarter compared with the equivalent period in the previous year.

The Other Investments segment comprised seven operating units as of March 31, 2009, and thus one more than in the previous year. Anneliese KÖSTER GmbH & Co. KG, a company wholly acquired in September 2008, was added as of October 1, 2008. With around 100 employees, this system provider, which produces connecting elements for use in stud welding techniques, generated sales of EUR 23.8 million in the past financial year.

The Other Investments segment performed more weakly than in the first quarter of the previous year. Due mainly to sharp declines in individual subsegments, such as micro-optics and gas station and workshop equipment, segment sales fell to EUR 36.7 million (previous year: EUR 42.0 million). At EUR 2.8 million, earnings before interest and taxes (EBIT) were also down on the previous year's figure of EUR 4.6 million. The EBIT margin amounted to 7.6% (previous year: 11.0%).

Investments

INDUS invested a total of EUR 10.3 million across the Group in the first three months of 2009 (previous year: EUR 8.2 million). Of this total, EUR 10.2 million involved property, plant and equipment. Investment activities focused on the Construction Industry and Automotive Industry segments, as well as on Consumer Goods. These figures include major follow-up items in connection with investment projects launched early in 2008 and now completed in the first quarter of 2009.

INDUS Holding AG has substantially curtailed its investment budget for the 2009 year as a whole. All in all, the Group has invested almost EUR 170 million in property, plant and equipment over the past four years, thus making its portfolio companies competitive, also in the current crisis situation. The more reserved investment policy adopted will also not be implemented across the board, but will rather be applied selectively and also anti-cyclically. Investments will continue to be made at growing companies, especially in R&D activities, to enable them to access future markets, for example, and to expand in areas with strong demand (such as the growing field of medical care). Overall, total investments in property, plant and equipment and intangible assets are expected to fall considerably short of depreciation and amortization in 2009.

Employees

Due to economic developments, the total workforce reduced from 5,683 to 5,540 employees as of March 31, 2009. Several portfolio companies have thus already responded to the recession by adjusting their workforces. This was particularly the case in the Automotive Industry segment (–125 employees) and to a lesser extent in the Other Investments segment.

In parallel with this, INDUS Holding AG has reacted in terms of its flexible personnel capacities. The number of temporary employees has been reduced significantly. Temporary contracts expired and employees' overtime and vacation accounts were reduced. Several companies have also drawn on the instrument of state-subsidized short-time work now considerably extended by the Federal Government. Around 25% of INDUS' workforce is currently participating in this scheme (in which employees work fewer hours, with the resultant loss of income being partly compensated for by social security systems).

Should the economic situation not show any fundamental improvement in the second and third quarters, then INDUS will be forced to make further unavoidable adjustments to its personnel totals. The restructuring measures then required would aim to maintain profitability at the portfolio companies and to stabilize them in the ongoing crisis. In unavoidable cases, INDUS Holding AG will introduce socially-responsible redundancy schemes. However the company sees redundancies as representing the last resort. After all, retaining a qualified core workforce and its valuable expertise constitutes a key entrepreneurial priority.

Share

The German stock market suffered substantial losses at the beginning of 2009. The further deterioration in the economic climate, which led to repeated downward corrections in GDP growth forecasts, impacted negatively on the performance of all stock indices. Companies operating in sectors sensitive to macroeconomic cycles were hit especially hard by this decline. The first signs of stock markets stabilizing only arose in the second half of March.

The SDAX, the index relevant for the INDUS share, fell by a further 16.3% in the first quarter of 2009 and concluded the quarter at 2,374.46 points on March 31, 2009. The INDUS share, by comparison, underperformed the sector average by a considerable margin. It marked its period high at EUR 13.54 right at the beginning of the period under report and was then substantially affected by the marked reservation shown by investors towards more cyclical stocks.

The share reached its period low at EUR 7.90 in mid-March, before recovering slightly to close the first quarter of 2009 at EUR 8.71. This corresponds to a 35.1% reduction. The advance communication of the company's positive sales and earnings expectations for the 2008 financial year in the first week of March also did not bring the expected turnaround. Based on the statistics of the German Stock Exchange, the weighting of INDUS' share in the SDAX accordingly declined to 2.31% (December 31, 2008: 2.63%). This corresponds to 14th position among the 50 companies in the index (December 31, 2008: 12th position). Average trading volumes across all German exchanges amounted to 34,074 shares (previous year: 46,367). Following the receipt of various voting rights notifications in mid-April, the free float for INDUS' share currently amounts to 100%.

Dividend Proposal

The company plans to pay a dividend of EUR 0.80 per share for the 2008 financial year (previous year: EUR 1.20 per share). This is foreseen in the appropriation of profits jointly proposed to shareholders by the Board of Management and Supervisory Board of INDUS Holding AG. This proposal accounts for the continuing dominance of the economic crisis and the high degree of uncertainty concerning future economic developments. By retaining earnings, the company will at the same time strengthen its financial foundations. Subject to approval by shareholders at this year's Annual General Meeting in Cologne on July 1, 2009, the distribution total will decrease by EUR 7.1 million to EUR 14.7 million (previous year: EUR 21.8 million), although the distribution quota will simultaneously rise to 49.0% (previous year: 41.2%).

Events After the Balance Sheet Date

Since March 31, 2009, there have been no events of particular significance expected to have any material influence on the net asset, financial and earnings position of the INDUS Group.

Risk Report

In the course of their business operations, INDUS Holding AG and its individual portfolio companies are exposed to a number of risks that are inextricably linked to entrepreneurial activity. In particular, these risks include macroeconomic and sector-specific risks, strategic and performance risks, personnel risks, IT, financial and legal risks. INDUS works with an efficient risk management system integrated into all company processes to ensure that risks are identified at an early stage, analyzed thoroughly and consistently handled. The structure of this risk management system and the significance of individual risks have been presented in detail on Pages 52 to 58 of the 2008 Annual Report. The Annual Report of INDUS Holding AG can be downloaded free of charge from the company's homepage at www.indus.de.

Outlook

Following a difficult fourth quarter of 2008, the economic situation deteriorated even further at the beginning of the new year. Major exporters, such as Germany, have been especially hard hid by the collapse in demand for investment goods. According to the spring survey, German gross domestic product (GDP) is expected to drop by around 6% in real terms in 2009, and is not expected to show any notable improvement in 2010. The downward trend is thought to have peaked, but the institutes involved nevertheless only expect to see a sluggish recovery in subsequent years.

Developments in the individual sectors of relevance to INDUS reflect the poor economic situation in Germany and abroad. Assuming that the infrastructure measures contained in the economic stimulus programs are implemented rapidly, Germany's Central Construction Industry Association remains cautiously optimistic with regard to public sector construction. However, developments in the year to date give reason to suspect that these expectations will not be met in full and that the stimulus programs might only take full effect in 2010. Commercial and housing construction, on the other hand, are expected to decline.

In view of the extremely weak performance in the first quarter of 2009, the German Engineering Association (VDMA) expects production to plummet by 10% to 20% in the year as a whole, with correspondingly high job losses in the sector.

Notwithstanding the positive impact of the old-car scrapping incentive scheme, the German Association of the Automotive Industry (VDA) expects to see a further decline in new car registration totals in the year as a whole, accompanied by a sharp downturn in new utility vehicle registrations.

Due to expansive fiscal policies, including lower tax and social security charges and increased transfer payments, disposable income among private households is set to rise by 0.2% compared with the previous year. At the same time, the savings rate is expected to decrease slightly, as a result of which private consumer spending should be 0.3% higher overall in 2009.

The recession will also impact negatively on the performance of individual portfolio companies as the year progresses. In response, the Board of Management of INDUS Holding AG compiled and partly implemented an extensive package of measures in the fourth quarter of 2008 already in order to adjust structures at companies affected rapidly to the reduced order situation. Among other factors, these measures include increasing the flexibility of personnel capacities, as described in the Employees chapter, as well as strict cost management. Furthermore, a restrictive investment policy has been adopted, as a result of which total investments in property, plant and equipment and intangible assets will be significantly lower than the corresponding level of depreciation and amortization.

Given the high degree of uncertainty and the abrupt deterioration in the economic situation compared with 2008, INDUS Holding AG is focusing on active, rapid crisis management. Where necessary, sustainable restructuring programs have already been prepared or are being implemented at portfolio companies. The Group expects these to lead to substantial cost savings in the further course of the year. Stricter working capital management and the scaling back of investments are also intended to safeguard the Group's ongoing high level of liquidity. The reduction in the dividend proposed to the Annual General Meeting should also help to reinforce the Group's financial foundations.

Conservative financing policies in recent years mean that INDUS Holding AG has good liquidity resources even in the current period of restrictive lending policies and rising margins. The company intends to make increasing use of its comfortable financial foundation in the further course of the year in order to invest in external growth. The current market situation means that valuation levels have fallen to attractive levels, as a result of which INDUS intends to act anti-cyclically in the investment market for medium-sized companies, following three years of restraint. The main focus in this respect will be on the environmental, medical care, energy, measurement and control technology segments. As already in the crisis years of 2001 and 2002, INDUS aims to invest anti-cyclically in order to expand its portfolio. The liquidity of EUR 81.7 million available at the end of the first quarter of 2009 provides room for maneuver in this respect.

Further developments in the macroeconomic situation in Germany and the most important sales markets continue to be characterized by continuing high levels of uncertainty. As a result, it is currently not possible to offer any serious quantitative or even qualitative forecast for the course of business at the INDUS Group in the following quarters. The order situation in the manufacturing sector is changing from month to month, while major customer groups, such as automakers, have themselves not published any forecasts for 2009.

The broadly-based portfolio of INDUS Holding AG means that its risks are diversified and should enable the Group to ensure earnings stability, even in a period of recession, albeit at a significantly lower level. Moreover, there are no cluster risks endangering the portfolio. The share of sales accounted for by each of the five segments ranges from 12% to 25%.

All in all, the Board of Management currently expects sales and earnings to be unable to match the figures reported for the previous year and to fall significantly short of these figures. It is currently not possible to issue any reliable and serious forecast concerning developments in the further course of the financial year. Having said this, INDUS Holding AG expects the downward trend to bottom out in the second quarter of 2009 and possibly to see a slight turnaround towards the middle of the year.

Consolidated Income Statement*

EUR 000s	Note	March 31, 2009 Q1	March 31, 2008 Q1
Sales		178,430	215,568
Other operating income		4,793	1,729
Own work capitalized		685	1,166
Change in inventories		– 2,401	5,881
Cost of materials	(3)	– 80,795	– 105,849
Personnel expenses	(4)	– 55,908	– 58,452
Depreciation	(5)	– 10,099	– 9,882
Other operating expenses	(6)	– 25,963	– 27,565
Income from shares accounted for using the equity method		100	100
Other financial result		57	63
Operating result (EBIT)		**8,899**	**22,759**
Interest income		347	641
Interest expenses		– 8,625	– 8,055
Net interest	(7)	– 8,278	– 7,414
Income before taxes		**621**	**15,345**
Taxes	(8)	– 2,096	– 5,589
Income from discontinued operations	(1)	1,565	– 1,348
Income after taxes		**90**	**8,408**
– of which: minority interests		– 18	– 28
– of which: income allocable to INDUS shareholders		72	8,380
Basic earnings per share in EUR	(2)	– 0.08	0.53
Earnings allocable to INDUS shareholders, net of volatility and interest-rate hedges		1,544	9,031

** Prior-year figures adjusted.*

Summary of Income and Expenses Recognized in Equity

EUR 000s	Q1 2009	Q1 2008
Currency translation adjustment	– 10	– 12
Changes in the fair value of derivative financial instruments	– 1,873	– 89
Netting of deferred taxes	296	14
Income and expenses directly recognized in equity	**– 1,587**	**– 87**
Income after taxes	90	8,408
Total income and expenses recognized in equity	**– 1,497**	**8,321**
– of which: minority interests	18	28
– of which: shares allocable to INDUS shareholders	– 1,515	8,293

Consolidated Balance Sheet

Assets

EUR 000s	Note	**March 31, 2009**	**Dec. 31, 2008**
Goodwill		281,016	281,016
Intangible assets	(9)	17,396	17,360
Property, plant and equipment	(10)	249,917	250,663
Financial assets		8,267	8,190
Shares accounted for using the equity method		4,763	4,663
Other non-current assets		2,656	3,168
Deferred taxes		3,341	3,834
Non-current assets		**567,356**	**568,894**
Cash and cash equivalents		81,720	87,791
Accounts receivable	(11)	101,070	104,546
Inventories	(12)	169,113	172,047
Other current assets		14,103	9,960
Current income taxes		7,912	6,493
Assets held for sale		–	856
Current assets		**373,918**	**381,693**
Total assets		**941,274**	**950,587**

Equity and Liabilities

EUR 000s	**March 31, 2009**	**Dec. 31, 2008**
Paid-in capital	172,930	172,930
Generated capital	71,829	73,344
Shareholders' equity of INDUS shareholders	244,759	246,274
Minority interests in capital	1,152	1,134
Group equity	**245,911**	**247,408**
Non-current financial liabilities	385,599	378,413
Provisions for pensions	16,261	16,164
Other non-current provisions	2,486	2,410
Other non-current liabilities	6,644	7,074
Deferred taxes	21,224	19,981
Non-current liabilities	**432,214**	**424,042**
Current financial liabilities	146,604	147,841
Accounts payable	30,690	28,109
Other current provisions	32,111	34,169
Other current liabilities	45,304	55,249
Current income taxes	8,440	13,054
Liabilities held for sale	–	715
Current liabilities	**263,149**	**279,137**
Total equity and liabilities	**941,274**	**950,587**

Consolidated Cash Flow Statement*

EUR 000s	March 31, 2009	March 31, 2008
Income after taxes	**90**	**8,408**
Depreciation/write-backs – of non-current assets (excluding deferred taxes)	10,099	9,882
Taxes	2,096	5,589
Net interest	8,278	7,414
Cash earnings of discontinued operations	–	223
Income from companies accounted for using the equity method	– 100	– 100
Other non-cash transactions	– 54	114
Changes in provisions	– 1,885	2,790
Increase (–)/decrease (+) in inventories, accounts receivable and other assets not allocable to investing or financing activities	2,709	– 14,503
Increase (+)/decrease (–) in accounts payable and other liabilities not allocable to investing or financing activities	– 6,676	221
Income taxes received/paid	– 6,839	– 3,056
Dividend portion	–	–
Operating cash flow	**7,718**	**16,982**
Interest paid	– 7,958	– 6,775
Interest received	347	641
Cash flow from operating activities	**107**	**10,848**
Cash flow from investments in – intangible assets – financial assets – shares in fully consolidated companies	 – 12,094 – 77 –	 – 8,313 – –
Income from the disposal of – shares in fully consolidated companies – other assets	 – –	 – 243
Cash flow from investing activities of discontinued operations	–	– 170
Cash flow from investing activities	**– 12,171**	**– 8,240**
Payment of dividend	–	–
Dividends paid to minority interests	–	–
Cash flow from taking up of debt	25,000	50,000
Cash flow from the repayment of debt	– 19,051	– 25,409
Cash flow from financing activities	**5,949**	**24,591**
Cash-effective change in cash and cash equivalents	**– 6,115**	**27,199**
Changes in cash and cash equivalents caused by currency exchange rates	**44**	**– 201**
Cash and cash equivalents at the beginning of the period	**87,791**	**77,617**
Cash and cash equivalents at the end of the period	**81,720**	**104,615**

** Prior-year figures adjusted.*

Consolidated Statement of Equity

January 1 to March 31, 2009 EUR 000s	Opening balance Jan. 1, 2009	Dividend payment	Recognized expenses and income	Closing balance March 31, 2009
Subscribed capital	46,800	–		46,800
Capital reserve	126,130	–		126,130
Paid-in capital	**172,930**	**–**		**172,930**
Accumulated earnings	74,499	–	72	74,571
Currency translation reserve	2,493	–	– 10	2,483
Reserve for the marked-to-market valuation of financial instruments	– 3,648	–	– 1,577	– 5,225
Generated capital	**73,344**	**–**	**– 1,515**	**71,829**
Equity of INDUS shareholders	**246,274**	**–**	**– 1,515**	**244,759**
Minority interests	1,134	–	18	1,152
Group equity	**247,408**	**–**	**– 1,497**	**245,911**

January 1 to March 31, 2008 EUR 000s	Opening balance Jan. 1, 2008	Dividend payment	Recognized expenses and income	Closing balance March 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	–	8,380	76,779
Currency translation reserve	578	–	– 12	566
Reserve for the marked-to-market valuation of financial instruments	140	–	– 75	65
Generated capital	**69,117**	**–**	**8,293**	**77,410**
Equity of INDUS shareholders	**232,072**	**–**	**18,268**	**250,340**
Minority interests	2,058	–	28	2,086
Group equity	**234,130**	**–**	**18,296**	**252,426**

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

Minority interests in equity relate to external shareholders in limited liability companies and corporations. In accordance with IAS 32, due to the theoretical retirability and redeemability of the shares, minority interests in limited partnerships are reported as debt and stated under other liabilities in the amount of EUR 3,746k (3 months 2008: EUR 4,927k).

General Information

INDUS Holding AG, which has its legal domicile in Bergisch Gladbach, Germany, and is entered under HRB 46360 in the Cologne Commercial Register, has prepared its consolidated financial statements for the first quarter of 2009 in accordance with International Financial Reporting Standards (IFRS) and their interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union.

The consolidated financial statements have been compiled in euros. Unless otherwise indicated, all amounts have been stated in thousand euros (EUR 000s).

New standards requiring mandatory application have been reported separately under "Changes in Accounting Policies." Application has otherwise been made of the same accounting policies applied and set out in detail in the consolidated financial statements for the 2008 financial year. As these quarterly financial statements do not provide the same scope of information as the annual financial statements, they are to be viewed in conjunction with the previous set out annual financial statements.

The Board of Management believes that this unaudited quarterly report accounts for all customary adjustments to be made on an ongoing basis required to present the net asset, financial and earnings position of the Group appropriately. The earnings generated in the first quarter of the 2009 financial year do not necessarily allow predictions to be made concerning the future course of business.

The preparation of the consolidated financial statements is affected by the methods of recognition and measurement applied, and by assumptions and estimates impacting on the level and statement of the assets, liabilities and contingent liabilities recognized, as well as on expenses and income. Where future expectations are presented, actual values may subsequently deviate from these estimates. Any changes in the original basis of estimation are accounted for by adjusting the recognition of the corresponding items through profit or loss.

Changes in Accounting Policies

Application has been made in these interim financial statements of all accounting standards requiring mandatory application in the 2009 financial year. These largely relate to IAS 1 "Presentation of Financial Statements," IAS 23 "Borrowing Costs" and IFRS 8 "Operating Segments."

IAS 1 sets out the principles governing the presentation and structure of the financial statements. Its application had no material influence on the consolidated financial statements of INDUS.

The revised version of IAS 23 requires capitalization of allocable borrowing costs for qualifying assets whose acquisition or production began on or after January 1. The revised version of IAS 23 had no notable impact on these interim financial statements.

IFRS 8 has introduced amendments to segment reporting. The financial information presented is based on the information available to the management when reaching decisions. These figures are reconciled with the corresponding Group figures in a separate reconciliation schedule.

Scope of Consolidation

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

Business Combinations Pursuant to IFRS 3

No new companies were acquired in the first quarter of either of the two financial years.

Disposals Pursuant to IFRS 5

INDUS decided in the 2008 financial year to dispose of the operating business of NEUTRASOFT GmbH & Co. KG. To this end, major portions of the assets and liabilities of NEUTRASOFT GmbH & Co. KG were transferred to a new company; these items have accordingly been recognized as assets and liabilities held for sale. The company to be sold operates under the name WILKEN NEUTRASOFT GmbH and was sold to the WILKEN Group, Ulm, as of January 1, 2009.

Corresponding amendments have been made to the income statement for the previous year. Further details can be found under "Adjustments to the Previous Year's Figures."

[1] Earnings from Discontinued Operations

Disclosure in Accordance with IFRS 5

EUR 000s	**2009**	**2008**
Sales	–	2,442
Expenses and other income	–	– 4,057
Operating result	**–**	**– 1,615**
Net interest	–	13
Earnings before taxes	**–**	**– 1,602**
Taxes	–	254
Income after taxes from continuing operations	–	– 1,348
Income from deconsolidations	1,565	–
Income from discontinued operations	**1,565**	**– 1,348**
Tax expense/revenue from divestments	294	–

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

[2] Earnings per Share

Earnings per share*		**March 31, 2009**	**March 31, 2008**
Earnings attributable to INDUS shareholders	EUR 000s	72	8,380
– Earnings from discontinued operations	EUR 000s	– 1,565	1,348
= Earnings from continuing operations	EUR 000s	– 1,493	9,728
Shares in circulation	(in 000s)	18,370	18,370
Earnings per share from continuing operations	EUR	– 0.08	0.53
Earnings per share from discontinued operations	EUR	0.08	– 0.07

** Previous year's figures following adjustment*

In line with IAS 33, earnings per share involve consolidated earnings after taxes from continuing operations. Earnings per share are calculated on the basis of earnings from continuing operations and the annual average number of shares in circulation.

Should authorized capital be exercised, then dilutions will arise in future.

Notes on the Income Statement

[3] Cost of Materials

EUR 000s	March 31, 2009	March 31, 2008
Raw materials and goods for resale	– 72,031	– 94,886
Purchased services	– 8,764	– 10,963
Total	**– 80,795**	**– 105,849**

[4] Personnel Expenses

EUR 000s	March 31, 2009	March 31, 2008
Wages and salaries	– 46,698	– 49,629
Social security and pensions	– 9,210	– 8,823
Total	**– 55,908**	**– 58,452**

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

EUR 000s	March 31, 2009	March 31, 2008
Depreciation of property, plant, equipment and intangible assets	– 8,503	– 8,065
Amortization of value added within the Group	– 1,596	– 1,817
Total	**– 10,099**	**– 9,882**

[6] Other Operating Expenses

EUR 000s	March 31, 2009	March 31, 2008
Operating expenses	– 9,423	– 10,309
Selling expenses	– 9,135	– 10,017
Administrative expenses	– 4,700	– 4,460
Other expenses	– 2,705	– 2,779
Total	**– 25,963**	**– 27,565**

[7] Net Interest

EUR 000s	March 31, 2009	March 31, 2008
= Interest from operations	– 6,523	– 6,382
IFRS interest: market value of interest-rate swaps	– 1,749	– 863
IFRS interest: minority interests	– 6	– 169
= IFRS interest	– 1,755	– 1,032
Total	**– 8,278**	**– 7,414**

[8] Taxes on income

The income tax expenses stated in the interim financial statements have been based on the assumptions underlying current tax budgeting.

Notes on Select Balance Sheet Items:

[9] Intangible Assets

EUR 000s	March 31, 2009	Dec. 31, 2008
Capitalized development costs	9,052	8,761
Licenses, commercial rights and other intangible assets	8,344	8,599
Total	**17,396**	**17,360**

[10] Property, Plant and Equipment

EUR 000s	March 31, 2009	Dec. 31, 2008
Land and buildings	121,868	120,810
Technical plant and machinery	87,653	90,252
Other plant, fixtures, furniture and office equipment	29,094	29,118
Advance payments and work in progress	11,302	10,483
Total	**249,917**	**250,663**

[11] Accounts Receivable

EUR 000s	March 31, 2009	Dec. 31, 2008
Accounts receivable from customers	89,442	95,068
Future receivables from customer-specific construction contracts	10,869	8,448
Receivables from associated companies	759	1,030
Total	**101,070**	**104,546**

[12] Inventories

EUR 000s	March 31, 2009	Dec. 31, 2008
Raw materials and supplies	60,250	60,737
Unfinished goods	43,472	44,864
Finished goods and goods for resale	64,200	65,593
Prepayments to third parties	1,191	853
Total	**169,113**	**172,047**

Segment Reporting

The application of IFRS 8 has not resulted in any structural changes in segment reporting at INDUS. The allocation of companies to segments is determined by their respective sales markets.

The segment information represents continuing operations. The previous year's figures have been adjusted accordingly.

Segment Report Pursuant to IFRS 8

Q1 2009 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total segments	Reconciliation	Consolidated financial statements
Sales with external third parties	44,467	33,480	41,440	22,234	36,713	178,334	96	178,430
Sales with other segments	1,431	827	2,449	2,320	2,230	9,257	– 9,257	–
Sales	**45,898**	**34,307**	**43,889**	**24,554**	**38,943**	**187,591**	**– 9,161**	**178,430**
Segment earnings (EBIT)	**2,265**	**3,502**	**– 747**	**1,971**	**2,768**	**9,759**	**– 860**	**8,899**
Depreciation and amortization	– 1,173	– 766	– 4,798	– 1,516	– 1,846	– 10,099	–	– 10,099
– of which additions upon initial consolidation	– 305	– 46	– 781	– 5	– 459	– 1,596	–	– 1,596
Capital expenditure	1,263	1,015	4,442	1,092	2,489	10,301	–	10,301
Additional information: EBITDA	**3,438**	**4,268**	**4,051**	**3,487**	**4,614**	**19,858**	**– 860**	**18,998**

Q1 2008 EUR 000s	Construction Industry	Engineering	Automotive Industry	Consumer Goods	Other Investments	Total segments	Reconciliation	Consolidated financial statements
Sales with external third parties	46,162	37,051	66,175	24,170	42,045	215,603	– 35	215,568
Sales with other segments	1,741	719	4,350	3,284	4,606	14,700	– 14,700	–
Sales	**47,903**	**37,770**	**70,525**	**27,454**	**46,651**	**230,303**	**– 14,735**	**215,568**
Segment earnings (EBIT)	**3,889**	**5,282**	**6,568**	**3,407**	**4,645**	**23,791**	**– 1,032**	**22,759**
Depreciation and amortization	– 1,191	– 689	– 4,691	– 1,476	– 1,835	– 9,882	–	– 9,882
– of which additions upon initial consolidation	– 402	– 54	– 901	– 5	– 455	– 1,817	–	– 1,817
Capital expenditure	1,241	945	4,271	1,204	502	8,163	–	8,163
Additional information: EBITDA	**5,080**	**5,971**	**11,259**	**4,883**	**6,480**	**33,673**	**– 1,032**	**32,641**

The following table provides a reconciliation of total operating earnings as stated in the segment report to earnings before taxes in the consolidated income statement.

Reconciliation

EUR 000s	Q1 2009	Q1 2008
Segment earnings (EBIT)	9,759	23,791
– unallocated activities	– 725	– 1,062
– consolidation	– 135	30
– net interest expenses	– 8,278	– 7,414
= Earnings before taxes	**621**	**15,345**

Segment Report by Region

Q1 2009 EUR 000s	Domestic	Foreign	Reconciliation	Group
Sales with external third parties	102,801	75,533	96	178,430
Sales with other segments	7,546	1,711	– 9,257	–
Sales	**110,347**	**77,244**	**– 9,161**	**178,430**

Q1 2008 EUR 000s	Domestic	Foreign	Reconciliation	Group
Sales with external third parties	129,124	86,479	– 35	215,568
Sales with other segments	13,022	1,678	– 14,700	–
Sales	**142,146**	**88,157**	**– 14,735**	**215,568**

The regionalization of sales has been based on sales markets. The international category has not been broken down in any further detail as no country accounts for sufficient sales to exceed the materiality threshold set out in IFRS 8. Moreover, the diversification of risks at INDUS means that no individual customer accounts for a 10% share of sales, a circumstance which would require report under IFRS 8.

Related Party Disclosures

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

No change of circumstances differing materially from those outlined in the 2008 annual financial statements requires report in the quarterly financial statements.

Adjustments to Previous Year's Figures

The recognition of discontinued operations pursuant to IFRS 5.34 requires adjustments to the previous year's figures. These adjustments are as follows:

Income Statement

Adjustment to the previous year's income statement EUR 000s	**Q1 2008** published	Restatement **IFRS 5**	**Q1 2008** comparable
Sales	218,010	– 2,442	215,568
Other operating income	1,824	– 95	1,729
Own work capitalized	1,166	–	1,166
Change in inventories	5,881	–	5,881
Cost of materials	– 106,783	934	– 105,849
Personnel expenses	– 60,892	2,440	– 58,452
Depreciation	– 9,882	–	– 9,882
Other operating expenses	– 28,343	778	– 27,565
Income from shares accounted for using the equity method	100	–	100
Other financial result	63	–	63
Operating result (EBIT)	**21,144**	**1,615**	**22,759**
Interest income	669	– 28	641
Interest expenses	– 8,070	15	– 8,055
Net interest	– 7,401	– 13	– 7,414
Income before taxes	**13,743**	**1,602**	**15,345**
Taxes	– 5,335	– 254	– 5,589
Income from discontinued operations	–	– 1,348	– 1,348
Income after taxes	**8,408**	**–**	**8,408**
thereof minority interests	– 28	–	– 28
thereof income allocable to INDUS shareholders	8,380	–	8,380
Undiluted earnings per share in EUR	0.46		0.53

Events After the Quarterly Balance Sheet Date

There have been no events of material significance since the conclusion of the first quarter of 2009.

Audit Review by the Group Auditor

Neither the quarterly financial statements as of March 31, 2009 nor those as of March 31, 2008 have been subject to any audit review.

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

Contact
Public & Investor Relations:
Regina Wolter
Phone: +49-22 04-40 00-70
Fax: +49-22 04–40 00-20
E-mail: wolter@indus.de

Published by:
INDUS Holding AG,
Bergisch Gladbach, Germany

Concept/design:
Baisch Creative Consulting,
Düsseldorf, Germany

Typesetting and lithography:
ADDON Technical Solutions,
Düsseldorf, Germany

Printed by:
KleverDigital, Bergisch Gladbach, Germany

This 3-month interim report is also available in German. Both the English and the German versions of this report can be viewed and downloaded from the internet at www.indus.de.

This 3-month interim report contains forward-looking statements that are subject to certain risks and uncertainties. Future results may deviate significantly from the results expected at present. This can be caused by various risk factors and uncertainties, such as changes in the business, economic and competitive situation, legislative amendments, fluctuations in currency exchange rates and further factors. INDUS Holding AG accepts no obligation to update the forward-looking statements made in this 3-month interim report or to adapt them to future events or developments.