Q2

REPORT FIRST HALF 2010

INDUS HOLDING AG

Key Figures

EUR millions	H1 2010	H1 2009
Sales	450.3	361.7
EBITDA	66.9	41.7
EBIT	46.5	22.1
EBT	33.3	8.4
Net result for the period (allocable to INDUS shareholders)	17.6	1.5
Operating cash flow	30.1	33.5
Cash flow from operating activities	17.9	20.5
Cash flow from investing activities	–44.5	–16.8
Cash flow from financing activities	11.6	16.5
Cash and cash equivalents	79.1	108.3
Earnings per share (in EUR)	1.05	0.13
Cash flow per share (in EUR)	0.97	1.12
Employees (number as of March 31)	5,958	5,434
Investments (number as of March 31)	40	41

EUR millions	June 30,2010	Dec. 31, 2009
Total assets	957.8	913.5
Equity	261.2	241.7
Net debt	434.4	408.3
Equity ratio (in %)	27.3	26.5

INDUS Holding AG

We Can Be Found Where SMEs Are Building the Future

Construction/ Infrastructure | **Automotive Components/ Engineering** | **Engineering** | **Medical Engineering/ Life Science** | **Metal/ Metal Processing**

Contents

PROFILE

INDUS is the leading specialist in the field of sustainable investment in small and medium-sized companies in German-speaking countries. We mainly acquire owner-managed companies and support their business development entrepreneurially with a long-term orientation. Our subsidiaries are characterized in particular by their strong positions in specific niche markets.

Our goal is to achieve lasting and solid value appreciation for our portfolio. We do this by maintaining a diversified investment structure and a corporate policy geared toward stable yields. The guideline for all of our decisions is the long-term development of each and every company. We give our companies reliable perspectives and allow them entrepreneurial scope for action.

In 2009, our Group's workforce of around 5,400 generated sales of approximately EUR 770 million and EBIT of EUR 54.6 million. This meant that INDUS, thanks to its swift intervention in the economic crisis, still managed to generate 60 % of the earnings it posted in the boom year 2008. Our intention in 2010 is to generate further growth from our portfolio and take the INDUS Group's earning power back to its pre-crisis level. We also see good opportunities for new investments.

Letter to the Shareholders

Dear Shareholders,

The INDUS Group closed the first half of 2010 with a strong interim statement of financial position. Sales increased by a nearly 25 % compared with the corresponding period in 2009 to EUR 450.3 million. Our optimized cost structures have led to a disproportionately high improvement in earnings: EBIT more than doubled to EUR 46.5 million compared with the previous year. This means that INDUS has left the economic crisis behind it and returned to its pre-crisis level.

At the beginning of the year, INDUS was expecting sales growth of up to five percent and a disproportionately large improvement in earnings for 2010 as a whole. Our expectations were more optimistic than those of most economic experts. As early as the beginning of July, we were able to revise our estimate upwards and increase our forecasts considerably to sales of EUR 850 million and EBIT of EUR 70 million.

Our Group benefited of course from the German economy's generally swift recovery. The economy grew remarkably strongly in the second quarter of 2010 and was therefore able to recover from the sharp economic downturn of autumn 2008 more quickly than many experts presumed.

However, INDUS made its associated companies fit for the future by acting quickly and consistently at the beginning of the recession. The crisis management measures which we had already initiated in 2008 have further strengthened our subsidiaries' stable positions on their respective markets. At the same time, we have achieved a lasting improvement in the quality of our income since the start of 2010. The combination of reducing costs, increasing flexibility, and investing in research and development is now paying off. Our EBIT margin of 10.3 % for the first half of 2010 is again within the INDUS target range of 10 to 12 %.

Thanks largely to the export boom, the third quarter of 2010 is heading for a good result similar to that achieved in the second quarter. However, we remain skeptical about the fourth quarter. In the summer of 2010, growth in the USA and China lost some of its dynamism and the global economy slowed down slightly. This means that the German economy's high growth rate in the second quarter is unlikely to be sustained. Analysts, too, are arguing along similar lines: "The German economy is booming, and fewer and fewer people believe that the pace achieved recently can be maintained", says a contributor to the banking survey. It is also regarded as indisputable that the current level of economic dynamism will cool off as the state aid packages around the world expire. At the same time, capital expenditure on equipment remains low and prices of energy and raw materials are increasing. Added to this is the INDUS business volume, which experience shows is less buoyant in December.

Given the highly positive overall development, however, we have once again increased our sales forecast for 2010. For the year as a whole, INDUS is currently expecting sales growth of between 15 and 20 % and an increase of 35 to 40 % in EBIT. Our targets are sales of EUR 900 million and an EBIT range from EUR 75 million to EUR 80 million.

Sincerely,
The Board of Management

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

Share

INDUS share beats the SDAX

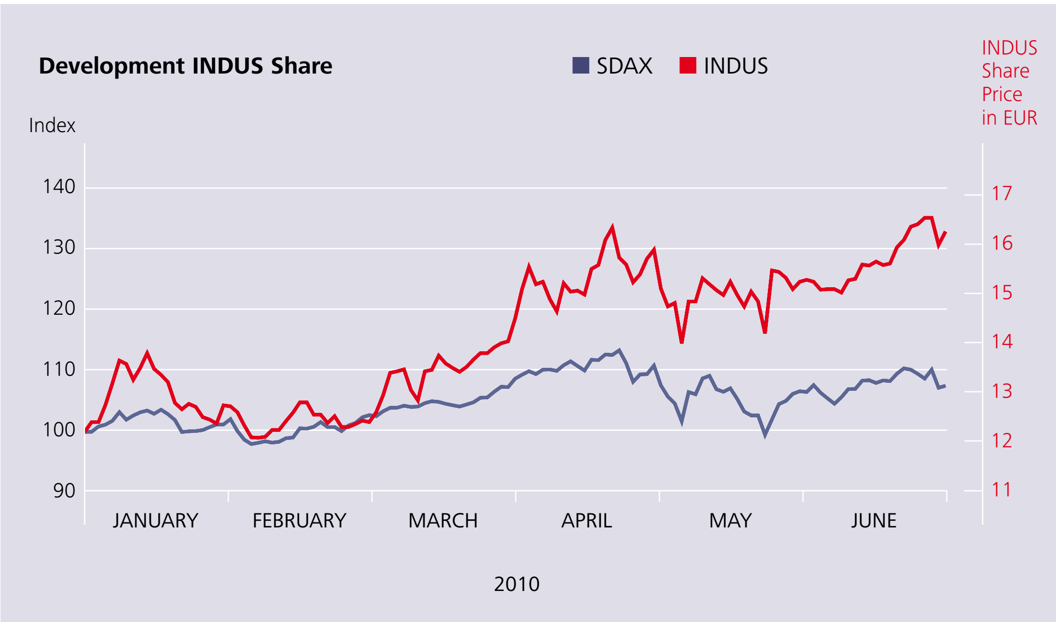
The INDUS Holding AG share developed very encouragingly in the first half of the year and comfortably outperformed the comparable index SDAX. The publication of the initial figures for the 2009 annual financial statements on March 15 was met with a positive response. This was subsequently reinforced by positive reports about the first quarter and the upward revision of the sales and earnings forecasts at the beginning of July. As of June 30, 2010, the share price was EUR 16.17 (June 30, 2009: EUR 10.77). This corresponds to an increase of some 50 % since the beginning of the year. The SDAX, the relevant index for INDUS, increased in the same period by only around 35 % to 3,904.22 points (June 30, 2009: 2,904.78 points). On average, 38,218 INDUS shares were traded each day in the first six months on all domestic stock exchanges (H1 2009: 38,482 shares). The weighting of the INDUS share in the SDAX was 3.14 % as of the reporting date on June 30. This corresponds to seventh place among the 50 companies comprising the index (June 30, 2009: ninth place). At the end of June, the market capitalization of INDUS Holding AG amounted to around EUR 297 million.

Annual Shareholders' Meeting Accepts Proposed Dividend of EUR 0.50 per Share

At this year's Annual Shareholders' Meeting in Cologne on July 1, 2010, the shareholders adopted a dividend of EUR 0.50 per share for the 2009 fiscal year due to the drop in earnings caused by the recession. All in all, INDUS distributed EUR 9.19 million to its shareholders after the end of the reporting period.

Further items on the agenda at the Annual Shareholders' Meeting were the authorization to acquire treasury stock and a number of amendments to the articles of incorporation necessitated by new legal stipulations. Carl Martin Welcker, who had been appointed as successor to Günter Kill by the District Court in February 2010, was elected as a member of the Supervisory Board for a term until 2015 in accordance with the articles of incorporation. Furthermore, the Board of Management's new compensation system that has been adjusted to the legal stipulations was presented.

The Annual Shareholders' Meeting was held at a new venue, the congress center at the KölnMesse exhibition center, for the first time. Due to the positive feedback from our shareholders, it is scheduled to be held there again in 2011.



Sustainability 2010

Dr. Johannes Schmidt Interview

INDUS participated in the Carbon Disclosure Project (CDP) for the first time in 2010. Why not before and what are the benefits?




Dr. Johannes Schmidt, Member of the Board of Management, INDUS Holding AG, is responsible for Technology, Research/Development, Capital Expenditure, and Risk Management

The international climate project CDP was launched in Germany in 2006. Now we have initial experiences in this area as well as an informative database at our disposal, which means that INDUS can start from a sound base and make some initial comparisons with similarly structured industrial companies. The project's objective is to motivate companies in a globally comparable database to formulate climate protection targets. We support this process by presenting our CO_2 balance sheet in a transparent way. And with important findings: for example, the Group-wide data-gathering process provided us with the information that around one-third of emissions are produced by company vehicles.

»We see sustainability as an essential part of a corporate policy geared towards the longer term.«

What objectives is INDUS deriving from its participation?

To remain with the topic of company cars: we have reacted and will launch centralized and standardized fleet management for all 40 of our associated companies this year. The CDP isn't a passing fad for us. We want to support the project in the long term and our next step will be to derive our own climate protection goals from it as well. We see that as part of our sustainability strategy.

What does sustainability mean for INDUS?

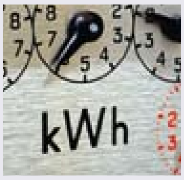
We see sustainability as an essential part of a corporate policy geared towards the longer term. As a long-term investor in the small and medium-sized enterprise sector, we want to build up substance in our companies rather than aim for short-term success. Our subsidiaries are firmly rooted in their social environments and are therefore an integral part of the community. For us, that means thinking today about the day after tomorrow.

What is the Carbon Disclosure Project?

The Carbon Disclosure Project (CDP) is an independent non-profit organization founded in London in 2000 which wants to achieve greater transparency in respect of climate-damaging greenhouse gases. Once a year, the CDP gathers data on a voluntary basis on companies' CO_2 emissions, climate risks, and reduction targets. More than 475 institutional investors are supporting the project as "signatory investors". The CDP has been active in Germany since 2006. In 2009, 102 of the 200 largest listed companies surveyed took part in it. Almost all the companies in the DAX are represented (97 %). The participation rate is considerably lower in the other indices: in the SDAX, only 16 % took part. The new findings from the German CDP reports will be published in October 2010. More information at **www.cdproject.net**

Sustainability in the INDUS Group

Generating Better Power Yourself



The company **WEINISCH** is one of the largest coating subcontractors in Germany and operates primarily in the construction industry. Its modern plant in Oberviechtach produces, among other things, surfaces for the Prime Tower in Zurich and the Hafenspitze project in Düsseldorf. The powder coating requires a high energy input – the energy requirements per year are around 5.7 million KWh for electricity and natural gas. To save energy, the company has invested in a **combined heat and power unit.** This generates energy in accordance with the cogeneration principle. Its energy efficiency is 95 %, while conventional power generation has an efficiency level of only 30 to 40 %. In this way, WEINISCH not only reduces its CO_2 emissions by some 830 tonnes per year, it also consumes less primary energy.

Consuming Zero Energy

The climate and ventilation specialist **Max SCHUSTER** is relocating in the fall of 2010. The new company headquarters in Friedberg are coming into being as a zero energy building. In addition to a high-grade exterior (bricks and mortar, 160 mm insulation, triple-glazing), **energy-efficient technology** will be used. The building will receive a concrete core activation system. In addition, pipes will be laid in the ceiling in a manner similar to under-floor heating. The system provides heating in the winter and cooling in the summer. Heating water is generated using a groundwater heat pump, making a conventional heating system unnecessary. Cooling will be provided solely by groundwater, which is available all year round at a temperature of around 10° C. The building will feature a controlled aeration and ventilation system with heat recovery. In addition, the roof will be fitted with a photovoltaic facility generating around 70,000 KWh of clean energy per year.

Heating with Biogas

The **SIMON Group** manufactures galvanized synthetic parts, sinter products, and innovative furniture fittings, among other things. Electroplating in particular is highly energy-intensive. The company recently began using the waste heat from a neighboring **biogas plant** to air-condition its central toolmaking facility. Here, an agricultural producer group generates methane gas, which in turn feeds a power generator. The producer group feeds the resultant waste heat, usually unused, into a newly constructed district heating system which supplies the 2000 m² building via a heating system. Thanks to this collaboration, primary energy needs in relation to gas were reduced by 180,000 KWh. SIMON has been cooperating with the local energy supplier EnBW on a long-term energy-saving project since May 2006.

- **Economic Situation: Overall recovery induces significant increase of demand in each business segment**

- **Portfolio: Continued improvements in the first half of year due to selling the mechanical engineering company BERNER and acquiring HAKAMA, a company specialized in costumized casings and components**

- **Profitability: Sales have increased by 20 % compared to the first half of the previous year. Operating result (EBIT) can more than double**

- **Once again forecast adjusted upwards: Sales projected amount to EUR 900 million; EBIT within the range of EUR 75 to 80 million**

Business Environment and Development

Macroeconomic Trend: Surprisingly Robust Growth and Worries of a Double-dip

The German economy showed exceptionally strong growth of 2.2 % in the second quarter of 2010. It had not achieved such a growth rate, in comparison with the previous quarter, since German reunification. In addition, the rate for the first quarter of 2010 was revised sharply upwards to +0.5 %. The main driving force behind German economic activity was the very dynamic growth seen in the global economy. According to the monthly report from the German Federal Ministry of Finance, capital expenditure and exports were the major contributors to the positive development in the second quarter. If this trend continues, the growth rate – according to a government estimate – will comfortably exceed 2 % this year. The German government was previously assuming 1.4 % growth.

In the German Federal Ministry of Finance's monthly report, however, the government also warns against excessive euphoria: the positive figures should not be allowed to hide the fact that important indicators such as orders received and production had not yet returned to their pre-crisis level. Production capacities were still not utilized to the full, it added. The worries of citizens are also growing. According to a survey by the Allensbach opinion polling organization in July, only 22 % of Germans are expecting a positive trend in the second half of the year, while 38 % were anticipating an economic setback. In mid-August, the economic optimism of German financial experts unexpectedly lost some of its luster. The ZEW (Centre for European Economic Research) index fell noticeably.

Earnings position: INDUS displays great dynamism in the first half of 2010

Our business developed significantly better than expected in the first half of 2010. Demand increased strongly as a result of the economic recovery across all the segments. The recovery was strongest in our Automotive Components/Engineering segment. In the first six months alone, the companies in the segment generated sales that were around EUR 43 million higher than in the same period of the previous year. The Metal/Metal Processing and Engineering segments recovered in a similarly robust fashion. Their sales grew by approximately EUR 32 million and more than EUR 8 million respectively.

Aggregate Sales Up EUR 88.6 million to EUR 450.3 million

In the first six months of 2010, INDUS Holding AG's consolidated sales increased by EUR 88.6 million to EUR 450.3 million (previous year: EUR 361.7 million), in the process returning to the good level seen in 2008 in just the first year after the crisis (sales in H1 2008: EUR 462.1 million).

The cost of materials increased as a result of the improved business situation to EUR 215.6 million (previous year: EUR 160.6 million), while the cost of materials ratio, at 47.9 % (previous year: 44.4 %), was above the figure for the same quarter of the previous year. This is essentially due to the at-times sharp increases in raw materials and energy prices during the upturn.

Although personnel expenses also increased in absolute terms from EUR 110.8 million to EUR 122.3 million as a result of the improved orders position, they fell in relative terms. The lower personnel expenses ratio of 27.2 % (previous year: 30.6 %) clearly demonstrates the successes of the crisis intervention measures that were carried out in 2008 and 2009.

Earnings More Than Double to EUR 46.5 million

Earnings before interest, taxes, depreciation, and amortization (EBITDA) indicated a clear recovery in the operating business of the INDUS Group. EBITDA grew from EUR 41.7 million to EUR 66.9 million. Depreciation and amortization totaled EUR 20.4 million (previous year: EUR 19.6 million), with the result that the operating earnings before interest and taxes (EBIT) of EUR 46.5 million as of June 30, 2010 were twice as high as in the first half of 2009 (previous year: EUR 22.1 million). As a result, INDUS Holding AG achieved an EBIT margin of 10.3 % in the first half of the year (previous year: 6.1 %) and is thus once again within its long-term target range of 10 to 12 %.

Operating interest expenses of EUR 12.6 million were down from the previous year's figure of EUR 14.0 million, while operative interest income declined again slightly to EUR 0.3 million (previous year: EUR 0.8 million), reflecting the low interest rates in the crisis year. Earnings before taxes (EBT) rose sharply to EUR 33.3 million (previous year: EUR 8.4 million).

Tax expenses for the Group increased in line with improved sales and earnings to EUR 13.3 million (previous year: EUR 5.8 million). Excluding non-controlling interests, the results for the period were EUR 17.6 million (previous year: EUR 1.5 million). This corresponds to earnings per share of EUR 1.05 (previous year: EUR 0.13).

Course of Business in the Segments

INDUS Holding AG's investment portfolio is divided into five segments: Construction/Infrastructure, Automotive Components/Engineering, Engineering, Medical Engineering/Life Science, and Metal/Metal Processing. The investment portfolio encompassed 40 operating units as of June 30, 2010.

Effective from May 1, 2010, INDUS sold the mechanical engineering company BERNER GmbH & Co. KG, Bischofsheim. BERNER's incorporation into the medium-sized industrial group Tröster has now given it good strategic prospects for the future.

Retroactive to the beginning of the Year, our Group in the first Quarter assumed 60 % majority control of the Swiss thin sheet metal processor HAKAMA AG in Bättwill, Switzerland. This purchase includes an option for the remaining 40 %.

■ INDUS Construction/Infrastructure Segment: Sales and Earnings Growth Despite Phase-out of Economic Stimulus Packages

In view of the gradual phase-out of the economic stimulus package II and the continued sluggishness of construction engineering, the construction industry is forecasting hardly any growth in 2010. According to the German Federal Statistical Office, aggregate sales in main construction work in the first five months of 2010 were 9.5 % lower than in the same period of the previous year. Thanks to its niche structure, however, INDUS managed to increase its sales by 4 % in this business segment. Segment sales in the first six months totaled EUR 91.0 million and again exceeded the good figures achieved in the same period of the previous year. Even more remarkable is the disproportionate improvement in the earnings position despite the unusually long and hard winter. Earnings before interest and taxes (EBIT) totaled EUR 9.8 million. The EBIT margin improved to 10.8 %.

EUR millions	H1 2010	H1 2009
Sales	91.0	87.5
EBIT	9.8	8.4
EBIT margin (in %)	10.8	9.6
Depreciation/ amortization	2.5	2.4
Capital expenditure	3.2	1.8

■ INDUS Automotive Components/Engineering Segment: Boom Ensures Full Employment and Extra Shifts

The portfolio companies in the Automotive Components/Engineering segment have experienced increasing demand from Asia and received more orders for new products since the end of 2009. With sales up by almost 50 % and a recovery in margins, the course of business developed far better than expected. In particular, the sharp increase in demand for mid-range and premium vehicles – the INDUS associated companies' main selling market – sent the sales curve in an upward direction. This is accentuated by the one-off effects from the reengineering processes completed in 2009. The segment's sales jumped to EUR 132.3 million, with earnings before interest and taxes (EBIT) rising to EUR 9.2 million. This represents an EBIT margin of 7 %.

EUR millions	H1 2010	H1 2009
Sales	132.3	89.2
EBIT	9.2	−3.1
EBIT margin (in %)	7.0	−3.5
Depreciation/ amortization	10.5	10.2
Capital expenditure	7.9	5.7

■ INDUS Engineering Segment: High Order Backlog at Late-cycle Associated Companies and Clear Signs of Revival for Short-term Capital Goods

All in all, the companies in the Engineering segment completed the first half of 2010 considerably better than expected. The segment's mixture of late-cycle and early-cycle companies cushioned the sharp drop in orders that occurred in mid-2009. All in all, the companies in the segment have been experiencing a noticeable improvement in demand since July 2009. Sales, at EUR 58.5 million, comfortably exceeded the previous year's figure of EUR 50.2 million. Earnings before interest and taxes (EBIT) also increased, from EUR 4.3 million to EUR 6.6 million and provided evidence of the upturn with a disproportionate improvement in returns. The EBIT margin reached 11.3 %.

EUR millions	H1 2010	H1 2009
Sales	58.5	50.2
EBIT	6.6	4.3
EBIT margin (in %)	11.3	8.6
Depreciation/ amortization	0.9	1.2
Capital expenditure	0.7	2.1

■ INDUS Medical Engineering/Life Science Segment: Consistently Solid Growth

The Medical Engineering/Life Science segment's performance in the first half of 2010 was stable, as expected, with sales increasing by some 5 % over the previous year's period to EUR 41.3 million. Contributory factors included the successful reengineering of the micro-optics business unit and the sharp increase in demand for medical compression stockings and bandages. Earnings before interest and taxes (EBIT) were extremely encouraging: the companies in the segment generated EUR 7.4 million compared with EUR 5.9 million in the previous year. They improved their good returns again to an EBIT margin of 17.9 %.

EUR millions	H1 2010	H1 2009
Sales	41.3	39.3
EBIT	7.4	5.9
EBIT margin (in %)	17.9	15.0
Depreciation/ amortization	1.7	1.7
Capital expenditure	0.9	1.5

■ INDUS Metal/Metal Processing Segment: Recovery Strengthens

The performance of the Metal/Metal Processing segment was similarly strong to that achieved by Automotive Components/Engineering. The sales of EUR 96.1 million in the poor first half of 2009 were exceeded by more than 30 % and totaled EUR 127.8 million. The upturn is also clearly visible in the segment's earnings before interest and taxes (EBIT). These grew from EUR 7.2 million to EUR 16.1 million. The companies in the segment can thank, in particular, the reengineering measures completed in the segment in 2008 and 2009 for this disproportionate earnings growth. The EBIT margin returned to double digits at 12.6 %. Capital expenditure includes the purchase of HAKAMA AG.

EUR millions	H1 2010	H1 2009
Sales	127.8	96.1
EBIT	16.1	7.2
EBIT margin (in %)	12.6	7.5
Depreciation/ amortization	4.7	3.9
Capital expenditure	19.2	3.3

Employees: Upturn Creates More Jobs

The number of employees at the INDUS Group rose substantially compared with the previous year. The increase of almost 10 % includes the workforce of HAKAMA AG, which was acquired at the beginning of 2010. In order to satisfy the strong level of demand, especially in the Automotive Components/ Engineering segment, many businesses have been increasing capacities since the beginning of the year, primarily through labor leasing and temporary employment. Our branch in South Africa alone has hired more than 100 new employees on this basis since January 2010. With the outlook for the end of 2010 and 2011 remaining uncertain, the INDUS Group is exercising caution as regards increases in the core workforce. We manage our capacities using our internal program "Kapaflex" so that we are able to react flexibly. The program records all overtime and time accounts as well as labor leasing and temporary work. As of the mid-year point, our Kapaflex rate was slightly above our target figure of 25 %.

	H1 2010	H1 2009
Employees as of June 30	5.958	5.434

Financial and Assets Position: Robust Recovery in First Half of Year Draws on Liquidity

Based on earnings after tax generated by continuing operations of EUR 20.0 million (previous year: EUR 2.6 million), operating cash flow declined from EUR 33.5 million to EUR 30.1 million, primarily as a result of the clear increase in working capital, which in turn was caused by sharp sales growth. Despite the lower level of interest paid, which totaled EUR –12.5 million (previous year: EUR –13.8 million), cash flow from operating activities was consequently lower than in the previous year's period, coming in at EUR 17.9 million (previous year: EUR 20.5 million). Cash flow from investing activities rose from EUR –16.8 million to EUR –44.5 million, reflecting capital expenditure on property, plant, and equipment and acquisitions at the beginning of the year. Cash flow from financing activity amounted to EUR 11.6 million (previous year: EUR 16.5 million). Despite the acquisitions that have been made, cash and cash equivalents were at a high and stable level of EUR 79.1 million as of the mid-year point.

Equity Ratio Increased Again to its Current Level of 27.3 %

As of June 30, 2010, INDUS had total assets of EUR 957.8 million, considerably higher than at the end of the previous year (December 31, 2009: EUR 913.5 million). Cash and cash equivalents fell from EUR 93.5 million to EUR 79.1 million as a result of the working capital needed for the upturn. Receivables and inventories increased by EUR 48.6 million for the same reason. The Group's equity of EUR 261.2 million climbed again from the end of the year (December 31, 2009: EUR 241.7 million). As a result, the equity ratio improved to 27.3 % (December 31, 2009: 26.5 %). The Group's net debt amounted to EUR 434.4 million (December 31, 2009: EUR 408.3 million).

Opportunities and Risks

INDUS Holding AG and its portfolio companies are exposed to a multiplicity of risks as a result of their international activities. Entrepreneurial action is inextricably linked with risk-taking. At the same time, this enables the company to seize new opportunities and, thereby, safeguard and strengthen the position on the market occupied by its portfolio companies. The company operates an efficient risk management system for the early detection, comprehensive analysis, and systematic handling of risks.

The structuring of the risk management system and the significance of particular risks are discussed in detail in the 2009 annual report on pages 58 to 63. It is stated there that the company does not view itself as subject to any risks that could endanger its continued existence as a going concern. The annual report for INDUS Holding AG can be downloaded free of charge at www.indus.de.

Events After the Reporting Date
Since June 30, 2010, no significant events have occurred that are expected to have a material impact on the INDUS Group's net assets, financial, and earnings position.

Outlook

INDUS on a Clear Growth Path in 2010
The global economic recovery that became evident at the beginning of the year has recently gained in momentum again. Driven by exports, the Metal Processing and Automotive segments have performed disproportionately well. As a result, our course of business was considerably better than expected in the first half of 2010.

As 2010 progresses, we are expecting the economic recovery to steady, even though a number of risks are evident. As in our previous report in the spring, we draw attention to the development of raw material and energy prices and to the turmoil on the financial markets. The announcement of dramatic cost-cutting packages in the eurozone following an economic rescue package costing EUR 750 billion, deteriorating US economic data, and a more restrictive monetary policy in China led to speculation around the mid-year point that global economic growth could slow down significantly. The current economic data from the USA, especially the data on consumption and the labor market, are encouraging such fears. This tendency is accentuated by the efforts of the eurozone's countries to get their public finances in order. This may lead to cost-cutting and/or tax increases, which could slow down growth. The result could be another downturn (double dip). The first signs of a downturn appeared in mid-August: the ZEW index fell surprisingly and the financial markets reacted negatively to the deterioration in sentiment in Germany.

Despite these risks, the INDUS Group is confident about 2010. We pressed ahead with our portfolio optimization in the first half of the year by selling the mechanical engineering company BERNER and acquiring the special casing manufacturer HAKAMA. During the crisis of 2008 and 2009, our subsidiaries improved their cost structures further and increased their investment in the development of product innovations and new fields of business. This investment offensive is now bearing fruit. Our niche position simultaneously ensures both stable and strong income from our core business activities.

We are therefore increasing our sales and earnings forecast for a second time. For the fiscal year as a whole, we are expecting sales of some EUR 900 million and EBIT of between EUR 75 and 80 million. INDUS is thus striving for an EBIT margin of around 9 % in 2010.

Consolidated Statement of Income

EUR '000	Notes	H1 2010	H1 2009*
Sales		**450,340**	**361,680**
Other operating income		6,741	9,727
Own work capitalized		1,089	1,431
Change in inventories		7,386	−9,220
Cost of materials	[3]	−215,633	−160,595
Personnel expenses	[4]	−122,286	−110,797
Depreciation and amortization	[5]	−20,387	−19,639
Other operating expenses	[6]	−60,905	−50,830
Income from shares accounted for using the equity method			200
Other financial result		157	94
Operating result (EBIT)		**46,502**	**22,051**
Interest income		294	792
Interest expenses		−13,522	−14,441
Net interest	[7]	−13,228	−13,649
Earnings before taxes		**33,274**	**8,402**
Taxes	[8]	−13,264	−5,755
Income from discontinued operations	[1]	−1,785	−846
Earnings after taxes		**18,225**	**1,801**
of which allocable to non-controlling shareholders		−646	−299
of which allocable to INDUS shareholders		17,579	1,502
Basic earnings per share in EUR	[2]	1.05	0.13
Earnings for the INDUS shareholders, adjusted for volatility from interest-rate hedging		18,154	2,175

* Previous year's figures adjusted

Statement of Income and Accumulated Earnings

EUR '000	H1 2010	H1 2009*
Earnings after taxes	**18,225**	**1,801**
Currency translation adjustment	1,133	−1,550
Change in the market values of derivative financial instruments	−1,449	−1,745
Netting of deferred taxes	228	276
Income and expenses recognized directly in equity	**−88**	**−3,019**
Total income and expenses recognized in equity	**18,137**	**−1,218**
of which non-controlling interests	646	299
of which allocable to INDUS shareholders	17,491	−1,517

* Previous year's figures adjusted

Consolidated Statement of Income

EUR '000	Notes	Q2 2010	Q2 2009*
Sales		**244,176**	**184,364**
Other operating income		2,995	4,941
Own work capitalized		538	746
Change in inventories		3,668	−6,948
Cost of materials	[3]	−117,116	−80,049
Personnel expenses	[4]	−62,990	−55,547
Depreciation and amortization	[5]	−10,328	−9,647
Other operating expenses	[6]	−32,643	−25,094
Income from shares accounted for using the equity method		−75	100
Other financial result		107	37
Operating result (EBIT)		**28,332**	**12,903**
Interest income		178	448
Interest expenses		−6,824	−5,821
Net interest	[7]	−6,646	−5,373
Earnings before taxes		**21,686**	**7,530**
Taxes	[8]	−8,380	−3,619
Income from discontinued operations	[1]	−1,785	−2,200
Earnings after taxes		**11,521**	**1,711**
of which allocable to non-controlling shareholders		−144	−281
of which allocable to INDUS shareholders		11,377	1,430
Basic earnings per share in EUR	[2]	0.72	0.20
Earnings for the INDUS shareholders, adjusted for volatility from interest-rate hedging		11,303	631

* Previous year's figures adjusted

Statement of Income and Accumulated Earnings

EUR '000	Q2 2010	Q2 2009*
Earnings after taxes	**11,521**	**1,711**
Currency translation adjustment	1,265	-1,539
Change in the market values of derivative financial instruments	-103	128
Netting of deferred taxes	15	-20
Income and expenses recognized directly in equity	**1,177**	**-1,431**
Total income and expenses recognized in equity	**12,698**	**280**
of which non-controlling interests	144	281
of which allocable to INDUS shareholders	12,554	-1

* Previous year's figures adjusted

Consolidated Statement of Financial Position

EUR '000	Notes	June 30, 2010	Dec. 31, 2009
Assets			
Goodwill		289,573	289,573
Intangible assets	(9)	17,746	17,116
Property, plant, and equipment	(10)	248,251	238,888
Financial assets		9,412	8,994
Shares accounted for using the equity method		1,169	4,578
Other noncurrent assets		2,315	3,010
Deferred taxes		2,154	1,989
Noncurrent assets		**570,620**	**564,148**
Cash and cash equivalents		79,080	93,506
Accounts receivable	(11)	131,685	99,267
Inventories	(12)	159,326	143,102
Other current assets		13,313	8,481
Current income taxes		3,747	4,975
Assets held for sale		0	0
Current assets		**387,151**	**349,331**
Total assets		**957,771**	**913,479**
Equity and Liabilities			
Paid-in capital		172,930	172,930
Generated capital		84,539	67,048
Equity held by INDUS shareholders		257,469	239,978
Non-controlling interests in the equity		3,730	1,736
Group equity		**261,199**	**241,714**
Noncurrent financial liabilities		351,392	363,501
Provisions for pensions		16,174	15,994
Other noncurrent provisions		2,258	2,108
Other noncurrent liabilities		14,810	14,679
Deferred taxes		17,354	16,899
Noncurrent liabilities		**401,988**	**413,181**
Current financial liabilities		162,094	138,345
Trade accounts payable		45,674	28,019
Current provisions		38,083	29,892
Other current liabilities		42,216	58,209
Current income taxes		6,517	4,119
Current liabilities		**294,584**	**258,584**
Total equity and liabilities		**957,771**	**913,479**

Consolidated Statement of Cash Flows

EUR '000	Q1 2010	Q1 2009*
Income after taxes generated by continuing operations	**20,010**	**2,647**
Depreciation/Write-ups of noncurrent assets (excluding deferred taxes)	20,387	19,639
Taxes	13,264	5,755
Net interest	13,228	13,649
Cash earnings of discontinued operations	–1,492	–796
Income from companies accounted for using the equity method	0	–200
Other non-cash transactions	843	–1,084
Changes in provisions	8,598	–3,220
Increase (–)/decrease (+) in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	–45,865	4,978
Increase (+)/decrease (–) in trade accounts payable and other liabilities not allocable to investing or financing activities	9,688	3,104
Income taxes received/paid	–8,592	–10,956
Dividends received	0	0
Operating cash flow	**30,069**	**33,516**
Interest paid	–12,478	–13,768
Interest received	294	792
Cash flow from operating activities	**17,885**	**20,540**
Cash outflow from investments in		
property, plant, and equipment and intangible assets	–28,491	–17,191
financial assets	–418	–343
shares in fully consolidated companies	–15,235	0
Cash inflow from the disposal of		
shares in fully consolidated companies	–361	702
other assets	0	0
Cash flow from investing activities of discontinued operations	–5	–11
Cash flow from investing activities	**–44,510**	**–16,843**
Cash flow from financing activities of discontinued operations	0	–1,054
Cash inflows from the assumption of debt	45,703	49,202
Cash outflows from the repayment of debt	–34,063	–31,619
Cash flow from financing activities	**11,640**	**16,529**
Net cash change in financial facilities	–14,985	20,226
Changes in cash and cash equivalents caused by currency exchange rates	559	244
Cash and cash equivalents at the beginning of the period	93,506	87,791
Cash and cash equivalents at the end of the period	**79,080**	**108,261**
Cash transactions related to the sale of investments	0	0
plus financial liabilities sold	0	0
minus financial facilities purchased	–361	0
Net sale proceeds	**–361**	**0**
Cash transactions related to the sale of investments	–2,022	0
plus financial liabilities assumed	–13,213	0
minus financial facilities purchased	0	0
Net purchase price	**–15,235**	**0**

* Previous year's figures adjusted

Severance payments for non-controlling shareholders, which came due in the first quarter in connection with the full goodwill method of accounting, are included in payments for capital expenditure for property, plant, and equipment and intangible assets.

Consolidated Statement of Equity

Jan. 1 – June 30, 2010 EUR '000	Opening balance Jan. 1, 2010	Dividend payment	Recognised income and expenses	Neutral changes	Closing balance June 30, 2010
First Half Year of 2010					
Subscribed capital	47,762	0	0	0	47,762
Capital reserve	125,168	0	0	0	125,168
Paid-in capital	**172,930**	**0**	**0**	**0**	**172,930**
Accumulated earnings	69,554	0	17,578	0	87,132
Currency translation reserve	2,080	0	1,133	0	3,213
Reserve for the marked-to-market valuation of financial instruments	−4,586	0	−1,220	0	−5,806
Capital generated	**67,048**	**0**	**17,491**	**0**	**84,539**
Equity held by INDUS shareholders	**239,978**	**0**	**17,491**	**0**	**257,469**
Interests allocable to non-controlling shareholders	1,736	0	646	1,348	3,730
Group equity	**241,714**	**0**	**18,137**	**1,348**	**261,199**

Jan. 1 – June 30, 2009 EUR '000	Opening balance Jan. 1, 2009	Dividend payment	Recognised income and expenses	Neutral changes	Closing balance June 30, 2009
First Half Year of 2009					
Subscribed capital	47,762	0	0	0	47,762
Capital reserve	125,168	0	0	0	125,168
Paid-in capital	**172,930**	**0**	**0**	**0**	**172,930**
Accumulated earnings	73,464	0	1,502	0	74,966
Currency translation reserve	2,493	0	−1,550	0	943
Reserve for the marked-to-market valuation of financial instruments	−3,648	0	−1,469	0	−5,117
Capital generated	**72,309**	**0**	**−1,517**	**0**	**70,792**
Equity held by INDUS shareholders	**245,239**	**0**	**−1,517**	**0**	**243,722**
Interests allocable to non-controlling shareholders	1,134	0	299	0	1,433
Group equity	**246,373**	**0**	**−1,218**	**0**	**245,155**

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 effective portions of the interest-rate hedges.

Non-controlling interests in equity relate to external shareholders in limited liability companies and corporations. In accordance with IAS 32, based on the theoretical retirability and redeemability of the shares, non-controlling interests in limited partnerships are reported as debt and stated under other liabilities.

The neutral changes in 2010 result from the initially consolidated non-controlling interests of HAKAMA AG.

Notes

General Information

INDUS Holding AG, based in Bergisch Gladbach, Germany, entered in the Cologne commercial register (HRB 46360), prepared its consolidated financial statements for the first half year of 2010 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 indicated, all amounts are stated in thousands of euros (EUR '000).

New obligatory standards are reported on separately in the section "Changes in Accounting Guidelines." Otherwise, the same accounting methods are applied as in the consolidated financial statements for the 2009 fiscal year. They are described there in detail. Since these semi-annual financial statements do not provide the comprehensive information of the annual financial statements, these financial statements should be considered within the context of the last annual financial statements.

In the Board of Management's view, this unaudited interim report includes all of the usual ongoing adjustments that are necessary for an appropriate presentation of the Group's net assets, financial, and earnings position. The results achieved in the first half of the 2010 fiscal year do not necessarily predict future business performance.

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, liabilities, and contingent liabilities, as well as on 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 through profit and loss.

Changes in Accounting Guidelines

All obligatory accounting standards in effect as of the 2010 fiscal year have been implemented in these interim financial statements.

The changes to IFRS 3 and IAS 27 lead to a revised presentation of future business combinations. For further details, reference is made to the section “Change in Accounting Methods Following Adoption of IFRS 3 by the EU” in the published 2009 annual report.

The other guidelines to be applied for the first time in the 2010 fiscal year have no material impact on the presentation of the net assets, financial, and earnings position.

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’ financial and business policy for the benefit of the INDUS Group. Associated companies for which the financial 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 as from the date on which the business is transferred. After the date on which the decision is made to divest the company in question, they are classified as “held for sale.”

Business Combinations in Accordance with IFRS 3

Effective January 1, 2010, HAKAMA AG, Bättwil, Switzerland, in which INDUS Holding AG has a 60 % stake, was included in the consolidated financial statements.

The previous owners will remain as managing directors of HAKAMA with their 40 % shareholding. INDUS Holding AG has secured an option to purchase the non-controlling interest. The non-controlling interests in the consolidated financial statements are measured at the fair value of the proportional share of the identifiable net assets.

The acquisition of HAKAMA AG's business was handled as an asset deal. In the process, the finance lease contracts for real estate and machinery were assumed, so that they are accounted for as financial liabilities in the IFRS financial statements. The purchase price, including assumed financial liabilities of EUR 13,213,000, amounts to EUR 15,235,000.

According to a preliminary purchase price allocation, the acquired assets and liabilities were determined at the time of initial consolidation as follows:

Acquisitions 2010 EUR '000	Carrying amounts at time of addition	Assets added due to first-time consolidation	Additions consolidated statement of financial position
Noncurrent assets	11,945	1,948	13,893
Current assets	1,835	1,535	3,370
Total assets	**13,780**	**3,483**	**17,263**
Noncurrent liabilities	10,058	0	10,058
Current liabilities	3,674	161	3,835
Total liabilities	**13,732**	**161**	**13,893**

The company contributed sales of EUR 9.7 million and EBIT of EUR 1.0 million to the 2010 consolidated net income. The company is assigned to the Metal/Metal Processing segment.

Disposals in Accordance with IFRS 5

In the 2009 fiscal year, WFV Werkzeug-, Formen- und Vorrichtungsbau GmbH & Co. KG was sold to a holding company effective from December 31, 2009. WFV complements the purchaser's investment portfolio, with strategic effects and synergies generated by the purchase therefore playing a crucial role.

In addition, the sub-subsidiary Volker Witzel GmbH Klima- und Wärmetechnik, which is of subordinate importance for the portfolio, was sold to the managing non-controlling shareholder in a management buyout effective from July 1, 2009.

Effective from May 1, 2010, INDUS sold the mechanical engineering company BERNER GmbH & Co. KG, Bischofsheim, to Evelyn Tröster. In the current financial statements, BERNER was therefore reported as a discontinued operation.

The previous year's statement of income was adjusted. Additional details are included in the section "Adjustment of Previous Year's Figures".

The shares in the company COTTANO Vlieswerke GmbH have been evaluated based on the equity method and were sold to the co-owner.

[1] Income from Discontinued Operations

EUR '000	**H1 2010**	H1 2009
Sales	1,053	4,433
Expenses and other income	−1,370	−5,667
Operating result	**−317**	**−1,234**
Net interest	−2	−11
Earnings before taxes	**−319**	**−1,245**
Taxes	50	210
Earnings after taxes from current operations	−269	−1,035
Income from deconsolidations	−1,515	189
Income from discontinued operations	**−1,784**	**−846**
Tax expense/revenue from divestments	−285	82

[2] Earnings per Share

EUR '000	Q2 2010	Q2 2009*	H1 2010	H1 2009*
Earnings attributable to INDUS shareholders	11,377	1,430	17,579	1,502
Earnings attributable to discontinued operations	1,785	2,200	1,785	846
Earnings attributable to continuing operations	**13,162**	**3,630**	**19,364**	**2,348**
Shares in circulation (thousands)	18,370	18,370	18,370	18,370
Earnings per share, continuing operations (in EUR)	0.72	0.20	1.05	0.13
Earnings per share, discon-tinued operations (in EUR)	−0.10	−0.12	−0.10	−0.05

* Previous year's figures adjusted

According to IAS 33, earnings per share are based on earnings after taxes from continuing operations. Earnings per share are calculated by dividing earnings from continuing operations by the average annual number of outstanding shares.

In the event of the authorized capital being utilized, dilutions will arise in the future.

Notes to the Statement of Income

[3] Cost of Materials

EUR '000	H1 2010	H1 2009
Raw materials and goods for resale	−189,219	−142,288
Purchased services	−26,414	−18,307
Total	**−215,633**	**−160,595**

[4] Personnel Expenses

EUR '000	H1 2010	H1 2009
Wages and salaries	−102,812	−92,828
Social security and pensions	−19,474	−17,969
Total	**−122,286**	**−110,797**

[5] Depreciation, Amortization, Write-downs, Impairment Llosses

EUR '000	H1 2010	H1 2009
Depreciation of property, plant, and equipment and intangible assets	–17,683	–16,591
Scheduled amortization of value-added within the Group	–2,704	–3,048
Total	**–20,387**	**–19,639**

[6] Other Operating Expenses

EUR '000	H1 2010	H1 2009
Operating expenses	–20,091	–17,876
Selling expenses	–23,162	–18,347
Administrative expenses	–11,509	–11,037
Other expenses	–6,143	–3,570
Total	**–60,905**	**–50,830**

[7] Net Interest

EUR '000	H1 2010	H1 2009
Interest and similar income	294	792
Interest and similar expenses	–12,588	–13,974
Interest from operations	**–12,294**	**–13,182**
IFRS interest: market value of interest-rate swaps	–683	–799
IFRS interest: non-controlling interests	–251	332
IFRS interest	**–934**	**–467**
Total	**–13,228**	**–13,649**

[8] Income Taxes

Income tax expense is calculated for the interim financial statements based on the assumptions of current tax planning.

Notes to Selected Statement of Financial Position Items

[9] Intangible Assets

EUR '000	June 30, 2010	Dec. 31, 2009
Capitalized development costs	9,877	9,823
Property rights, concessions, and other intangible assets	7,869	7,293
Total	**17,746**	**17,116**

[10] Property, Plant, and Equipment

EUR '000	June 30, 2010	Dec. 31, 2009
Land and buildings	127,508	118,465
Plant and machinery	84,114	88,242
Other equipment, factory and office equipment	28,179	27,708
Advance payments and plant under construction	8,450	4,473
Total	**248,251**	**238,888**

[11] Accounts Receivable

EUR '000	June 30, 2010	Dec. 31, 2009
Accounts receivable from customers	118,815	88,133
Future accounts receivable from customer-specific construction contracts	12,147	10,386
Accounts receivable from associated companies	723	748
Total	**131,685**	**99,267**

[12] Inventories

EUR '000	June 30, 2010	Dec. 31, 2009
Raw materials and supplies	56.528	51.798
Unfinished goods	50.576	40.355
Finished goods and goods for resale	50.557	50.148
Prepayments to third parties for inventories	1.665	801
Total	**159.326**	**143.102**

Segment Reporting

The classification of the segments corresponds to the current status of internal reporting. The information relates to the continuing activities.

The companies are allocated to the segments on the basis of their selling markets insofar as the bulk of their product range is sold in that market environment (Automotive Components/ Development, Medical Engineering/Life Science). Otherwise they are classified by common features in their production structure (Construction and Infrastructure, Engineering, Metal/Metal Processing). The reconciliations contain the figures of the holding company, non-operational units not allocated to any segment, and consolidations.

The central control variable for the segments remains operating earnings (EBIT) as defined in the consolidated financial statements. Segment assets are comprised of total assets adjusted for income tax claims. The segment information has been ascertained in compliance with the reporting and valuation methods that were applied during the preparation of the consolidated financial statements.

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.

The segment information represents the continuing segments. The previous year's figures are adjusted accordingly.

Primary Reporting Format: by Segments Reconciliation

Segment reporting in accordance with IFRS 8 **H1 2010** EUR '000	Construction/Infrastructure	Automotive Components/Engineering	Engineering	Medical Engineering/Life Science	Metal/Metal Processing	Total segments	Reconciliation	Consolidated financial statements
External sales	90,952	132,279	58,459	41,303	127,843	450,836	−496	450,340
Internal sales	2,806	8,261	3,357	830	9,372	24,626	−24,626	0
Sales	**93,758**	**140,540**	**61,816**	**42,133**	**137,215**	**475,462**	**−25,122**	**450,340**
Segment earnings (EBIT)	**9,845**	**9,228**	**6,595**	**7,361**	**16,060**	**49,089**	**−2,587**	**46,502**
Earnings from equity valuation	0	0	0	0	0	0	0	0
Depreciation/Amortization	−2,479	−10,490	−901	−1,719	−4,711	−20,300	−87	−20,387
of which scheduled depreciation for wear and tear from first-time consolidation	−440	−1,789	−16	−24	−435	−2,704	0	−2,704
Capital expenditure	3,181	7,880	746	895	19,160	31,862	210	32,072
of which company acquisitions	0	0	0	0	13,893	13,893	0	13,893
shares accounted for using the equity method	1,169	0	0	0	0	1,169	0	1,169
Segment assets	**202,673**	**291,422**	**109,011**	**96,389**	**237,629**	**937,124**	**16,900**	**954,024**
Additional information: EBITDA	12,324	19,718	7,496	9,080	20,771	69,389	−2,500	66,889

Segment reporting in accordance with IFRS 8 H1 2009 EUR '000	Construction/Infrastructure	Automotive Components/Engineering	Engineering	Medical Engineering/Life Science	Metal/Metal Processing	Total segments	Reconciliation	Consolidated financial statements
External sales	87,524	89,209	50,233	39,273	96,084	362,323	−643	361,680
Internal sales	2,817	5,524	3,040	781	8,232	20,394	−20,394	0
Sales	**90,341**	**94,733**	**53,273**	**40,054**	**104,316**	**382,717**	**−21,037**	**361,680**
Segment earnings (EBIT)	**8,381**	**−3,149**	**4,324**	**5,862**	**7,245**	**22,663**	**−612**	**22,051**
Earnings from equity valuation	0	0	0	200	0	200	0	200
Depreciation/Amortization	−2,440	−10,166	−1,208	−1,689	−3,936	−19,439	−200	−19,639
of which scheduled depreciation for wear and tear from first-time consolidation	−568	−1,909	−86	−23	−462	−3,048	0	−3,048
Capital expenditure	1,792	5,710	2,108	1,470	3,316	14,396	0	14,396
of which company acquisitions	0	0	0	0	0	0	0	0
shares accounted for using the equity method	1,216	0	0	3,447	0	4,663	200	4,863
Segment assets	**204,383**	**292,096**	**104,305**	**96,732**	**207,156**	**904,672**	**62,269**	**966,941**
Additional information: EBITDA	10,821	7,017	5,532	7,551	11,181	42,102	−412	41,690

Segment reporting in accordance with IFRS 8 **Q2 2010** EUR '000	Construc-tion/Infra-structure	Automotive Compo-nents/Engi-neering	Engineering	Medical Enginee-ring/Life Science	Metal/Metal Processing	Total segments	Recon-ciliation	Consoli-dated financial statements
External sales	52,185	72,238	30,160	21,128	68,984	244,695	−519	244,176
Internal sales	1,495	4,495	1,657	442	4,963	13,052	−13,052	0
Sales	**53,680**	**76,733**	**31,817**	**21,570**	**73,947**	**257,747**	**−13,571**	**244,176**
Segment earnings (EBIT)	**7,215**	**5,275**	**4,051**	**3,881**	**9,586**	**30,008**	**−1,676**	**28,332**
Earnings from equity valuation	0	0	0	−75	0	−75	0	−75
Depreciation/Amortization	−1,254	−5,181	−368	−863	−2,424	−10,090	−238	−10,328
of which scheduled deprecia-tion for wear and tear from first-time consolidation	−220	−673	−3	−12	−218	−1,126	−250	−1,376
Capital expenditure	1,535	2,931	455	557	2,191	7,669	194	7,863
shares accounted for using the equity method	0	0	0	−3,484	0	−3,484	0	−3,484
Segment assets	**202,673**	**291,422**	**109,011**	**96,389**	**237,629**	**937,124**	**16,900**	**954,024**
Additional information: EBITDA	8,469	10,456	4,419	4,744	12,010	40,098	−1,438	38,660

Segment reporting in accordance with IFRS 8 Q2 2009 EUR '000	Construc-tion/Infra-structure	Automotive Compo-nents/Engi-neering	Engineering	Medical Enginee-ring/Life Science	Metal/Metal Processing	Total segments	Recon-ciliation	Consoli-dated financial statements
External sales	48,483	45,460	22,419	20,168	48,353	184,883	−519	184,364
Internal sales	1,469	3,167	1,710	333	4,472	11,151	−11,151	0
Sales	**49,952**	**48,627**	**24,129**	**20,501**	**52,825**	**196,034**	**−11,670**	**184,364**
Segment earnings (EBIT)	**7,360**	**−3,097**	**1,483**	**2,804**	**3,976**	**12,526**	**377**	**12,903**
Earnings from equity valuation	0	0	0	100	0	100	0	100
Depreciation/Amortization	−1,209	−5,020	−528	−821	−1,969	−9,547	−100	−9,647
of which scheduled deprecia-tion for wear and tear from first-time consolidation	−263	−912	−34	−11	−232	−1,452	0	−1,452
Capital expenditure	−237	3,811	1,105	390	585	5,654	0	5,654
shares accounted for using the equity method	0	0	0	−100	0	−100	200	100
Segment assets	204,383	292,096	104,305	96,732	207,156	904,672	62,269	966,941
Additional information: EBITDA	8,569	1,923	2,011	3,625	5,945	22,073	477	22,550

The following table reconciles the total operating results of segment reporting with the calculation of consolidated earnings before taxes.

Reconciliation

EUR '000	**H1 2010**	H1 2009	**Q2 2010**	Q2 2009
Segment earnings (EBIT)	**49,089**	**22,663**	**30,008**	**12,526**
Areas not allocated, incl. holding company	−1,999	−1,496	−1,058	−682
Consolidations	−588	884	−618	1,059
Net interest	−13,228	−13,649	−6,646	−5,373
Earnings before taxes	**33,274**	**8,402**	**21,686**	**7,530**

Reporting by Region

The regionalization of sales is based on the selling markets. The further classification of the diverse foreign activities by country is not expedient because no country outside of Germany accounts for 10 % of Group sales.

The segment assets are based on the domiciles of the respective companies. Further differentiation is not expedient as the majority of the companies are domiciled in Germany.

Due to INDUS's diversification policy there were no individual product or service groups and no individual customers that accounted for more than 10 % of sales.

H1 2010 EUR '000	Germany	Abroad	Reconciliation	Group
Sales	262,567	212,895	−25,122	450,340
Segment assets	825,415	111,708	16,901	954,024

H1 2009 EUR '000	Germany	Abroad	Reconciliation	Group
Sales	225,671	157,046	−21,037	361,680
Segment assets	805,852	98,820	62,269	966,941

Q2 2010 EUR '000	Germany	Abroad	Reconciliation	Group
Sales	141,905	115,842	−13,571	244,176
Segment assets	825,415	111,708	16,901	954,024

Q2 2009 EUR '000	Germany	Abroad	Reconciliation	Group
Sales	123,149	72,885	−11,670	184,364
Segment assets	805,852	98,820	62,269	966,941

Related Party Disclosures

Related party disclosures primarily involve the ongoing remuneration of members of management in key positions, the Board of Management, and the Supervisory Board. Furthermore, there are consulting contracts and rental or leasing contracts with non-controlling shareholders or members of their families, and business relations with associated companies.

In the semi-annual financial statements, there is nothing to report about changes in conditions that materially depart from those in the 2009 annual financial statements.

Adjustment of Previous Year's Figures

The recording of discontinued operations in accordance with IFRS 5.34 necessitates an adjustment of the previous year's figures as shown below:

Adjustment to the previous year's statement of income EUR '000	H1 2009 published	IFRS 5	H1 2009 comparable
Sales	**365,457**	**-3,777**	**361,680**
Other operating income	9,796	-69	9,727
Own work capitalized	1,431		1,431
Change in inventories	-9,490	270	-9,220
Cost of materials	-161,724	1,129	-160,595
Personnel expenses	-113,380	2,583	-110,797
Depreciation	-20,004	365	-19,639
Other operating expenses	-51,619	789	-50,830
Income from shares accounted for using the equity method	200		200
Other financial result	94		94
Operating result (EBIT)	**20,761**	**1,290**	**22,051**
Interest income	798	-6	792
Interest expenses	-14,458	17	-14,441
Net interest	-13,660	11	-13,649
Earnings before taxes	**7,101**	**1,301**	**8,402**
Taxes	-5,545	-210	-5,755
Income from discontinued operations	245	-1,091	-846
Earnings after taxes	**1,801**		**1,801**
of which non-controlling interests	-299		-299
of which allocable to INDUS shareholders	1,502		1,502
Basic earnings per share in EUR	0.07	0.06	0.13

The adjustments made in accordance with IFRS 5 relate to WFV Werkzeug-, Formen- und Vorrichtungsbau GmbH & Co. KG and BERNER GmbH & Co. KG.

Once again, as a result of adjustments in accordance with IAS 8, there have been changes compared to 2009 with respect to the statement of financial position items of goodwill, liabilities, and equity. Details are included in the section "Change in Accounting and Valuation Methods" in the 2009 annual report.

Events after the Quarterly Reporting Date
After the end of the second quarter of 2010 there were no significant events.

Perusal or Review by the Auditor of the Consolidated Financial Statements
Neither the semi-annual financial statements as of June 30, 2010 nor the financial statements as of June 30, 2009 were subject to a perusal or review by an auditor.

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

Bergisch Gladbach, Germany, August 2010

The Board of Management

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

Contact and Financial Calendar

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Financial Calendar

August 26, 2010	Semi-Annual Report 2010
November 22 – 24, 2010	German Equity Forum, Frankfurt/Main
November 25, 2010	9-Month Report 2010

Note:
This interim report is also available in German. Both the English and the German versions of the annual report can be downloaded from the Internet at www.indus.de under Investor Relations/Annual and Interim Reports. Only the German version of the annual report is legally binding.

Forward looking statements:
This annual report contains forward-looking statements based on assumptions and estimates made by the Board of Management of INDUS Holding AG. Although the Board of Management is of the opinion that these assumptions and estimates are accurate, they are subject to certain risks and uncertainty. Actual future results may deviate substantially from these assumptions and estimates due to a variety of factors. INDUS Holding AG shall not be held liable for the future development and actual future results being in line with the assumptions and estimates included in this annual report.

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