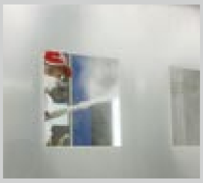
Q2 REPORT
FIRST HALF-YEAR 2011

INDUS
HOLDING AG

Key Figures

EUR millions	H1 2011	H1 2010
Sales	**539.0**	450.3
EBITDA	**79.2**	66.9
EBIT	**59.3**	46.5
EBT	**49.5**	33.3
Net result for the period (allocable to INDUS shareholders)	**33.3**	17.6
Operating cash flow	**31.1**	30.1
Cash flow from operating activities	**20.5**	17.9
Cash flow from investing activities	**–17.5**	–33.5
Cash flow from financing activities	**–13.2**	0.6
Cash and cash equivalents	**87.1**	79.1
Earnings per share (in EUR)	**1.65**	1.05
Cash flow per share (in EUR)	**1.01**	0.97
Employees (number as of March 31)	**6,450**	5,958
Investments (number as of March 31)	**39**	40
EUR millions	**June 30, 2011**	Dec. 31, 2010
Total assets	**1,030.7**	973.1
Equity	**344.0**	309.5
Net debt	**376.0**	379.4
Equity ratio (in %)	**33.4**	31.8

INDUS Holding AG



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 German small and medium-sized companies. 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.** One of our most significant goals 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.

All of our decisions are guided by the long-term development of each and every company. We give our companies sound prospects and allow them entrepreneurial scope for action.

In 2010, our Group's workforce of around 6,000 generated sales of approximately EUR 972 million and EBIT of EUR 101 million. This meant our portfolio companies were able to capitalize on the economic rebound more strongly than most. We aim to keep our Group on this growth path in the current fiscal year.

Letter to the Shareholders

Dear Shareholders,

The impressive, dynamic growth of the first quarter of 2011 was sustained in the second quarter of the year as well. In the first six months, our Group generated sales of approximately EUR 540 million. This amount was once again higher than in the previous year, up 20 %. The development of the key earnings figures was even more encouraging: EBIT jumped disproportionally to EUR 59.3 million and the margin reached 11.0 %.

However, the booming German economy showed initial signs of overheating at mid-year. As seen in 2008 as well, the prices for commodities and other materials climbed sharply in the first six months. The prices and delivery times for steel and scrap metal, for example, reached the pre-crisis level and the delivery times for some machinery were extended up to 24 months. Pressure from many customers to maintain delivery times and the acceptance of additional orders led to a shortening of summer vacation times in the automotive industry.

With its portfolio of economically strong SMEs, INDUS was particularly able to benefit from this extraordinarily good business environment. We did not experience a downturn, despite the unrest in northern Africa, the tsunami catastrophe in Japan, and the debt crises in the eurozone and the USA. Notwithstanding the good development of our companies, we continue to see these factors as external risks for our business. We are paying particular attention to the rapidly rising prices for commodities and energy and the shortage of skilled workers in the labor market.

We currently do not see any signs of an economy-driven downturn within the INDUS Group. Instead, INDUS confirms its sales target for the current year of more than EUR 1 billion. In 2011, our EBIT margin will again reach the target corridor of "10 % plus x" despite greater cost pressure, particularly for raw materials. Incoming orders in the entire INDUS Group remained above invoiced sales at the beginning of the third quarter. We are thus well on our way to surpassing the results of the previous year once again. Our EBIT margin, which improved once again in the second quarter of 2011, shows that we are not reliant on acquisitions in order to generate dynamic growth.

For the second half of the year, we expect the economic trend to stabilize, however, with a slightly flatter growth curve. In our view, the catch-up effects from the crisis have been largely worked through over the past 18 months. It remains to be seen to what extent the latest developments on the capital markets will affect the real economy. The sustained worldwide debt crisis could shape economic developments well beyond 2011.

Yours,
The Board of Management

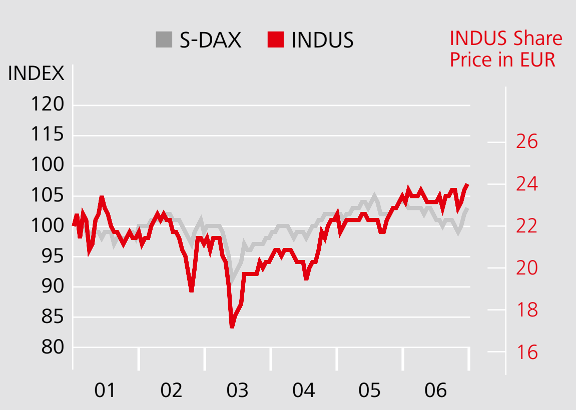
Helmut Ruwisch | Jürgen Abromeit | Dr Wolfgang Höper | Dr Johannes Schmidt

INDUS on the Capital Market

The German stock exchanges began the year 2011 confidently, which initially led to rising share prices. The markets were subsequently increasingly influenced by unrest in northern Africa. The rise in the price of oil triggered by these conflicts fueled concerns about an economic downturn, which intensified as a result of the severe earthquake and tsunami in Japan. All of the indices fell sharply, but were then able to recover in the second quarter. However, ongoing uncertainty about the course of the European debt crisis has continually unsettled the markets.

Aside from the developments in the European crisis countries, the debt situation in the USA also influenced the corporate and financial markets starting at the mid-year point. Despite the agreement reached between the political parties to raise the debt ceiling, the financial markets lost some of their trust in American policy makers. As a result, American treasury bonds were deprived of their triple-A rating. After rumors also spread about the solvency of large French banks at the beginning of August, the markets reacted frantically and investors fled from stocks into safe havens. The price of gold continued to rise markedly. Despite very good economic news at mid-year, the German indices also lost massively in value.

[Development INDUS Share 2011]



Stable Upwards Trend for the INDUS Share in First Six Months

The performance of the INDUS share in the first half of 2011 generally followed developments on the SDAX benchmark index. In the first three months, unrest in northern Africa and the earthquake catastrophe in Japan left their mark on the stock markets. Industrial shares, particularly in the automotive industry, came under pressure. INDUS was also unable to escape this impact. However, after it became clear that INDUS's economic performance was not being compromised, the share recovered. When the company presented very good figures for the first quarter, investors regained trust in the INDUS share. By May, it had already reached the price level of 2010, and it continued to rise in June.

As of June 30, the price was EUR 24.00. This represented a gain of approximately 9 % over the closing price for the previous year of EUR 21.99. The SDAX, however, only increased by approximately 3 % in the same period and closed at 5,416 points. In the run up to the Annual Shareholders' Meeting, sales rose slightly: on average 40,749 shares were traded daily in the first half of the year on all domestic stock exchanges (annual average in 2010: 38,479 shares). As of the end of June, the market capitalization amounted to around EUR 485 million.

Annual Shareholders' Meeting Agrees Dividend of EUR 0.90 Per Share

At this year's Annual Shareholders' Meeting on July 5, 2011 in Cologne, the shareholders agreed a dividend of EUR 0.90 per share – 80 % higher than in the previous year. All in all, INDUS distributed EUR 18.2 million for the 2010 fiscal year to its shareholders. The dividend payout ratio was therefore 55 % of the net profit for the year. The shareholders discharged the members of the Board of Management and the Supervisory Board with a clear majority and approved the appointments of the external auditor and the auditor of the consolidated financial statements. Additional topics on the agenda included the authorization to issue option and/or convertible bonds and to create additional authorized capital of EUR 11.9 million. Both resolutions were passed with a summary restriction excluding subscription rights for contributions in kind to a maximum of 20 % of capital stock.

Securing the Business: "You Do Your Homework During the Good Times"

INDUS has taken excellent advantage of the economic recovery in 2010/2011. There are two principle reasons for this. First, the Group continuously strives to improve its performance, irrespective of the economic situation. Second, the individual portfolio companies are prepared early on for the next respective phase of the business cycle. This requires taking a look at both – available opportunities and potential risks. Within the framework of active risk management, INDUS uses a variety of tools to adjust optimally to the given market conditions.

Interview with Dr. Wolfgang Höper

INDUS presented very good figures for the first half of the year, and the economy also continues to perform well so far. At the same time, you mention exogenous factors which could put a damper on business under certain circumstances. Which are the main factors for you?

There are global political influences whose specific impact can scarcely be anticipated, such as the debt crisis in the eurozone and the USA, inflation in China, along with the very real possibility of a credit and real estate bubble there, or political developments in northern Africa. Each of these factors individually could have an enormous effect on macroeconomic development, which in turn concerns nearly all commercial undertakings at least indirectly. In addition, this is aggravated by the currently almost synchronous global economic cycle. The volatility of the world economy has increased in recent years as a result of the close integration of national economies and financial markets. Due to this mutual dependence, the age of protracted business cycles is gone. As entrepreneurs we must come to terms with the fact that both upward and downward swings in exchange rates, commodity prices, and growth rates are becoming more extreme.

Dr Wolfgang Höper, member of the Board of Management of INDUS Holding AG, is responsible for the areas of accounting, treasury, taxes, and equity holdings management.

What specific risks are associated with this for INDUS?

INDUS cannot escape global political influences entirely of course. However, our broadly diversified small and medium-sized industrial portfolio with its balanced sectoral structure has a risk-mitigating effect. We demonstrated this during the past crisis, with both earnings and liquidity clearly in the black even under those conditions. By virtue of our diversification, no risk strikes us with full force, but rather affects individual portfolio companies in very different ways. In the best case, certain business concepts even benefit. For example, rising energy prices lead to higher costs on the one hand, but on the other hand they stimulate the business of our companies which are active in the renewable energy markets. In this respect, even negative developments are at least partially offset by our portfolio strategy.

Another exogenous factor is the condition of the financial sector. We at INDUS have taken effective, preventive measures to mitigate financial risks resulting from the loss of financing partners: 1. We do not have any concentration risk in our financing – no single financial partner provides more than 15 % of our debt capital. 2. Our financing tranches are kept small and always have long maturities. We are thus responsible for less and less debt service every year. 3. We do not use just one, but rather a wide range of financing instruments. Besides traditional loans, these include promissory note bonds, leasing facilities, the sale of receivables, and an ABS program. In addition, we also have the option of issuing convertible bonds. Given this diversity of financing partners and instruments and the avoidance of concentration risk, we are well positioned to withstand a crisis. And we proved this during the financial crisis. Furthermore, in a simulation we extrapolated the crisis year of 2009 over a longer period. Even under these difficult conditions, we can – subject to corresponding restrictions in capital expenditure and acquisitions – finance ourselves completely from our own cash flow and not be reliant on banks.

How does INDUS secure itself against economic risks?

The best protection is to ensure that our portfolio companies remain strong and competitive. To do so, we must make sure to do our homework during the good times. Specifically, we keep our structures lean. We absolutely want to retain our core workforce with its years of expertise, even when order levels are low. We thus manage our personnel capacities actively and on a forward-looking basis. In order to be prepared for business downturns, we establish flexibility in good times, like now. In order to do so, we use targeted instruments, such as flexible annual working hours and vacation accounts. Other tools are time-limited contracts and the use of temporary workers. This affords us the rapid response options necessary in economic downturns.

What is INDUS doing in order to actively hedge its operating risks?

In the first half of the year, we contained operating risks, such as price increases for raw materials and longer delivery times, in part via maintaining temporarily higher inventory levels, accepting a higher absolute level of working capital as a result. Despite this targeted loosening, we once again reduced the percent of Group capital tied up in current assets compared with the previous year through our ongoing optimization. In the process, we are accepting a reduced cash flow over the course of the year. However, this is a deliberate, strategic decision in favor of maintaining ability to supply our customers and thus generate higher earnings. Since we expect a slowdown in growth, along with reduced pressure on the supply chain and raw material prices, we are currently gradually cutting back on inventories. As a result, cash flow will climb again over the remainder of the year. Otherwise, we are responding to price increases and particularly to rises in raw material prices by passing along as much of these costs as possible through our sales prices. Depending on the market environment of our individual companies, this is being accomplished through daily pricing agreements, including price escalation clauses.

And how do you deal with foreign currency risks in day-to-day operations?

We encounter foreign currency risks primarily in the purchase and sale of raw materials and finished products. This risk is fundamentally manageable: we execute about 75 % of our sales and purchases within the Group in euros. There is no currency risk there. For another approximately 20 %, operational risk for the Group is eliminated through so-called "local hedging." With this method, the purchase of raw materials and supplies is transacted in the currency in which our finished products are also sold. Thus, only about 5 % of Group sales remains subject to currency risk. For these, we hedge on a case-by-case basis by using financial instruments. At the level of our portfolio companies, we then use forward exchange and options contracts.

How does that function?

It's quite simple really. For example, if a European company sells its products in the USA and concludes a contract today according to which it must supply goods at the end of the year at a price of USD 100,000, it would receive approximately EUR 70,000 at the current exchange rate. However, if the exchange rate at the end of the year is EUR 0.60, the company would receive a converted amount of only EUR 60,000. But these reduced proceeds of EUR 10,000 stem solely from unforeseeable exchange rate fluctuations. This doesn't have anything to do with the actual transaction, but it determines whether a transaction originally calculated to be profitable turns out to be so in the end. In order to eliminate this risk, via hedging the company can already agree with the bank today on a fixed exchange rate at the time of payment. This ensures that it receives the calculated amount, less hedging costs. To do so, it sells the USD 100,000 which it will receive at the end of the year now, with a term until the end of the year. As a result, the company eliminates its currency risk through hedging, but it forgoes the opportunity for exchange rate gains. If it would like to retain this opportunity while still hedging its risk, options can be used, but these require the payment of corresponding premiums.

Hedging often has a negative connotation, why is this?

Translated from English, the German word for "to hedge" is "absichern," which can mean "to ensure." Basically, hedging is the safeguarding of real underlying transactions and is therefore an important pillar of trade between various currency zones. It helps us to contain currency risks effectively. It is different, however, if these instruments are bought and sold without any real underlying transactions. In that case, the hedging instruments have taken on lives of their own and are used purely as objects of speculation. In effect, only a bet has been made. This is, among other things, the business model used by hedge funds. They buy and sell these hedging instruments without an existing underlying transaction, mostly via a high degree of leverage. By contrast, we are exclusively ensuring our actual transactions, whether they involve currencies, raw materials, or interest rates. We do not enter into speculative risks. Therefore, the gains and losses from the market values of interest rate swaps disclosed in our consolidated statement of income are exclusively the fair values determined for real economic hedges on the given reporting date. Specifically, we convert variable interest rates synthetically into a calculable fixed interest rate. We always maintain these hedges until the end of the term of the corresponding loan. Otherwise, we would relinquish a risk insurance that we had deliberately established.

TOOLS FOR SECURING THE BUSINESS

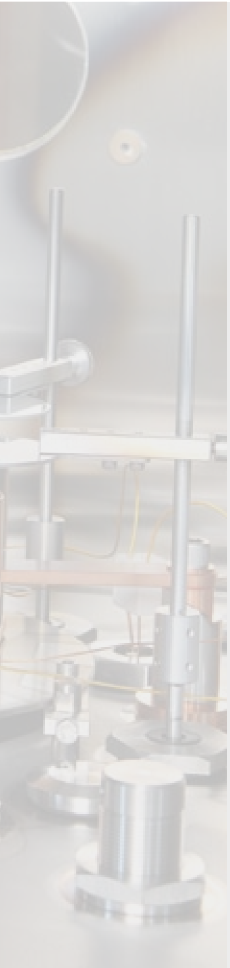
Continual improvement of the Group's performance

OPERATIONAL OPTIMIZATION	ECONOMIC MANAGEMENT	CAPITAL EXPENDITURE

...IN DETAIL (EXAMPLES)

INTEREST RATES	RAW MATERIALS	HUMAN RESOURCES	FOREIGN CURRENCIES	LIQUIDITY
Use of matched-maturity hedging instruments; hedging of variable-rate borrowing through interest rate swaps	Proactive purchasing policy (e.g. strategic increases in inventories); use of appropriate financial instruments	Securing the core workforce through "Kapaflex"; creating buffers through flexible work schedules and fixed-term employment contracts	Local hedging; use of appropriate financial instruments	Earnings-based working capital management (with simultaneous streamlining of operational production processes)

INTERIM MANAGEMENT REPORT



- **In the First Half Year, the Portfolio Companies Make Very Good Use of the Economic Growth Dynamics. Sales Grows by 20 % Compared to the Same Period of the Previous Year.**

- **INDUS Raises EBIT by EUR. 13 Million by Mid-Year and Achieves a Very Good EBIT Margin of 11 %.**

- **The Board of Management Confirms This Year’s Target: Sales of around EUR 1.05 Billion and EBIT of at least EUR 105 Million.**

BUSINESS ENVIRONMENT AND DEVELOPMENT

Macroeconomic Trend: Stable Growth of Real Economy, Turbulent Markets Due to Government Debt Crisis

After the powerful recovery in the previous year, global economic growth weakened somewhat: stimulus programs expired in the USA and China and the crisis caused by the earthquake drove Japan temporarily into a recession. As the largest economy in the eurozone, Germany was the growth engine for Europe in the first quarter, but it lost noticeable momentum in the second quarter. Compared with the previous quarter, gross domestic product (GDP) grew by only 0.1 %. The stagnating Germany economy also sharply curbed growth in the eurozone. The economic trend was much less dynamic than at the beginning of the year. In the second quarter of 2011, GDP in the 17 eurozone countries expanded by only 0.2 % from the previous quarter.

One of the defining themes for the capital markets continues to be the debt crisis in the eurozone. In mid-March, Portugal was the third eurozone country to seek financial aid. In addition, it became increasingly clear that Greece would require an additional aid program. Towards the middle of the year, the crisis intensified again so that an EU summit approved a new aid package in July. The ongoing crisis reached an initial climax in early August with the downgrading of the USA by a rating agency. The extent to which the latest credit downgrade of the USA places forecast developments in jeopardy will become clear only over the course of the coming months. As a result, rumors emerged regarding France's solvency, causing stock markets around the world to react nervously. In particular, international investors sold off large amounts of securities. Despite a continued positive outlook, the German capital market was not able to escape this trend. The DAX lost about 25 % of its value within ten days. The coordinated intervention of governments and central banks gives reason for hope that the economy will absorb this ratings downgrade without major consequences. However, this is based on the assumption that the downgrade does not set off a chain reaction with other potential downgrade candidates such as France.

Earnings Position: Uninterrupted Earnings Growth

INDUS Holding AG's business has developed with pleasing stability in the first half of 2011. Driven by sustained demand across all segments, sales experienced robust growth. In the first six months, the companies in the segment generated sales that were around EUR 90 million higher than in the same period of the previous year. The EBIT margin improved again in the second quarter of 2011 compared with the first quarter of the year: from 10.7 % to 11.0 %.

Total Sales Grew to About EUR 540 Million

INDUS Holding AG's Group sales reached EUR 539.0 million in the first six months of 2011 (previous year: EUR 450.3 million). As a result of the improved business situation, the cost of materials rose to EUR 277.2 million (previous year: EUR 215.6 million). The cost of materials ratio of 51.4 % (previous year: 47.9 %) was well above the level of the previous year's period. This is essentially due to sharp increases in raw materials and energy prices during the upturn. Reflecting the improved orders position, personnel expenses similarly rose from EUR 122.3 million to EUR 143.6 million. The personnel expenses ratio of 26.6 % (previous year: 27.2 %) demonstrates that the INDUS portfolio companies kept their personnel expenses in check during the upturn as well.

EBIT Growing Faster Than Sales: Sales Up 19.7 %, EBIT Up 27.5 %

Earnings before interest, taxes, depreciation, and amortization (EBITDA) confirmed the success of the operating business of the INDUS Group. EBITDA grew from EUR 66.9 million to EUR 79.2 million. Depreciation and amortization of EUR 19.9 million declined slightly from EUR 20.4 million in the previous year. The operating result before interest and taxes (EBIT) of EUR 59.3 million as of June 30, 2011 was about EUR 13 million higher than in the first half of 2010 (previous year: EUR 46.5 million). As a result, INDUS Holding AG achieved a very good EBIT margin totaling 11.0 % in the first half of the year (previous year: 10.3 %) and is thus once again within its long-term target range of 10 to 12 %.

At EUR 10.9 million, operating interest expenses were clearly below the previous year's amount of EUR 12.6 million. Interest income of EUR 0.3 million remained at the low level in evidence since the financial crisis. Including IFRS interest, this led to much lower expenses for total net interest. In the first half of 2011, INDUS recorded interest expenses of just EUR 9.9 million in total, compared with EUR 13.2 million in the previous year's period. About EUR 1.6 million resulted from a change in the market valuation of interest rate swaps.

Earnings before taxes (EBT) rose sharply to EUR 49.5 million (previous year: EUR 33.3 million). This represents an increase of around 33 %. Despite the enormous improvement in sales and earnings, taxes expenses in the Group rose only slightly to EUR 15.8 million (previous year: EUR 13.3 million). Excluding non-controlling interests, the result for the period of EUR 33.3 million was nearly double the level of the first half of 2010 (EUR 17.6 million). This corresponds to earnings per share of EUR 1.65 (previous year: EUR 1.05).

Course of Business in the Segments

INDUS Holding AG's investment portfolio is structured in five segments: Construction/Infrastructure, Automotive Components/Engineering, Engineering, Medical Engineering/Life Science, and Metal/Metal Processing. The investment portfolio encompassed 39 operating units as of June 30, 2011.

■ INDUS Construction/Infrastructure Segment: Rising Private Demand Replaces Expired Stimulus Packages

In the first five months of 2011, main construction work recorded 21.1 % higher sales. Demand also continued to develop positively: in May incoming orders were nominally 16.8 % higher than in the previous year's month. For the entire period from January to May, orders climbed nominally by 8.3 % (in real terms: 5.5 %), according to information from an industry association. The positive development affected all construction sectors. However, residential construction increased the most, followed by commercial construction. The expiration of stimulus programs had a noticeable impact on public construction.

Due to its niche structure, the INDUS portfolio companies were able to achieve another sales increase and grew by a strong 19 %. In the first half of 2011, segment sales reached EUR 108.2 million, thus once again well above the already good level of the previous year's period. Considering the good development, it is important to emphasize the above-average improvement in the earnings position, despite the unusually severe winter at the beginning of the year. Earnings before interest and taxes (EBIT) totaled EUR 15.1 million, and the EBIT margin improved over the comparison period to 14.0 %.

EUR millions	H1 2011	H1 2010
Sales	108.2	91.0
EBIT	15.1	9.8
EBIT margin in %	14.0	10.8
Depreciation/ amortization	2.4	2.5
Capital expenditure	2.3	3.2

■ INDUS Automotive Components/Engineering Segment: Outstanding Orders Situation and Good Earnings

The foreign business of the German automotive brands remains good. As of the end of July, more than 2.6 million vehicles had been exported (up 6 %) so far this year. Thanks to its global presence, the German automotive industry headed out of the crisis faster than others. Domestic orders also increased, growing 13 % since the beginning of the year. The good domestic and foreign order situation ensures the plants will have a high level of capacity utilization in coming months.

The portfolio companies of the Automotive Components/Engineering segment have experienced a rapid boom since the beginning of 2010. Thanks to the good orders situation, sales improved again in the first half of 2011 compared with the previous year's period: from EUR 132.3 million to EUR 164.0 million. In particular, strong demand for mid-range and premium vehicles – the INDUS portfolio companies' main selling market – drove the market forward. Despite in part considerably higher raw material prices over the course of 2011, the subsidiaries were able to secure their margin in the second quarter of 2011. In addition, they continue to benefit from reduced fixed costs dating to the crisis. Earnings before interest and taxes (EBIT) reached EUR 11.4 million, which corresponded to an EBIT margin of 7 %. Over the remainder of the year, the segment companies anticipate continued robust sales figures. Their capacity will be exhausted until well into the fourth quarter.

EUR millions	H1 2011	H1 2010
Sales	164.0	132.3
EBIT	11.4	9.2
EBIT margin in %	7.0	7.0
Depreciation/ amortization	10.1	10.5
Capital expenditure	8.3	7.9

■ INDUS Engineering Segment: Sector Benefits from Catch-up Effects

All in all, Engineering achieved impressive order growth of 23 % in the first half of 2011. However, by mid-year the momentum abated somewhat. The especially strong and important engineering sector recorded real growth of only 1 % in June, according to the German Engineering Federation (VDMA). In many countries, purchasing manager indices recently indicated declining demand. A slowdown in Germany is primarily attributable to the waning of so-called catch-up effects, according to industry experts. Capital expenditure which had been postponed during the crisis is now being pursued.

The companies in the Engineering segment have clearly benefited from the dynamic growth seen in the first half of 2011. Increasing willingness to invest led to approximately 10 % higher sales, which totaled EUR 64.3 million, well above the previous year's EUR 58.5 million. The improved orders situation has gradually also reached the late-cyclical equipment manufacturers. This has resulted in improved earnings before interest and taxes (EBIT) of EUR 8.1 million (previous year: EUR 6.6 million) and an improved margin of 12.6 %.

EUR millions	H1 2011	H1 2010
Sales	64.3	58.5
EBIT	8.1	6.6
EBIT margin in %	12.6	11.3
Depreciation/ amortization	1.0	0.9
Capital expenditure	1.7	0.7

■ INDUS Medical Engineering/Life Science Segment: Continuous Growth with Very Good Earnings

The ongoing good consumer sentiment in Germany remains a positive factor to note. Thus, the GfK Group's consumer climate index, which registered a sustained high level with 5.7 points in July 2011, indicates a continued upward trend in consumer sentiment in coming months. Accordingly, the Medical Engineering/Life Science segment again displayed stable development in the first half of 2011, generating EUR 44.9 million in sales, 9 % higher than in the comparison period. The segment companies achieved earnings before interest and taxes (EBIT) of EUR 7.6 million, compared with EUR 7.4 million in the previous year. The EBIT margin declined slightly from an exceptional first half of 2010, reaching a very good 16.8 %, driven in part by extraordinary one-time effects and operational effects (such as legal expenses and higher personnel costs).

EUR millions	H1 2011	H1 2010
Sales	44.9	41.3
EBIT	7.6	7.4
EBIT margin in %	16.8	17.9
Depreciation/ amortization	1.3	1.7
Capital expenditure	1.2	0.9

■ INDUS Metal/Metal Processing Segment: High Capacity Utilization Yields Stable Earnings

As of mid-2011, the metal and electronics business was still not affected by the government debt crisis and initial signs of weakness on the global market. Incoming orders and production maintained a positive trend, but with flagging momentum. In July 2011, companies viewed their business situation as potentially record-breaking, according to an industry association. Exports continued to be the driver behind the upturn, but domestic business also gained increasing traction. However, the sector had not yet achieved its pre-crisis level on average. Production still represented only 89 % of its earlier level, and 121,000 core jobs had been restored by May of the 216,000 that had been lost. Currently, skilled workers are again becoming scarce.

The Metal/Metal Processing segment showed a very pleasing positive development in the first half of the year. Sales of EUR 157.5 million clearly surpassed sales in the surging first half of 2010 of EUR 127.8 million. The earnings before interest and taxes (EBIT) grew from EUR 16.1 million to EUR 19.6 million, thus achieving similarly high returns as in the previous year. The slightly lower EBIT margin of 12.4 % was already somewhat affected by high materials prices.

EUR millions	H1 2011	H1 2010
Sales	157.5	127.8
EBIT	19.6	16.1
EBIT margin in %	12.4	12.6
Depreciation/ amortization	4.9	4.7
Capital expenditure	3.1	19.2

Employees

Labor market conditions in Germany continued to improve in 2011. Employment and jobs subject to social insurance contributions grew significantly on a seasonally adjusted basis. The unemployment rate reached 7.0 % in July 2011. At the same time, many companies complained about another rising shortage of skilled workers. In the first half of the year, the companies of the INDUS Group also gradually increased employment in parallel to the orders situation. With a total of 6,450 employees, the Group has now achieved an all-time high. Nevertheless, the ratio of employees to sales remains a moderate 26.6 % as INDUS has expanded its permanent staff with a sense of proportion. About 20 % of the employment contracts are fixed term. Personnel expenses do not include costs for temporary work, which, as related service, is allocated to cost of materials.

	H1 2011	H1 2010	Total year Ø 2010
Employees	6,450	5,958	6,036

Financial and Assets Position: Stable Operating Cash Flow of about EUR 31 Million

Based on earnings after taxes of EUR 33.7 million (previous year: EUR 20.0 million), operating cash flow was EUR 31.1 million, despite a much higher level of working capital. It thus exceeded its level in the previous year of EUR 30.1 million. Given a lower level of interest paid of EUR 10.9 million (previous year: EUR 12.5 million), cash flow from operating activities was higher than in the previous year's period, totaling EUR 20.5 million (previous year: EUR 17.9 million). The cash outflow from investing activities declined from EUR 33.5 million to EUR 17.5 million. In the previous year, INDUS had acquired HAKAMA AG at the beginning of the year. Cash flow from financing activities came to EUR -13.2 million (previous year: EUR 0.6 million), reflecting higher loan repayments relative to new borrowings. Cash and cash equivalents of EUR 87.1 million remained stable at a high level as of mid-year.

Equity Ratio Continues to Improve: Now at 33.4 %

As of June 30, 2011, INDUS had total assets of EUR 1,030.7 million, higher than at the end of 2010 (Dec. 31, 2010: EUR 973.1 million). Cash and cash equivalents fell from EUR 96.8 million to EUR 87.1 million, but have remained at a consistently high level for many years. Receivables and inventories increased by a total of about EUR 73 million due to the good business conditions. The Group's equity of EUR 344.0 million climbed again by more than 10 % from the end of 2010 (Dec. 31, 2010: EUR 309.5 million). As a result, the equity ratio improved once more to 33.4 % (Dec. 31, 2010: 31.8 %). The Group's net debt amounted to EUR 376.0 million (Dec. 31, 2010: EUR 379.4 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 has established an efficient risk management system for the early detection, comprehensive analysis, and systematic handling of risks.

The structure of the risk management system and the significance of particular risks are discussed in detail in the 2010 annual report on pages 46 to 51. 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, 2011, no significant events have occurred that are expected to have a material impact on INDUS Holding AG's net assets, financial, or earnings position.

OUTLOOK

INDUS Confirms Forecast of At Least EUR 105 Million EBIT

For the remainder of 2011, INDUS expects business to enjoy a generally stable development, despite the decreasing economic growth. Therefore, INDUS is currently confident about the 2011 fiscal year. We do not see any reason at the current time for the good sales and earnings development to weaken in the second half of 2011 compared with the first half of the year. Our order backlog lasts until into the fourth quarter of 2011.

The EBIT margin, which once again improved from 10.7 % in the first quarter to 11.0 % in the second quarter of 2011, demonstrates that our portfolio companies have to a great extent been able to pass on cost increases to the customers in a timely manner. We confirm our targets for the year and expect sales for the entire year of about EUR 1.05 billion and an EBIT of at least EUR 105 million.

Consolidated Statement of Income

EUR '000	Notes	H1 2011	H1 2010
Sales		**539,022**	**450,340**
Other operating income		8,262	6,741
Own work capitalized		993	1,089
Change in inventories		20,816	7,386
Cost of materials	[3]	−277,190	−215,633
Personnel expenses	[4]	−143,591	−122,286
Depreciation and amortization	[5]	−19,891	−20,387
Other operating expenses	[6]	−69,187	−60,905
Income from shares accounted for using the equity method		0	0
Other financial result		104	157
Operating result (EBIT)		**59,338**	**46,502**
Interest income		274	294
Interest expenses		−10,149	−13,522
Net interest	[7]	−9,875	−13,228
Earnings before taxes		**49,463**	**33,274**
Taxes	[8]	−15,764	−13,264
Income from discontinued operations	[1]	0	−1,785
Earnings after taxes		**33,699**	**18,225**
of which allocable to non-controlling shareholders		−426	−646
of which allocable to INDUS shareholders		33,273	17,579
Basic earnings per share in EUR	[2]	1.65	1.05

Statement of Income and Accumulated Earnings

EUR '000	H1 2011	H1 2010
Earnings after taxes	**33,699**	**18,225**
Currency translation adjustment	−139	1,133
Change in the market values of derivative financial instruments	1,137	−1,449
Netting of deferred taxes	−180	228
Income and expenses recognized directly in equity	**818**	**−88**
Total income and expenses recognized in equity	**34,517**	**18,137**
of which non-controlling interests	426	646
of which allocable to INDUS shareholders	34,091	17,491

Consolidated Statement of Income

EUR '000	Notes	Q2 2011	Q2 2010*
Sales		**283,386**	**244,800**
Other operating income		4,509	3,025
Own work capitalized		696	538
Change in inventories		5,969	3,998
Cost of materials	[3]	−142,722	−117,581
Personnel expenses	[4]	−74,655	−63,382
Depreciation and amortization	[5]	−10,036	−10,396
Other operating expenses	[6]	−35,283	−32,983
Income from shares accounted for using the equity method		0	−75
Other financial result		52	107
Operating result (EBIT)		**31,916**	**28,051**
Interest income		151	182
Interest expenses		−5,579	−6,825
Net interest	[7]	−5,428	−6,643
Earnings before taxes		**26,488**	**21,408**
Taxes	[8]	−8,335	−8,337
Income from discontinued operations	[1]	0	−1,550
Earnings after taxes		**18,153**	**11,521**
of which allocable to non-controlling shareholders		−253	−144
of which allocable to INDUS shareholders		17,900	11,377
Basic earnings per share in EUR	[2]	0.89	0.70

* Previous year's figures adjusted

Statement of Income and Accumulated Earnings

EUR '000	Q2 2011	Q2 2010
Earnings after taxes	**18,153**	**11,521**
Currency translation adjustment	−459	1,265
Change in the market values of derivative financial instruments	340	−103
Netting of deferred taxes	−54	15
Income and expenses recognized directly in equity	**−173**	**1,177**
Total income and expenses recognized in equity	**17,980**	**12,698**
of which non-controlling interests	253	144
of which allocable to INDUS shareholders	17,727	12,554

Consolidated Statement of Financial Position

EUR '000	Notes	June 30, 2011	Dec. 31, 2010
Assets			
Goodwill		290,522	289,573
Intangible assets	(9)	17,395	17,071
Property, plant, and equipment	(10)	239,849	244,460
Financial assets		9,425	8,552
Shares accounted for using the equity method		1,324	1,324
Other noncurrent assets		1,111	1,415
Deferred taxes		2,724	2,747
Noncurrent assets		**562,350**	**565,142**
Cash and cash equivalents		87,072	96,840
Accounts receivable	(11)	150,919	117,617
Inventories	(12)	218,351	178,756
Other current assets		10,830	7,944
Current income taxes		1,213	6,790
Current assets		**468,385**	**407,947**
Total assets		**1,030,735**	**973,089**
EQUITY AND LIABILITIES			
Paid-in capital		206,329	206,329
Generated capital		135,575	101,484
Equity held by INDUS shareholders		341,904	307,813
Non-controlling interests in the equity		2,102	1,676
Group equity		**344,006**	**309,489**
Noncurrent financial liabilities		373,627	326,417
Provisions for pensions		15,723	15,541
Other noncurrent provisions		2,845	2,788
Other noncurrent liabilities		14,659	14,784
Deferred taxes		17,155	15,743
Noncurrent liabilities		**424,009**	**375,273**
Current financial liabilities		89,407	149,814
Trade accounts payable		52,890	36,053
Current provisions		51,234	43,882
Other current liabilities		63,529	51,225
Current income taxes		5,660	7,353
Current liabilities		**262,720**	**288,327**
Total equity and liabilities		**1,030,735**	**973,089**

Consolidated Statement of Cash Flows

EUR '000	H1 2011	H1 2010*
Income after taxes generated by continuing operations	**33,699**	**20,010**
Depreciation/Write-ups		
of noncurrent assets (excluding deferred taxes)	19,891	20,387
Taxes	15,764	13,264
Net interest	9,875	13,228
Cash earnings of discontinued operations	0	−1,492
Income from companies accounted for using the equity method	0	0
Other non-cash transactions	−829	843
Changes in provisions	7,000	8,598
Increase (–)/decrease (+) in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	−68,793	−45,865
Increase (+)/decrease (–) in trade accounts payable and other liabilities not allocable to investing or financing activities	24,995	9,688
Income taxes received/paid	−10,549	−8,592
Dividends received	0	0
Operating cash flow	**31,053**	**30,069**
Interest paid	−10,876	−12,478
Interest received	274	294
Cash flow from operating activities	**20,451**	**17,885**
Cash outflow from investments in		
property, plant, and equipment and intangible assets	−15,570	−28,491
financial assets	−921	−418
shares in fully consolidated companies	−1,091	−4,199
Cash inflow from the disposal of		
shares in fully consolidated companies	0	−361
other assets	50	0
Cash flows investing activities of discontinued operations	0	−5
Cash flow from investing activities	**−17,532**	**−33,474**
Cash inflows from the assumption of debt	83,559	34,667
Cash outflows from the repayment of debt	−96,756	−34,063
Cashflow from financing activities of discontinued operations	0	0
Cash flow from financing activities	**−13,197**	**604**
Net cash change in financial facilities	−10,278	−14,985
Changes in cash and cash equivalents caused by currency exchange rates	510	559
Cash and cash equivalents at the beginning of the period	96,840	93,506
Cash and cash equivalents at the end of the period	**87,072**	**79,080**
Cash transactions related to the sale of investments	0	0
plus financial liabilities sold	0	0
minus financial facilities sold	0	−361
Net sale proceeds	**0**	**−361**
Cash transactions related to the purchase of investments	−1,052	4,199
plus financial liabilities assumed	−48	0
minus financial facilities purchased	9	0
Net purchase price	**−1,091**	**4,199**

* Previous year's figures adjusted

Severance payments for non-controlling shareholders, which came due in the first half of 2010 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, 2011 EUR '000	Opening balance Jan. 1, 2011	Dividend payment	Recognised income and expenses	Closing balance June 30, 2011
First half of 2011				
Subscribed capital	52,538	0	0	52,538
Capital reserve	153,791	0	0	153,791
Paid-in capital	**206,329**	**0**	**0**	**206,329**
Accumulated earnings	106,969	0	33,273	140,242
Currency translation reserve	−1,332	0	−139	−1,471
Reserve for the marked-to-market valuation of financial instruments	−4,153	0	957	−3,196
Capital generated	**101,484**	**0**	**34,091**	**135,575**
Equity held by INDUS shareholders	**307,813**	**0**	**34,091**	**341,904**
Interests allocable to non-controlling shareholders	1,676	0	426	2,102
Group equity	**309,489**	**0**	**34,517**	**344,006**

Jan. 1 – June 30, 2010 EUR '000	Opening balance Jan. 1, 2010	Dividend payment	Recognised income and expenses	Closing balance June 30, 2010
First half of 2010				
Subscribed capital	47,762	0	0	47,762
Capital reserve	125,168	0	0	125,168
Paid-in capital	**172,930**	**0**	**0**	**172,930**
Accumulated earnings	69,554	0	17,579	87,133
Currency translation reserve	2,080	0	1,133	3,213
Reserve for the marked-to-market valuation of financial instruments	−4,586	0	−1,221	−5,807
Capital generated	**67,048**	**0**	**17,491**	**84,539**
Equity held by INDUS shareholders	**239,978**	**0**	**17,491**	**257,469**
Interests allocable to non-controlling shareholders	1,736	0	646	2,382
Group equity	**241,714**	**0**	**18,137**	**259,851**

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 exclusively includes the effective portions of the interest-rate hedges.

Given the theoretical retirability of shares by non-controlling shareholders, the non-controlling interests in the capital of the company are not disclosed under equity, but under other liabilities. This is ordinarily the case at German limited partnerships. At corporations, it depends on how call and put options are structured.

[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 of 2011 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).

These interim financial statements are prepared in accordance with IAS 34 in condensed form. The interim report has not been audited and was not subject to a perusal or review by an auditor.

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 2010 fiscal year. They are described there in detail. Since these half-year financial statements do not provide the comprehensive information of the annual financial statements, they should be considered within the context of the last annual financial statements.

In the Board of Management's view, this half-year 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 2011 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 2011 fiscal year have been implemented in these interim financial statements.

To be applied for the first time in the 2011 fiscal year are the revised version of IAS 24 "Related Party Disclosures" as well as amendments to IFRS 2010 ("Improvements to the International Financial Reporting Standards"). The guidelines to be applied for the first time in the 2011 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 from January 1, 2010, INDUS Holding AG acquired a 60 % ownership and voting rights stake in the Swiss company HAKAMA AG in Bättwil near Basel and expanded its business activities to Switzerland in the process. The previous owners will remain as managing directors of HAKAMA AG with their 40 % shareholding.

In connection with the acquisition of the 60 % shareholding in HAKAMA AG, reciprocal call/put option agreements were concluded for the remaining 40 % of the shares with essentially identical exercise conditions for both sides. The options can be mutually exercised for the first time as of December 31, 2014 or, in the case of an earlier departure of non-controlling shareholders from management, at the time of departure. The combination of the two options provides for the immediate passing of the economic ownership of the shares embodied in the option. Accordingly, the company acquisition is presented as if 100 % of the shares had been acquired.

The fair value of the entire consideration transferred for the acquisition of HAKAMA AG amounted to EUR 5,631,000 at the time of acquisition, of which EUR 4,199,000 was cash and EUR 1,432,000 was made up of contingent purchase price obligations. The latter results from the aforementioned reciprocal call/put option agreements. The contingent purchase price obligations were measured at the present value of the option price to be paid, which consists primarily of a fixed-price component.

The company acquisition included noncurrent assets of EUR 14,749,000 and current assets of EUR 3,559,000. No financial resources were acquired. The company acquisition entailed the assumption of noncurrent liabilities of EUR 10,822,000 and current liabilities of EUR 1,855,000. These noncurrent liabilities primarily involve finance leases.

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

Effective June 1, 2011, SEMET Maschinenbau GmbH & Co. KG acquired RIMAC Maschinen & Anlagen GmbH based in Mauer, Germany. Primarily synergies in the production area in fundamentally different sales markets played a role in the acquisition of the company. Consequently, goodwill of only EUR 950,000 was determined in the preliminary purchase price allocation. The purchase price of the sub-subsidiary was EUR 1.1 million.

DISPOSALS IN ACCORDANCE WITH IFRS 5

INDUS sold the operating activities of Maschinenfabrik BERNER GmbH & Co. KG effective as of May 1, 2010. In the current fiscal year, no equity interests were sold or classified as held for sale.

[1] Income from Discontinued Operations

EUR '000	**H1 2011**	H1 2010
Sales	0	1,053
Expenses and other income	0	−1,370
Operating result	**0**	**−317**
Net interest	0	−2
Earnings before taxes	**0**	**−319**
Taxes	0	50
Earnings after taxes from current operations	0	−269
Income from deconsolidations	0	−1,515
Income from discontinued operations	**0**	**−1,784**
Tax expense (+)/revenue (–) from divestments	0	−285

[2] Earnings per Share

EUR '000	**H1 2011**	H1 2010	**Q2 2011**	Q2 2010
Earnings attributable to INDUS shareholders	33,273	17,579	17,900	11,377
Earnings attributable to discontinued operations	0	1,785	0	1,550
Earnings attributable to continuing operations	**33,273**	**19,364**	**17,900**	**12,927**
Shares in circulation (thousands)	20,207	18,370	20,207	18,370
Earnings per share, continuing operations (in EUR)	1.65	1.05	0.89	0.70
Earnings per share, discontinued operations (in EUR)	–	−0.10	–	−0.08

According to IAS 33, earnings per share are based on consolidated net income 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 2011	H1 2010
Raw materials and goods for resale	−244,947	−189,219
Purchased services	−32,243	−26,414
Total	**−277,190**	**−215,633**

[4] Personnel expenses

EUR '000	H1 2011	H1 2010
Wages and salaries	−121,128	−102,812
Social security and pensions	−22,463	−19,474
Total	**−143,591**	**−122,286**

[5] Depreciation, amortization, write-downs, impairment losses

EUR '000	H1 2011	H1 2010
Depreciation of property, plant, and equipment and intangible assets	−18,260	−17,683
Scheduled amortization of value-added within the Group	−1,631	−2,704
Total	**−19,891**	**−20,387**

[6] Other operating expenses

EUR '000	H1 2011	H1 2010
Operating expenses	−23,458	−20,091
Selling expenses	−25,848	−23,162
Administrative expenses	−13,500	−11,509
Other expenses	−6,381	−6,143
Total	**−69,187**	**−60,905**

[7] Net interest

EUR '000	H1 2011	H1 2010
Interest and similar income	274	294
Interest and similar expenses	−10,927	−12,588
Interest from operations	**−10,653**	**−12,294**
IFRS interest: market value of interest-rate swaps	890	−683
IFRS interest: non-controlling interests	−112	−251
IFRS interest	**778**	**−934**
Total	**−9,875**	**−13,228**

[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, 2011	Dec. 31, 2010
Capitalized development costs	9,824	9,880
Property rights, concessions, and other intangible assets	7,571	7,191
Total	**17,395**	**17,071**

[10] Property, plant, and equipment

EUR '000	June 30, 2011	Dec. 31, 2010
Land and buildings	124,714	126,340
Plant and machinery	82,306	86,474
Other equipment, factory and office equipment	27,597	28,351
Advance payments and plant under construction	5,232	3,295
Total	**239,849**	**244,460**

[11] Accounts receivable

EUR '000	June 30, 2011	Dec. 31, 2010
Accounts receivable from customers	143,434	112,172
Future accounts receivable from customer-specific construction contracts	7,485	4,934
Accounts receivable from associated companies	0	511
Total	**150,919**	**117,617**

[12] Inventories

EUR '000	June 30, 2011	Dec. 31, 2010
Raw materials and supplies	78,559	63,455
Unfinished goods	73,547	57,100
Finished goods and goods for resale	64,231	56,488
Prepayments to third parties for inventories	2,014	1,713
Total	**218,351**	**178,756**

SEGMENT REPORTING

The classification of the segments corresponds to the current status of internal reporting. The information relates to the continuing activities. The previous year's figures have been adjusted accordingly. In accordance with the amendments to IFRS 8, segment assets are no longer disclosed for the previous year.

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/Engineering, 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 is operating earnings (EBIT) as defined in the consolidated financial statements. 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.

Primary reporting format: by segments reconciliation

Segment reporting in accordance with IFRS 8 **H1 2011** EUR '000	Construc-tion/Infra-structure	Automotive Compo-nents/Engi-neering	Enginee-ring	Medical Enginee-ring/Life Science	Metal/ Metal Processing	Total segments	Recon-ciliation	Consoli-dated financial statements
External sales	108,210	163,999	64,278	44,909	157,511	538,907	115	539,022
Internal sales	4,062	13,247	3,806	989	13,379	35,483	−35,483	0
Sales	**112,272**	**177,246**	**68,084**	**45,898**	**170,890**	**574,390**	**−35,368**	**539,022**
Segment earnings (EBIT)	**15,139**	**11,382**	**8,112**	**7,567**	**19,639**	**61,839**	**−2,501**	**59,338**
Earnings from equity valuation	0	0	0	0	0	0	0	0
Depreciation/Amortization	**−2,435**	**−10,110**	**−950**	**−1,345**	**−4,851**	**−19,691**	**−200**	**−19,891**
of which scheduled depreciation for wear and tear from first-time consolidation	−228	−1,205	−16	−27	−155	−1,631	0	−1,631
of which unscheduled deprecia-tion for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
Capital expenditure	**2,309**	**8,283**	**1,653**	**1,196**	**3,090**	**16,531**	**23**	**16,554**
of which company acquisitions	0	0	965	0	0	965	0	965
Shares accounted for using the equity method	1,324	0	0	0	0	1,324	0	1,324
Additional information: EBITDA	17,574	21,492	9,062	8,912	24,490	81,530	−2,301	79,229

Segment reporting in accordance with IFRS 8 **H1 2010** EUR '000	Construc-tion/Infra-structure	Automotive Compo-nents/Engi-neering	Enginee-ring	Medical Enginee-ring/Life Science	Metal/ Metal Processing	Total segments	Recon-ciliation	Consoli-dated 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
of which unscheduled deprecia-tion for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
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
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 **Q2 2011** EUR '000	Construc-tion/Infra-structure	Automotive Compo-nents/Engi-neering	Enginee-ring	Medical Enginee-ring/Life Science	Metal/ Metal Processing	Total segments	Recon-ciliation	Consoli-dated financial statements
External sales	60,970	83,758	33,872	22,960	81,685	283,245	141	283,386
Internal sales	2,557	6,984	1,933	532	8,320	20,326	−20,326	0
Sales	**63,527**	**90,742**	**35,805**	**23,492**	**90,005**	**303,571**	**−20,185**	**283,386**
Segment earnings (EBIT)	**11,032**	**4,997**	**4,443**	**4,062**	**8,892**	**33,426**	**−1,510**	**31,916**
Earnings from equity valuation	0	0	0	0	0	0	0	0
Depreciation/Amortization	**−1,240**	**−5,086**	**−483**	**−687**	**−2,440**	**−9,936**	**−100**	**−10,036**
of which scheduled depreciation for wear and tear from first-time consolidation	−114	−603	−8	−14	−77	−816	0	−816
of which unscheduled deprecia-tion for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
Capital expenditure	**897**	**3,792**	**1,292**	**745**	**1,665**	**8,391**	**9**	**8,400**
of which company acquisitions	0	0	965	0	0	965	0	965
Shares accounted for using the equity method	0	0	0	0	0	0	0	0
Additional information: EBITDA	12,272	10,083	4,926	4,749	11,332	43,362	−1,410	41,952

Segment reporting in accordance with IFRS 8 **Q2 2010** EUR '000	Construc-tion/Infra-structure	Automotive Compo-nents/Engi-neering	Enginee-ring	Medical Enginee-ring/Life Science	Metal/ Metal Processing	Total segments	Recon-ciliation	Consoli-dated financial statements
External sales	52,185	72,238	30,784	21,128	68,984	245,319	−519	244,800
Internal sales	1,495	4,495	1,657	442	4,963	13,052	−13,052	0
Sales	**53,680**	**76,733**	**32,441**	**21,570**	**73,947**	**258,371**	**−13,571**	**244,800**
Segment earnings (EBIT)	**7,215**	**5,275**	**3,770**	**3,881**	**9,586**	**29,727**	**−1,676**	**28,051**
Earnings from equity valuation	0	0	0	−75	0	−75	0	−75
Depreciation/Amortization	**−1,254**	**−5,181**	**−436**	**−863**	**−2,424**	**−10,158**	**−238**	**−10,396**
of which scheduled depreciation for wear and tear from first-time consolidation	−220	−673	−9	−12	−218	−1,132	−250	−1,382
of which unscheduled deprecia-tion for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
Capital expenditure	**1,535**	**2,931**	**455**	**557**	**2,191**	**7,669**	**194**	**7,863**
of which company acquisitions	0	0	0	0	0	0	0	0
Shares accounted for using the equity method	0	0	0	−3,484	0	−3,484	0	−3,484
Additional information: EBITDA	8,469	10,456	4,206	4,744	12,010	39,885	−1,438	38,447

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

Reconciliation

EUR '000	**H1 2011**	H1 2010	**Q2 2011**	Q2 2010
Segment earnings (EBIT)	**61,839**	49,089	**33,426**	29,728
Areas not allocated, incl. holding company	−2,082	−2,384	−1,058	−1,444
Consolidations	−419	−203	−452	−233
Net interest	−9,875	−13,228	−5,428	−6,643
Earnings before taxes	**49,463**	**33,274**	**26,488**	**21,408**

Reporting by Region

H1 2011 EUR '000	Group	Germany	Abroad
External Sales	**539,022**	**287,665**	**251,357**
Noncurrent assets less deferred taxes and financial instruments	549,091	482,533	66,558

H1 2010 EUR '000	Group	Germany	Abroad
External Sales	**450,340**	**250,977**	**199,363**
Noncurrent assets less deferred taxes and financial instruments	556,614	491,399	65,215

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

Noncurrent assets, less deferred taxes and financial instruments, 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.

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 these half-year financial statements, there is nothing to report about changes in conditions that materially depart from those in the 2010 annual financial statements.

Adjustments of the Previous Year's Figures in Accordance with IFRS 3.45

The first-time consolidation of HAKAMA AG was initially entered provisionally and then completed with the preparation of the 2010 annual financial statements. The comparative figures for the first half of 2010 were retrospectively adjusted for the final balance sheet entry, without a notable effect on the statement of income.

The following adjustments were made to the statement of financial position for the first half of 2010: land and buildings (EUR +1,045,000), finance lease liabilities (EUR +809,000), non-controlling equity interests (EUR -1,348,000), as well as other liabilities (EUR +1,584,000). The adjustments were made for the previous year's figures in the statement of changes in equity. Similar adjustments were also made to the statement of cash flows; primarily reflecting accounting for finance leases, EUR 11,036,000 was offset between cash outflows for shares in consolidated companies and cash inflows for the assumption of debt.

Events after the Quarterly Reporting Date

After the end of the first half of 2011, there were no significant events.

Responsibility Statement:

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim 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 2011

The Management Board

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

Financial Calendar

November 22, 2011	**German Equity Forum, Frankfurt/Main**
November 24, 2011	**Interim report on the first three quarters 2011**

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