



# Interim Report Third Quarter 2012

## **INDUS business stable despite general decline in demand**

- Sales strong at 830 million euros
- Earnings down slightly year-on-year, with EBIT of 81 million euros recorded
- EBIT margin widens to 9.8% at end of Q3





## Key Figures

EUR millions	Q1-Q3 2012	Q1-Q3 2011*
Sales	830.0	821.3
EBITDA	112.8	121.9
EBIT	81.0	92.4
EBT	64.7	76.4
Net result for the period (allocable to INDUS shareholders)	37.8	51.4
Operating cash flow	26.3	56.9
Cash flow from operating activities	9.3	39.7
Cash flow from investing activities	-44.3	-28.5
Cash flow from financing activities	38.3	-34.3
Cash and cash equivalents	126.1	73.7
Earnings per share (in euros)	1.81	2.54
Cash flow per share (in euros)	0.42	1.96
Employees (number as of Sept. 30)	6,856	6,315
Investments (number as of Sept. 30)	38	39

EUR millions	Sept. 30, 2012	Dec. 31, 2011
Total assets	1,113.3	1,040.2
Equity	395.6	382.1
Net debt	369.0	311.2
Equity ratio (in %)	35.5	36.7

\* Previous year's figures adjusted

## INDUS Holding AG

Total sales in the first  
nine months:  
**830 million euros**

### Construction/ Infrastructure



**- 3.4%**

### Automotive Components/ Development



**+ 0.7%**



INDUS is the leading specialist in the field of sustainable investment and growth 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 primary goals is to achieve lasting value appreciation for our portfolio that is both healthy and measured. 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 reliable perspectives and allow them entrepreneurial scope for action.

In 2011, our Group's workforce of around 6,700 generated sales of approximately 1,105 million euros and EBIT of approximately 112 million euros.

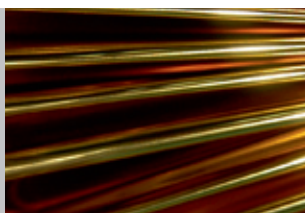
2	Letter to the Shareholders
4	Growth by Internationalization
8	INDUS on the Capital Market
10	Interim Management Report
19	Consolidated Interim Financial Statements as of September 30, 2012
	Contact and Financial Calendar

### Engineering



**+ 6.6%**

### Medical Technology/ Life Science



**+ 0.8%**

### Metal/ Metal Processing



**+ 2.4%**



# LETTER TO THE SHAREHOLDERS

Ladies and Gentlemen,

INDUS set ambitious targets for 2012, aiming at EBIT of more than 100 million euros for our portfolio, even with expectations of economic slowing. We have reconfirmed this several times in the course of the year, sticking with our target despite the adversity of deteriorating conditions.

Market trend: 

After last year's weak fourth quarter we started out 2012 strongly, with demand surging for months. Cost pressures increased however, particularly due to unexpectedly high wage agreements. We were unable to pass these cost increases on to customers due to the uncertain environment, so our profits were impacted, as reflected in first-quarter-earnings. In view of the economic slowing that we anticipated for the second half of 2012, we initiated systematic, group-wide cost reduction programs which are already having an effect. We are therefore optimistic looking at INDUS Group sales and earnings over the first nine months of the year.


As of September 30, INDUS' operating EBIT margin had widened to 9.8%, from 9.7% at mid-year and 9.2% at the end of Q1 2012. Moreover, we have achieved these high levels at a time when many automotive and equipment manufacturers are issuing earnings warnings, and, in contrast to them, are in a position to maintain our targets. Based on preliminary sales data for October 2012 and the current order backlog, we now expect earnings to stabilize, due in part to ongoing cost cutting efforts. The INDUS Group is thus reiterating estimated sales of well over 1 billion euros and EBIT of more than 100 million.

Projections for 2013 are currently being prepared in cooperation with our 38 portfolio companies. In line with forecasts by leading international economic research institutes, we do not anticipate a significant change in the trend next year – negative or positive – with likely remaining at this year's level, particularly in the Eurozone. Internationalization efforts are to be accelerated further as a high priority in our medium-range planning. Our successes thus far in this area indicate that we are on the right track. The INDUS Group now generates roughly 48% of its sales internationally, a figure that is rising. The growth markets of tomorrow hold rich opportunities for INDUS, as a corporate group of strong small to mid-sized enterprises. Opportunities we must exploit.

Bergisch Gladbach, Germany, November 2012

Yours,

The Board of Management



Jürgen Abromeit



Dr. Johannes Schmidt



Rudolf Weichert

INDUS confirms targets of sales exceeding  
1 billion euros and EBIT more than 100 million euros

# GROWTH BY INTERNATIONALIZATION

## INDUS Group companies entering new growth markets around the world

In 2011 Germany was the world's fourth-largest industrialized nation, generating gross output of 2,317 billion euros. The only economies to generate greater output were those of China, the US and Japan. A large portion of the country's industrial production is exported, and in this respect, emerging markets are playing an increasingly important role alongside established markets. Numerous German small to medium-sized enterprises are moving into these international markets with determination. Many INDUS portfolio companies have been investing in the world's high-growth regions in recent years.

### **German manufacturers have the advantage of being strongly competitive**

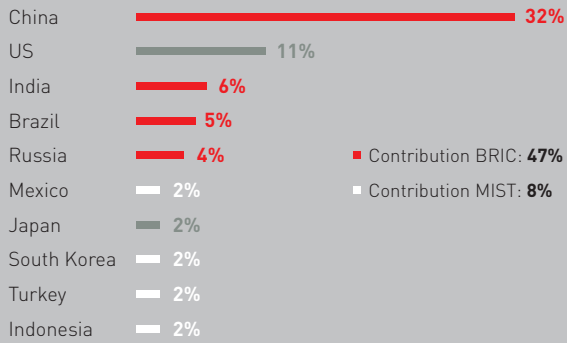
German manufacturing has shown virtually unparalleled strength throughout the recent years of crisis. For nearly two decades now, manufacturing has contributed „20% plus x“ of German GDP. Meanwhile, other European countries have undergone a radical deindustrialization process, including the UK, where in the early 90s manufacturing still contributed 21% of economic output. Since then, this figure has fallen by more than half to 10%, with large parts of British manufacturing having simply gone away. A similar trend is observable in France. So what is the secret behind German businesses' success?

It's their attitude: German businesses will to not give up any territory, even in difficult market phases. And that is why, in times of adversity, they work even harder on traditional strengths such as quality and technological expertise. And they more easily adapt structures, costs and processes to fit changing conditions. SMEs are especially good at this. They see every situation as an entrepreneurial challenge, and thus are exceptionally well-equipped for entering new markets.

### **Powerful demand from emerging markets**

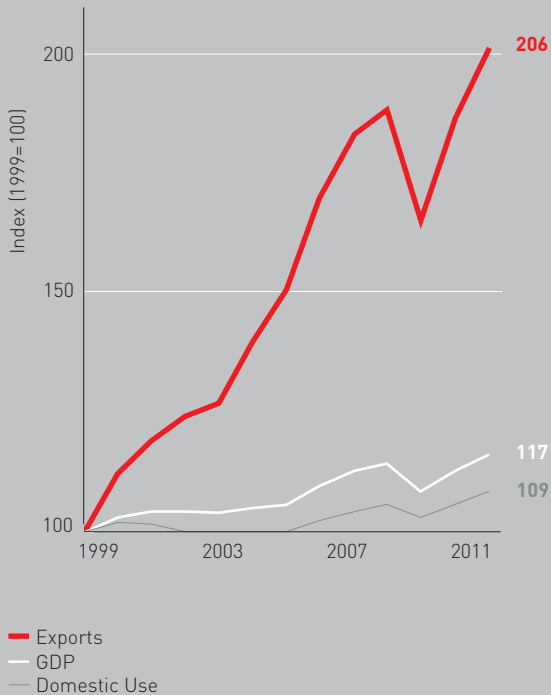
This century kicked off with a decade dominated by the emerging economies of Brazil, Russia, India, and China– known as the BRIC nations – which decisively shifted the global economic paradigm. Within ten years, the combined economic output of the BRIC nations rose from 11% of global output to 25%. Their gross domestic product rose from 3 to 13 billion USD. And when these countries' growth plateaued somewhat recently, Mexico, Indonesia, South Korea and Turkey (the „MIST“ countries for short) picked up the slack. Indeed, these countries have more than doubled their economic output over the last two decades. In Latin America, Mexico is now growing faster than Brazil, and in Asia, Indonesia's 6.4% GDP growth in the second quarter of 2012 stunned many economists. Globalization is thus underway in full swing.

### These countries spur growth of the global economy



Source: Contribution to GDP growth, 2010-2019  
(Forecast by Goldman Sachs)

### Exports are Germany's key growth engine



Source: Federal Statistical Office

## „INDUS SMEs are right in the thick of it.“



Jürgen Abromeit

### When did INDUS Group companies start investing in emerging markets?

To have a presence in the markets of the future, it is no longer enough to simply export goods to them from Germany. INDUS realized that early on, opening up the Eastern markets in the 90s. Then, in the new millennium, we began moving into emerging markets, opening subsidiaries in

China more than ten years ago. One decisive strategic advantage INDUS has with regard to such investments is our group of companies. Many SMEs lack the resources and know-how to enter these markets, but INDUS portfolio companies benefit from such things as coordinated entry, and from the fact that, among INDUS' members, there will almost always be executive with pioneering experience in the country concerned.

### What approaches have proven particularly successful?

We basically have a two-pronged market entry strategy: First we start up our own sales activities, then, after establishing a customer base, we open up a service unit followed by a production site. INDUS portfolio companies benefit from Group know-how, our family of subsidiaries and the expert support of the parent company. Another option we have is cooperating with key customers. This has been a particularly successful way to establish international plants in the automotive sector, which we then use to do direct business in the domestic market.

### What are the next targets?

Definitely Asia: We want to expand in China, as well as other emerging Asian countries like Korea. Turkey and Mexico are growing strongly as well, along with the United States. The latter is obviously not an emerging market, but we are optimistic the economy there will pick up and want to tap into the potential to a greater extent.

# BEYOND LOCAL BORDERS



## WIESAUPLAST Kunststoff und Formenbau GmbH & Co. KG / Plastics Injection Molding



Mexico

WIESAUPLAST followed a car maker to Mexico, establishing production in 2005 – just as SELZER did in Brazil the same year. More important factors than the low wage costs were the proximity to our customers and the potential of a motivated workforce in Mexico. As the components produced here are key safety components, they fully comply with high international quality standards. In building up the location, WIESAUPLAST therefore invested in employee training, and planned for the long term from the beginning. Indeed, two students who received training in 2004 as part of their engineering studies in Wiesau today work there as Head of Quality Management and Head of Project Management respectively, on the second management tier. Anticipating further growth for Mexico, WIESAUPLAST has significantly expanded its production and warehouse space. The company's customers now include prominent international brands. Moving into Mexico ultimately secured jobs at the German location by enabling WIESAUPLAST to deliver within both Europe and North America.

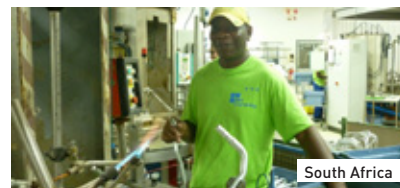
## SELZER Fertigungstechnik GmbH & Co. KG Precision Technology for Manufacturing



Brazil

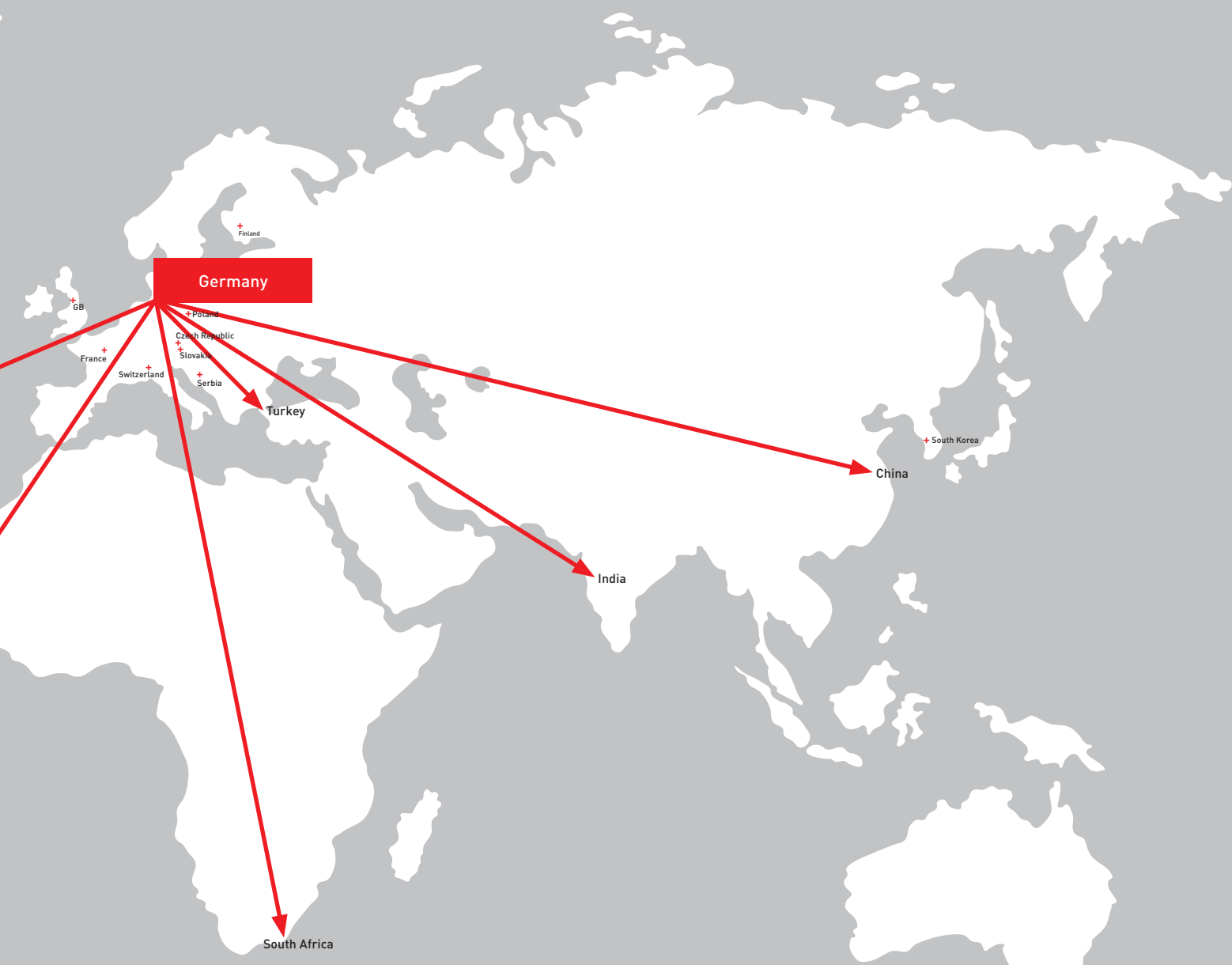
Transmission components for medium-duty trucks have been manufactured at the Vinhedo location since 2005. This Brazilian subsidiary of SELZER Fertigungstechnik was founded in order to offer our key customer Daimler AG local manufacturing and improved logistics. The Vinhedo site is located roughly 75 km away from the metropolis of São Paulo. Parts manufactured there are intended primarily for the North and South American markets. By moving into Brazil, SELZER succeeded in accessing a growth market of particular significance for commercial vehicles, and in gaining a key foothold in South America. Brazil is forecast to become one of the biggest and most vibrant car markets alongside the US and China. Already now, automotive suppliers and car manufacturers have 25 plants in Brazil. Negotiations are underway for SELZER to supply more international automakers there.

## S.M.A. Metalltechnik GmbH & Co. KG / Ducts for Automotive Air-conditioning and Servo Technology



South Africa

SMA has been active in South Africa since the year 2000, starting out with exclusive manufacturing for Daimler-Chrysler at a plant in East London before systematically expanding its customer base. Today SMA South Africa supplies all German OEMs in South Africa: BMW, Daimler and Volkswagen. The plant in South Africa is dedicated to ensuring high-quality, clean production, and its efforts have been rewarded several times with recognition as „Supplier of the Year“. Roughly two thirds of production is now exported to Germany. SMA does not see South Africa as a growth market at present, but labor costs are still low and supply quality is high, so the location is still very good. Belonging to NAFTA will be advantageous in future, as South African exports to the United States will be treated as products made domestically in the US.



**AURORA Konrad G. Schulz GmbH & Co. KG / Heating and Air-conditioning Systems for Commercial Vehicles**



Turkey

A specialist in commercial vehicle air conditioning, AURORA has been successfully doing business in the growth market of Turkey for over ten years now. AURORA Turkey started out manufacturing for German bus makers operating in the country. The Istanbul site is robust, with development, production and sales having been conducted there from the beginning. It is exclusively staffed by Turkish nationals, except for one administrative director. Business there accelerated in lockstep with the rapid expansion of the Turkish economy, as Turkish commercial vehicle makers relied on AURORA quality to go out and conquer the world market. Today AURORA Turkey supplies national and international manufacturers of buses, and construction and agricultural equipment. Efforts to enter new markets from the Istanbul site in the Middle East already bear fruit, including Jordan, which is of particular interest for us at present.

**HORN/PCL**  
Fueling Technology and Repair Shop Solutions



India

The HORN Group took a big step towards globalization in 2011 with the acquisition of the UK company Pneumatic Components Ltd. (PCL), the world leader for analog and digital tire inflation systems. For five years now PCL has been making devices for the production of nitrogen and for tire filling using nitrogen, as well as airline accessories, at its Mumbai location in partnership with Sumo Air Technology. Locally manufactured parts and components shipped from Sheffield are processed there. The primary customers are repair centers and filling stations. In addition to the Mumbai site, sales offices are maintained in Delhi, Hyderabad and Chennai, and trading agencies in Jaipur and Bangalore. The decision to build up a presence there was made in connection with an acquisition project. PCL distributes its entire range of products in India alongside the locally manufactured ones, to include the entire HORN/TECALEMIT product array as well in future. Two years ago the HORN Group also entered the Chinese market, opening an office in Shanghai.

**M. BRAUN Inertgas-Systeme GmbH**  
Glove Box Systems for Industry



China

The Chinese subsidiary of M. BRAUN is soon celebrating the tenth anniversary of its founding. It supplies its customers, primarily universities and research institutions, with glovebox systems directly from the factory in Shanghai. These systems are used for conducting work in an inert gas atmosphere. Chinese personnel handle sales, installation, training and service – which is a big plus against international competitors. Producing standard equipment in China has also made M. BRAUN more price-competitive vis-à-vis the local competition. Extensive interaction between the technical departments in Germany and China ensures superior quality as compared with Chinese competitors. Management is local, thus M. BRAUN is a successful Chinese company providing German quality. And that opens many doors. The next step for M. BRAUN is to use Shanghai as a springboard to enter markets in Taiwan, India and Korea.



# INDUS ON THE CAPITAL MARKET

## Overview of the INDUS Share

	Q1-Q3 2012	Full year 2011
Peak price in euros	23.72	24.90
Lowest price in euros	18.86	16.85
Closing price (at cut-off date) in euros	18.98	18.86
Average daily turnover in number of shares	24,409	40.168
Number of shares (at cut-off date)	22,227,737	22,227,737
Market cap (at cut-off date) in EUR millions	421.9	419.2

### Trading volume in the shares low since summer

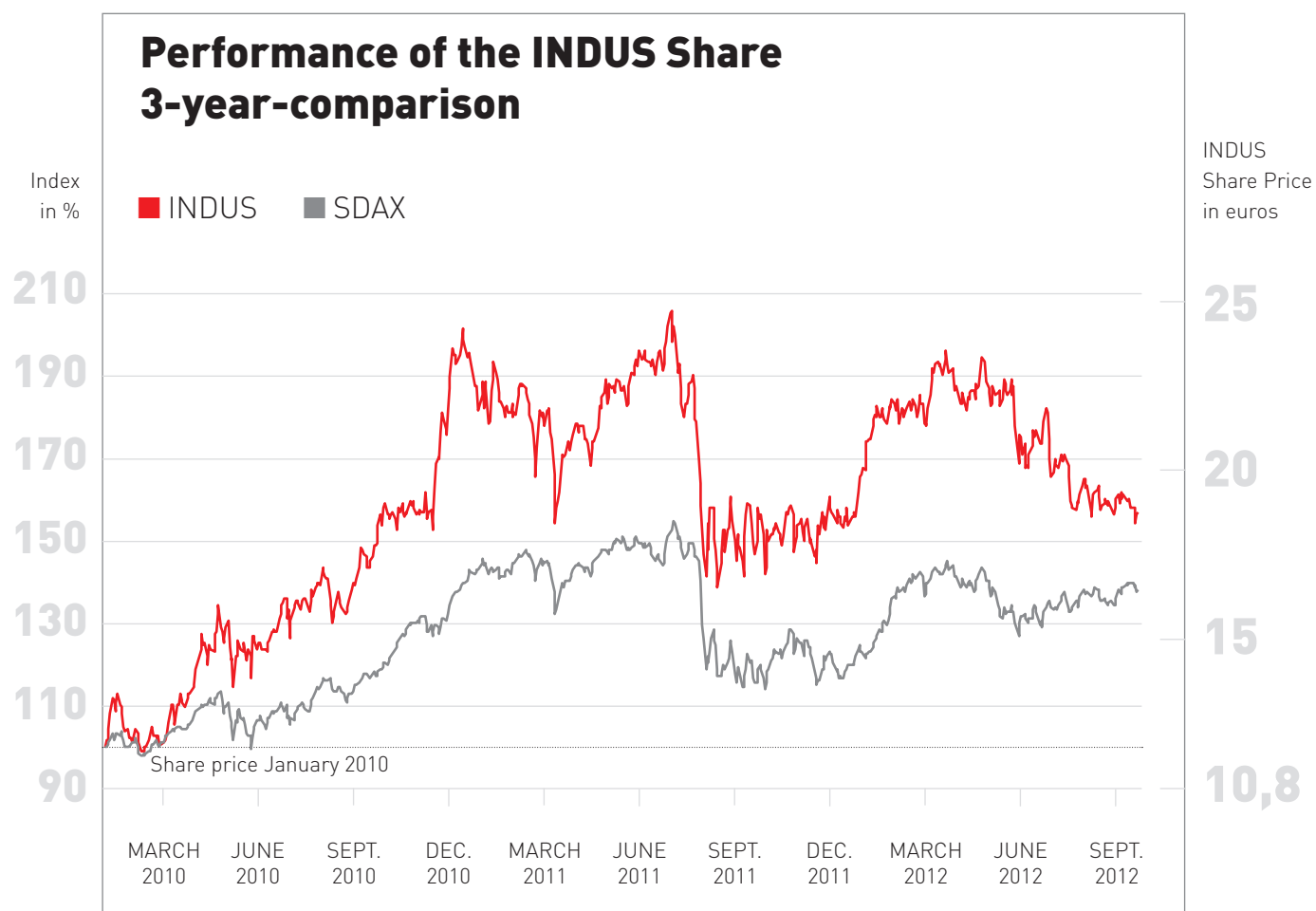
In the first six months of the year INDUS shares generally outperformed the benchmark SDAX index while trading in line with the DAX. Since summer however, INDUS shares have underperformed the indices, and are currently trading at around 19 euros. Extreme market volatility is keeping trading volume thin generally, so the market is not very liquid. The sale of some positions by private institutional investors has apparently put a degree of pressure on the share price. The stock is expected to rise in the near future given the stable outlook for INDUS for FY 2012, which was confirmed at both the shareholders' meeting and upon announcing the half-year results.

As of September 30, 2012 the shares were roughly 3% lower versus their price at the start of the year of 19.59 euros (SDAX +12%, DAX +23% YTD). In the joint SDAX and MDAX ranking list as of September 30, INDUS ranked 59th for free market capitalization and 72nd for stock exchange turnover (ranks as of Dec. 31, 2011: 58 and 67).

### Analyst consensus squarely favorable for INDUS shares

The latest analyst outlooks for INDUS shares are greatly improved, seeing them as attractively valued. In recent months INDUS shares traded in a range between 22.00 and 25.50 euros. All analysts recommend the stock as an unqualified 'buy', seeing the

- Market trading volume low
- Slight selling pressure caused short-term underperformance



INDUS Group as being highly solid given current economic and market conditions, in line with expectations. INDUS regularly publishes the opinions of research firms who follow INDUS' stock on its website at [www.indus.de](http://www.indus.de), under „Investors & Press“.

# INTERIM MANAGEMENT REPORT

## INDUS Group business results for the first nine months of 2012

### Group business results stable overall

Business was moderate in early 2012 and considerable expenditures had an impact, but results improved over the course of the year. Sales for the first nine months were slightly higher year-on-year. Earnings before interest and taxes (EBIT) fell short of the previous year's level however, as forecast at the start of the year.

### Consolidated Statement of Income

EUR millions	Q1-Q3 2012	Q1-Q3 2011*
<b>Sales</b>	<b>830.0</b>	<b>821.3</b>
Other operating income	10.9	9.7
Own work capitalized	7.6	2.1
Change in inventories	8.7	25.4
Cost of materials	-410.1	-418.0
Personnel expenses	-229.2	-214.8
Depreciation and amortization	-31.7	-29.6
Other operating expenses	-105.3	-104.0
Other financial result	0.1	0.2
<b>Operating result (EBIT)</b>	<b>81.0</b>	<b>92.4</b>
Net interest	-16.4	-16.0
<b>Earnings before taxes</b>	<b>64.7</b>	<b>76.4</b>
Taxes	-23.9	-24.4
Earnings attributable to discontinued operations	-2.5	0.2
<b>Earnings after taxes</b>	<b>38.3</b>	<b>52.2</b>
of which allocable to non-controlling shareholders	-0.5	-0.7
of which allocable to INDUS shareholders	37.8	51.4
Basic earnings per share (diluted and undiluted) in EUR	1.81	2.54

\* Previous year's figures adjusted

→ Sales **830.0 million euros**  
→ EBIT of **81.0 million euros**

### Earnings: INDUS Group on track despite softening environment

INDUS Holding AG's business results have been satisfactory thus far this year. For the first three quarters of 2012 INDUS Group companies kept overall sales up at the high level recorded in 2011, despite deteriorating market conditions. INDUS Holding AG recorded consolidated sales of 830.0 million euros at the third-quarter mark (previous year: 821.3 million euros).

Cost of materials declined by 7.9 million euros to 410.1 million euros (previous year: 418 million euros) despite slightly higher orders. The cost of materials ratio improved accordingly, declining to 49.4% (previous year: 50.9%). This reflects the modest decline in prices in connection with the slowing economy.

Personnel expenses rose however from 214.8 million to 229.2 million euros. The increase in the personnel expenses ratio of 27.6% for the nine-month period (previous year: 26.2%) reflects the delayed impact of the rapid build-up of personnel in response to strong orders last year as well as additional costs due to increased wages triggered by new wage agreements. Nevertheless, personnel expenses ratio has declined since mid-year 2012, down from 28.2%. This reflects the impact of measures taken by INDUS in the second half, as announced in the summer, including efficiency enhancements and increased utilization of flexibility opportunities. The Group expects further improvements to become manifest on a full-year basis. However, cost increases resulting from unexpectedly high wage agreements will not be entirely offset.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) of 112.8 million euros fell short of the result for 2011 (121.9 million euros). At 31.7 million euros, write-downs were higher than in the comparison period (previous year: 29.6 million euros) due to the increased investment in the boom years of 2010 and 2011, as expected. As of September 30, 2012 earnings before interest and taxes (EBIT) were lower by roughly 11.4 million euros versus the same period in 2011 (92.4 million euros), at now 81.0 million euros. EBIT margin reached 9.8% (previous year: 11.3%), remaining slightly below INDUS' long-term target of "10% plus".

Interest income remained at a low level of 0.8 million euros (previous year: 0.4 million euros). Interest expenses were higher year-on-year at 17.1 million versus a previous 16.4 million euros, due primarily to valuation effects; pure interest expense for the operating business declined slightly, in line with expectations. Earnings before taxes (EBT) thus declined from 76.4 million euros in the first nine months of 2011 to currently 64.7 million euros.

Group tax expenses of 23.9 million euros were nearly even with the comparison period (previous year: 24.4 million euros), though on a percentage basis this figure rose from the first nine months of 2011 to the same period in 2012. The anticipated tax rate for 2012 of approximately 37% corresponds to the long-time average tax rate for INDUS and reflects the expected business situation (tax rate for FY 2011: 37.2%).

After deducting minority interests, the result for the period of 37.8 million euros was roughly 14 million euros lower year-on-year (previous year 51.4 million euros). This corresponds to earnings per share of 1.81 euros (previous year: 2.54 euros).

→ Earnings stable in Q3 2012  
→ EBIT margin of **9.8%**

# Segment Report

INDUS Holding AG's investment portfolio is structured in five segments: Construction/Infrastructure, Automotive Components/Development, Engineering, Medical Technology/Life Science, and Metal/Metal Processing. The investment portfolio encompassed 38 operating units as of September 30, 2012.

## INDUS Construction/Infrastructure Segment

### Business remains vibrant

Segment sales of 170.6 million euros for the first nine months were only slightly lower year-on-year (previous year: 176.6 million euros), with private housing construction as the main driver in the business. At the start of the year the rather brief wintry period in February had a slight effect on personnel expenses, as the bad weather period was too short for bad weather compensation arrangements to come into play. The second quarter was then surprisingly strong, followed by slowing momentum in the third quarter. Most companies' order books were well-filled by yearend however. Some of these orders are already reflected in interim results due to application of the percentage of completion method. Earnings before interest and taxes (EBIT) totaled 25.3 million euros (previous year: 28.9 million euros) and the EBIT margin came to 14.8%, again far above the industry average. The segment result as of September 30, 2011 had reflected roughly 1 million euros of one-time income from the sale of shares in a joint venture of a subsidiary in Finland.

EUR millions	Q1-Q3 2012	Q1-Q3 2011	Change
Sales	170.6	176.6	-3.4%
EBIT	25.3	28.9	-12.5%
EBIT margin in %	14.8	16.4	-1.6% Pts.
Depreciation and amortization	3.7	3.7	0%
Capital expenditure	4.6	3.7	+24.3%

## INDUS Automotive Components/Development Segment

### Continuing price pressure despite strong demand

Sales in the Automotive Components/Development segment remained stable versus the previous-year period on strong orders from the automotive sector. Companies in this segment generated sales of 246.3 million euros in the first nine months of the year (previous year: 244.6 million euros). Earnings before interest and taxes (EBIT) again declined, coming in below the previous year's level of 16.4 million euros.

→ Construction/Infrastructure **EBIT margin 14.8%**

Weakening demand is becoming a factor, in addition to persistent price pressure and intense competition in the industry. Suppliers are being impacted in particular. Also, personnel expenses are rising since the signing of new wage agreements. Consequently, the EBIT margin only reached 5.4%. INDUS is still aiming for a significant improvement in EBIT margin for this segment to above 6%.

EUR millions	Q1-Q3 2012	Q1-Q3 2011 *	Change
Sales	246.3	244.6	+0.7%
EBIT	13.3	16.4	-18.9%
EBIT margin in %	5.4	6.7	-1.3% Pts.
Depreciation and amortization	16.0	14.8	+8.1%
Capital expenditure	13.5	12.4	+8.9%

\* Previous year's figures adjusted pursuant to IFRS 5.34.

## INDUS Engineering Segment

### Good results given market volatility

The Engineering segment had results similar to Automotive. Companies in the segment did record slightly higher total sales for the first nine months of 2012 year-on-year, but earnings did not follow suit. Segment sales rose to 109.2 million euros, exceeding the previous year's figure of 102.4 million euros by 6.6%. This modest gain reflected an unexpectedly more active third quarter, as at the half-year mark sales were lower year-on-year. EBIT margin thus improved since the first half. Earnings before interest and taxes for the nine-month period demonstrate how the recent boom years are over however. EBIT declined from 13.9 million to 11.2 million euros. EBIT margin is currently at 10.2%, indicating how the previous year's extremely strong earnings are not being repeated, in line with expectations. Results are however squarely within the range estimated by INDUS at the start of the year. Current incoming orders and order backlog further indicate that business in the late-cyclical The Engineering segment will likely remain stable over the months ahead.

EUR millions	Q1-Q3 2012	Q1-Q3 2011	Change
Sales	109.2	102.4	+6.6%
EBIT	11.2	13.9	-19.4%
EBIT margin in %	10.2	13.6	-3.4% Pts.
Depreciation and amortization	2.1	1.4	+50.0%
Capital expenditure	5.2	1.9	+173.7%

→ Automotive Components/Development

**EBIT margin 5.4%**

→ Engineering **EBIT margin 10.2%**

## INDUS Medical Technology/Life Science Segment

### Stable growth

As anticipated, business in the Medical Technology/Life Science segment held steady in gratifying fashion, thanks to stable consumer spending in Germany. Sales of 66.3 million euros for the first nine months were only slightly lower, coming after 65.8 million euros in the comparison period. Segment companies recorded earnings before interest and taxes of 11.6 million euros, which was a substantial improvement (previous year: 10.3 million euros), yielding the best EBIT margin yet of 17.5% at the nine-month mark (previous year: 15.7%).

EUR millions	Q1-Q3 2012	Q1-Q3 2011	Change
Sales	66.3	65.8	+0.8%
EBIT	11.6	10.3	+12.6%
EBIT margin in %	17.5	15.7	+1.8% Pts.
Depreciation and amortization	1.9	2.0	-5.0%
Capital expenditure	2.2	1.8	+22.2%

## INDUS Metal/Metal Processing Segment

### Weaker demand

In parallel to the strong order situation in the automotive industry, the INDUS Metal/Metal Processing segment experienced strong growth at the beginning of 2012. Momentum declined however over the course of the year. Sales for the first nine months rose again slightly year-on-year in 2012, from 232.0 million to 237.6 million euros. Earnings before interest and taxes (EBIT) suffered due to additional personnel expenses and start-up losses recorded by a newly established production unit. This new plant is partly responsible for the segment's increased investment volume of 11.9 million euros. EBIT came to 22.5 million euros, after 27.3 million euros in the previous year. INDUS still considers earnings for the Metal/Metal Processing segment to be satisfactory overall. EBIT margin was below the target range for the entire Group at 9.5% (previous year: 11.8%).

EUR millions	Q1-Q3 2012	Q1-Q3 2011	Change
Sales	237.6	232.0	+2.4%
EBIT	22.5	27.3	-17.6%
EBIT margin in %	9.5	11.8	-2.3% Pts.
Depreciation and amortization	7.8	7.3	+6.8%
Capital expenditure	11.9	8.2	+45.1%

→ Medical Technology/Life Science **EBIT margin 17.5%**  
→ Metal/Metal Processing **EBIT margin 9.5%**

# Employees

## Flexible capacity affords options

INDUS Group companies hired more personnel in 2011 and 2012 in response to strong order flow. Flexible capacity was added in particular. As of September 30, 2012 segment companies had 6,856 employees. The ratio of personnel expenses thus amounts to 27.6% of sales. As of June 30, 2012 the personnel expenses ratio was 28.2% (corresponding to 6,851 employees). As announced, INDUS has utilized its flexible capacity to respond to lessening order flow and increase utilization of regular personnel. The group-wide percentage of temporary personnel use is currently less than 5%. And yet group-wide flexibility is on the order of 20-25%, ensuring adequate options remain even if demand weakens further.

# Financial and Assets Position

## Statement of Cash Flows (Short Form)

EUR millions	Q1-Q3 2012	Q1-Q3 2011*
<b>Operating cash flow</b>	<b>26.3</b>	<b>56.9</b>
Interest	-17.0	-17.2
<b>Cash flow from operating activities</b>	<b>9.3</b>	<b>39.7</b>
Cash outflow from investments	-44.7	-29.0
Cash inflow from the disposal of assets	0.5	0.5
Investment activity attributable to discontinued operations	-0.06	-0.08
<b>Cash flow from investing activities</b>	<b>-44.3</b>	<b>-28.5</b>
Cash inflow from the assumption of debt	150.3	100.9
Cash outflow from the payment of dividends	-22.2	-18.2
Cash outflow from payments to minority interests	-0.3	0.0
Cash outflow from the repayment of debt	-89.5	-117.0
<b>Cash flow from financing activities</b>	<b>38.3</b>	<b>-34.3</b>
Net cash change in financial facilities	3.3	-23.1
Changes in cash and cash equivalents caused by currency exchange rates	-0.3	-0.01
Cash and cash equivalents at the beginning of the period	123.1	96.8
<b>Cash and cash equivalents at the end of the period</b>	<b>126.1</b>	<b>73.7</b>

\* Previous year's figures adjusted

→ **Approx. 126.1 million euros** in liquidity  
as of September 30, 2012

**Statement of Cash Flows: Approx. 126.1 million euros in liquidity earmarked for short-term acquisitions**

Operating cash flow for the first nine months of the year was 26.3 million euros, on earnings before taxes of 40.8 million euros (previous year: 51.9 million euros). This however reflects one-time income from the sale of accounts receivable at the end of 2011. As business returned to normal, trade payables did not significantly increase further. Inventories again rose, though only slightly, due to orders shipped predominantly in the second half of the year. Operating cash flow was thus substantially lower compared to the previous year.

**Consolidated Statement of Financial Position**

EUR millions	Sept. 30, 2012	Dec. 31, 2011
<b>ASSETS</b>		
<b>Noncurrent assets</b>	<b>585.6</b>	<b>575.3</b>
Property, plant, and equipment	582.0	570.0
Accounts receivable	3.6	5.3
<b>Current assets</b>	<b>527.8</b>	<b>464.8</b>
Cash and cash equivalents	126.1	123.1
Accounts receivable	170.1	118.9
Inventories	231.6	222.8
<b>Total assets</b>	<b>1,113.3</b>	<b>1,040.2</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Noncurrent liabilities</b>	<b>795.6</b>	<b>755.2</b>
Equity	395.6	382.1
Liabilities	400.0	373.1
thereof provisions	18.6	18.5
thereof current liabilities and income taxes	381.4	354.6
<b>Current liabilities</b>	<b>317.7</b>	<b>285.0</b>
thereof provisions	50.7	47.0
thereof liabilities	267.0	238.0
<b>Total equity and liabilities</b>	<b>1,113.3</b>	<b>1,040.2</b>

→ Net dept **approx. 370 million euros**

→ Gearing ratio **0.9**

The cost of interest paid in the nine-month period of 2012 was nearly unchanged at 17.8 million euros (previous year: 17.7 million euros). Set off against the 0.8 million euros in interest received, interest costs amounted to 17 million euros (previous year: 17.2 million euros). Cash flow from operating activities thus came to 9.3 million euros (previous year: 39.7 million euros). Cash outflows for investing activities rose to -44.3 million euros on substantially higher investment expenditure. Cash flow from financing activities increased significantly from -34.3 million to 38.3 million euros. This was primarily attributable to the approximately 48 million euro ABS program established in 2012. The level of cash and cash equivalents was thus very high as of September 30, 2012 at 126.1 million euros (previous year: 73.7 million euros).

#### **Balance sheet: Equity approaching 400 million euros**

INDUS Holding AG total assets grew again slightly, amounting to 1,113.3 million euros as of September 30, 2012 (Dec. 31, 2011: 1,040.2 million euros). Cash and cash equivalents increased at the start of the year from 123.1 million euros to 126.1 million euros, in part due to the newly established ABS program. Accounts receivable and inventories increased again by roughly 56.9 million euros due to strong orders. The new ABS program introduced in 2012 did not result in the derecognition of receivables sold. The rise in receivables as compared with December 31, 2011 to around 23 million euros is therefore due to the switch to ABS financing. The Group's equity increased versus yearend 2011 to 395.6 million euros (Dec. 31, 2011: 382.1 million euros). As a result, the equity ratio remained high at 35.5% (Dec. 31, 2011: 36.7%). The Group's net debt totaled 369.0 million euros (Dec. 31, 2011: 311.2 million euros).

## **Opportunities and Risks**

INDUS Holding AG and its portfolio companies are exposed to a multiplicity of risks as a result of their international activities. And while entrepreneurial activity inherently involves the acceptance of risks, this is also what enables the Company to seize new opportunities and to thereby safeguard and strengthen the market position of 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 2011 annual report on pages 54 to 62. 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 INDUS Holding AG annual report can be downloaded free of charge at [www.indus.de](http://www.indus.de).

- High cash outflow for investments of **44 million euros**
- Equity ratio remainig high at **35.5%**

## Events after the Reporting Date

No significant events having a material impact on the balance sheet and earnings of the INDUS Group have occurred since September 30, 2012.

## Outlook

### Full-year targets for 2012 reconfirmed based on latest figures

INDUS business results for the first nine months of 2012 are in line with expectations. As announced last summer upon release of the half-year report, the Board of Management anticipates slower growth in the second half. This has occurred as forecast. Global economic slowing has increasingly affected the German economy, and the automotive industry in particular. Experts still project minor growth for German GDP in 2012 between 0.8% and 1%. Problems remain unresolved in the Eurozone, especially in the south, with anemic demand in Spain, Portugal and Greece affecting the automotive industry considerably. France, too, continues to show little growth. The situation in the United States is uncertain, while emerging economies are still providing the impetus.

Despite noticeable slowing, INDUS has re-confirmed its estimates for 2012. This year the Group is on track to record well over a billion euros in sales. As announced, this year's operating profits will not quite reach the record level achieved in 2011. To stabilize earnings the INDUS Group implemented efficiency enhancement measures at mid-year, the effectiveness of which is already evident in the figures reported in this interim report. The Board of Management believes these measures will continue improving profitability. The EBIT target of well over 100 million euros announced at the start of the year characterized as highly ambitious thus still appears attainable despite economic developments. Therewith, the Group is on track to record its second-best result ever.

- INDUS confirms outlook
- Sales projected to **exceed 1 billion euros**
- **EBIT** estimated at **well over 100 million euros**



# **CONSOLIDATED** INTERIM FINANCIAL STATEMENTS

## **Contents**

20	Consolidated Statement of Income Q1–Q3 2012/2011
20	Statement of Income and Accumulated Earnings Q1–Q3 2012/2011
21	Consolidated Statement of Income Q3 2012/2011
21	Statement of Income and Accumulated Earnings Q3 2012/2011
22	Consolidated Statement of Financial Position
23	Consolidated Statement of Cash Flows
24	Consolidated Statement of Equity
25	Notes to the Consolidated Financial Statements

## Consolidated Statement of Income

EUR '000	Notes	Q1-Q3 2012	Q1-Q3 2011*
<b>Sales</b>		<b>830,002</b>	<b>821,256</b>
Other operating income		10,919	9,719
Own work capitalized		7,634	2,137
Change in inventories		8,718	25,365
Cost of materials	(2)	-410,101	-417,969
Personnel expenses	(3)	-229,230	-214,773
Depreciation and amortization	(4)	-31,726	-29,576
Other operating expenses	(5)	-105,303	-103,957
Other financial result		129	169
<b>Operating result (EBIT)</b>		<b>81,042</b>	<b>92,371</b>
Interest income		771	431
Interest expenses		-17,131	-16,439
Net interest	(6)	-16,360	-16,008
<b>Earnings before taxes</b>		<b>64,682</b>	<b>76,363</b>
Taxes	(7)	-23,853	-24,432
Earnings attributable to discontinued operations		-2,527	243
<b>Earnings after taxes</b>		<b>38,302</b>	<b>52,174</b>
of which allocable to non-controlling shareholders		-522	-736
of which allocable to INDUS shareholders		37,780	51,438
Basic earnings per share (diluted and undiluted) in EUR	(1)	1.81	2.54

\* Previous year's figures adjusted

## Statement of Income and Accumulated Earnings

EUR '000	Q1-Q3 2012	Q1-Q3 2011
<b>Earnings after taxes</b>	<b>38,302</b>	<b>52,174</b>
Currency translation adjustment	-582	358
Change in the market values of derivative financial instruments	-2,072	64
Netting of deferred taxes	327	-10
<b>Income and expenses recognized directly in equity</b>	<b>-2,327</b>	<b>412</b>
<b>Total income and expenses recognized in equity</b>	<b>35,975</b>	<b>52,586</b>
of which allocable to non-controlling shareholders	522	736
of which allocable to INDUS shareholders	35,453	51,850

# Consolidated Statement of Income

EUR '000	Q3 2012	Q3 2011*
<b>Sales</b>	<b>289,342</b>	<b>285,617</b>
Other operating income	1,966	1,477
Own work capitalized	6,026	1,144
Change in inventories	-4,978	4,547
Cost of materials	-141,106	-142,058
Personnel expenses	-76,964	-72,452
Depreciation and amortization	-10,284	-9,829
Other operating expenses	-35,424	-35,377
Other financial result	55	65
<b>Operating result (EBIT)</b>	<b>28,633</b>	<b>33,134</b>
Interest income	406	178
Interest expenses	-6,130	-6,295
Net interest	-5,724	-6,117
<b>Earnings before taxes</b>	<b>22,909</b>	<b>27,017</b>
Taxes	-8,437	-8,686
Earnings attributable to discontinued operations	0	144
<b>Earnings after taxes</b>	<b>14,472</b>	<b>18,475</b>
of which allocable to non-controlling shareholders	-224	-310
of which allocable to INDUS shareholders	14,248	18,165
Basic earnings per share (diluted and undiluted) in EUR	0.64	0.90

\* Previous year's figures adjusted

# Statement of Income and Accumulated Earnings

EUR '000	Q3 2012	Q3 2011
<b>Earnings after taxes</b>	<b>14,472</b>	<b>18,475</b>
Currency translation adjustment	-143	497
Change in the market values of derivative financial instruments	-459	-1,073
Netting of deferred taxes	72	170
<b>Income and expenses recognized directly in equity</b>	<b>-530</b>	<b>-406</b>
<b>Total income and expenses recognized in equity</b>	<b>13,942</b>	<b>18,069</b>
of which allocable to non-controlling shareholders	224	310
of which allocable to INDUS shareholders	13,718	17,759

# Consolidated Statement of Financial Position

EUR '000	Notes	Sept. 30, 2012	Dec. 31, 2011
<b>ASSETS</b>			
Goodwill		294,831	294,831
Intangible assets	(8)	18,463	19,046
Property, plant, and equipment	(9)	254,577	245,453
Financial assets		12,567	9,268
Shares accounted for using the equity method		1,508	1,508
Other noncurrent assets		2,131	2,276
Deferred taxes		1,506	2,956
<b>Noncurrent assets</b>		<b>585,583</b>	<b>575,338</b>
Cash and cash equivalents		126,113	123,107
Accounts receivable	(10)	156,502	108,422
Inventories	(11)	231,636	222,778
Other current assets		8,470	7,148
Current income taxes		5,042	3,374
<b>Current assets</b>		<b>527,763</b>	<b>464,829</b>
<b>Total assets</b>		<b>1,113,346</b>	<b>1,040,167</b>
<b>EQUITY AND LIABILITIES</b>			
Paid-in capital		243,464	243,464
Generated capital		150,313	137,088
Equity held by INDUS shareholders		393,777	380,552
Non-controlling interests in the equity		1,780	1,543
<b>Group equity</b>		<b>395,557</b>	<b>382,095</b>
Noncurrent financial liabilities		349,893	322,604
Provisions for pensions		16,473	16,281
Other noncurrent provisions		2,084	2,256
Other noncurrent liabilities		12,502	12,899
Deferred taxes		19,085	19,106
<b>Noncurrent liabilities</b>		<b>400,037</b>	<b>373,146</b>
Current financial liabilities		145,188	111,679
Trade accounts payable		44,385	46,056
Current provisions		50,653	47,015
Other current liabilities		69,910	70,336
Current income taxes		7,616	9,840
<b>Current liabilities</b>		<b>317,752</b>	<b>284,926</b>
<b>Total equity and liabilities</b>		<b>1,113,346</b>	<b>1,040,167</b>

# Consolidated Statement of Cash Flows

EUR '000	Q1-Q3 2012	Q1-Q3 2011*
<b>Income after taxes generated by continuing operations</b>	<b>40,829</b>	<b>51,931</b>
Depreciation/Write-ups of noncurrent assets (excluding deferred taxes)	31,726	29,576
Taxes	23,853	24,432
Net interest	16,360	16,008
Cash earnings attributable to discontinued operations	-781	509
Other non-cash transactions	-1,908	360
Changes in provisions	3,979	12,736
Increase (-)/decrease (+) in inventories, trade accounts receivable and other assets not allocable to investing or financing activities	-59,777	-80,489
Increase (+)/decrease (-) in trade accounts payable and other liabilities not allocable to investing or financing activities	-6,815	20,234
Income taxes received/paid	-21,132	-18,393
<b>Operating cash flow</b>	<b>26,334</b>	<b>56,904</b>
Interest paid	-17,800	-17,659
Interest received	771	431
<b>Cash flow from operating activities</b>	<b>9,305</b>	<b>39,676</b>
Cash outflow from investments in		
property, plant, and equipment, and in intangible assets	-40,961	-26,957
financial assets	-3,786	-926
interests held by fully consolidated companies	0	-1,091
Cash inflow from the disposal of		
interests held by fully consolidated companies	73	0
other assets	443	533
Investment activity attributable to discontinued operations	-56	-82
<b>Cash flow from investing activities</b>	<b>-44,287</b>	<b>-28,523</b>
Cash outflow from the payment of dividends	-22,228	-18,186
Cash outflow from payments to minority interests	-286	0
Cash inflow from the assumption of debt	150,336	100,868
Cash outflow from the repayment of debt	-89,538	-116,965
<b>Cash flow from financing activities</b>	<b>38,284</b>	<b>-34,283</b>
Net cash change in financial facilities	3,302	-23,130
Changes in cash and cash equivalents caused by currency exchange rates	-296	-12
Cash and cash equivalents at the beginning of the period	123,107	96,840
<b>Cash and cash equivalents at the end of the period</b>	<b>126,113</b>	<b>73,698</b>
Net cash transactions attributable to the acquisition of portfolio companies:	0	-1,052
plus assumed financial liabilities	0	-48
less acquired financial resources	0	9
<b>Net purchase price</b>	<b>0</b>	<b>-1,091</b>

\* Previous year's figures adjusted

# Consolidated Statement of Equity

Jan. 1 – Sept. 30, 2012	Opening balance Jan. 1, 2012	Dividend distribution	Recognised income and expenses	Closing balance Sept. 30, 2012
EUR '000				
<b>Q1-Q3 2012</b>				
Subscribed capital	57,792	0	0	57,792
Capital reserve	185,672	0	0	185,672
<b>Paid-in capital</b>	<b>243,464</b>	<b>0</b>	<b>0</b>	<b>243,464</b>
Accumulated earnings	144,202	-22,228	37,780	159,754
Currency translation reserve	-1,278	0	-582	-1,860
Reserve for the marked-to-market valuation of financial instruments	-5,836	0	-1,745	-7,581
<b>Generated capital</b>	<b>137,088</b>	<b>-22,228</b>	<b>35,453</b>	<b>150,313</b>
<b>Equity held by INDUS shareholders</b>	<b>380,552</b>	<b>-22,228</b>	<b>35,453</b>	<b>393,777</b>
Interests allocable to non-controlling shareholders	1,543	-285	522	1,780
<b>Group equity</b>	<b>382,095</b>	<b>-22,513</b>	<b>35,975</b>	<b>395,557</b>

Jan. 1 – Sept. 30, 2011	Opening balance Jan. 1, 2011	Dividend distribution	Recognised income and expenses	Closing balance Sept. 30, 2011
EUR '000				
<b>Q1-Q3 2011</b>				
Subscribed capital	52,538	0	0	52,538
Capital reserve	153,791	0	0	153,791
<b>Paid-in capital</b>	<b>206,329</b>	<b>0</b>	<b>0</b>	<b>206,329</b>
Accumulated earnings	106,969	-18,186	51,438	140,221
Currency translation reserve	-1,332	0	358	-974
Reserve for the marked-to-market valuation of financial instruments	-4,153	0	54	-4,099
<b>Generated capital</b>	<b>101,484</b>	<b>-18,186</b>	<b>51,850</b>	<b>135,148</b>
<b>Equity held by INDUS shareholders</b>	<b>307,813</b>	<b>-18,186</b>	<b>51,850</b>	<b>341,477</b>
Interests allocable to non-controlling shareholders	1,676	0	736	2,412
<b>Group equity</b>	<b>309,489</b>	<b>-18,186</b>	<b>52,586</b>	<b>343,889</b>

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

Interests held by non-controlling shareholders essentially consist of the non-controlling interests in the limited liability companies WEIGAND Bau GmbH and SELZER Automotiva do Brasil. Interests held by non-controlling shareholders in limited partnerships and limited liability companies for which the economic ownership of the corresponding non-controlling interests had already been passed on under reciprocal option agreements and corporations consolidated according to the full goodwill method as a consequence of certain option contracts are shown under other liabilities. This relates in particular to SELZER Fertigungstechnik GmbH & Co. KG, Helmut RÜBSAMEN GmbH & Co. KG and HAKAMA AG.

# Notes to the Consolidated Financial Statements

## General

INDUS Holding AG, based in Bergisch Gladbach, Germany, entered in the Cologne commercial register (HRB 46360), prepared its consolidated financial statements for the first nine-month period of 2012 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 2011 fiscal year. They are described there in detail. Since these quarterly 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 nine month 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 course of the fiscal year 2012 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 2012 fiscal year have been implemented in these interim financial statements. The guidelines to be applied for the first time in the 2012 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

During the current fiscal year, no companies were acquired or consolidated for the first time.

In the previous year, SEMET Maschinenbau GmbH & Co. KG acquired RIMAC Maschinen & Anlagenbau GmbH, based in Mauer. The acquisition of the company, which is active in a very different selling market, was primarily based on synergies in the area of production.

## Disposals in Accordance with IFRS 5

Effective as of June 1, 2012, REBOPLASTIC GmbH & Co. KG, a company belonging to the Automotive Components/Engineering segment, was sold due to the fact that, in terms of perspective, it was no longer suitable for the INDUS portfolio. The company was bought by Dr. Höper, who as former managing director of the company and a member of the INDUS Holding AG Board of Management, had long followed the development of REBOPLASTIC GmbH & Co. KG.

## Earnings Attributable to Discontinued Operations

EUR '000	Q1-Q3 2012	Q1-Q3 2011*
Sales	2,794	5,408
Expenses and other revenue	-2,994	-5,146
<b>Operating result</b>	<b>-200</b>	<b>262</b>
Net interest	-30	27
<b>Earnings before taxes</b>	<b>-230</b>	<b>289</b>
Taxes	28	-46
<b>Earnings after taxes, operation</b>	<b>-202</b>	<b>243</b>
Earnings attributable to deconsolidation	-2,325	0
<b>Earnings attributable to discontinued operations</b>	<b>-2,527</b>	<b>243</b>
Tax expenses (+)/earnings (-) from the sale	117	0

\* Previous year's figures adjusted

## Earnings per Share

### [1] Earnings per share

EUR '000	Q1-Q3 2012	Q1-Q3 2011*	Q3 2012	Q3 2011*
Earnings attributable to INDUS shareholders	37,780	51,438	14,248	18,165
Earnings attributable to discontinued operations	2,527	-243	0	-144
<b>Earnings attributable to continuing operations</b>	<b>40,307</b>	<b>51,195</b>	<b>14,248</b>	<b>18,021</b>
Shares in circulation (in thousands)	22,228	20,207	22,228	20,207
Earnings per share, continuing operations (in EUR)	1.81	2.54	0.64	0.89
Earnings per share, discontinued operations (in EUR)	-0.11	0.01	0.00	0.00

\* 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

### [2] Costs of materials

EUR '000	Q1-Q3 2012	Q1-Q3 2011
Raw materials and goods for resale	-357,772	-367,931
Purchased services	-52,329	-50,038
<b>Total</b>	<b>-410,101</b>	<b>-417,969</b>

### [3] Personnel expenses

EUR '000	Q1-Q3 2012	Q1-Q3 2011
Wages and salaries	-194,115	-181,425
Social security and pensions	-35,115	-33,348
<b>Total</b>	<b>-229,230</b>	<b>-214,773</b>

#### **[4] Depreciation and amortization**

EUR '000	Q1-Q3 2012	Q1-Q3 2011
Depreciation of property, plant and equipment, and intangible assets	-29,551	-27,130
Scheduled amortization of value-added within the Group	-2,175	-2,446
<b>Total</b>	<b>-31,726</b>	<b>-29,576</b>

#### **[5] Other operating expenses**

EUR '000	Q1-Q3 2012	Q1-Q3 2011
Operating expenses	-36,485	-35,157
Selling expenses	-41,737	-39,332
Administrative expenses	-19,497	-20,189
Other expenses	-7,584	-9,279
<b>Total</b>	<b>-105,303</b>	<b>-103,957</b>

#### **[6] Net interest**

EUR '000	Q1-Q3 2012	Q1-Q3 2011
Interest and similar income	771	431
Interest and similar expenses	-16,853	-16,827
<b>Interest from operations</b>	<b>-16,082</b>	<b>-16,396</b>
IFRS interest: market value of interest-rate swaps	254	652
IFRS interest: interests allocable to non-controlling shareholders	-532	-264
<b>IFRS interest</b>	<b>-278</b>	<b>388</b>
<b>Total</b>	<b>-16,360</b>	<b>-16,008</b>

#### **[7] 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

### [8] Intangible assets

EUR '000	Sept. 30, 2012	Dec. 31, 2011
Capitalized development costs	8,467	9,320
Property rights, concessions, and other intangible assets	9,996	9,726
<b>Total</b>	<b>18,463</b>	<b>19,046</b>

### [9] Property, plant, and equipment

EUR '000	Sept. 30, 2012	Dec. 31, 2011
Land and buildings	130,461	121,737
Plant and machinery	79,798	85,377
Other equipment, factory and office equipment	29,621	29,734
Advance payments and plant under construction	14,697	8,605
<b>Total</b>	<b>254,577</b>	<b>245,453</b>

### [10] Accounts receivable

EUR '000	Sept. 30, 2012	Dec. 31, 2011
Accounts receivable from customers	145,817	101,573
Future accounts receivable from customer-specific construction contracts	10,685	6,397
Accounts receivable from associated companies	0	452
<b>Total</b>	<b>156,502</b>	<b>108,422</b>

### [11] Inventories

EUR '000	Sept. 30, 2012	Dec. 31, 2011
Raw materials and supplies	81,994	83,076
Unfinished goods	71,007	67,770
Finished goods and goods for resale	75,970	69,668
Prepayments to third parties for inventories	2,665	2,264
<b>Total</b>	<b>231,636</b>	<b>222,778</b>

## **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 will be adjusted accordingly.

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 Technology/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.

Segment reporting in accordance with IFRS 8 <b>Q1-Q3 2012</b> EUR '000	Construc- tion/ Infra- structure	Automotive Components/ Development	Engineering	Medical Technology/ Life Science	Metal/ Metal Processing	Total Segments	Recon- ciliation	Consoli- dated financial statements
External sales	170,601	246,301	109,215	66,282	237,594	829,993	9	830,002
Internal sales	6,925	27,171	5,222	1,757	21,561	62,636	-62,636	0
<b>Sales</b>	<b>177,526</b>	<b>273,472</b>	<b>114,437</b>	<b>68,039</b>	<b>259,155</b>	<b>892,629</b>	<b>-62,627</b>	<b>830,002</b>
<b>Segment earnings (EBIT)</b>	<b>25,280</b>	<b>13,340</b>	<b>11,154</b>	<b>11,603</b>	<b>22,523</b>	<b>83,900</b>	<b>-2,858</b>	<b>81,042</b>
Earnings from equity valuation	0	0	0	0	0	0	0	0
<b>Depreciation and amortization</b>	<b>-3,687</b>	<b>-15,961</b>	<b>-2,113</b>	<b>-1,883</b>	<b>-7,782</b>	<b>-31,426</b>	<b>-300</b>	<b>-31,726</b>
of which scheduled depreciation for wear and tear from first-time consolidation	-270	-1,210	-420	-43	-232	-2,175	0	-2,175
of which unscheduled depre- ciation for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
<b>Capital expenditure</b>	<b>4,573</b>	<b>13,537</b>	<b>5,173</b>	<b>2,181</b>	<b>11,945</b>	<b>37,409</b>	<b>3,823</b>	<b>41,232</b>
of which company acquisitions	0	0	0	0	0	0	0	0
Shares accounted for using the equity method	1,508	0	0	0	0	1,508	0	1,508
Additional information: EBITDA	28,967	29,301	13,267	13,486	30,305	115,326	-2,558	112,768
Additional information: Goodwill	100,246	68,180	50,985	43,485	31,935	294,831	0	294,831

Segment reporting in accordance with IFRS 8 <b>Q1-Q3 2011 *</b> EUR '000	Construc- tion/ Infra- structure	Automotive Components/ Development	Engineering	Medical Technology/ Life Science	Metal/ Metal Processing	Total Segments	Recon- ciliation	Consoli- dated financial statements
External sales	176,600	244,552	102,440	65,829	231,964	821,385	-129	821,256
Internal sales	6,621	20,561	5,530	1,575	19,059	53,346	-53,346	0
<b>Sales</b>	<b>183,221</b>	<b>265,113</b>	<b>107,970</b>	<b>67,404</b>	<b>251,023</b>	<b>874,731</b>	<b>-53,475</b>	<b>821,256</b>
<b>Segment earnings (EBIT)</b>	<b>28,912</b>	<b>16,411</b>	<b>13,930</b>	<b>10,336</b>	<b>27,273</b>	<b>96,862</b>	<b>-4,491</b>	<b>92,371</b>
Earnings from equity valuation	0	0	0	0	0	0	0	0
<b>Depreciation and amortization</b>	<b>-3,694</b>	<b>-14,782</b>	<b>-1,426</b>	<b>-2,045</b>	<b>-7,329</b>	<b>-29,276</b>	<b>-300</b>	<b>-29,576</b>
of which scheduled depreciation for wear and tear from first-time consolidation	-340	-1,807	-24	-42	-233	-2,446	0	-2,446
of which unscheduled depreciation for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
<b>Capital expenditure</b>	<b>3,693</b>	<b>12,414</b>	<b>1,861</b>	<b>1,784</b>	<b>8,210</b>	<b>27,962</b>	<b>26</b>	<b>27,988</b>
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	32,606	31,193	15,356	12,381	34,602	126,138	-4,191	121,947
Additional information: Goodwill	100,246	69,638	45,218	43,485	31,935	290,522	0	290,522

\* Previous year's figures adjusted

Segment reporting in accordance with IFRS 8 <b>Q3 2012</b> EUR '000	Construc- tion/ Infra- structure	Automotive Components/ Development	Engineering	Medical Technology/ Life Science	Metal/ Metal Processing	Total Segments	Recon- ciliation	Consoli- dated financial statements
External sales	63,697	79,016	46,094	21,792	78,633	289,232	110	289,342
Internal sales	2,527	10,659	1,889	557	7,426	23,058	-23,058	0
<b>Sales</b>	<b>66,224</b>	<b>89,675</b>	<b>47,983</b>	<b>22,349</b>	<b>86,059</b>	<b>312,290</b>	<b>-22,948</b>	<b>289,342</b>
<b>Segment earnings (EBIT)</b>	<b>11,975</b>	<b>4,239</b>	<b>5,022</b>	<b>3,893</b>	<b>5,211</b>	<b>30,340</b>	<b>-1,707</b>	<b>28,633</b>
Earnings from equity valuation	0	0	0	0	0	0	0	0
<b>Depreciation and amortization</b>	<b>-1,233</b>	<b>-4,990</b>	<b>-734</b>	<b>-623</b>	<b>-2,605</b>	<b>-10,185</b>	<b>-99</b>	<b>-10,284</b>
of which scheduled depreciation for wear and tear from first-time consolidation	-79	-77	-143	-14	-77	-390	0	-390
of which unscheduled depreciation for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
<b>Capital expenditure</b>	<b>1,467</b>	<b>3,816</b>	<b>1,979</b>	<b>732</b>	<b>502</b>	<b>8,496</b>	<b>200</b>	<b>8,696</b>
of which company acquisitions	0	0	0	0	0	0	0	0
Shares accounted for using the equity method	0	0	0	0	0	0	0	0
Additional information: EBITDA	13,208	9,229	5,756	4,516	7,816	40,525	-1,608	38,917
Additional information: Goodwill	100,246	68,180	50,985	43,485	31,935	294,831	0	294,831

Segment reporting in accordance with IFRS 8 <b>Q3 2011 *</b> EUR '000	Construc- tion/ Infra- structure	Automotive Components/ Development	Engineering	Medical Technology/ Life Science	Metal/ Metal Processing	Total Segments	Recon- ciliation	Consoli- dated financial statements
External sales	68,390	83,936	38,162	20,920	74,453	285,861	-244	285,617
Internal sales	2,559	7,314	1,724	586	5,680	17,863	-17,863	0
<b>Sales</b>	<b>70,949</b>	<b>91,250</b>	<b>39,886</b>	<b>21,506</b>	<b>80,133</b>	<b>303,724</b>	<b>-18,107</b>	<b>285,617</b>
<b>Segment earnings (EBIT)</b>	<b>13,773</b>	<b>5,129</b>	<b>5,818</b>	<b>2,769</b>	<b>7,634</b>	<b>35,123</b>	<b>-1,989</b>	<b>33,134</b>
Earnings from equity valuation	0	0	0	0	0	0	0	0
<b>Depreciation and amortization</b>	<b>-1,259</b>	<b>-4,816</b>	<b>-476</b>	<b>-700</b>	<b>-2,478</b>	<b>-9,729</b>	<b>-100</b>	<b>-9,829</b>
of which scheduled depreciation for wear and tear from first-time consolidation	-112	-602	-8	-15	-78	-815	0	-815
of which unscheduled depreciation for wear and tear from first-time consolidation	0	0	0	0	0	0	0	0
<b>Capital expenditure</b>	<b>1,384</b>	<b>4,131</b>	<b>208</b>	<b>588</b>	<b>5,120</b>	<b>11,431</b>	<b>3</b>	<b>11,434</b>
of which company acquisitions	0	0	0	0	0	0	0	0
Shares accounted for using the equity method	0	0	0	0	0	0	0	0
Additional information: EBITDA	15,032	9,945	6,294	3,469	10,112	44,852	-1,889	42,963
Additional information: Goodwill	100,246	69,638	45,218	43,485	31,935	290,522	0	290,522

\* Previous year's figures adjusted

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

## Reconciliation

EUR '000	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011
<b>Segment earnings (EBIT)</b>	<b>83,900</b>	<b>96,862</b>	<b>30,340</b>	<b>35,123</b>
Areas not allocated, incl. holding company	-2,752	-3,616	-1,552	-1,634
Consolidations	-106	-875	-155	-355
Net interest	-16,360	-16,008	-5,724	-6,117
<b>Earnings before taxes</b>	<b>64,682</b>	<b>76,363</b>	<b>22,909</b>	<b>27,017</b>

## Reporting by Region

Q1-Q3 2012 EUR '000	Group	Germany	Abroad
<b>External Sales</b>	<b>830,002</b>	<b>434,001</b>	<b>396,001</b>
Noncurrent assets less deferred taxes and financial instruments	569,379	491,544	77,835

Q1-Q3 2011 * EUR '000	Group	Germany	Abroad
<b>External Sales</b>	<b>821,256</b>	<b>446,253</b>	<b>375,003</b>
Noncurrent assets less deferred taxes and financial instruments	550,624	484,333	66,291

## Reporting by Region

Q3 2012 EUR '000	Group	Germany	Abroad
<b>External Sales</b>	<b>289,342</b>	<b>154,278</b>	<b>135,064</b>
Noncurrent assets less deferred taxes and financial instruments	569,379	491,544	77,835

Q3 2011* EUR '000	Group	Germany	Abroad
<b>External Sales</b>	<b>285,617</b>	<b>160,230</b>	<b>125,387</b>
Noncurrent assets less deferred taxes and financial instruments	550,624	484,333	66,291

\* Previous year's figures adjusted

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.

With the exception of the information provided under "Disposals in Accordance with IFRS 5," the quarterly financial statement does not report on changes to these circumstances which differ considerably from those in the 2011 financial statement.

## **Adjustment of the Previous Year's Figures Pursuant to IFRS 5.34**

Accounting for the discontinued operations in compliance with IFRS 5.34 requires the adjustment of the previous year's figures, as shown below:

Adjustment of the previous year's Statement of Income EUR '000	Q1-Q3 2011 published	IFRS 5	Q1-Q3 2011 comparable
Sales	826,664	-5,408	821,256
Other operating income	9,744	-25	9,719
Own work capitalized	2,137	0	2,137
Change in inventories	25,363	2	25,365
Cost of materials	-420,046	2,077	-417,969
Personnel expenses	-216,748	1,975	-214,773
Depreciation and amortization	-29,792	216	-29,576
Other operating expenses	-104,858	901	-103,957
Other financial result	169	0	169
<b>Operating result (EBIT)</b>	<b>92,633</b>	<b>-262</b>	<b>92,371</b>
Interest income	462	-31	431
Interest expenses	-16,443	4	-16,439
Net interest	-15,981	-27	-16,008
<b>Earnings before taxes</b>	<b>76,652</b>	<b>-289</b>	<b>76,363</b>
Taxes	-24,478	46	-24,432
Earnings attributable to discontinued operations	0	243	243
<b>Earnings after taxes</b>	<b>52,174</b>	<b>0</b>	<b>52,174</b>
of which allocable to non-controlling shareholders	-736	0	-736
of which allocable to INDUS shareholders	51,438	0	51,438
Earnings per share (undiluted) in EUR	2.55	0.01	2.54

## Events after the Quarterly Reporting Date

After the end of the third quarter of 2012 there were no events of material significance.

## **Approval for publication**

The Board of Management of INDUS Holding AG approved this IFRS interim financial statement for publication on 28 November 2012.

Bergisch Gladbach, Germany, August 2012

The Board of Management



Jürgen Abromeit



Dr. Johannes Schmidt



Rudolf Weichert

# Financial Calendar

April 23, 2013	Publication annual report 2012 and annual earnings press conference
April 24, 2013	Analysts' conference
May 28, 2013	Interim report on March 31, 2013
June 24, 2013	Annual shareholders' meeting 2013
August 22, 2013	Interim report on June 30, 2013
November 11–13, 2013	German Equity Forum
November 21, 2013	Interim report on Sept. 30, 2013

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#### Publisher:

INDUS Holding AG, Bergisch Gladbach

#### Concept/Design:

Berichtsmanufaktur GmbH, Hamburg

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This interim report is also available in German. Only the German version of the interim report is legally binding.

#### Disclaimer:

This interim 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. These factors include changes in the general economic situation, the business, economic and competitive situation, foreign exchange and interest rates, and the legal setting. 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 interim report. Assumptions and estimates made in this interim report will not be updated.

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