Q3 | 2014

Stable business performance

INDUS
HOLDING AG

January 1 to September 30, 2014

KEY FIGURES (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales	926.9	880.9
EBITDA	124.5	119.2
EBIT	91.5	88.1
Net result for the period	46.3	44.1
Earnings per share (in EUR) of continuing operations	2.03	2.08
Operating cash flow	53.0	63.6
	30.9.2014	**31.12.2013**
Total assets	1,255.6	1,180.9
Equity capital	532.6	515.3
Net debt	358.0	307.6
Equity ratio (in %)	42.4	43.6
Investments (as of the reporting date)	42	40

* Previous year's figures adjusted

SALES IN THE FIRST NINE MONTHS OF 2014

926.9

EUR million

SEGMENT TREND Q1–Q3 2014 IN COMPARISON TO Q1–Q3 2013

GROUP SALES	GROUP EBIT
↗ 5 %	↗ 4 %

Construction/Infrastructure	Sales **+1 %**	EBIT **-5 %**
Automotive Technology	Sales **+2 %**	EBIT **-4 %**
Engineering	Sales **+4 %**	EBIT **+9 %**
Medical Engineering/Life Science	Sales **+17 %**	EBIT **+20 %**
Metals Technology	Sales **+9 %**	EBIT **+16 %**

INDUS is the leading specialist in the field of sustainable investment and growth in German small and medium-sized companies. We primarily acquire owner-managed companies and help their business grow over the long term. Our subsidiaries are characterized in particular by their strong positions on specific niche markets. As an active and growth-oriented financial investor, we ensure that our portfolio companies retain their greatest strength – their identity as medium-sized companies.

Our shareholders participate in the profitability of our diversified and growing portfolio of hidden champions. In 2013, the companies generated sales of around EUR 1.1 billion with an EBIT of approximately EUR 114 million.

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Letter to the Shareholders

Dear Shareholders,

The European economy is faltering and there are clear signs of a corresponding development in Germany. At the beginning of the year, economic analysts and the German government still expected strong growth. In the last few weeks, however, the expectations have been gradually adjusted downwards.

Overall, the German economy will continue to be in respectable shape in 2014. Slight growth of just over 1 % is still considered achievable. However, this is not enough, and it shows that even a strong economy like Germany's cannot permanently evade the impact of the weak economic situation in Europe and the numerous global crises. How do we evaluate the current situation in the companies of the INDUS portfolio?

The negative economic situation in Europe and the tense geopolitical state have caused a subdued sentiment over the last months. The majority of indicators are now clearly pointing in one clear direction: downwards. Many companies have reported a drop in sales and issued profit warnings, or have at least announced cutbacks as a precautionary measure. INDUS will not be doing that. We are thoroughly satisfied with our interim results for the first nine months. With sales of approximately EUR 927 million, we were able to achieve an operating result of approximately EUR 92 million. This puts us precisely on track for the estimate communicated at the beginning of the year. We will achieve our targets for 2014 and reach over EUR 1.2 billion in sales and an operating result of EUR 118 million. This demonstrates once again that our business model of broad diversification is paying off. We have also begun to feel the positive effects of our targeted portfolio investments from 2013 and 2014.

With the acquisition of MBN this year, we have added a second large company to our portfolio. This will strengthen our competencies in the Automation Technology segment. MBN is a good example of an innovative SME from the former East Germany that has been able to achieve significant double-digit EBIT margins on the international engineering market.

Over the course of this year, we have acquired five companies with sales potential of over EUR 80 million, and have thus continued to advance the development of our portfolio. We are pleased that the capital market approves of our strategy. Despite the stock market corrections over the last weeks, which were to be expected given the context, the INDUS share was trading at a very high level of approximately EUR 35 at the end of October. We view this as an endorsement of our strategy of continual and sustainable portfolio expansion and restructuring.

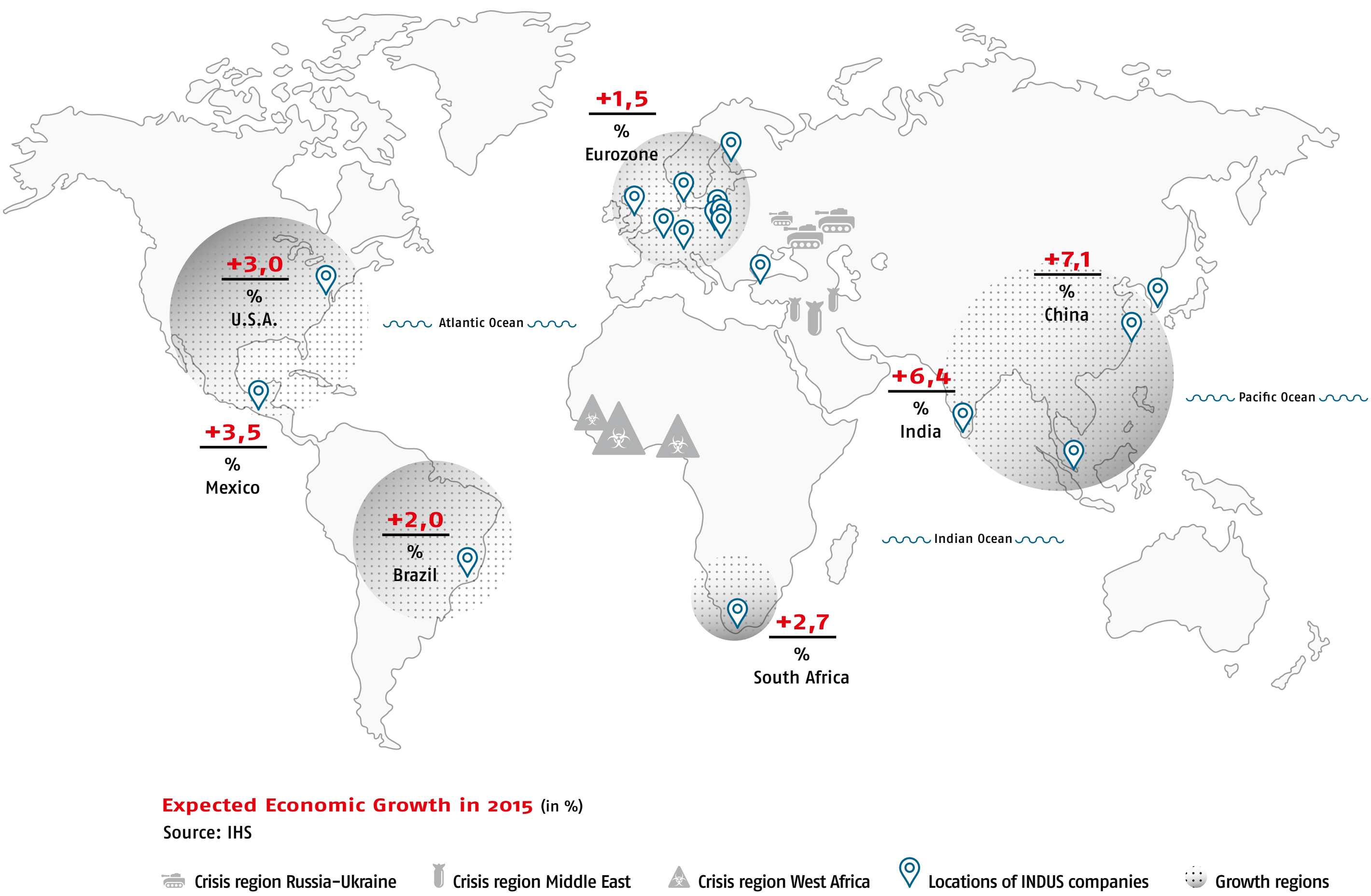
Bergisch Gladbach, November 2014

Yours, The Board of Management

Jürgen Abromeit   Dr. Johannes Schmidt   Rudolf Weichert

INDUS Portfolio Companies in a Global Context

The international political situation is currently tense. The situation in Ukraine along with developments in the Middle East and West Africa are being observed by the industrial and emerging nations with some concern. What effect are these crises having on the 42 INDUS portfolio companies' operations? Our opinion as owner: The effect is noticeable, but not significant. With a few exceptions, the portfolio companies are not active in the affected regions – and in the cases where they are, the events are only having a minor effect.



Expected Economic Growth in 2015 (in %)
Source: IHS

GERMANY AND EUROPE PROVIDE STABLE CORE MARKET

The home market of Germany remains a solid foundation for the INDUS companies. This is where the portfolio companies perform around 50 % of their services. However, the portfolio companies now achieve approximately half of their sales with operations overseas. The EU countries (still) play a vital role in this respect. Nevertheless, the significance of global markets is increasing. Since the financial crisis of 2008/2009 in particular, sales in markets outside of Europe have been growing stronger than those in the EU, accounting for approximately 27 % of total sales across the Group in the last fiscal year.

Our companies have branches and subsidiaries in the most important European markets, notably in the UK (ELTHERM, HORN/PCL, M. BRAUN), the Netherlands (AURORA/HEAVAC, ROLKO), Denmark (ROLKO), the Czech Republic (KÖCO), Slovakia (OBUK), Poland (BETOMAX, IMECO), Austria (BETOMAX), and Serbia (MIKROP). Having a local base means the companies can take advantage of their location to successfully roll out their operations. The most important European selling markets without a local base are France and Italy, followed by Portugal, Greece, Spain, and Ireland. The companies enjoy a relatively stable footing here, too, although the southern European countries' currently weak economies are having a noticeable effect on portfolio companies connected to the automotive market.

THE STABLE GROWTH REGIONS ARE OUTSIDE EUROPE

The portfolio companies aiming beyond Europe with their operations are heading primarily to high-growth emerging markets. These include Brazil, where SELZER, for instance, intends to expand its existing activities even further from 2015, and where VULKAN is already active. These also include Mexico and South Africa, where the two companies S.M.A and WIESAUPLAST are already well represented. The portfolio company ELTHERM is currently establishing a subsidiary in South Africa in order to develop operations with trace heating systems in Africa.

At least equally important for our portfolio companies are the Asian markets, in particular China, but also Singapore and South Korea.

THE OVERSEAS ACTIVITIES DESCRIBED SHOW THAT OUR PORTFOLIO COMPANIES ARE MOSTLY ACTIVE IN STABLE REGIONS.

Even if the times of growth in the double-digits are over in China – not least due to the Chinese government's stronger interference in the economy – annual growth rates of 7 % to 8 % remain very attractive for our SMEs. Some companies are already there (M. BRAUN, AURORA, ROLKO), and BETEK, which specializes in carbide tools, has made the logical move of setting up its own production site there.

In the more advanced countries, the development focus lies on North America, specifically the U.S., where the positive growth momentum is gaining traction. Over the summer of 2014, economic developments once more exceeded the already positive expectations; an analysis of indicators suggests that this trend will continue in 2015. There are currently six INDUS companies actively operating in the U.S. with their own locations: AURORA, BETEK, IPETRONIK, ASS, M. BRAUN, >

> and HORN/TECALEMIT. More intend to follow.

RUSSIAN MARKET IS A POINT OF CONTACT TO CRISIS REGIONS

The overseas activities described above show that our portfolio companies are mostly active in stable regions. A more interesting prospect, but still a challenging market from a political point of view, is Russia. Difficulties have become particularly apparent with the current crisis between Russia and Ukraine. Our portfolio companies there are treading carefully. At the moment, only KÖCO is more heavily involved in the Russian market with a direct subsidiary, and BILSTEIN & SIEKERMANN intends to establish a Russian subsidiary; all other portfolio companies maintain only supplier relationships.

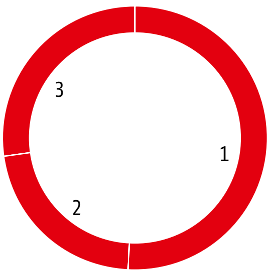
These include SITEK, which continues to sell its studs well in the Russian market, since the product is not on the embargo list. The drop in sales expected here is due to the country's overall weak economy. The Russian operating activities of ELTHERM have also experienced only minor risk to date. The slight decline in sales has other causes and is largely a result of the restructuring of distribution partners. However, since the company also supplies the oil transport industry, operations could be affected in 2015 – but only if Western nations decide to add more items to the embargo list. Other portfolio companies' operations in Russia, such as OFA and TSN, are limited and mostly secure.

Overall, operations in Russia (both direct and indirect) amount to less than 5% of Group sales – and the dangers currently stem from the weak ruble rather than the Western nations' embargo. A business volume of EUR 10 to 15 million is directly influenced by the crisis. Indirectly, that is including economic secondary consequences, this may amount to more.

In the regions of West Africa affected by the Ebola crisis, INDUS portfolio companies only have a few supplier relationships, so that the effect of this crisis on operations is negligible.

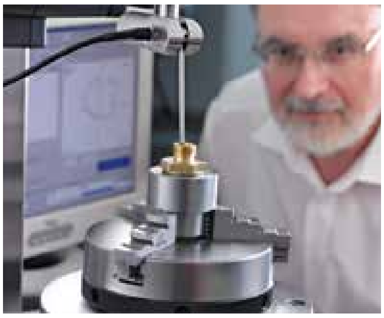
The same applies to the crisis-hit Middle East. Only AURORA and TSN may be affected by direct consequences. Through its overseas branch in Turkey, AURORA supplies components for bus air conditioning systems to Syria and Iran. In the past, this market presented considerable opportunities, but today the sales level is significantly below the EUR 1 million mark. TSN sales are

SALES OF INDUS PORTFOLIO COMPANIES (in %)



1	> Germany	51
2	> Europe	22
3	> Regions outside Europe	27

Source: Company Data



Top left:
ROLKO – the specialist for wheel chair components and other appliances has been in China with its own production since 2006.

Top right:
BILSTEIN & SIEKERMANN – Russia is an attractive market in the long term. This is why the company will invest in its own foreign locations.

Right:
HORN Tecalemit – with the acquisition of LSI in 2013, HORN has created another major key strategic market in the U.S.

of a comparable size: almost EUR 2 million. The Berlin-based high-rise construction specialists are currently installing radio and TV aerial equipment on the Milad tower in Tehran; however, due to the difficult situation there, each individual project must be paid for in advance.

SUMMARY: DESPITE GLOBAL CRISES, ALL PORTFOLIO COMPANIES ARE ON TRACK

Even at these geopolitically difficult times, INDUS Group companies are not facing any dangers as a result of the situation in current crisis zones. Quite the opposite: As long as the overall global economy develops within the currently expected range, our portfolio companies are on a successful path of expansion in the medium-term.

INDUS on the Capital Market

OVERVIEW OF INDUS SHARES*

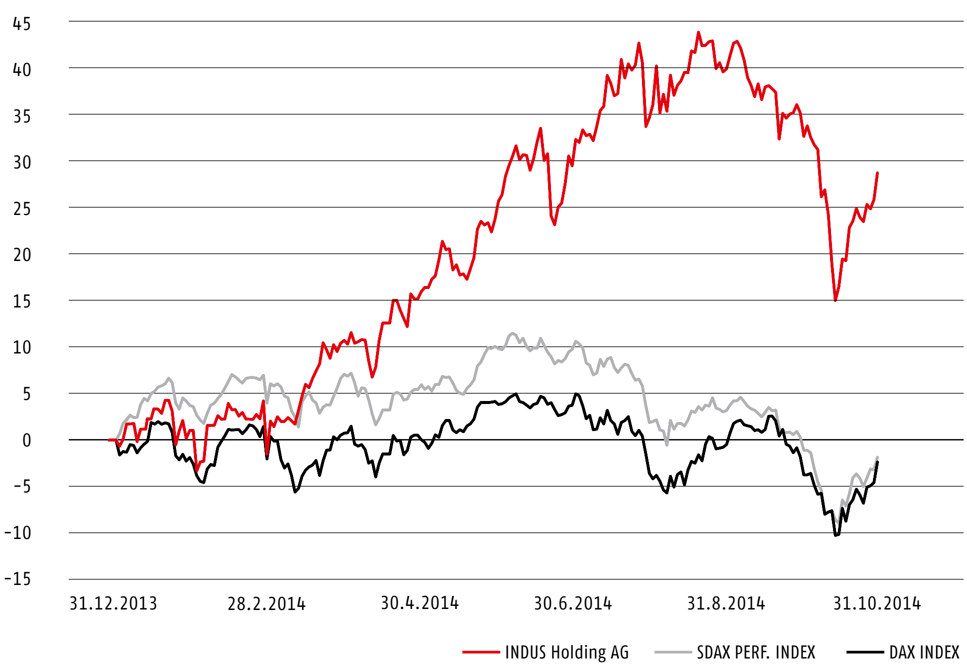
	1.1.–30.9 2014	Full-year 2013
High (in EUR)	40.90	29.47
Low (in EUR)	28.00	20.55
Closing price at reporting date (in EUR)	38.49	29.20
Average daily trading volume (number of shares)	52,914	35,488
Number of shares outstanding	24,450,509	22,410,431
Market capitalization (in EUR millions)	941.1	655.6

* share price acc. to XETRA, trading volume acc. to Deutsche Börse

Shares up in the First Six Months

In 2014, INDUS shares considerably outperformed both the SDAX and the DAX to date. This strong demand is also reflected in the increase in sales of the shares. As of September 30, 2014, the shares were up roughly 36 %, thus substantially outperforming the markets by the close of 2013 (SDAX +1 %, DAX -1 %). This rally culminated in an all-time high for INDUS shares of EUR 40.90 on August 21. The stock market has since corrected considerably as concerns about the economic developments in Europe increase. Current price targets for INDUS stock range between EUR 36 and EUR 46. All analysts are recommending to either buy or hold.

INDUS SHARE PRICE CHANGE IN 2014 (in %)



INTERIM MANAGEMENT REPORT

INDUS Group Business Performance in the First Nine Months of 2014

Following a strong start to 2014, development was stable in the second and third quarters for the INDUS Group. The operating result (EBIT) for the third quarter amounts to EUR 33.0 million, slightly higher than last year's EUR 32.4 million. EBIT rose 4 % over the course of the first nine months in nearly direct proportion to sales (+5 %). Both the cost of materials ratio and the personnel costs ratio remained constant in relation to sales. Operations in the first nine months are therefore completely on target.

CONSOLIDATED STATEMENT OF INCOME (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales	**926.9**	**880.9**
Other operating income	12.9	11.1
Own work capitalized	3.1	2.2
Changes in inventories	5.8	7.9
Overall performance	**948.7**	**902.1**
Cost of materials	-443.5	-426.6
Personnel expenses	-256.6	-237.1
Other operating expenses	-125.1	-119.4
Income from shares accounted for using the equity method	0.9	0.1
Other financial results	0.1	0.1
EBITDA	**124.5**	**119.2**
Depreciation and amortization	-33.0	-31.1
Operating result (EBIT)	**91.5**	**88.1**
Net interest	-15.6	-15.5
Earnings before taxes (EBT)	**75.9**	**72.6**
Taxes	-25.7	-25.9
Earnings attributable to discontinued operations	-3.9	-2.6
Earnings after taxes	**46.3**	**44.1**
of which allocable to non-controlling shareholders	0.5	0.5
of which allocable to INDUS shareholders	45.8	43.6

* Previous year figures adjusted

Earnings: INDUS Group on Target

Absolute consolidated sales of INDUS Holding AG came to EUR 926.9 million at the end of September 2014 (previous year: EUR 880.9 million). Cost of materials rose from EUR 426.6 million to EUR 443.5 million, almost directly analogous to the increase in sales. The cost of materials ratio sank slightly to 47.8 % against the previous year's 48.4 %. Personnel costs rose from EUR 237.1 million to EUR 256.6 million, primarily reflecting a larger post-acquisition workforce; the resulting personnel cost ratio of 27.7 % (previous year: 26.9 %) is in line with INDUS' average mid-year value.

EBITDA (earnings before interest, taxes, depreciation, and amortization) came in at EUR 124.5 million, up EUR 5.3 million versus last year's EUR 119.2 million. Depreciation and amortization increased to a total EUR 33.0 million (previous year: EUR 31.1 million).

As forecast, the operating result (EBIT) for the first nine months of 2014 came in at EUR 91.5 million, higher year-on-year. The EBIT margin for the first nine months was 9.9 % (previous year: 10.0 %). Detailed notes on the earnings position can be found in the segment report.

Net interest was largely unchanged at EUR -15.6 million (previous year: EUR -15.5 million). Earnings before taxes (EBT) rose in the first nine months to EUR 75.9 million (previous year: EUR 72.6 million). With EUR -25.7 million, tax expenditure remained in line with previous year's level (previous year: EUR 25.9 million), corresponding to a tax rate of 33.9 % (previous year: 35.7 %).

Having discontinued operations at the portfolio company NISTERHAMMER, earnings attributable to discontinued operations amounted to EUR -3.9 million (previous year: EUR -2.6 million), which had a negative effect on earnings after taxes. After deducting minority interests, the net result for the period improved to EUR 46.3 million (previous year: EUR 44.1 million). Earnings per share from continuing operations reached EUR 2.03 (previous year: EUR 2.08). This was due to the increase in the number of shares in the offering conducted in December 2013.

Acquisition in the Automation Technology Segment

As part of its growth strategy, INDUS has defined core strategic areas in which the Group intends to pursue more vigorous growth. With the acquisition of MBN Maschinenbaubetriebe Neugersdorf on November 10 of this year, we reinforced our Automation Technology segment. The Saxony-based company, which has approximately 300 employees, develops and produces automation equipment and machinery for the final assembly of vehicles; it has distribution and service companies in the U.S. and China. Sales of around EUR 45 million were achieved in 2013. Its key customers are the large German automotive brands including their overseas subsidiaries and production joint ventures. The company was founded in 1991 during the semi-privatization of a former textile combine and was successfully restructured.

MBN is not dependent on the number of cars sold. Instead, as a capital goods manufacturer, it benefits from the ongoing trend toward an increase in models and the decreased longevity of models in the automotive industry. Due to global competition and the associated cost pressures, the automotive industry will be forced to invest large sums in the next decades in manufacturing and assembly both in existing production plants and the planning of new production plants in the growth regions. These trends together with MBN's great expertise in development ensure good long-term growth prospects for the company as well as an interesting and stable margin situation.

The managing directors have sold 75 % of their shares to INDUS. They retain a minority stake of 25 % and will continue to manage the company's operations in a responsible manner.

Segment Report

The INDUS Holding AG investment portfolio is organized into five segments: Construction/Infrastructure, Automotive Technology, Engineering, Medical Engineering/Life Science, and Metals Technology. The investment portfolio encompassed 42 operating units as of September 30, 2014.

INDUS CONSTRUCTION/INFRASTRUCTURE SEGMENT

Reliable Construction Demand

Domestic construction demand remains a stable driver for the segment. The order backlog for the coming months is also strong for all companies in the business. Segment sales came to EUR 170.9 million in the first nine months of 2014, in line with EUR 169.5 million in 2013, as expected. Earnings before interest and taxes (EBIT) fell slightly year-on-year to EUR 23.4 million (previous year: EUR 24.7 million). The EBIT margin remained at an exceptionally high level of 13.7 %. INDUS forecasts a margin of between 12 and 14 % for the Construction/Infrastructure segment this fiscal year.

Sales +0.8 %
EBIT margin 13.7 %

> Business is stable at in the first nine months

> Stable earnings in line with previous year's level

KEY FIGURES – CONSTRUCTION/INFRASTRUCTURE (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales with external third parties	170.9	169.5
EBITDA	27.6	28.6
Depreciation and amortization	-4.2	-3.9
EBIT	23.4	24.7
EBIT margin in %	13.7	14.6
Capital expenditure	9.0	9.8

* Previous year figures adjusted

INDUS AUTOMOTIVE TECHNOLOGY SEGMENT

Strong Order Books, Demand Slightly Weaker

The global automotive business remains steady, but the trend persists of restrained release ordering of small and mid-sized cars as well as commercial vehicles due to weak European operations. This development was already taken into account by the portfolio companies in their more conservative projections in 2013. A marked economic recovery in France, Italy, or Spain that may have given the industry more momentum once again failed to materialize in 2014. Therefore, as expected, the operating result came in lower year-on-year.

Sales +1.6 %
EBIT margin 6.8 %

> Economic situation in Automotive segment (still) largely stable

> Slight improvement in costs achieved over the year

The companies in this segment generated total sales of EUR 265.1 million (previous year: EUR 261.0 million). At EUR 17.9 million, earnings before interest and taxes (EBIT) came in slightly lower than the previous year's EUR 18.7 million. However, the EBIT margin of 6.8 % is still within the corridor announced by INDUS for 2014 (between 6 % and 8 %).

KEY FIGURES – AUTOMOTIVE TECHNOLOGY (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales with external third parties	265.1	261.0
EBITDA	31.6	32.3
Depreciation and amortization	-13.7	-13.6
EBIT	17.9	18.7
EBIT margin in %	6.8	7.2
Capital expenditure	16.9	15.5

* Previous year figures adjusted

INDUS ENGINEERING SEGMENT

Sales +4.5 %
EBIT margin 12.1 %

> Restructuring at SEMET affects earnings

> Profit margin improved nevertheless

Growth Above the Industry Average

The domestic engineering industry continues to develop at a high level, yet only slight growth of 1 % is expected for 2014. There is quite some divergence in the operations of INDUS' portfolio companies. While some companies are reporting good business, others are noticing consumer restraint, mainly with respect to long-term capital goods. Then there is the restructuring at SEMET: Despite closing one location and intensifying sales efforts, the company remains in deficit.

Segment sales have increased by approximately 4 % from EUR 136.7 million to EUR 142.8 million. EBIT has also increased by approximately 7 % to EUR 17.3 million (previous year: EUR 16.2 million). Overall, however, INDUS expected a higher contribution of sales and earnings from this segment. Nevertheless, the improvement in the EBIT margin to 12.1 % is pleasing (previous year: 11.8 %). It is markedly higher than the target margin for 2014 of 10 %.

Earnings for the segment have been adjusted in the previous year's figures in response to the decision in February 2014 to shut down NISTERHAMMER. These activities are presented as discontinued operations separately from segment earnings.

KEY FIGURES – ENGINEERING (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales with external third parties	142.8	136.7
EBITDA	21.5	19.7
Depreciation and amortization	-4.2	-3.5
EBIT	17.3	16.2
EBIT margin in %	12.1	11.8
Capital expenditure	5.9	44.4

* Previous year figures adjusted

INDUS MEDICAL ENGINEERING/LIFE SCIENCE SEGMENT

Significant Increase in Sales and Earnings with ROLKO Acquisition

Business in the INDUS Group Medical Engineering/Life Science segment has again grown steadily in 2014. supported by stable consumer demand and the continuing positive outlook for the healthcare industry. Segment sales in the first nine months have increased to EUR 84.1 million (previous year: EUR 71.9 million); earnings before interest and taxes (EBIT) have also improved to EUR 13.1 million (previous year: EUR 10.9 million). This is largely due to the acquisition of the ROLKO Group, which has been included in the earnings result since May 2014. Detailed information regarding the acquisition is provided in the notes. With an EBIT margin of 15.6 % (previous year: 15.2 %) in the first nine months, the companies in this segment have once again exceeded their already high earnings result.

Sales +17.0 %
EBIT margin 15.6 %

> Considerable sales increase due to new acquisition

> Profit margin improves slightly

KEY FIGURES – MEDICAL ENGINEERING/LIFE SCIENCE (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales with external third parties	84.1	71.9
EBITDA	15.2	12.6
Depreciation and amortization	-2.1	-1.7
EBIT	13.1	10.9
EBIT margin in %	15.6	15.2
Capital expenditure	20.6	1.9

* Previous year figures adjusted

INDUS METALS TECHNOLOGY SEGMENT

Sales +9.0%
EBIT margin 9.5%

> Sales have developed well

> Profit margin back at usual level

Segment Earnings Up Significantly

The cessation of the negative special effects in the Metals Technology segment announced at the beginning of the year is now becoming evident after the first nine months. A growing order backlog and the resolving of start-up problems with plastic electroplating in which we have newly invested resulted in higher sales and even higher earnings. Segment sales of EUR 263.8 million (previous year: EUR 241.8 million) surpassed the previous year's level by 9.0%; earnings before interest and taxes (EBIT) has also improved considerably and is back at a good level with EUR 25.1 million at the end of the third quarter of 2014 (previous year: EUR 21.6 million). At 9.5% (previous year: 8.9%) the margin has reached the INDUS corridor of 9% to 10% set for 2014 for the segment.

KEY FIGURES – METALS TECHNOLOGY (in EUR millions)

	1.1.–30.9.2014	1.1.–30.9.2013*
Sales with external third parties	263.8	241.8
EBITDA	33.3	29.6
Depreciation and amortization	-8.2	-8.0
EBIT	25.1	21.6
EBIT margin in %	9.5	8.9
Capital expenditure	12.0	4.4

* Previous year figures adjusted

Employees

As the year began, the number of employees working for the various INDUS Group companies held steady as a result of the order situation. At 27.7% of sales, the personnel ratio is roughly at the previous year's level (previous year: 26.9%). As of September 30, 2014, the company had 7,604 employees (previous year: 7,457 employees).

Financial Position

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED (in EUR millions)

	Q1–Q3 2014	Q1–Q3 2013*
Operating cash flow	**53.0**	**63.6**
Interest	-12.4	-14.4
Cash flow from operating activities	**40.6**	**49.2**
Cash outflow for investments	-65.0	-78.8
Cash inflow from the disposal of assets	0.5	0.6
Cash flow from investing activities	**-64.5**	**-78.2**
Dividends paid to shareholders	-26.9	-22.2
Cash outflow from payments to non-controlling shareholders	-0.1	-0.8
Cash inflow from the assumption of debt	96.2	105.0
Cash outflow from the repayment of debt	-62.5	-52.6
Cash flow from financing activities	**6.7**	**29.4**
Net cash change in financial facilities	-17.2	0.4
Changes in cash and cash equivalents caused by currency exchange rates	0.6	0.3
Cash and cash equivalents at the beginning of the period	115.9	98.7
Cash and cash equivalents at the end of the period	**99.3**	**99.3**

* Previous year figures adjusted

Statement of Cash Flows: Liquidity remains at almost EUR 100 million despite acquisitions

Based on earnings after taxes of EUR 50.2 million from continuing operations (previous year: EUR 46.7 million), operating cash flow of EUR 53.0 million decreased in the first nine months of 2014 year-on-year (previous year: EUR 63.6 million). Stable demand over the course of the year led to an increase in inventories and trade receivables. In addition, cash outflows for taxes increased in comparison to the previous year. Due to additional tax refunds and reduced tax prepayments, there was less cash outflow in 2013 than shown in the income statement. In 2014 income taxes will return to their usual level and will accrue relative to expected tax expenditure; INDUS expects a tax rate in the customary range of 33 % to 35 %.

At EUR 12.4 million, cash flow from interest in the first nine months of 2014 was lower year-on-year (previous year: EUR 14.4 million). Due to the effects mentioned above, cash flow from operating activities dropped to EUR 40.6 million (previous year: EUR 49.2 million).

Cash outflow for investing activities amounted to EUR -78.2 million in the previous year's period, primarily due to the larger acquisitions. In 2014 INDUS acquired the ROLKO Group, as well as three smaller companies (SAVVY AG, TR Metalltechnik, and KNUR Maschinenbau). Cash outflow for investing activities was therefore a little lower this year, amounting to EUR -64.5 million.

Cash inflow from financing activities dropped from EUR 29.4 million to EUR 6.7 million. At the start of last year, new credit lines were opened to ensure we can meet debt service obligations and to develop adequate reserve liquidity for planned acquisitions. At EUR 99.3 million as of the reporting date, cash and cash equivalents remain at the previous year's level.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED (in EUR millions)

	Sept. 30, 2014	Dec. 31, 2013
Assets		
Noncurrent assets	**699.2**	**658.1**
Fixed assets	695.9	652.9
Accounts receivable and other current assets	3.3	5.2
Current assets	**556.4**	**522.8**
Inventories	254.3	236.1
Accounts receivable and other current assets	202.8	170.8
Cash and cash equivalents	99.3	115.9
Total assets	**1,255.6**	**1,180.9**
Equity and liabilities		
Noncurrent liabilities	**936.5**	**890.7**
Equity	532.6	515.3
Debt	403.9	375.4
of which provisions	28.2	23.6
of which payables and income taxes	375.7	351.8
Current liabilities	**319.1**	**290.2**
of which provisions	64.1	51.0
of which liabilities	255.0	239.2
Total equity and liabilities	**1,255.6**	**1,180.9**

Statement of Financial Position: Equity Ratio over 42%, Liquidity Remains High at Almost EUR 100 million

The INDUS Group has achieved higher consolidated total assets due primarily to the ROLKO, KNUR, SAVVY, and TR-Metalltechnik acquisitions and the increase during the year in working capital, and amounts to EUR 1,256.5 million as of September 30 of this year (December 31, 2013: EUR 1,180.9 million). Portfolio growth is primarily reflected in noncurrent assets. The rise in current assets is mainly due to the increase in inventories and receivables over the course of the year. Despite the four acquisitions, cash and cash equivalents remain at the same level as at the end of 2013.

Group equity remained virtually unchanged year-on-year at EUR 532.6 million (December 31, 2013: EUR 515.3 million). Noncurrent liabilities rose by EUR 28.3 million; this increase is due chiefly to the application of a lower interest rate to calculate pension provisions, increased purchase price liabilities for minority shares following the acquisitions, and new refinancing carried out before the reporting date.

Current liabilities increased by EUR 28.9 million due mainly to the scheduled ramp-up of the annual ABS program in conjunction with the seasonal increase in working capital and higher trade payables. The equity ratio declined slightly to 42.4 % in line with expectations, but is still above INDUS' long-term target level of 40 % (as of December 31, 2013: 43.6 %). Net debt in the Group after the first nine months of 2014 stood at EUR 358.0 million (December 31, 2013: EUR 307.6 million), a figure that will decline again by approximately EUR 30 million by the end of the year, as planned.

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 activity is inextricably linked with risk-taking. At the same time, this enables the company to seize new opportunities and thus defend and strengthen the market position of the 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 significance of particular risks are discussed in detail in the 2013 annual report on pages 84 ff. Here it is stated 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.

Events after the Reporting Date

By means of a contract dated November 10, 2014, INDUS Holding AG acquired 75 % of the shares in MBN Maschinenbaubetriebe Neugersdorf GmbH, based in Ebersbach-Neugersdorf. MBN has locations in Germany, Alabama (U. S.), and Changchun (China), and produces plant equipment for vehicle assembly. The MBN group is assigned to the Engineering segment.

The purchase price allocation process has not yet been completed. The transaction is still subject to the approval of the Federal Cartel Office.

Outlook

> Sales will exceed EUR 1.2 billion in 2014

> Operating earnings of EUR 118 million still expected

> Five acquisitions made this fiscal year

Contrary to expectations, 2014 will not be a year of dynamic growth for the German economy. Current economic forecasts predict weak growth of around 1 %. The global economy is also forecast to barely exceed last year's mark (2.9 %) at 3 % for the year. Despite an environment currently characterized by downward tendencies, INDUS recorded satisfactory sales growth and a good operating result for the first nine months. Business performance in the first three quarters of 2014 corresponded with our plans, despite the gloomy circumstances. We moved forward vigorously with the growth initiative, making five new acquisitions. At present, we expect to achieve the budget set for 2014. INDUS therefore reiterates its sales and earnings forecasts of more than EUR 1.2 billion and EBIT of approximately EUR 118 million before the inclusion of the sales and earnings contributions from the acquisitions made over the course of the year.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Statement of Income

FOR THE FIRST NINE MONTHS OF 2014 (in EUR '000)

	Notes	Q1–Q3 2014	Q1–Q3 2013*
Sales		**926,865**	**880,855**
Other operating income		12,851	11,110
Own work capitalized		3,130	2,219
Change in inventories		5,772	7,934
Cost of materials	[6]	-443,473	-426,560
Personnel expenses	[7]	-256,554	-237,154
Depreciation and amortization		-32,967	-31,141
Other operating expenses	[8]	-125,140	-119,382
Income from shares accounted for using the equity method		874	126
Financial result		117	133
Operating result (EBIT)		**91,475**	**88,140**
Interest income		331	266
Interest expenses		-15,948	-15,771
Net interest	[9]	**-15,617**	**-15,505**
Earnings before taxes		**75,858**	**72,635**
Taxes	[10]	-25,673	-25,937
Income from discontinued operations	[5]	-3,914	-2,622
Earnings after taxes		**46,271**	**44,076**
of which allocable to non-controlling interests		536	531
of which allocable to INDUS shareholders		45,735	43,545
Earnings per share (undiluted and diluted) in EUR (continuing operations)	[11]	2.03	2.08

* Previous year's figures adjusted

Statement of Income and Accumulated Earnings

FOR THE FIRST NINE MONTHS OF 2014 (in EUR '000)

	Q1–Q3 2014	Q1–Q3 2013*
Earnings after taxes	**46,271**	**44,076**
Actuarial gains and losses	-4,042	-228
Deferred taxes	1,164	66
Items not reclassified to profit or loss	**-2,878**	**-162**
Currency translation adjustment	991	313
Change in the market values of derivative financial instruments (cash flow hedge)	-1,803	3,679
Deferred taxes	285	-581
Items to be reclassified to profit or loss in future	**-527**	**3,411**
Other income	**-3,405**	**3,249**
Overall result	**42,866**	**47,325**
of which allocable to non-controlling shareholders	536	531
of which allocable to INDUS shareholders	42,330	46,794

* Previous year's figures adjusted

The income and expenses of EUR -3,405,000 recognized directly in equity under other income include EUR -4,042,000 in actuarial losses from pension plans and similar obligations. These resulted primarily from lowering the interest rate on domestic commitments from 3.7 % as of December 31, 2013, to 2.5 % as of September 30, 2014.

Net income from currency translation of EUR 991,000 is derived from the translated financial statements of consolidated international subsidiaries. The change in fair values of derivative financial instruments in the amount of EUR -1,803,000 was chiefly the result of interest rate swaps transacted by the holding company in order to hedge interest rate movements.

Consolidated Statement of Income

FOR THE THIRD QUARTER 2014 (in EUR '000)

	Q3 2014	Q3 2013*
Sales	**326,580**	**312,032**
Other operating income	4,122	4,239
Own work capitalized	940	1,213
Change in inventories	-10,406	-1,031
Cost of materials	-149,190	-149,362
Personnel expenses	-86,233	-81,228
Depreciation and amortization	-11,119	-10,567
Other operating expenses	-42,211	-43,072
Income from shares accounted for using the equity method	461	74
Financial result	40	58
Operating result (EBIT)	**32,984**	**32,356**
Interest income	114	124
Interest expenses	-5,228	-5,038
Net interest	**-5,114**	**-4,914**
Earnings before taxes	**27,870**	**27,442**
Taxes	-8,428	-9,493
Income from discontinued operations	-1,281	-251
Earnings after taxes	**18,161**	**17,698**
of which allocable to non-controlling interests	210	225
of which allocable to INDUS shareholders	17,951	17,473
Earnings per share (undiluted and diluted) in EUR (continuing operations)	0.79	0.80

* Previous year's figures adjusted

Statement of Income and Accumulated Earnings

FOR THE THIRD QUARTER 2014 (in EUR '000)

	Q3 2014	Q3 2013*
Earnings after taxes	**18,161**	**17,698**
Actuarial gains and losses	-1,348	59
Deferred taxes	388	-17
Items not reclassified to profit or loss	**-960**	**42**
Currency translation adjustment	697	2,110
Change in the market values of derivative financial instruments (cash flow hedge)	-386	640
Deferred taxes	61	-100
Items to be reclassified to profit or loss in future	**372**	**2,650**
Other income	**-588**	**2,692**
Overall result	**17,573**	**20,390**
of which allocable to non-controlling shareholders	210	225
of which allocable to INDUS shareholders	17,363	20,165

* Previous year's figures adjusted

Consolidated Statement of Financial Position

in EUR '000	Notes	Sept. 30, 2014	Dec. 31, 2013
ASSETS			
Goodwill		352,116	331,606
Other intangible assets	[12]	34,988	28,887
Property, plant, and equipment	[13]	286,825	271,833
Investment property		5,817	5,965
Financial assets		9,483	8,843
Shares accounted for using the equity method		6,611	5,737
Other noncurrent assets		1,075	2,901
Deferred taxes		2,263	2,303
Noncurrent assets		**699,178**	**658,075**
Inventories	[14]	254,266	236,056
Accounts receivable	[15]	185,170	156,218
Other current assets		15,670	12,050
Current income taxes		2,000	2,584
Cash and cash equivalents		99,309	115,921
Current assets		**556,415**	**522,829**
Total assets		**1,255,593**	**1,180,904**
EQUITY AND LIABILITIES			
Subscribed capital		63,571	63,571
Capital reserve		239,833	239,833
Other reserves		226,733	211,299
Equity held by INDUS shareholders		**530,137**	**514,703**
Non-controlling interests in the equity		2,504	627
Equity		**532,641**	**515,330**
Provisions for pensions		26,540	21,803
Other noncurrent provisions		1,668	1,755
Noncurrent financial liabilities		313,968	304,769
Other noncurrent liabilities		32,610	21,376
Deferred taxes		29,092	25,716
Noncurrent liabilities		**403,878**	**375,419**
Other current provisions		64,058	51,008
Current financial liabilities		143,354	118,760
Trade accounts payable		56,711	45,543
Other current liabilities		53,481	69,687
Current income taxes		1,470	5,157
Current liabilities		**319,074**	**290,155**
Total equity and liabilities		**1,255,593**	**1,180,904**

Consolidated Statement of Equity

in EUR '000	Subscribed capital	Capital reserve	Retained Earnings	Other Earnings	Equity held by INDUS shareholders	Interests allocable to non-controlling shareholders	Group equity
Balance Dec. 31, 2012	**57,792**	**185,672**	**174,399**	**-4,967**	**412,896**	**1,242**	**414,138**
Income after taxes			43,545		43,545	531	44,076
Other income				3,249	3,249		3,249
Overall result			**43,545**	**3,249**	**46,794**	**531**	**47,325**
Dividend payment			-22,228		-22,228	-734	-22,962
Changes to scope of consolidation						177	177
Balance Sept. 30, 2013	**57,792**	**185,672**	**195,716**	**-1,718**	**437,462**	**1,216**	**438,678**
Balance Dec. 31, 2013	**63,571**	**239,833**	**216,024**	**-4,725**	**514,703**	**627**	**515,330**
Income after taxes			45,735		45,735	536	46,271
Other income				-3,405	-3,405		-3,405
Overall result			**45,735**	**-3,405**	**42,330**	**536**	**42,866**
Dividend payment			-26,896		-26,896	-141	-27,037
Changes to scope of consolidation						1,482	1,482
Balance Sept. 30, 2014	**63,571**	**239,833**	**234,863**	**-8,130**	**530,137**	**2,504**	**532,641**

Interests held by non-controlling shareholders essentially consist of the non-controlling interests in WEIGAND Bau GmbH and subsidiaries of the ROLKO Group. Interests held by non-controlling shareholders in limited partnerships and limited liability companies for which, at the time of purchase, the economic ownership of the corresponding non-controlling interests had already been passed on under reciprocal option agreements are shown under other liabilities. This relates in particular to SELZER Fertigungstechnik GmbH & Co. KG, BUDDE Fördertechnik GmbH and ROLKO Kohlgrüber GmbH.

Consolidated Statement of Cash Flows

in EUR '000	Q1–Q3 2014	Q1–Q3 2013*
Income after taxes generated by continuing operations	50,185	46,698
Depreciation/write-ups of noncurrent assets	32,967	31,141
Taxes	25,673	25,937
Net interest	15,617	15,505
Cash earnings of discontinued operations	-645	-3,042
Other non-cash transactions	-3,418	-1,569
Changes in provisions	17,438	13,288
Increase (–)/decrease (+) in inventories, trade accounts receivable, and other assets	-41,087	-36,373
Increase (+)/decrease (–) in trade accounts payable and other liabilities	-17,574	-13,078
Income taxes received/paid	-26,142	-14,877
Dividends received	0	0
Operating cash flow	**53,014**	**63,630**
Interest paid	-12,795	-14,638
Interest received	331	266
Cash flow from operating activities	**40,550**	**49,258**
Cash outflow from investments in		
property, plant, and equipment, and in intangible assets	-40,714	-30,537
financial assets and shares accounted for using the equity method	-1,090	-2,183
shares in fully consolidated companies	-23,160	-46,105
Cash inflow from the disposal of		
shares in fully consolidated companies	0	0
other assets	457	661
Cash flow from investing activities of discontinued operations	0	-50
Cash flow from investing activities	**-64,507**	**-78,214**
Dividends paid to shareholders	-26,896	-22,228
Cash outflow from payments to non-controlling shareholders	-141	-734
Cash inflow from the assumption of debt	96,215	105,003
Cash outflow from the repayment of debt	-62,458	-52,633
Cash flow from financing activities of discontinued operations	35	22
Cash flow from financing activities	**6,755**	**29,430**
Net cash change in financial facilities	-17,202	474
Changes in cash and cash equivalents caused by currency exchange rates	590	157
Cash and cash equivalents at the beginning of the period	115,921	98,710
Cash and cash equivalents at the end of the period	**99,309**	**99,341**

*Previous year's figures adjusted

Notes
Basic Principles

[1] GENERAL INFORMATION

INDUS Holding AG, based in Bergisch Gladbach, Germany, prepared its consolidated financial statements for the period January 1 through September 30, 2014, in accordance with International Financial Reporting Standards (IFRS) and interpretations of these standards by the International Financial Reporting Standards Interpretations Committee (IFRS IC) as to their applicability in the European Union (EU). 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, nor subjected to 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 were applied as in the consolidated financial statements for the 2013 fiscal year. They are described there in detail. Because this interim financial report does not provide the full scope of information found in 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 quarterly report includes all of the usual ongoing adjustments that are necessary for an appropriate presentation of the Group's financial position and financial performance. The results achieved in the first nine months of the 2014 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.

[2] CHANGES IN ACCOUNTING GUIDELINES

All obligatory accounting standards in effect as of fiscal year 2014 have been implemented in these interim financial statements.

In May 2011 the IASB published three new standards regarding consolidation: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and IFRS 12 "Disclosure of Interests in Other Entities". In addition, changes to two existing standards were published: IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". Initial application of the standards is mandatory for fiscal years beginning on or after January 1, 2014. The new standards do not affect in any way the presentation of the financial position and financial performance of INDUS Holding AG in the consolidated financial statements.

[3] SCOPE OF CONSOLIDATION

In the consolidated financial statements, all subsidiary companies are fully consolidated if the INDUS Group has the direct or indirect possibility of influencing the companies' financial and business policy for the benefit of the INDUS Group. This is generally the case if the INDUS Group holds more than 50 % of the voting rights in a portfolio company or contractual provisions stipulate that the INDUS Group retains all of the main opportunities and risks associated with the company. Associated companies whose financial and business policies 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 of the date on which the business is transferred. After the date on which the decision is made to divest the company in question, these are classified as "held for sale."

[4] BUSINESS COMBINATIONS

ROLKO

By means of a contract dated April 10, 2014, INDUS Holding AG acquired 75 % of the shares in ROLKO Kohlgrüber GmbH, based in Borgholzhausen. With locations in Borgholzhausen, Silkeborg (Denmark), Houten (the Netherlands), and Xiamen (China), the ROLKO Group is a leading supplier of rehabilitation accessories, particularly for wheelchairs and rollators. The companies are assigned to the Medical Engineering/Life Science segment.

The fair value of the entire consideration for the acquisition of the ROLKO Group amounted to EUR 28,651,000 at the time of acquisition. This amount is comprised of EUR 20,250,000 in cash plus a contingent purchase price liability in the amount of EUR 8,401,000, which was factored into the fair value calculation.

Funds totaling EUR 1,861,000 were included in the acquisition. Noncurrent assets include goodwill stemming from the first-time consolidation amounting to EUR 17,232,000, which is not tax-deductible.

In the preliminary purchase price allocation, the acquired assets and liabilities at the time of first-time consolidation were determined as follows:

ACQUISITION: ROLKO (in EUR '000)

	Carrying amounts at time of addition	Assets added due to first-time consolidation	Additions consolidated statement of financial position
Noncurrent assets	4,129	24,609	28,738
Current assets	9,252	400	9,652
Total assets	**13,381**	**25,009**	**38,390**
Noncurrent liabilities	0	10,882	10,882
Current liabilities	6,081	0	6,081
Total liabilities	**6,081**	**10,882**	**16,963**

The ROLKO Group contributed sales of EUR 10,037,000 to the earnings generated between January 1, 2014, and September 30, 2014, and EBIT of EUR 1,952,000. First-time consolidation took place in May 2014.

Incidental acquisition costs were recorded in the income statement.

OTHER ACQUISITIONS

In an agreement dated May 21, 2014, IPETRONIK GmbH & Co. KG acquired a 60 % stake in SAVVY Telematic Systems AG, based in Schaffhausen, Switzerland. SAVVY AG is a provider of telematics solutions in the logistics industry. First-time consolidation took place in May 2014 and the company is assigned to the Automotive Technology segment.

As part of the development strategy of the RÜBSAMEN Group, TR-Metalltechnik GmbH, Eichenstruth, was acquired in an asset deal signed on July 3, 2014. The company specializes in laser and welding technology and will be assigned to the Metals Technology segment. First-time consolidation took place in July 2014.

In an agreement dated August 20, 2014, the INDUS portfolio company ASS acquired a 75 % stake in KNUR Maschinenbau GmbH, Regensburg. KNUR adds plastic adhesive technology and CFRP production to ASS's product portfolio. First-time consolidation took place in September 2014. KNUR Maschinenbau GmbH will be assigned to the Engineering segment.

The fair value of the entire consideration for the acquisition of the remaining companies amounted to EUR 5,029,000 at the time of acquisition. This amount is comprised of EUR 3,787,000 in cash plus a contingent purchase price liability in the amount of EUR 1,241,000 which was factored into the fair value calculation. Funds totaling EUR 706,000 and liabilities totaling EUR 1,688,000 were included in the acquisition. Noncurrent assets include goodwill stemming from the first-time consolidation amounting to EUR 2,222,000, which are not tax-deductible.

In the preliminary purchase price allocation, the acquired assets and liabilities at the time of first-time consolidation were determined as follows:

OTHER ACQUISITIONS (in EUR '000)

	Carrying amounts at time of addition	Assets added due to first-time consolidation	Additions consolidated statement of financial position
Noncurrent assets	1,931	3,058	4,989
Current assets	2,860	448	3,308
Total assets	**4,791**	**3,506**	**8,297**
Noncurrent liabilities	878	0	878
Current liabilities	1,729	322	2,051
Total liabilities	**2,607**	**322**	**2,929**

Due to the other acquisitions, EUR 931,000 were recorded in sales and EBIT amounted to EUR -319,000.

Goodwill represents inseparable assets such as staff expertise and positive expectations for future income as well as synergies in design and production.

[5] DISCONTINUED OPERATION

At the end of February 2014, the Board of Management of INDUS Holding AG resolved to shut down and wind up the business operations of NISTERHAMMER Maschinenbau GmbH & Co. KG, Nister, with the approval of the Supervisory Board. NISTERHAMMER was classified as part of the Engineering segment.

The presentation as “discontinued operations” is due to the shut-down of operations. The income and expenses of NISTERHAMMER in the first three quarters of 2014 and 2013 amounted to:

DISCONTINUED OPERATION (in EUR '000)

	Q1–Q3 2014	Q1–Q3 2013
Sales	1,418	6,275
Expenses and other income	-5,943	-9,141
Operating result (EBIT)	**-4,525**	**-2,866**
Net interest	-110	-249
Earnings before taxes	**-4,635**	**-3,115**
Taxes	721	493
Earnings after taxes	-3,914	-2,622
Income from discontinued operations	**-3,914**	**-2,622**

Presentation of NISTERHAMMER as discontinued operations requires an adjustment of the previous year's figures in the statement of income:

ADJUSTMENT OF THE PREVIOUS YEAR'S STATEMENT OF INCOME (in EUR '000)

	Q1–Q3 2013 published	IFRS 5	Q1–Q3 2013 adjusted
Sales	**887,130**	**-6,275**	**880,855**
Other operating income	11,158	-48	11,110
Own work capitalized	2,219	0	2,219
Change in inventories	8,044	-110	7,934
Cost of materials	-432,082	5,522	-426,560
Personnel expenses	-239,846	2,692	-237,154
Depreciation and amortization	-31,271	130	-31,141
Other operating expenses	-120,337	955	-119,382
Income from shares accounted for using the equity method	126	0	126
Financial result	133	0	133
Operating result (EBIT)	**85,274**	**2,866**	**88,140**
Interest income	266	0	266
Interest expenses	-16,020	249	-15,771
Net interest	**-15,754**	**249**	**-15,505**
Earnings before taxes	**69,520**	**3,115**	**72,635**
Taxes	-25,444	-493	-25,937
Income from discontinued operations	0	-2,622	-2,622
Earnings after taxes	**44,076**	**0**	**44,076**
of which allocable to non-controlling shareholders	531	0	531
of which allocable to INDUS shareholders	43,545	0	43,545
Earnings per share undiluted in EUR	1.96	-0.12	2.08
Earnings per share diluted in EUR	1.96	-0.12	2.08

Notes to the Statement of Income

[6] COST OF MATERIALS

in EUR '000	Q1–Q3 2014	Q1–Q3 2013*
Raw materials and goods for resale	-383,423	-365,228
Purchased services	-60,050	-61,332
Total	**-443,473**	**-426,560**

*Previous year's figures adjusted

[7] PERSONNEL EXPENSES

in EUR '000	Q1–Q3 2014	Q1–Q3 2013*
Wages and salaries	-217,415	-200,229
Social security	-37,199	-34,579
Pensions	-1,940	-2,346
Total	**-256,554**	**-237,154**

*Previous year's figures adjusted

[8] OTHER OPERATING EXPENSES

in EUR '000	Q1–Q3 2014	Q1–Q3 2013*
Selling expenses	-51,063	-51,180
Operating expenses	-45,652	-41,478
Administrative expenses	-24,029	-19,947
Other expenses	-4,396	-6,777
Total	**-125,140**	**-119,382**

*Previous year's figures adjusted

[9] NET INTEREST

in EUR '000	Q1–Q3 2014	Q1–Q3 2013*
Interest and similar income	331	266
Interest and similar expenses	-13,326	-14,485
Interest from operations	**-12,995**	**-14,219**
Other: Market value of interest-rate swaps	338	911
Other: Non-controlling interests	-2,960	-2,197
Other interest	**-2,622**	**-1,286**
Total	**-15,617**	**-15,505**

*Previous year's figures adjusted

[10] INCOME TAXES

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

[11] EARNINGS PER SHARE

in EUR '000	Q1–Q3 2014	Q1–Q3 2013*
Earnings attributable to INDUS shareholders	45,735	43,545
Earnings attributable to discontinued operations	-3,914	-2,622
Earnings attributable to continuing operations	**49,649**	**46,167**
Weighted average shares outstanding (in thousands)	24,451	22,228
Earnings per share, continuing operations (in EUR)	2.03	2.08
Earnings per share, discontinued operations (in EUR)	-0.16	-0.12

*Previous year's figures adjusted

Notes to the Consolidated Statement of Financial Position

[12] OTHER INTANGIBLE ASSETS

in EUR '000	Sept. 30, 2014	Dec. 31, 2013
Capitalized development costs	8,047	8,155
Property rights, concessions, and other intangible assets	26,941	20,732
Total	**34,988**	**28,887**

[13] PROPERTY, PLANT, AND EQUIPMENT

in EUR '000	Sept. 30, 2014	Dec. 31, 2013
Land and buildings	155,168	140,984
Plant and machinery	80,688	77,388
Other equipment, factory, and office equipment	38,430	34,728
Advance payments and work in process	12,539	18,733
Total	**286,825**	**271,833**

[14] INVENTORIES

in EUR '000	Sept. 30, 2014	Dec. 31, 2013
Raw materials and supplies	88,155	82,493
Unfinished goods	82,707	74,579
Finished goods and goods for resale	76,822	73,252
Prepayments for inventories	6,582	5,732
Total	**254,266**	**236,056**

[15] ACCOUNTS RECEIVABLE

in EUR '000	Sept. 30, 2014	Dec. 31, 2013
Accounts receivable from customers	158,493	137,894
Accounts receivable from construction contracts	20,125	11,048
Accounts receivable from associated companies	6,552	7,276
Total	**185,170**	**156,218**

Other disclosures

[16] SEGMENT REPORTING

SEGMENT INFORMATION BY OPERATION (CONTINUING OPERATIONS) FOR THE FIRST NINE MONTHS OF 2014

SEGMENT INFORMATION IN ACCORDANCE WITH IFRS 8 (in EUR '000)

	Construction/ Infrastructure	Automotive Technology	Engineering	Medical Engineering/ Life Science	Metals Technology	Total Segments	Reconciliation	Consolidated financial statements
Q1–Q3 2014								
Sales with external third parties	170,940	265,133	142,762	84,113	263,799	926,747	118	926,865
Sales with Group companies	7,477	28,292	27,643	2,298	22,955	88,665	-88,665	0
Sales	**178,417**	**293,425**	**170,405**	**86,411**	**286,754**	**1,015,412**	**-88,547**	**926,865**
Segment earnings (EBIT)	**23,386**	**17,857**	**17,272**	**13,062**	**25,087**	**96,664**	**-5,189**	**91,475**
Earnings from equity valuation	0	830	44	0	0	874	0	874
Depreciation and amortization	**-4,233**	**-13,678**	**-4,231**	**-2,140**	**-8,241**	**-32,523**	**-444**	**-32,967**
Segment EBITDA	**27,619**	**31,535**	**21,503**	**15,202**	**33,328**	**129,187**	**-4,745**	**124,442**
Capital expenditure	**9,036**	**16,852**	**5,866**	**20,636**	**11,955**	**64,345**	**619**	**64,964**
of which company acquisitions	0	27	4,086	18,389	658	23,160	0	23,160
Q1–Q3 2013*								
Sales with external third parties	169,466	261,030	136,647	71,852	241,832	880,827	28	880,855
Sales with Group companies	6,872	25,752	18,040	1,380	23,762	75,806	-75,806	0
Sales	**176,338**	**286,782**	**154,687**	**73,232**	**265,594**	**956,633**	**-75,778**	**880,855**
Segment earnings (EBIT)	**24,750**	**18,658**	**16,152**	**10,946**	**21,595**	**92,101**	**-3,961**	**88,140**
Earnings from equity valuation	0	126	0	0	0	126	0	126
Depreciation and amortization	**-3,866**	**-13,636**	**-3,549**	**-1,705**	**-8,012**	**-30,768**	**-373**	**-31,141**
Segment EBITDA	**28,616**	**32,294**	**19,701**	**12,651**	**29,607**	**122,869**	**-3,588**	**119,281**
Capital expenditure	**9,802**	**15,467**	**44,390**	**1,924**	**4,429**	**76,012**	**680**	**76,692**
of which company acquisitions	0	6,023	40,082	0	0	46,105	0	46,105

*Previous year's figures adjusted

SEGMENT INFORMATION BY OPERATION (CONTINUING OPERATIONS) FOR THE THIRD QUARTER 2014

SEGMENT INFORMATION IN ACCORDANCE WITH IFRS 8 (in EUR '000)

	Construction/ Infrastructure	Automotive Technology	Engineering	Medical Engineering/ Life Science	Metals Technology	Total Segments	Reconciliation	Consolidated financial statements
Q3 2014								
Sales with external third parties	62,069	89,835	54,278	30,432	89,788	326,402	178	326,580
Sales with Group companies	2,502	9,918	10,595	509	7,960	31,484	-31,484	0
Sales	**64,571**	**99,753**	**64,873**	**30,941**	**97,748**	**357,886**	**-31,306**	**326,580**
Segment earnings (EBIT)	**10,908**	**6,482**	**6,536**	**4,450**	**6,588**	**34,964**	**-1,980**	**32,984**
Earnings from equity valuation	0	462	0	0	0	462	0	462
Depreciation and amortization	**-1,482**	**-4,469**	**-1,392**	**-829**	**-2,789**	**-10,961**	**-158**	**-11,119**
Segment EBITDA	**12,390**	**10,951**	**7,928**	**5,279**	**9,377**	**45,925**	**-1,822**	**44,103**
Capital expenditure	**1,707**	**4,606**	**4,050**	**890**	**5,402**	**16,655**	**414**	**17,069**
of which company acquisitions	0	0	4,086	0	658	4,744	0	4,744
Q3 2013*								
Sales with external third parties	64,528	91,439	51,864	22,571	82,210	312,612	-580	312,032
Sales with Group companies	2,530	9,308	10,160	484	8,230	30,712	-30,712	0
Sales	**67,058**	**100,747**	**62,024**	**23,055**	**90,440**	**343,324**	**-31,292**	**312,032**
Segment earnings (EBIT)	**12,515**	**5,144**	**5,682**	**3,443**	**7,159**	**33,943**	**-1,587**	**32,356**
Earnings from equity valuation	0	73	0	0	0	73	0	73
Depreciation and amortization	**-1,304**	**-4,477**	**-1,451**	**-566**	**-2,636**	**-10,434**	**-133**	**-10,567**
Segment EBITDA	**13,819**	**9,621**	**7,133**	**4,009**	**9,795**	**44,377**	**-1,454**	**42,923**
Capital expenditure	**3,106**	**3,471**	**18,671**	**894**	**1,328**	**27,470**	**186**	**27,656**
of which company acquisitions	0	0	17,281	0	0	17,281	0	17,281

*Previous year's figures adjusted

The table below reconciles the total operating results of segment reporting with the calculation of income before tax:

RECONCILIATION (in EUR '000)

	Q1–Q3 2014	Q1–Q3 2013	Q3 2014	Q3 2013
Segment earnings (EBIT)	**96,664**	**92,101**	**34,964**	**33,943**
Areas not allocated, incl. holding company	-4,879	-4,015	-1,594	-1,671
Consolidations	-310	54	-386	84
Net interest	-15,617	-15,505	-5,114	-4,914
Earnings before taxes	**75,858**	**72,635**	**27,870**	**27,442**

The classification of segments corresponds unchanged to the current status of internal reporting. The information relates to continuing activities. The companies are allocated to the segments on the basis of their selling markets insofar as the bulk of their product range is sold in that market environment (Automotive Technology, Medical Engineering/Life Science). Otherwise they are classified by common features in their production structure (Construction/Infrastructure, Engineering, Metals Technology).

The reconciliations contain the figures of the holding company, non-operational units not allocated to any segment, and consolidations. See the discussion provided in the management report regarding the products and services that generate segment sales.

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

SEGMENT INFORMATION BY REGION

Sales are broken down by region in relation to our selling markets. The further classification of our 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 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.

in EUR '000	Group	Germany	EU	Rest of world
Q1–Q3 2014				
Sales with external third parties	926,865	479,301	202,314	245,250
Noncurrent assets, less deferred taxes and financial instruments	686,357	571,987	17,974	96,396
Q1–Q3 2013				
Sales with external third parties*	880,855	463,184	183,496	234,175
Noncurrent assets, less deferred taxes and financial instruments (Dec. 31, 2013)	644,025	561,751	15,375	66,899

*Previous year's figures adjusted

in EUR '000	Group	Germany	EU	Rest of world
Q3 2014				
Sales with external third parties	326,580	176,214	63,694	86,672
Noncurrent assets, less deferred taxes and financial instruments	686,357	571,987	17,974	96,396
Q3 2013				
Sales with external third parties*	312,032	167,332	63,059	81,641
Noncurrent assets, less deferred taxes and financial instruments (Dec. 31, 2013)	644,025	561,751	15,375	66,899

*Previous year's figures adjusted

[17] INFORMATION ON THE SIGNIFICANCE OF FINANCIAL INSTRUMENTS

The table below shows the carrying amounts and fair values of financial instruments. The fair value of a financial instrument is the price that would be paid in an orderly transaction between market participants for the sale of an asset or transfer of a liability on the measurement date. Due to the influencing variables involved, reported fair value can only be regarded as an indicator of the actually realizable market value.

FINANCIAL INSTRUMENTS AS OF SEPT. 30, 2014 (in EUR '000)

	Balance sheet value	IFRS 7 not applicable	Financial instruments IFRS 7	Measured at fair value	Measured at amortized cost	
				Carrying amount	Carrying amount	Market value
Financial assets	9,483		9,483		9,483	10,257
Cash and cash equivalents	99,309		99,309		99,309	99,309
Accounts receivable	185,170	20,125	165,045		165,045	165,045
Other assets	16,745	2,573	14,172	33	14,139	14,139
Financial Instruments: ASSETS	**310,707**	**22,698**	**288,009**	**33**	**287,976**	**288,750**
Financial liabilities	457,322		457,322		457,322	439,421
Trade accounts payable	56,711	0	56,711		56,711	56,711
Other liabilities	86,091	14,047	72,044	7,936	64,108	64,108
Financial Instruments: LIABILITIES	**600,124**	**14,047**	**586,077**	**7,936**	**578,141**	**560,240**

FINANCIAL INSTRUMENTS AS OF DEC. 31, 2013 (in EUR '000)

	Balance sheet value	IFRS 7 not applicable	Financial instruments IFRS 7	Measured at fair value	Measured at amortized cost	
				Carrying amount	Carrying amount	Market value
Financial assets	8,843		8,843		8,843	9,617
Cash and cash equivalents	115,921		115,921		115,921	115,921
Accounts receivable	156,218	11,048	145,170		145,170	145,170
Other assets	14,951	2,156	12,795		12,795	12,795
Financial Instruments: ASSETS	**295,933**	**13,204**	**282,729**	**0**	**282,729**	**283,503**
Financial liabilities	423,529		423,529		423,529	410,383
Trade accounts payable	45,543	6,827	38,716		38,716	38,716
Other liabilities	91,063	11,367	79,696	6,452	73,244	73,244
Financial Instruments: LIABILITIES	**560,135**	**18,194**	**541,941**	**6,452**	**535,489**	**522,343**

FINANCIAL INSTRUMENTS BY VALUATION CATEGORIES IAS 39 (in EUR '000)

	Carrying amount	
	Sept. 30, 2014	Dec. 31, 2013
Measured at fair value through profit and loss	33	0
Loans and receivables	287,254	282,040
Available-for-sale financial assets	722	689
Financial instruments: ASSETS	**288,009**	**282,729**
Measured at fair value through profit and loss	7,936	6,452
Financial liabilities measured at their residual carrying amounts	578,141	535,489
Financial instruments: LIABILITIES	**586,077**	**541,941**

Available-for-sale financial assets are long-term financial investments for which no pricing on an active market is available and the fair value of which cannot be reliably determined. These are carried at cost.

[18] TRANSACTIONS WITH RELATED PARTIES

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 rent or leasing contracts in place with non-controlling shareholders or members of their families, and business relations with associated companies.

The quarterly financial statements do not contain information about changes in relationships that significantly differ from those in the 2013 annual financial statements.

[19] EVENTS AFTER THE QUARTERLY REPORTING DATE

By means of a contract dated November 10, 2014, INDUS Holding AG acquired 75 % of the shares in MBN Maschinenbaubetriebe Neugersdorf GmbH, based in Ebersbach-Neugersdorf. MBN has locations in Germany, Alabama (U. S.), and Changchun (China), and produces plant equipment for vehicle assembly. The MBN group is assigned to the Engineering segment.

The purchase price allocation process has not yet been completed. The transaction is still subject to the approval of the Federal Cartel Office.

[20] APPROVAL FOR PUBLICATION

The Board of Management of INDUS Holding AG approved this IFRS interim financial statement for publication on November 18.

Bergisch Gladbach, November 18, 2014
INDUS Holding AG

The Board of Management

Jürgen Abromeit	Dr. Johannes Schmidt	Rudolf Weichert

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Financial Calendar 2015

November 25, 2014	German Equity Forum, Frankfurt/Main
April 21, 2015	Annual earnings press conference, Dusseldorf
April 22, 2015	Analysts' conference, Frankfurt/Main
Mai 19, 2015	Interim report on March 31, 2015
Juni 3, 2015	Annual shareholders' meeting 2015
Juni 4, 2015	Payout of dividend
August 18, 2015	Interim report on June 30, 2015
November 17, 2015	Interim report on September 30, 2015

Imprint

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