



Q2 | 2014

Group develops according to plan

# 1<sup>st</sup> Half-Year 2014

## KEY FIGURES (in EUR millions)

	H1 2014	H1 2013*
Sales	600.3	568.8
EBITDA	80.3	76.4
EBIT	58.5	55.8
Net result for the period	28.1	26.4
Earnings per share (in EUR) of continuing operations	1.24	1.28
Operating cash flow	17.9	9.0
	30.6.2014	31.12.2013
Total assets	1,249.2	1,180.9
Equity capital	515.2	515.3
Net debt	372.3	307.6
Equity ratio (in %)	41.2	43.6
Employees (as of the reporting date)	7,414	7,168
Investments (as of the reporting date)	41	40

\* Previous year's figures adjusted

## SALES IN THE FIRST SIX MONTHS OF 2014

# 600.3

EUR million

## SEGMENT TREND H1 2014 IN COMPARISON TO H1 2013 (in %)

### GROUP SALES

# ↗ 6 %

### CONTENTS

# ↗ 5 %

> Construction/Infrastructure	> Sales +4 %	EBIT +2 %
> Automotive Technology	> Sales +3 %	EBIT -16 %
> Engineering	> Sales +4 %	EBIT +3 %
> Medical Engineering/Life Science	> Sales +9 %	EBIT +15 %
> Metals Technology	> Sales +9 %	EBIT +28 %

- 
- > 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, our Group's workforce of around 7,200 generated sales of around EUR 1.2 billion with an EBIT of approximately EUR 114 million.

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# Letter to Shareholders

## Dear Shareholders,

With the first six months of the year now behind us, INDUS is back on track: this is how we would sum up our performance. With sales and earnings growth of around 5 %, the Group has met our mid-year targets

As previously announced, development in the second quarter was somewhat less dramatic than in our exceptionally good first quarter, as the boost provided early in the year by the very mild winter gave way to a normal dynamic in the second quarter. In the first half of the year, the German and European economies generally remained stable, although most economic forecasters had expected stronger growth, especially for Europe. In June, German manufacturers' order flow fell surprisingly sharply due to weak demand from the eurozone persisting longer than expected. War in the Ukraine and Israel weighed on the business mood as well.

Strategically, we are on track. Through the acquisitions of ROLKO, SAVVY, TR Metalltechnik, and now KNUR Maschinenbau, we have expanded as planned in the Medical Engineering/Life Science segment and have made other strategic expansions in the Automotive Technology, Metals Technology, and Engineering segments.

Our operating development indicates that the portfolio changes made in the first half of the year have on the whole been beneficial. The slowdown in the Automotive Technology segment comes as no surprise, and was factored into estimates. Europe remains weak, and demand from BRIC nations is less dynamic, primarily for small to mid-sized cars. We are not entirely satisfied with results from the Engineering segment. Our expectations for even stronger sales and earnings growth were not fulfilled. Restrained expenditure, particularly on long-term capital goods, was partly responsible for this, but unforeseen developments affecting the project for restructuring our holding SEMET played a greater role. Nonetheless, in four out of five segments we are absolutely on target with margins of over 10 %. The first half of the year thus proceeded very well overall. In the months ahead we will be working more intensively on the areas outlined above.

Our current sales and earnings estimates are based on our subsidiaries' forecasts, and do not factor in the acquisitions made this year. Despite slight economic slowing, INDUS will continue to pursue its objective: to considerably exceed sales of EUR 1.2 billion and achieve EBIT of around EUR 118 million in 2014.

And on a personal note: At this year's shareholders' meeting we said farewell to our Supervisory Board chairman, who will not be seeking re-appointment due to age reasons. Over the course of 25 years, Burkhard Rosenfeld played a key role in laying the foundation for who we are today, first as a member of the INDUS Board of Management and then as a member of the Supervisory Board. The Board of Management and all INDUS Group staff members would like to thank Mr. Rosenfeld again for his tremendous dedication and wish him all the best for the future.

Bergisch Gladbach, August 2014

Yours, The Board of Management



Jürgen Abromeit



Dr. Johannes Schmidt



Rudolf Weichert

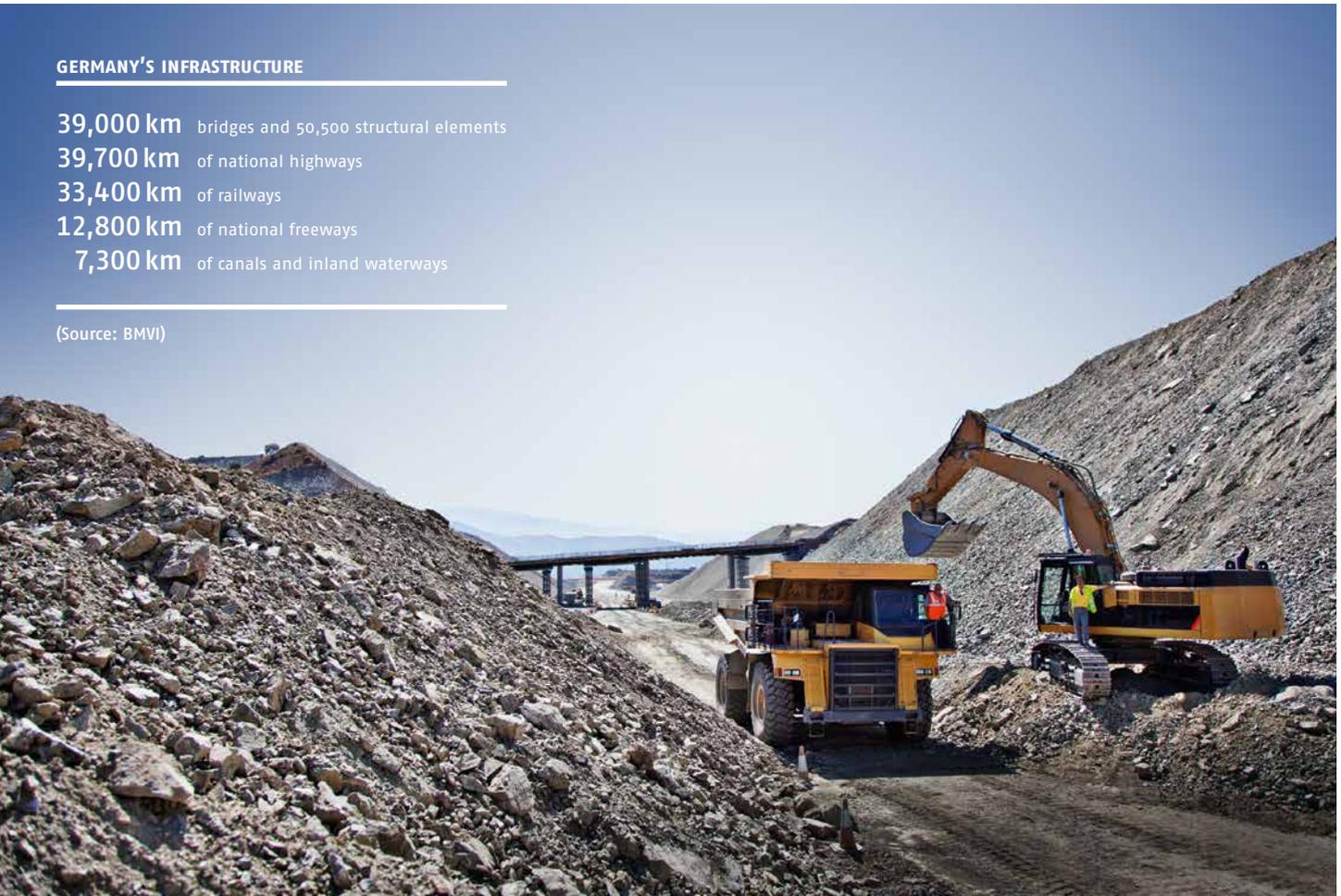
## SMEs are Shaping the Future: Infrastructure and Logistics

People, goods, products, data ... in the age of globalization, everything is in motion. The foundation for this is an efficient transport and information infrastructure. Here too, SMEs are playing a key role: With their high level of technological expertise, they are helping to maintain Germany's reputation as a business location and spurring innovation.

### GERMANY'S INFRASTRUCTURE

39,000 km	bridges and 50,500 structural elements
39,700 km	of national highways
33,400 km	of railways
12,800 km	of national freeways
7,300 km	of canals and inland waterways

(Source: BMVI)



✓  
Solutions from SAVVY enable telematic monitoring of roadworks vehicles, for example.

### A HIGH-PERFORMING ECONOMY NEEDS A STRONG INFRASTRUCTURE

This country is traversed by freeways, highways, railways, and waterways. These and sea and river ports, railway stations, and other access points underpin our capability

as a leading economic force, creating growth and jobs. In Germany alone, 737 billion tonne-kilometers in goods are moved annually along these transport routes. In parallel, 230 billion gigabytes of data flow through Germany's data highways.

High-performing infrastructure gives Germany an advantage as a business location against European competition. In order to ensure everything keeps flowing smoothly and to expand opportunities, the German government is currently investing EUR 50 billion in expanding the transport system. There is particular need for action concerning bridges. In view of the great need for upgrading, the government has launched a special EUR 400 million program that will run until 2017.

Regarding data infrastructure, the current situation gives cause for concern: According to a study by ECM, data volume flowing through Germany will increase nearly fivefold by 2020 to 1,100 billion gigabytes. Germany's infrastructure is only ready for this development to a limited extent. Boston Consulting Group has rated Germany's digital network on the same level as "developing countries" behind China. If the status quo does not change, Germany will be missing out on EUR 120 billion of added value by the year 2020. This clearly demonstrates that more attention should be devoted over the next few years to expanding broadband.

**INDUS GROUP COMPANIES ALREADY SEIZING THE POTENTIAL**

As part of the COMPASS 2020 growth strategy, INDUS has identified megatrends and target markets in which portfolio expansion is principally to be focused, including energy and the environment, medicine/healthcare and infrastructure/logistics. INDUS is thus especially interested in investment opportunities in these areas. Companies like KÖSTER (connector technology for concrete composite construction), BETOMAX (solutions for modern concrete construction), MIGUA (profile construction and expansion joints), and ANCOTECH (anchoring technology) are already working in these markets, including in such areas as bridge construction and rehabilitation. Data



In the future, Savvy SynergyPortal software will make it possible to manage fleets and monitor fleet capacity utilization online.

infrastructure is the business of WEIGAND, a firm specializing in cable network installation. The BUDDE Group, a package logistics specialist and portfolio holding since 2013, has benefited from the rapid rise of e-commerce.

**SAVVY AG: ACQUISITION OF A PIONEERING CORE COMPETENCY**

SAVVY Telematic Systems AG of Schaffhausen joined the INDUS Group in May 2014, opening up further potential. This company, which develops telematics system solutions, is a bolt-on acquisition for INDUS subsidiary IPETRONIK.

Package customers today can access information at any time on the location of a particular package thanks to a special form of data processing known as telematics. Digitalized monitoring of movement and >

**SAVVY**



**Telematic Systems AG, Schaffhausen**

A machine-to-machine (M2M) solution provider specializing in telematics and fleet management.

Employees	10
Established	2014
Company headquarters	Schaffhausen, CH
Transition	The founding team is driving on the company's development thanks to new growth capital from INDUS.

[www.savvy-telematics.com](http://www.savvy-telematics.com)

> transport flows already plays an important role in many areas, including monitoring movements on bridges, in tunnels and at airports. The technology also holds great

potential in such traditional industrial areas as road building, used for example in vehicles and machines at civil engineering and road construction sites.

How much progress have the road-milling machines currently in operation made? When is it time to replace cutting tools? When is it time for the service truck to come? These and other questions can be answered in automated and absolutely reliable fashion by SAVVY systems. Potential errors within processes are immediately detected, affording efficient construction project execution. The technology holds great growth potential and has a broad spectrum of applications ranging from process monitoring at construction sites to fleet management, inventory tracking, and worldwide goods monitoring. ■



**KNUR – SPECIALIST IN LIGHT-WEIGHT CONSTRUCTION COMPLEMENTS ASS MASCHINENBAU**

The acquisition of KNUR Maschinenbau GmbH, a mechanical and industrial engineering firm focused on plastic adhesive technology and CFRP (carbon-fiber reinforced plastic) production, complements existing INDUS holding ASS Maschinenbau GmbH. KNUR supplies machinery and equipment for manufacturing lightweight plastic components for premium cars.

# INDUS on the Capital Market

## OVERVIEW OF INDUS SHARES\*

	H1 2014	Full-year 2013
High (in EUR)	38.42	29.47
Low (in EUR)	28.00	20.55
Closing price at reporting date (in EUR)	36.24	29.20
Average daily trading volume (number of shares)	448,050	35,488
Number of shares outstanding	24,450,509	22,410,431
Market capitalization (in EUR millions)	887.9	655.6

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

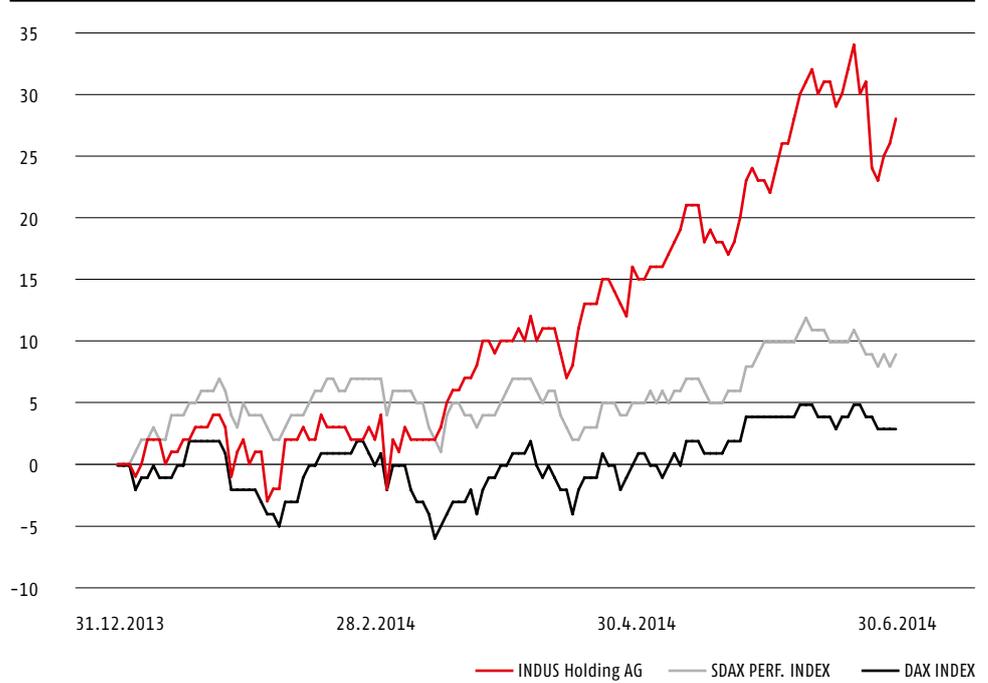
### Shares up in H1

In the first six months of the year, INDUS shares considerably outperformed both the SDAX and the DAX. INDUS shares have been in constant demand since the start of the year. This strong demand is reflected in the considerable increase in sales of the shares. As of June 30, 2014 the shares were up roughly 28 %, thus substantially outperforming the markets by the close of 2013 (SDAX 9 %, DAX 3 %). This rally culminated in an all-time high for INDUS shares of over EUR 40 on July 24. The stock market has since corrected considerably as the economy has proven less robust than expected, and the intensifying crises in Ukraine and Israel and associated sanctions are affecting market optimism. Current price targets for INDUS stock range between EUR 36 and 43. All analysts are recommending to either buy or hold.

### Shareholders' Meeting and Dividend Distribution

This year's shareholders' meeting was held in Cologne on June 11. The attending shareholders approved the proposed dividend increase to EUR 1.10 per share, formally endorsed the actions of the Board of Management and Supervisory Board members by a wide majority, and appointed the auditor proposed by the Supervisory Board. Shareholders also approved the allocation of new round of authorized capital in the amount of EUR 31.8 million and appointed Dr. Dorothee Becker, executive and shareholder of Gebrüder Becker GmbH, Wuppertal, to the Supervisory Board as a new member. Former Supervisory Board chairman Burkhard Rosenfeld's term of office ended with the conclusion of the shareholders' meeting in accordance with Supervisory Board rules of procedure. Due to age reasons, Mr. Rosenfeld withheld his candidature for re-appointment. Helmut Späth, CFO and deputy chairman of the Bavarian Chamber of Insurance, was appointed as the new Supervisory Board chairman.

**INDUS SHARE PRICE CHANGE FROM JANUARY TO JULY 2014 (in %)**



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**INTERIM MANAGEMENT REPORT**

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## INDUS Group Business Performance in the First Half-Year of 2014

Following a strong start to 2014, development was stable overall in the second quarter for the INDUS Group. The Q2 operating result (EBIT) was EUR 30.2 million, slightly below the previous year's figure of EUR 31.3 million, as the usual development from Q1 to Q2 experienced in previous years was reversed this year. EBIT rose 5 % over the course of the first six months, in nearly direct proportion to sales (6 %). Both the costs of materials ratio and the personnel costs ratio remained nearly unchanged in relation to sales. The mid-year EBIT margin was 9.7 % (previous year: 9.8 %). The first half of the year has thus proceeded in line with expectations.

### CONSOLIDATED STATEMENT OF INCOME (in EUR millions)

	H1 2014	H1 2013*
<b>Sales</b>	<b>600.3</b>	<b>568.8</b>
Other operating income	8.7	6.9
Own work capitalized	2.2	1.0
Changes in inventories	16.1	9.0
<b>Overall performance</b>	<b>627.3</b>	<b>585.7</b>
Cost of materials	-294.3	-277.2
Personnel expenses	-170.3	-155.9
Other operating expenses	-82.9	-76.3
Income from shares accounted for using the equity method	0.4	0.0
Other financial results	0.1	0.1
<b>EBITDA</b>	<b>80.3</b>	<b>76.4</b>
Depreciation and amortization	-21.8	-20.6
<b>Operating result (EBIT)</b>	<b>58.5</b>	<b>55.8</b>
Net interest	-10.5	-10.6
<b>Earnings before taxes (EBT)</b>	<b>48.0</b>	<b>45.2</b>
Taxes	-17.3	-16.4
Earnings attributable to discontinued operations	-2.6	-2.4
<b>Earnings after taxes</b>	<b>28.1</b>	<b>26.4</b>
of which allocable to non-controlling shareholders	0.3	0.3
of which allocable to INDUS shareholders	27.8	26.1

\* Previous year figures adjusted

### **Earnings: INDUS Group on Track at Mid-Year**

Absolute consolidated sales of INDUS Holding AG came to EUR 600.3 million at the end of June 2014 (previous year: EUR 568.8 million). Cost of materials rose from EUR 277.2 million to EUR 294.3 million, in nearly direct proportion to the increase in sales. The cost of materials ratio reached 49.0 % (previous year: 48.7 %). Personnel costs rose from EUR 155.9 million to EUR 170.3 million, primarily reflecting a larger post-acquisition workforce; the resulting personnel cost ratio of 28.4 % (previous year: 27.4 %) is in line with INDUS' average mid-year value.

EBITDA (earnings before interest, taxes, depreciation, and amortization) came in at EUR 80.3 million, up EUR 3.9 million versus last year's EUR 76.4 million. Depreciation and amortization increased to a total EUR 21.8 million (previous year: EUR 20.6 million).

As forecast, the operating result (EBIT) for H1 2014 came in at EUR 58.5 million, higher year-on-year. EBIT margin for the first six months was 9.7 % (previous year: 9.8 %). Detailed notes on the earnings position can be found in the segment report.

Net interest was largely unchanged at EUR -10.5 million (previous year: EUR -10.6 million). Earnings before taxes (EBT) rose in the first half to EUR 48.0 million (previous year: EUR 45.2 million). Tax expenditure increased along with earnings to EUR 17.3 million (previous year: EUR 16.4 million), corresponding to a tax rate of 36.0 % (previous year: 36.3 %).

Having discontinued operations at the portfolio company NISTERHAMMER, earnings attributable to discontinued operations amounted to EUR -2.6 million (previous year: EUR -2.4 million), which had a negative effect on earnings after taxes. After deducting minority interests, the net result for the period improved to EUR 28.1 million (previous year: EUR 26.4 million). Earnings per share from continuing operations still decreased slightly to EUR 1.24 (previous year: EUR 1.28). This was due to the increase in the number of shares in the offering conducted in December 2013.

### **Compass 2020: Acquisitions in Healthcare, Telematics, Laser Welding, and Special Machinery Construction**

As part of the Compass 2020 growth strategy, INDUS has defined core strategic areas in which the Group intends to pursue more vigorous growth. The acquisition of the ROLKO Group in April fulfilled our announced plans to expand our Medical Engineering/Life Science segment, which is one of our defined target segments. By acquiring a 75 % stake in the ROLKO Group, INDUS entered the market for rehabilitative medical accessories. The ROLKO Group, with locations in Borgholzhausen (Germany), Silkeborg (Denmark), Houten (Netherlands), and Xiamen (China), is a leading supplier in this market.

Another explicit portfolio development goal is strategically enhancing our existing subsidiaries. Thus IPETRONIK has expanded its interest in the field of telematics, acquiring in May a 60 % stake in the Swiss company SAVVY AG of Schaffhausen, a telematics solution provider for the logistics industry.

As part of this development strategy, portfolio company RÜBSAMEN acquired TR Metalltechnik GmbH of Eichenstruth, a specialist in laser and welding technology, at the beginning of July 2014. On the same date INDUS bought the remaining 10 % of equity in the company from a co-shareholder of ELTHERM GmbH, and now owns 100 %. As reported in Q1, INDUS additionally formed its 42nd subsidiary by spinning off construction firm ANCOTECH from BETOMAX in late July. Organizing the firm as an independent unit is intended to accelerate the company's growth trajectory.

On August 20, INDUS holding ASS took over KNUR Maschinenbau GmbH, a firm primarily active in plastic adhesive technology and CFRP (carbon-fiber reinforced plastic) manufacturing. Currently, KNUR has around 40 employees at its location in Regensburg, working in planning, development and manufacturing. The firm generates sales of roughly EUR 6 million. Knur supplies machinery and equipment, among other things, for manufacturing lightweight plastic components and carbon roof structures for luxury cars. ASS and KNUR intend to leverage the acquisition to derive synergies principally in the areas of sales and service; KNUR is already building individual ASS components such as gripper arms into its automation systems.

# 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 41 operating units as of June 30, 2014.

## INDUS CONSTRUCTION/INFRASTRUCTURE SEGMENT

### Solid Overall Result

Segment sales came in higher year-on-year for H1 2014 at EUR 108.9 million versus EUR 104.9 million for 2013, in line with estimates. The mild winter allowed portfolio companies to produce uninterrupted in the first quarter, which meant there was less of a catch-up effect in the second quarter than in the previous year. Domestic construction demand remains a stable driver for the segment. Order backlog for the coming months is strong for all companies in the business, so that the changed economic and global political conditions are unlikely to affect second-half results. Earnings before interest and taxes (EBIT) rose again slightly year-on-year to EUR 12.5 million (previous year: EUR 12.2 million), while the EBIT margin remained at the previous year's exceptionally high level of 11.5 %.

**Sales +3.8%**  
**EBIT margin 11.5%**

> Business is stable at midyear

> Encouraging year-on-year result

### KEY FIGURES – CONSTRUCTION/INFRASTRUCTURE (in EUR millions)

	H1 2014	H1 2013
External sales with external third parties	108.9	104.9
EBITDA	15.2	14.8
Depreciation and amortization	-2.7	-2.6
EBIT	12.5	12.2
EBIT margin in %	11.5	11.6
Capital expenditure	7.3	6.7
Employees	1,113	1,068

## INDUS AUTOMOTIVE TECHNOLOGY SEGMENT

### Order Backlog Strong Overall, Some Areas Weaker

Sales in the Automotive Technology segment once again rose slightly in a year-on-year comparison. The global automotive business remains steady, but the trend persists of restrained JIT ordering of small and mid-sized cars due to slack demand in Europe. The weak fourth quarter of 2013 had alerted INDUS to this development, so it was factored into the generally more conservative projections. Weakness in this area continued throughout H1. Thus while a robust economic recovery in France, Italy, and Spain could change the situation, the operating result came in lower year-on-year for H1, as expected.

**Sales +3.4%**  
**EBIT margin 6.5%**

> Automotive business steady

> Cost-cutting objectives for H2

The companies in this segment generated total sales of EUR 175.3 million (previous year: EUR 169.6 million). Earnings before interest and taxes (EBIT) came in lower at EUR 11.4 million versus the previous year's EUR 13.5 million. However, the EBIT margin of 6.5 % is still within INDUS' 6 % to 8 % corridor for the Automotive Technology segment. In the second half of the year, INDUS expects a slight improvement in margin quality, as cost control countermeasures taken will start to take effect.

#### KEY FIGURES – AUTOMOTIVE TECHNOLOGY (in EUR millions)

	H1 2014	H1 2013
External sales with external third parties	175.3	169.6
EBITDA	20.6	22.7
Depreciation and amortization	-9.2	-9.2
EBIT	11.4	13.5
EBIT margin in %	6.5	8.0
Capital expenditure	12.2	12.0
Employees	3,079	3,022

#### INDUS ENGINEERING SEGMENT

##### Growth Above the Industry Average

Sales in the Engineering segment for H1 2014 only rose by EUR 3.7 million, approximately 4 % year-on-year, falling short of INDUS' high expectations for the segment. While the two new acquisitions BUDDE and ELTHERM have delivered excellent sales and earnings as expected following their successful integration, a few firms in the segment have observed some restraint on the part of customers in making long-term capital expenditures, which accords with the VDMA (Mechanical and Industrial Engineering Industry Association) cutting its growth forecast for 2014 from a current 3 % to only 1 %.

In addition, the restructuring of SEMET, started in late 2013, has not proceeded as expected. Despite the closure of one location and intensified sales efforts, the company is still having difficulties with a turnaround, and will not post a profit this year either. Segment earnings before interest and taxes (EBIT) only rose slightly to EUR 10.7 million (previous year: EUR 10.5 million). At 12.1 % (previous year: 12.4 %), the EBIT margin remains almost unchanged in comparison to 2013 at a very solid level. 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.

Sales +4.4 %  
EBIT margin 12.1 %

> SEMET restructuring  
not meeting  
expectations

> Operating result  
and margin at a very  
good level

**KEY FIGURES – ENGINEERING** (in EUR millions)

	H1 2014	H1 2013*
External sales with external third parties	88.5	84.8
EBITDA	13.5	12.6
Depreciation and amortization	-2.8	-2.1
EBIT	10.7	10.5
EBIT margin in %	12.1	12.4
Capital expenditure	1.8	25.7
Employees	1,118	1,091

\* Previous year figures adjusted

**INDUS MEDICAL ENGINEERING/LIFE SCIENCE SEGMENT**

**ROLKO Group Acquisition Already Giving Earnings a Slight Boost**

Business in the INDUS Group Medical Engineering/Life Science has again steadily grown this year. Sales in the first half of 2014 came to EUR 53.7 million (previous year: EUR 49.3 million), while earnings before interest and taxes (EBIT) improved again to EUR 8.6 million (previous year: EUR 7.5 million). The ROLKO Group acquisition only contributed two months of sales to this result, as the company was only consolidated in May 2014. Detailed information regarding the acquisition is provided in the Events after the Reporting Date report in the notes. With an EBIT margin of 16.0 % (previous year: 15.2 %) in the first six months, the companies in this segment again considerably exceeded an already high profitability benchmark.

**Sales +8.9 %**  
**EBIT margin 16.0 %**

> Sales growth partly spurred by new acquisition

> Profit margin widens again

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

	H1 2014	H1 2013
External sales with external third parties	53.7	49.3
EBITDA	9.9	8.6
Depreciation and amortization	-1.3	-1.1
EBIT	8.6	7.5
EBIT margin in %	16.0	15.2
Capital expenditure	19.7	1.0
Employees	777	688

## INDUS METALS TECHNOLOGY SEGMENT

## Segment Earnings Up Significantly

The fruits of the heightened focus on the Metals Technology segment that INDUS had announced at the start of the year are now being seen. 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. At EUR 174.0 million (previous year: EUR 159.6 million), sales in this segment rose roughly 9.0 % year-on-year, while earnings before interest and taxes (EBIT) picked up significantly, coming in at a satisfying EUR 18.5 million at the end of H1 2014 (previous year: EUR 14.4 million). This put the profit margin at 10.6 % (previous year: 9.0 %), above the benchmark 10% level.

- Sales +9.0 %
- EBIT margin 10.6 %
- > Sales strong
- > Profit margin back to usual level

## KEY FIGURES – METALS TECHNOLOGY (in EUR millions)

	H1 2014	H1 2013
External sales with external third parties	174.0	159.6
EBITDA	24.0	19.8
Depreciation and amortization	-5.5	-5.4
EBIT	18.5	14.4
EBIT margin in %	10.6	9.0
Capital expenditure	6.6	3.1
Employees	1,304	1,277

## 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 28.4 % of sales, the personnel ratio is roughly at the level for H1 2013 of 27.4 %. As of June 30, 2014, the INDUS Group had 7,414 employees (previous year: 7,168). The increase in the number of employees is attributable primarily to the new companies.

# Financial Position

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

	H1 2014	H1 2013
<b>Operating cash flow</b>	<b>17.9</b>	<b>9.0</b>
Interest	-8.3	-8.8
<b>Cash flow from operating activities</b>	<b>9.6</b>	<b>0.2</b>
Cash outflow for investments	-47.9	-49.2
Cash inflow from the disposal of assets	0.4	0.5
<b>Cash flow from investing activities</b>	<b>-47.5</b>	<b>-48.7</b>
Dividends paid to shareholders	-26.9	-22.2
Cash outflow from payments to non-controlling shareholders	0.0	-0.7
Cash inflow from the assumption of debt	81.2	100.7
Cash outflow from the repayment of debt	-30.5	-31.6
<b>Cash flow from financing activities</b>	<b>23.8</b>	<b>46.2</b>
Net cash change in financial facilities	-14.1	-2.3
Changes in cash and cash equivalents caused by currency exchange rates	0.2	0.1
Cash and cash equivalents at the beginning of the period	115.9	98.7
<b>Cash and cash equivalents at the end of the period</b>	<b>102.0</b>	<b>96.5</b>

### Statement of Cash Flows: Liquidity Excellent as Ever at Over EUR 100 million in Cash

Based on earnings after taxes of EUR 30.7 million from continuing operations (previous year: EUR 28.7 million), operating cash flow increased in line with expectations to EUR 18.6 million for H1 2014 (previous year: EUR 9.0 million). Stable demand across nearly all business segments led to a typical increase in inventories and trade receivables over the course of the first half of the year, albeit less than in the same period last year due to enhanced working capital management.

Operating cash flow improved by EUR 8.9 million to EUR 17.9 million due to lower cash outflows from working capital totaling EUR 9.0 million. At EUR 8.3 million, cost of interest paid was a little lower year-on-year (previous year: EUR 8.8 million). As a result, cash flow from operating activities increased to EUR 9.6 million (previous year: EUR 0.2 million).

Cash outflows for investing activities (investments and acquisitions) were recorded at EUR -48.7 million for 2013, primarily due to the BUDDE Group acquisition. In H1 2014 INDUS acquired the ROLKO Group, due to which cash outflows for investing activities were recorded at EUR -47.5 million.

Cash inflow from financing activities dropped from EUR 46.2 million to EUR 23.8 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. As of June 30, 2014, cash and cash equivalents of EUR 102.0 million again surpassed the high level of the previous year (EUR 96.5 million).

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

	June 30, 2014	Dec. 31, 2013
<b>Assets</b>		
<b>Noncurrent assets</b>	<b>693.2</b>	<b>658.1</b>
Fixed assets	689.8	652.9
Accounts receivable and other current assets	3.4	5.2
<b>Current assets</b>	<b>556.0</b>	<b>522.8</b>
Inventories	260.2	236.1
Accounts receivable and other current assets	193.8	170.8
Cash and cash equivalents	102.0	115.9
<b>Total assets</b>	<b>1,249.2</b>	<b>1,180.9</b>
<b>Equity and liabilities</b>		
<b>Noncurrent liabilities</b>	<b>932.8</b>	<b>890.7</b>
Equity	515.2	515.3
Debt	417.6	375.4
of which provisions	26.5	23.6
of which payables and income taxes	391.1	351.8
<b>Current liabilities</b>	<b>316.4</b>	<b>290.2</b>
of which provisions	56.3	51.0
of which liabilities	260.1	239.2
<b>Total equity and liabilities</b>	<b>1,249.2</b>	<b>1,180.9</b>

**Statement of Financial Position: Equity Ratio Still Above Target Level at 41 %**

The INDUS Group recorded higher consolidated total assets due primarily to the ROLKO acquisition and minor currency effects at EUR 1,249.2 million as of June 30, 2014 (December 31, 2013: EUR 1,180.9 million). Current assets rose, reflecting increased inventories and receivables. Despite acquisitions, the EUR 102.0 million in cash and cash equivalents held represents a high level versus in comparison to the end of 2013.

Group equity remained virtually unchanged year-on-year at EUR 515.2 million (December 31, 2013: EUR 515.3 million). Noncurrent liabilities rose by around EUR 42 million due chiefly to new credit taken out in H1 and application of a lower interest rate to calculate pension provisions. This will be largely offset in the second half of the year by scheduled loan repayments.

Current liabilities increased by EUR 26.2 million due mainly to the scheduled ramp-up of the annual ABS program in conjunction with the seasonal increase in working capital, higher trade payables, and higher current provisions, including particularly for accruals in holiday and hours worked accounts. The equity ratio declined slightly to 41.2 % 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 quarter of 2014 was EUR 372.3 million (December 31, 2013: EUR 307.6 million), a figure that will decline substantially 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 84ff. 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](http://www.indus.de).

## Events after the Reporting Date

As part of the development strategy of the RÜBSAMEN Group, TR-Metalltechnik GmbH, Eichenstruth, was acquired in an asset deal signed July 3, 2014. The company specializes in laser and welding technology. The purchase price allocation process has not yet been completed.

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. The purchase price allocation process has not yet been completed.

## Outlook

- > Sales of considerably more than EUR 1.2 billion
- > Operating earnings of EUR 118 million expected
- > Further acquisitions planned over the course of the year

Most economic analysts are now revising their growth estimates for the 2014. The global economy is forecast to barely exceed last year's mark (2.9 %) at 3 % for the year. The US economy is expected to stage a recovery in the course of this year after a first-quarter slump due in part to weather conditions. Nevertheless, average growth for the year is projected at only 1.6 %. Growth in China and other emerging markets is also likely to slow in 2014. A high level of corporate debt and a faltering property market are sources of concern regarding China.

The eurozone situation also remains unstable, with a mere 1 % economic growth projected for the current year. According to the latest IFO surveys, the business climate again deteriorated significantly in June. Forecasts for Germany are also more modest. The VDMA, for example, has withdrawn its original growth forecast for 2014 due to the subdued sentiment in many countries, which, the VDMA suggests, will be reflected in falling numbers of orders. Incoming orders are not anticipated to gain enough momentum in the second half of the year to allow attainment of the original target.

Despite the downward risks in this fragile environment, INDUS recorded satisfactory sales growth and met the corporation's operating result and other targets for H1 2014. Business performance in H1 2014 corresponded with our plans. We moved forward vigorously with the Compass 2020 growth initiative, making four new acquisitions.

The present weakening in the economic environment will require increased effort within the Group in order to achieve the envisioned growth. Our goals are absolutely achievable however. Thus INDUS reiterates its estimates for fiscal 2014 for sales exceeding EUR 1.2 billion and EBIT of around EUR 118 million. These sales and earnings targets are to be achieved independently of effects from acquisitions made during the year.

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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# Consolidated Statement of Income

FOR THE FIRST HALF-YEAR 2014 (in EUR '000)

	Notes	H1 2014	H1 2013*
<b>Sales</b>		<b>600,286</b>	<b>568,822</b>
Other operating income		8,729	6,871
Own work capitalized		2,190	1,005
Change in inventories		16,177	8,965
Cost of materials	[6]	-294,283	-277,198
Personnel expenses	[7]	-170,321	-155,926
Depreciation and amortization		-21,848	-20,574
Other operating expenses	[8]	-82,929	-76,309
Income from shares accounted for using the equity method		412	53
Financial result		78	75
<b>Operating result (EBIT)</b>		<b>58,491</b>	<b>55,784</b>
Interest income		218	141
Interest expenses		-10,721	-10,732
<b>Net interest</b>	[9]	<b>-10,503</b>	<b>-10,591</b>
<b>Earnings before taxes</b>		<b>47,988</b>	<b>45,193</b>
Taxes	[10]	-17,246	-16,444
Income from discontinued operations	[5]	-2,632	-2,371
<b>Earnings after taxes</b>		<b>28,110</b>	<b>26,378</b>
of which allocable to non-controlling interests		327	306
of which allocable to INDUS shareholders		27,783	26,072
Earnings per share (undiluted and diluted) in EUR (continuing operations)	[11]	1.24	1.28

\* Previous year's figures adjusted

## Statement of Income and Accumulated Earnings

FOR THE FIRST HALF-YEAR 2014 (in EUR '000)

	H1 2014	H1 2013*
<b>Earnings after taxes</b>	<b>28,110</b>	<b>26,378</b>
Actuarial gains and losses	-2,694	-287
Deferred taxes	776	83
<b>Items not reclassified to profit or loss</b>	<b>-1,918</b>	<b>-204</b>
Currency translation adjustment	294	-1,797
Change in the market values of derivative financial instruments (cash flow hedge)	-1,417	3,039
Deferred taxes	224	-481
<b>Items to be reclassified to profit or loss in future</b>	<b>-899</b>	<b>761</b>
<b>Other income</b>	<b>-2,817</b>	<b>557</b>
<b>Overall result</b>	<b>25,293</b>	<b>26,935</b>
of which allocable to non-controlling shareholders	327	306
of which allocable to INDUS shareholders	24,966	26,629

\* Previous year's figures adjusted

The income and expenses of EUR -2,817,000 recognized directly in equity under other income include EUR -2,694,000 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 2.9 % as of June 30, 2014.

Net income from currency translation of EUR 294,000 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 -1,417,000 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 SECOND QUARTER 2014 (in EUR '000)

	Anhang	Q2 2014	Q2 2013*
<b>Sales</b>		<b>313,098</b>	<b>306,352</b>
Other operating income		4,608	2,740
Own work capitalized		1,626	494
Change in inventories		1,097	309
Cost of materials	[6]	-149,750	-146,143
Personnel expenses	[7]	-86,224	-80,494
Depreciation and amortization		-10,948	-10,684
Other operating expenses	[8]	-43,538	-41,330
Income from shares accounted for using the equity method		205	53
Financial result		39	38
<b>Operating result (EBIT)</b>		<b>30,213</b>	<b>31,335</b>
Interest income		124	59
Interest expenses		-5,673	-6,058
<b>Net interest</b>	[9]	<b>-5,549</b>	<b>-5,999</b>
<b>Earnings before taxes</b>		<b>24,664</b>	<b>25,336</b>
Taxes	[10]	-8,769	-9,399
Income from discontinued operations	[5]	-1,073	-1,980
<b>Earnings after taxes</b>		<b>14,822</b>	<b>13,957</b>
of which allocable to non-controlling interests		156	174
of which allocable to INDUS shareholders		14,666	13,783
Earnings per share (undiluted and diluted) in EUR (continuing operations)	[11]	0.64	0.71

\* Previous year's figures adjusted

## Statement of Income and Accumulated Earnings

FOR THE SECOND QUARTER 2014 (in EUR '000)

	Q2 2014	Q2 2013*
<b>Earnings after taxes</b>	<b>14,822</b>	<b>13,957</b>
Actuarial gains and losses	-1,846	-61
Deferred taxes	532	18
<b>Items not reclassified to profit or loss</b>	<b>-1,314</b>	<b>-43</b>
Currency translation adjustment	717	-1,352
Change in the market values of derivative financial instruments (cash flow hedge)	-625	1,983
Deferred taxes	99	-314
<b>Items to be reclassified to profit or loss in future</b>	<b>191</b>	<b>317</b>
<b>Other income</b>	<b>-1,123</b>	<b>274</b>
<b>Overall result</b>	<b>13,699</b>	<b>14,231</b>
of which allocable to non-controlling shareholders	156	174
of which allocable to INDUS shareholders	13,543	14,057

\* Previous year's figures adjusted

## Consolidated Statement of Financial Position

in EUR '000	Notes	June 30, 2014	Dec. 31, 2013
<b>ASSETS</b>			
Goodwill		350,053	331,606
Other intangible assets	[12]	34,901	28,887
Property, plant, and equipment	[13]	283,445	271,833
Investment property		5,905	5,965
Financial assets		9,345	8,843
Shares accounted for using the equity method		6,149	5,737
Other noncurrent assets		1,075	2,901
Deferred taxes		2,294	2,303
<b>Noncurrent assets</b>		<b>693,167</b>	<b>658,075</b>
Inventories	[14]	260,202	236,056
Accounts receivable	[15]	174,238	156,218
Other current assets		16,226	12,050
Current income taxes		3,435	2,584
Cash and cash equivalents		101,964	115,921
<b>Current assets</b>		<b>556,065</b>	<b>522,829</b>
<b>Total assets</b>		<b>1,249,232</b>	<b>1,180,904</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital		63,571	63,571
Capital reserve		239,833	239,833
Other reserves		209,370	211,299
<b>Equity held by INDUS shareholders</b>		<b>512,774</b>	<b>514,703</b>
Non-controlling interests in the equity		2,393	627
<b>Equity</b>		<b>515,167</b>	<b>515,330</b>
Provisions for pensions		24,854	21,803
Other noncurrent provisions		1,669	1,755
Noncurrent financial liabilities		331,356	304,769
Other noncurrent liabilities		31,261	21,376
Deferred taxes		28,496	25,716
<b>Noncurrent liabilities</b>		<b>417,636</b>	<b>375,419</b>
Other current provisions		56,335	51,008
Current financial liabilities		142,928	118,760
Trade accounts payable		55,176	45,543
Other current liabilities		56,864	69,687
Current income taxes		5,126	5,157
<b>Current liabilities</b>		<b>316,429</b>	<b>290,155</b>
<b>Total equity and liabilities</b>		<b>1,249,232</b>	<b>1,180,904</b>

## 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
<b>Balance Dec. 31, 2012</b>	<b>57,792</b>	<b>185,672</b>	<b>174,399</b>	<b>-4,967</b>	<b>412,896</b>	<b>1,242</b>	<b>414,138</b>
Income after taxes			26,072		26,072	306	26,378
Other income				557	557		557
<b>Overall result</b>			<b>26,072</b>	<b>557</b>	<b>26,629</b>	<b>306</b>	<b>26,935</b>
Dividend payment			-22,228		-22,228	-734	-22,962
Changes to scope of consolidation						176	176
<b>Balance June 30, 2013</b>	<b>57,792</b>	<b>185,672</b>	<b>178,243</b>	<b>-4,410</b>	<b>417,297</b>	<b>990</b>	<b>418,287</b>
<b>Balance Dec. 31, 2013</b>	<b>63,571</b>	<b>239,833</b>	<b>216,024</b>	<b>-4,725</b>	<b>514,703</b>	<b>627</b>	<b>515,330</b>
Income after taxes			27,783		27,783	327	28,110
Other income				-2,817	-2,817		-2,817
<b>Overall result</b>			<b>27,783</b>	<b>-2,817</b>	<b>24,966</b>	<b>327</b>	<b>25,293</b>
Dividend payment			-26,896		-26,896	-43	-26,939
Changes to scope of consolidation						1,482	1,482
<b>Balance Mar. 31, 2014</b>	<b>63,571</b>	<b>239,833</b>	<b>216,911</b>	<b>-7,542</b>	<b>512,773</b>	<b>2,393</b>	<b>515,166</b>

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, 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, Helmut RÜBSAMEN GmbH & Co. KG, BUDDE Fördertechnik GmbH, ELTHERM GmbH and ROLKO Kohlgrüber GmbH.

## Consolidated Statement of Cash Flows

in EUR '000	H1 2014	H1 2013*
Income after taxes generated by continuing operations	30,742	28,749
Depreciation/write-ups of noncurrent assets	21,848	20,574
Taxes	17,246	16,444
Net interest	10,503	10,591
Cash earnings of discontinued operations	-151	-1,903
Other non-cash transactions	-2,252	-975
Changes in provisions	7,199	6,699
Increase (-)/decrease (+) in inventories, trade accounts receivable, and other assets	-40,140	-45,739
Increase (+)/decrease (-) in trade accounts payable and other liabilities	-10,409	-17,702
Income taxes received/paid	-16,662	-7,771
Dividends received	0	0
<b>Operating cash flow</b>	<b>17,924</b>	<b>8,967</b>
Interest paid	-8,573	-8,924
Interest received	218	141
<b>Cash flow from operating activities</b>	<b>9,569</b>	<b>184</b>
Cash outflow from investments in		
property, plant, and equipment, and in intangible assets	-28,616	-20,197
financial assets and shares accounted for using the equity method	-863	-175
shares in fully consolidated companies	-18,416	-28,824
Cash inflow from the disposal of		
shares in fully consolidated companies	0	0
other assets	368	560
Cash flow from investing activities of discontinued operations	0	-15
<b>Cash flow from investing activities</b>	<b>-47,527</b>	<b>-48,651</b>
Dividends paid to shareholders	-26,896	-22,228
Cash outflow from payments to non-controlling shareholders	-43	-734
Cash inflow from the assumption of debt	81,232	100,790
Cash outflow from the repayment of debt	-30,477	-31,636
<b>Cash flow from financing activities</b>	<b>23,816</b>	<b>46,192</b>
Net cash change in financial facilities	-14,142	-2,275
Changes in cash and cash equivalents caused by currency exchange rates	185	32
Cash and cash equivalents at the beginning of the period	115,921	98,710
<b>Cash and cash equivalents at the end of the period</b>	<b>101,964</b>	<b>96,467</b>

\*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 first half of 2014 in accordance with International Financial Reporting Standards (IFRS) and interpretations of these standards by the International Financial Reporting Interpretations Committee (IFRIC) 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 quarterly 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 net assets, financial, and earnings position. The results achieved in the first half 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 net assets, financial, and earnings position 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 conso- lidated statement of financial position
Noncurrent assets	4,284	24,609	28,893
Current assets	9,252	400	9,652
<b>Total assets</b>	<b>13,536</b>	<b>25,009</b>	<b>38,545</b>
Noncurrent liabilities	241	10,641	10,882
Current liabilities	6,080	0	6,080
<b>Total liabilities</b>	<b>6,321</b>	<b>10,641</b>	<b>16,962</b>

The ROLKO group contributed sales of EUR 3,500,000 to the earnings generated in the first half of 2014 and EBIT of EUR 755,000. First-time consolidation took place in May 2014.

Incidental acquisition costs were recorded in the income statement.

**OTHER ACQUISITIONS (SAVVY)**

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.

A cash payment of EUR 614,000 was made to cover acquisition costs in the SAVVY AG purchase. Funds totaling EUR 587,000 were acquired in the deal. Noncurrent assets include goodwill stemming from the first-time consolidation amounting to EUR 109,000, 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:

**OTHER ACQUISITIONS** (in EUR '000)

	Carrying amounts at time of addition	Assets added due to first-time consolidation	Additions conso- lidated statement of financial position
Noncurrent assets	71	443	514
Current assets	617	0	617
<b>Total assets</b>	<b>688</b>	<b>443</b>	<b>1,131</b>
Noncurrent liabilities	0	0	0
Current liabilities	110	70	180
<b>Total liabilities</b>	<b>110</b>	<b>70</b>	<b>180</b>

Given that SAVVY AG was first founded in early January 2014, no sales were recorded, and there was an EBIT of EUR -199,000.

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 H1 2014 and H1 2013 amounted to:

**DISCONTINUED OPERATION** (in EUR '000)

	H1 2014	H1 2013
Sales	249	4,051
Expenses and other income	-3,295	-6,867
<b>Operating result</b>	<b>-3,046</b>	<b>-2,816</b>
Net interest	-81	0
<b>Earnings before taxes</b>	<b>-3,127</b>	<b>-2,816</b>
Taxes	495	445
Earnings after taxes	-2,632	-2,371
<b>Income from discontinued operations</b>	<b>-2,632</b>	<b>-2,371</b>

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)

	H1 2013 published	IFRS 5	H1 2013 adjusted
<b>Sales</b>	<b>572,873</b>	<b>-4,051</b>	<b>568,822</b>
Other operating income	6,904	-33	6,871
Own work capitalized	1,005	0	1,005
Change in inventories	9,097	-132	8,965
Cost of materials	-281,585	4,387	-277,198
Personnel expenses	-157,815	1,889	-155,926
Depreciation and amortization	-20,660	86	-20,574
Other operating expenses	-76,979	670	-76,309
Income from shares accounted for using the equity method	53	0	53
Financial result	75	0	75
<b>Operating result (EBIT)</b>	<b>52,968</b>	<b>2,816</b>	<b>55,784</b>
Interest income	141	0	141
Interest expenses	-10,732	0	-10,732
<b>Net interest</b>	<b>-10,591</b>	<b>0</b>	<b>-10,591</b>
<b>Earnings before taxes</b>	<b>42,377</b>	<b>2,816</b>	<b>45,193</b>
Taxes	-15,999	-445	-16,444
Income from discontinued operations	0	-2,371	-2,371
<b>Earnings after taxes</b>	<b>26,378</b>	<b>0</b>	<b>26,378</b>
of which allocable to non-controlling shareholders	-306	0	-306
of which allocable to INDUS shareholders	26,072	0	26,072
Earnings per share undiluted in EUR	1.17	-0.11	1.28
Earnings per share diluted in EUR	1.17	-0.11	1.28

## Notes to the Statement of Income

### [6] COST OF MATERIALS

in EUR '000	H1 2014	H1 2013*
Raw materials and goods for resale	-254,851	-237,691
Purchased services	-39,432	-39,506
<b>Total</b>	<b>-294,283</b>	<b>-277,198</b>

\*Previous year's figures adjusted

### [7] PERSONNEL EXPENSES

in EUR '000	H1 2014	H1 2013*
Wages and salaries	-144,710	-131,821
Social security	-24,325	-22,482
Pensions	-1,286	-1,622
<b>Total</b>	<b>-170,321</b>	<b>-155,926</b>

\*Previous year's figures adjusted

### [8] OTHER OPERATING EXPENSES

in EUR '000	H1 2014	H1 2013*
Selling expenses	-33,429	-32,564
Operating expenses	-29,651	-26,861
Administrative expenses	-16,231	-13,189
Other expenses	-3,618	-3,695
<b>Total</b>	<b>-82,929</b>	<b>-76,309</b>

\*Previous year's figures adjusted

## [9] NET INTEREST

in EUR '000	H1 2014	H1 2013
Interest and similar income	218	141
Interest and similar expenses	-8,955	-9,806
<b>Interest from operations</b>	<b>-8,737</b>	<b>-9,665</b>
Other: Market value of interest-rate swaps	255	566
Other: Non-controlling interests	-2,021	-1,492
<b>Other interest</b>	<b>-1,766</b>	<b>-926</b>
<b>Total</b>	<b>-10,503</b>	<b>-10,591</b>

## [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	H1 2014	H1 2013*
Earnings attributable to INDUS shareholders	27,783	26,072
Earnings attributable to discontinued operations	-2,632	-2,371
<b>Earnings attributable to continuing operations</b>	<b>30,415</b>	<b>28,443</b>
Weighted average shares outstanding (in thousands)	24,451	22,228
Earnings per share, continuing operations (in EUR)	1.24	1.28
Earnings per share, discontinued operations (in EUR)	-0.11	-0.11

\*Previous year's figures adjusted

## Notes to the Consolidated Statement of Financial Position

### [12] OTHER INTANGIBLE ASSETS

in EUR '000	June 30, 2014	Dec. 31, 2013
Capitalized development costs	8,025	8,155
Property rights, concessions, and other intangible assets	26,876	20,732
<b>Total</b>	<b>34,901</b>	<b>28,887</b>

### [13] PROPERTY, PLANT, AND EQUIPMENT

in EUR '000	June 30, 2014	Dec. 31, 2013
Land and buildings	152,500	140,984
Plant and machinery	79,106	77,388
Other equipment, factory, and office equipment	37,255	34,728
Advance payments and work in process	14,584	18,733
<b>Total</b>	<b>283,415</b>	<b>271,833</b>

### [14] INVENTORIES

in EUR '000	June 30, 2014	Dec. 31, 2013
Raw materials and supplies	87,955	82,493
Unfinished goods	87,995	74,579
Finished goods and goods for resale	78,862	73,252
Prepayments for inventories	5,390	5,732
<b>Total</b>	<b>260,202</b>	<b>236,056</b>

### [15] ACCOUNTS RECEIVABLE

in EUR '000	June 30, 2014	Dec. 31, 2013
Accounts receivable from customers	147,098	137,894
Future accounts receivable from customer-specific construction contracts	21,268	11,048
Accounts receivable from associated companies	5,872	7,276
<b>Total</b>	<b>174,238</b>	<b>156,218</b>

## Other disclosures

### [16] SEGMENT REPORTING

#### SEGMENT INFORMATION BY OPERATION (CONTINUING OPERATIONS) FOR THE FIRST HALF-YEAR 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
<b>H1 2014</b>								
External sales with external third parties	108,871	175,298	88,484	53,681	174,011	600,345	-59	600,286
External sales with Group companies	4,975	18,374	17,048	1,789	14,995	57,181	-57,181	0
<b>Sales</b>	<b>113,846</b>	<b>193,672</b>	<b>105,532</b>	<b>55,470</b>	<b>189,006</b>	<b>657,526</b>	<b>-57,240</b>	<b>600,286</b>
<b>Segment earnings (EBIT)</b>	<b>12,478</b>	<b>11,375</b>	<b>10,736</b>	<b>8,612</b>	<b>18,499</b>	<b>61,700</b>	<b>-3,209</b>	<b>58,491</b>
Earnings from equity valuation	0	368	44	0	0	412	0	412
<b>Depreciation and amortization</b>	<b>-2,751</b>	<b>-9,209</b>	<b>-2,840</b>	<b>-1,310</b>	<b>-5,452</b>	<b>-21,562</b>	<b>-286</b>	<b>-21,848</b>
<b>Segment EBITDA</b>	<b>15,229</b>	<b>20,584</b>	<b>13,576</b>	<b>9,922</b>	<b>23,951</b>	<b>83,262</b>	<b>-2,923</b>	<b>80,339</b>
<b>Capital expenditure</b>	<b>7,329</b>	<b>12,246</b>	<b>1,816</b>	<b>19,746</b>	<b>6,553</b>	<b>47,690</b>	<b>205</b>	<b>47,895</b>
of which company acquisitions	0	27	0	18,389	0	18,416	0	18,416
<b>H1 2013*</b>								
External sales with external third parties	104,938	169,591	84,783	49,281	159,622	568,215	607	568,822
External sales with Group companies	4,342	16,444	7,880	896	15,532	45,094	-45,094	0
<b>Sales</b>	<b>109,280</b>	<b>186,035</b>	<b>92,663</b>	<b>50,177</b>	<b>175,154</b>	<b>613,309</b>	<b>-44,487</b>	<b>568,822</b>
<b>Segment earnings (EBIT)</b>	<b>12,235</b>	<b>13,514</b>	<b>10,470</b>	<b>7,503</b>	<b>14,436</b>	<b>58,158</b>	<b>-2,374</b>	<b>55,784</b>
Earnings from equity valuation	0	53	0	0	0	53	0	53
<b>Depreciation and amortization</b>	<b>-2,562</b>	<b>-9,159</b>	<b>-2,098</b>	<b>-1,139</b>	<b>-5,376</b>	<b>-20,334</b>	<b>-240</b>	<b>-20,574</b>
<b>Segment EBITDA</b>	<b>14,797</b>	<b>22,673</b>	<b>12,568</b>	<b>8,642</b>	<b>19,812</b>	<b>78,492</b>	<b>-2,134</b>	<b>76,358</b>
<b>Capital expenditure</b>	<b>6,696</b>	<b>11,996</b>	<b>25,719</b>	<b>1,030</b>	<b>3,101</b>	<b>48,542</b>	<b>494</b>	<b>49,036</b>
of which company acquisitions	0	6,023	22,801	0	0	28,824	0	28,824

\*Previous year's figures adjusted

**SEGMENT INFORMATION BY OPERATION (CONTINUING OPERATIONS)  
FOR THE SECOND 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
<b>Q2 2014</b>								
External sales with external third parties	59,729	90,927	46,041	28,615	87,702	313,014	84	313,098
External sales with Group companies	2,295	9,769	8,321	1,380	7,264	29,029	-29,029	0
<b>Sales</b>	<b>62,024</b>	<b>100,696</b>	<b>54,362</b>	<b>29,995</b>	<b>94,966</b>	<b>342,043</b>	<b>-28,945</b>	<b>313,098</b>
<b>Segment earnings (EBIT)</b>	<b>7,906</b>	<b>5,839</b>	<b>5,406</b>	<b>4,233</b>	<b>9,122</b>	<b>32,506</b>	<b>-2,293</b>	<b>30,213</b>
Earnings from equity valuation	0	161	0	44	0	205	0	205
<b>Depreciation and amortization</b>	<b>-1,435</b>	<b>-4,517</b>	<b>-1,398</b>	<b>-721</b>	<b>-2,730</b>	<b>-10,801</b>	<b>-147</b>	<b>-10,948</b>
<b>Segment EBITDA</b>	<b>9,341</b>	<b>10,356</b>	<b>6,804</b>	<b>4,954</b>	<b>11,852</b>	<b>43,307</b>	<b>-2,146</b>	<b>41,161</b>
<b>Capital expenditure</b>	<b>4,386</b>	<b>7,964</b>	<b>910</b>	<b>19,179</b>	<b>3,351</b>	<b>35,790</b>	<b>63</b>	<b>35,853</b>
of which company acquisitions	27	0	0	18,389	0	0	0	0
<b>Q2 2013*</b>								
External sales with external third parties	58,881	87,531	50,563	24,448	84,301	305,724	628	306,352
External sales with Group companies	2,413	8,660	6,559	540	7,125	25,297	-25,297	0
<b>Sales</b>	<b>61,294</b>	<b>96,191</b>	<b>57,122</b>	<b>24,988</b>	<b>91,426</b>	<b>331,021</b>	<b>-24,669</b>	<b>306,352</b>
<b>Segment earnings (EBIT)</b>	<b>8,715</b>	<b>6,813</b>	<b>6,006</b>	<b>3,965</b>	<b>6,977</b>	<b>32,476</b>	<b>-1,141</b>	<b>31,335</b>
Earnings from equity valuation	0	53	0	0	0	53	0	53
<b>Depreciation and amortization</b>	<b>-1,290</b>	<b>-4,552</b>	<b>-1,402</b>	<b>-560</b>	<b>-2,748</b>	<b>-10,552</b>	<b>-132</b>	<b>-10,684</b>
<b>Segment EBITDA</b>	<b>10,005</b>	<b>11,365</b>	<b>7,408</b>	<b>4,525</b>	<b>9,725</b>	<b>43,028</b>	<b>-1,009</b>	<b>42,019</b>
<b>Capital expenditure</b>	<b>4,059</b>	<b>8,210</b>	<b>353</b>	<b>820</b>	<b>1,755</b>	<b>15,197</b>	<b>345</b>	<b>15,542</b>
of which company acquisitions	0	6,023	-1,885	0	0	4,138	0	4,138

\*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)

	H1 2014	H1 2013	Q2 2014	Q2 2013
<b>Segment earnings (EBIT)</b>	<b>61,700</b>	<b>58,158</b>	<b>32,506</b>	<b>32,476</b>
Areas not allocated, incl. holding company	-3,285	-2,344	-2,346	-1,280
Consolidations	76	-30	53	139
Net interest	-10,503	-10,591	-5,549	-5,999
<b>Earnings before taxes</b>	<b>47,988</b>	<b>45,193</b>	<b>24,664</b>	<b>25,336</b>

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
<b>H1 2014</b>				
External sales with external third parties	600,286	303,087	138,621	158,578
Noncurrent assets, less deferred taxes and financial instruments	680,453	589,664	7,205	83,584
<b>H1 2013</b>				
External sales with external third parties*	568,822	295,852	120,436	152,534
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
<b>Q2 2014</b>				
External sales with external third parties	313,098	158,792	72,597	81,709
Noncurrent assets, less deferred taxes and financial instruments	680,453	589,664	7,205	83,584
<b>Q2 2013</b>				
External sales with external third parties*	306,352	159,436	66,538	80,378
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 JUNE 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	9,345		9,345		9,345	10,119
Cash and cash equivalents	101,964		101,964		101,964	101,964
Accounts receivable	174,238	21,268	152,970		152,970	152,970
Other assets	17,301	2,403	14,898	27	14,871	14,871
<b>Total assets</b>	<b>302,848</b>	<b>23,671</b>	<b>279,177</b>	<b>27</b>	<b>279,150</b>	<b>279,924</b>
Financial liabilities	474,284		474,284		474,284	456,700
Trade accounts payable	55,176	4,795	50,381		50,381	50,381
Other liabilities	88,125	9,239	78,886	7,646	71,240	71,240
<b>Total financial liabilities</b>	<b>617,585</b>	<b>14,034</b>	<b>603,551</b>	<b>7,646</b>	<b>595,905</b>	<b>578,321</b>

### 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
<b>Total assets</b>	<b>295,933</b>	<b>13,204</b>	<b>282,729</b>	<b>0</b>	<b>282,729</b>	<b>283,503</b>
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
<b>Total financial liabilities</b>	<b>560,135</b>	<b>18,194</b>	<b>541,941</b>	<b>6,452</b>	<b>535,489</b>	<b>522,343</b>

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

	Carrying amount	
	June 30, 2014	Dec. 31, 2013
Measured at fair value through profit and loss	27	0
Loans and receivables	278,437	282,040
Available-for-sale financial assets	713	689
<b>Financial instruments: ASSETS</b>	<b>279,177</b>	<b>282,729</b>
Measured at fair value through profit and loss	7,646	6,452
Financial liabilities measured at their residual carrying amounts	595,905	535,489
<b>Financial instruments: EQUITY AND LIABILITIES</b>	<b>603,551</b>	<b>541,941</b>

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**

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. The purchase price allocation process has not yet been completed.

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. The purchase price allocation process has not yet been completed.

### **[20] APPROVAL FOR PUBLICATION**

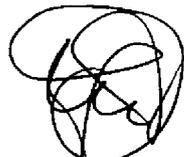
The Board of Management of INDUS Holding AG approved this IFRS interim financial statement for publication on August 20.

**[21] DECLARATION OF LEGAL REPRESENTATIVE**

We warrant that, to the best of our knowledge, these interim consolidated financial statements provide a true and fair representation, in accordance with the applicable accounting principles for interim consolidated reporting, of the assets, financial, and earnings position of the Group, and that the Group interim management report presents a true and fair representation of the Group's business performance, earnings and position, outlining the principal opportunities and risks in connection with Group business activities planned over the remaining course of the fiscal year.

Bergisch Gladbach, August 20, 2014  
INDUS Holding AG

The Board of Management



Jürgen Abromeit



Dr. Johannes Schmidt



Rudolf Weichert

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## Financial Calendar 2014

August 21, 2014	Interim report on June 30, 2014
November 19, 2014	Interim report on September 30, 2014

## Imprint

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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.

