



Interim report of CFC Industrieteilungen GmbH & Co. KGaA
on the third quarter 2008

July 1 - September 30, 2008

Management preface

DEAR STOCKHOLDERS, BUSINESS PARTNERS,
AND EMPLOYEES,

in the third quarter of the year 2008, CFC Industriebeteiligungen GmbH & Co. KGaA has given proof of the fact that our investment approach, focused on companies in "special situations", and the restructuring work accomplished so far are considered extremely successful and sustainable by third parties as well: As of July 31, 2008 we have sold a part of our portfolio companies to funds launched by English investor Greenpark. Thus we have topped off the added value chain of an industrial holding company and we have shown that we are not only good at acquiring and restructuring companies but that this commitment leads to high returns for our investors through sale as well. Because the transaction with Greenpark contributed extraordinary income of EUR 7.1 million on Group level. This made us achieve an internal rate of return (IRR) of 76 percent per annum over the holding period. All things considered, we gained 20 percent more from this transaction than ever invested, and we still hold a 51 percent stake in the future success of our work.

This transaction with Greenpark has also proved extremely fortunately timed in the course of the third quarter, occurring as it did right before the escalation of the real estate crisis into a worldwide banking and credit crisis. Thus CFC provided for refunding at just the right moment. Because the current financial crisis, which is affecting the real economy more and more severely, does not only call for even more careful restructuring work on the current portfolio; it also increasingly offers appealing options for acquisitions.

CFC generated sales from operations of EUR 41.2 million across the Group in the third quarter, a 70 percent growth over the prior-year quar-

ter. We also managed to improve with regard to the operating result. The extraordinary item from the Green-park transaction not included, we achieved an almost balanced operating result, as opposed to an operating loss of roughly EUR 2.0 million in the prior-year quarter. The Group has more than 30 percent equity and liquid funds of EUR 11.1 million at its disposal - EUR 7.5 million on holding level -, thus finding itself well prepared for the present financial market situation.



OUTLOOK

The assessment of the portfolio companies' development in this year's current fourth quarter is influenced strongly by the focus on profitable sales and the sagging overall economy, affecting the portfolio companies to different degrees depending on the intensity of investment required for purchasing their products. Group sales for the fiscal year will fall short of the previous year's annualized sales. And the portfolio companies' projected operating result (EBITDA) for the year - without extraordinary items from the Greenpark sale or profit contributions from acquisitions - will not break even yet.

At the same time, the economic crisis results in a large number of company takeover bids being offered to us. We are examining these offers very carefully with regard to risk profile and potential value enhancement. Not least against the background of the current economic situation, we are well advised and we owe it to our investors to raise the bars very high for an investment decision towards sustainable success.

I thank you sincerely, dear stockholders, business partners, and employees, for your encouragement and the confidence you have in us. Let us all approach this year's last quarter with optimism.



Kind regards,
Marcus Linnepe





KEY FIGURES OVERVIEW

		1/1 - 9/30/2008	1/1 - 9/30/2007	1/1 -12/31/2007
Sales (entered)	EUR'000	106,047	42,230	66,141
EBITDA	EUR'000	8,190	1.718	15,491
EBIT	EUR'000	3,823	679	13,064
Group net income for the period/year*	EUR'000	- 474	2,102	14,003
Earnings per share	EUR'000		0.37	2.22
Total assets	EUR'000	126,567	64,520	116,433
Equity*	EUR'000	38,381	26,073	38,726
Borrowed capital	EUR'000	88,186	38,447	77,707
Equity ratio*	percent	30.3	40.41	33.3
Number of employees		776	412	747

* minorities included

I. Interim group management report

1. CFC INDUSTRIEBETEILIGUNGEN GMBH & CO. KGAA

CFC Industriebeteiligungen GmbH & Co. KGaA ("CFC") is the CFC Group's parent company. CFC holds direct or indirect interests in all companies of the CFC Group. The company's activities are financed principally with own resources.

The interim consolidated financial statements of CFC are prepared according to the principles of the International Financial Reporting Standards (IFRS), corporate law, and the recognized principles of accounting. The Group's interim report has not been reviewed by an auditor.

2. BASIS OF CONSOLIDATION

In accordance with IAS 27, the interim consolidated financial statements as of September 30, 2008 must include the parent company, CFC Industriebeteiligungen GmbH & Co. KGaA, and the subsidiaries legally or actually controlled by the parent.

These interim consolidated financial statements thus include the following companies:



Companies	Investment share in consolidated financial statements (in percent)	Held through which direct holding	National currency
Direct holdings: 1) Berndes Beteiligungs GmbH, Arnsberg 2) CFC Electronic Holding GmbH, Dortmund 3) CFC Zweite Zwischenholding GmbH, Dortmund 4) CFC Vierte Zwischenholding GmbH, Dortmund 5) CFC Sechste Zwischenholding GmbH, Dortmund 6) CFC Siebte Zwischenholding GmbH, Dortmund 7) CFC Achte Zwischenholding GmbH, Dortmund 8) CFC Neunte Zwischenholding GmbH, Dortmund	70 percent 51 percent 51 percent 51 percent 100 percent 100 percent 100 percent 100 percent		EUR EUR EUR EUR EUR EUR EUR EUR

Companies	Investment share in consolidated financial statements (in percent)	Held through which direct holding	National currency
Indirect holdings:			
9) Heinrich Berndes Haushaltstechnik GmbH & Co. KG, Arnsberg	70 percent	1)	EUR
10) Heinrich Berndes Haushaltstechnik Verwaltungs GmbH, Arnsberg	70 percent	1)	EUR
11) Berndes Best Buy GmbH, Arnsberg	70 percent	1)	EUR
12) BTV-Gesellschaft für Beratung, Technologie Und Vorrichtungsbau mbH, Arnsberg	70 percent	1)	EUR
13) Berndes Cookware Inc., Charlotte/U.S.A.	70 percent	1)	USD
14) Berndes UK Ltd. Partnership, London/Great Britain	70 percent	1)	GBP
15) Berndes UK Ltd., London/Great Britain	70 percent	1)	GBP
16) Berndes Italia s.r.l., Milan/Italy	70 percent	1)	EUR
17) Olimex Ltd., Hong Kong/People's Republic of China	70 percent	1)	HKD
18) Berndes Far East Company Ltd., Hong Kong/ People's Republic of China	70 percent	1)	HKD
19) Elcon Systemtechnik GmbH, Hartmannsdorf	51 percent	2)	EUR
20) Elcon Systemtechnik Sp. Zoo, Warsaw*	51 percent	2)	PLN
21) OOO ELCON Systemtechnik, Moscow*	51 percent	2)	RUB
22) ELCON Systemtechnik Kft., Budapest*	51 percent	2)	HUF
23) ELCON Kaluga ZAO Telecom Trading*	38.25 percent	2)	RUB
24) Letron Electronic GmbH, Osterode/Harz	51 percent	2)	EUR
25) Format-Küchen GmbH & Co. KG, Haiger	45.9 percent	3)	EUR
26) Format-Küchen Verwaltungs GmbH, Haiger	45.9 percent	3)	EUR
27) MEF-Möbel-Elemente Franz GmbH, Haiger	51 percent	3)	EUR
28) delmod-international Bekleidungsindustrie GmbH & Co. Hanse-Kleidung KG, Delmenhorst	43.3 percent	4)	EUR
29) delmod-international Bekleidungsindustrie GmbH	43.3 percent	4)	EUR
30) delmod-international Ltd., London	43.3 percent	4)	GBP
31) Hirsch Vertriebs GmbH, Delmenhorst	43.3 percent	4)	GBP

Companies included in the interim consolidated financial statements in application of the equity method:

LOOK Alcast SRL, Romania (51 percent interest as of December 31, 2007) is accounted according to the equity method as no control is exercised over this company. For further information, please refer to the comments in the Annual Report 2007, note 4 to consolidated financial statements.

In the reporting period, CFC has sold minority interests and loans extended to subholdings listed under 2), 3) and 4) to Palace Park Investments Ltd., Jersey. This transaction is discussed in detail under *III. Selected notes to interim consolidated financial statements, 1. General information.*

The Supervisory Board of CFC approved the interim report on November 6, 2008 and released it for publication.

3. REPORTS FROM THE HOLDINGS

- BERNDES Beteiligungs GmbH

Time of acquisition: August 2006
CFC interest: 70 percent



Company profile:

The Berndes Group with headquarters in Arnshausen is one of the leading manufacturers of cookware, such as pans and pots. Based on a strong trade name, good quality and a high innovative ability, the company's

products are positioned in the medium and upscale price segments. According to company information, the Berndes Group is Germany's market leader in the product segment of cast-aluminum cookware. With its approx. 170 employees by the end of the third quarter, the Berndes Group is also one of the largest German manufacturers of sealed pans.

Company development in the third quarter 2008:

The third quarter is traditionally the weakest one for Berndes. After Berndes had closed the first half-year to very good prospects, the company did not manage to continue this development in the third quarter. Reasons are the postponement and loss of project business. However, management was able to win a new order, setting the course to reach the desired targets for sales and earnings as soon as possible. A significant portion of sales, though, will be generated in the next fiscal year due to said postponement. Having reached the retail trade, the credit crisis also had a negative impact on the business development of Berndes, particularly the business in Germany as well as direct business transacted from Honk Kong with key customers in Germany. Numerous customers were affected by credit limit curtailing decided by their credit insurance. In addition, there were insolvencies such as Hertie, not resulting in losses for Berndes, though, owing to efficient risk management. Despite these negative circumstances, Berndes' sales are still up EUR 2.6 million compared to the prior-year level. Sales in the international business are significantly below schedule, especially in the U.S. and the dollar area, due to the international consumer crisis which is caused in part by the crisis on the financial markets.

Outlook:

Because of the development of the project business as described above and the generally deteriorating situation at the consumer end, the Berndes Group expects a not so strong fourth quarter and in consequence sales for the whole year slightly above the prior-year amount of EUR 46 million. With regard to results, the unfavorable dollar exchange rate for the shipments of the company based in Honk Kong takes its toll so that earnings might turn out slightly below the prior-year results.

- FORMAT Küchen GmbH & Co. KG

The logo for Format Küchen GmbH & Co. KG, featuring the word "format" in a lowercase, sans-serif font.

Time of acquisition: May 2007

CFC interest: 45,9 percent

Company profile:

Format Küchen with headquarters in Haiger is a manufacturer of high-grade kitchens in the medium price segment. The focus is on individually designed kitchens, making the terms kitchen manufactory or kitchen workshop seem quite adequate. A high level of flexibility in manufacturing enables Format to fulfill virtually every conceivable customer request.

Company development in the third quarter 2008:

Format pushed ahead with the catalog of restructuring and growth measures intensively on all levels and in all areas in the reporting period. Since June the new product range has been delivered to the dealers in the shape of show kitchens. The model relaunch is met with great approval. Numerous new dealers were won over by Format at the industry's ordering tradeshow MOW held in Enger in September. A good share of this development is owed to the design collaboration with England's star architect, Lord Norman Foster, announced just before the tradeshow's

opening. Among the buildings Lord Foster has created in Germany are the Reichstag in Berlin, the Commerzbank Tower in Frankfurt/Main, and the Gerling Ring-Carree in Cologne. Until the end of 2009, Format will develop a kitchen range in cooperation with design studio Foster + Partners, to be introduced at the exclusive Milan furniture show in April 2010. In addition to conventional trading, Format is establishing an object business division, marketing kitchens for major international projects. With this regard, a new global distribution network is being set up. Contracts for a large number of new projects have already been signed. Furthermore, the collaboration in production with supplier MEF, acquired in May, has been further intensified and investments were made in a new painting plant. Numerous administrative processes were changed as well. These elaborate measures still result in losses for Format. The company had 149 employees as of September 30, 2008.

Outlook:

It is to be expected that Format Küchen will be affected considerably by the sagging economy in Europe as kitchens require sizable investments and therefore suffer significantly lower demand in a downward economic cycle. Format anticipates sales of approx. EUR 16.0 million for 2008. This will result in losses slightly beyond the prior-year level, particularly due to negative effects on earnings from cost reduction measures continued in the fourth quarter. However, these will make it possible for the company to start the year 2009 without charges of this kind so that a profitable result can be achieved on a considerably lower sales level than scheduled for the next fiscal year.

- ELCON Sytemtechnik GmbH



Time of acquisition: July 2007

CFC interest: 51 percent

Company profile:

Elcon Systemtechnik with headquarters in Hartmannsdorf is the leading supplier of optimized network access systems for telecommunication and cable network providers. Elcon engineers develop network access systems and other electronic components to be manufactured in Hartmannsdorf - "made in Germany" - and shipped to 35 markets worldwide.

Company development in the third quarter 2008:

Regarding both order volume and sales, Elcon showed a positive performance in the third quarter. The new sales office in Eschborn opened at the beginning of the quarter. This office is staffed with five new, highly qualified employees who will contribute to the continuing positive development of Elcon after an initial period of training on the job. There was also a change of staff in the sales department of the French office. Some key customers have not yet finalized their general decision for purchasing Elcon products. Yet Elcon's sales are dependent on the investment behavior of small and medium-sized network providers. The cooperation with affiliate Letron has been further harmonized and expanded to include additional services. Even though Elcon is behind sales expectations, a clearly positive result for the quarter was achieved. Elcon had 166 employees as of September 30, 2008.

Outlook:

It is to be expected that the small and medium-sized network providers will freeze their investments down to a minimum because of the present credit crisis. Therefore we anticipate sales significantly below Elcon's prior-year sales level. The operating result (EBITDA) is expected to be positive, yet the net result will state a loss for the fiscal year.

- Letron Electronic GmbH



Time of acquisition: November 2007

CFC interest: 51 percent

Company profile:

Letron Electronic GmbH (formerly: VOGT Electronic Letron GmbH) with headquarters in Osterode is in the business of the development, materialization and production of electronic planar components and systems.

Company development in the third quarter 2008:

The carve-out of Letron from former parent company VOGT was finalized successfully in the third quarter. Essential administrative services such as IT, accounting and procurement are now provided by affiliated company ELCON. Furthermore, the company was reorganized internally and repositioned much closer to the market. Some customers have ordered considerably smaller numbers of products than initially planned due to sales problems. However, these losses could be compensated by extended order volumes of other customers. Letron had 71 employees as of September 30, 2008.

Outlook:

Letron will close fiscal year 2008 on prior-year level with regard to sales and earnings. Future restructuring efforts will focus on the intensification of sales activity above all.

- delmod international KG



Time of acquisition: December 2007

CFC interest: 43.3 percent

Company profile:

delmod international Bekleidungsindustrie GmbH & Co. Hanse-Kleidung KG (delmod) with headquarters in Delmenhorst is a manufacturer of high-grade ladies' apparel. CFC acquired delmod as of December 31, 2007. delmod is one of Germany's leading textile companies and a distributor of classic ladies' wear in the medium and upscale price segments with the brands "delmod", "Hirsch" and "dinomoda". In addition to production, delmod provides the entire added value chain from design, quality management and logistics up to marketing/distribution as well as the operation of the company's own outlet stores.

Company development in the third quarter 2008:

The reorientation of the brand "delmod" works much faster and better than scheduled. Within the shortest period of time, delmod has realized a great number of measures, e.g. revision of the product range, development of new designs without radical changes to fit, and the opening of factory outlet centers. New processes were defined and implemented concerning operations, providing for flatter business structures. Furthermore, new agreements were concluded with the trade, the creati-

ve team was completed, and communication and employee training were further improved. With regard to finances, controlling was expanded and an up-to-date key indicator monitoring system (KPI) was implemented. In the reporting period delmod managed to obtain the license for the brand "dinomoda". This brand provides high sales potential scheduled for a revival, as realized in the case of the brand "Hirsch". The performance of delmod was right on schedule in the third quarter. As of September 30, 2008 delmod had 198 employees.

Since the beginning of April, Hirsch Vertriebs GmbH has been a subsidiary of delmod. The design team in Düsseldorf works completely independently and taps the resources provided by delmod if necessary in a most flexible manner. The first collection created in this framework was presented at the end of July to great approval. The brand "Hirsch" is looking toward a relaunch and a promising future under the management of delmod. Hirsch had five employees as of September 30, 2008.

Outlook:

delmod will close annual accounts 2008 with sales slightly below schedule, yet exceeding plans for earnings significantly. Management expects earnings of approx. EUR 3.0 million for delmod this fiscal year. For the next calendar year, delmod is well-positioned thanks to the additional sales potential of the brands "Hirsch" and "dinomoda" even in a potential climate of little buyer confidence.

- MEF Möbel-Elemente Franz GmbH

Time of acquisition: May 2008
CFC interest: 51 percent



Company profile:

MEF with headquarters in Haiger is a manufacturer of veneered and plastic-coated pieces of furniture and furniture elements.

Company development in the third quarter 2008:

With regard to processes and administration, the cooperation with Format was further intensified. The number of employees was 19 at the end of the third quarter.

Outlook:

The company's cooperation with Format will be further optimized in the third quarter.



4. ASSETS, FINANCIAL POSITION AND RESULTS FROM OPERATIONS

General course of business in the third quarter

The restructuring measures initiated at the acquired companies in the last fiscal year take effect; however, this process is being slowed down by the current overall economic recession. This affects particularly the segments offering capital goods such as Electronics and Home & Living (kitchens). CFC has taken appropriate measures to adjust the companies' cost structures to the currently low sales levels without contradicting the general approach of changes directed towards sustainable restructuring and profitable growth.

Sales and results from operations

Until the end of September 2008 the CFC Group generated sales of EUR 106 million, EUR 41.2 million thereof in the third quarter. The segment reporting in the notes to the interim consolidated financial statements illustrates the breakdown of sales with respect to the separate business units (primary segments according to IFRS 8).

Other operating income amounted to EUR 12.2 million, EUR 7.5 million thereof third-quarter earnings, including EUR 7.1 million from the sale of investments to the Greenpark funds. EUR 5.9 million originated from the portfolio companies' business operations; earnings from the reversal of negative differences upon capital consolidation (badwill) of MEF amounted to EUR 0.3 million.

The material expense within the Group came to roughly EUR 62.1 million as of the end of September (EUR 23.5 million in the third quarter), corresponding with a ratio of about 58.6 percent of sales. Personnel expense was EUR 20.9 million (EUR 7.6 million in the third quarter). Other operating expenses amounted to roughly EUR 28.2 million (EUR 9.6 million in the third quarter).

This resulted in the CFC Group's EBITDA of EUR 8.2 million (EUR 6.9 million in the third quarter). After depreciation and amortization, the result from operations (EBIT) came to EUR 3.8 million (EUR 5.3 million in the third quarter). Due to income tax provisions and deferred tax expense in connection with the sale of investments, a group net loss of EUR 0.5 million was recorded for the period (EUR 2.2 million net income in the third quarter). Relating to the company's 6.435 million shares, the corresponding earnings are EUR 0.00 per share.

The EBITDA is the figure usually referred to as indicator of a company's operational success. In this regard the CFC Group managed to generate a margin of roughly 7.7 percent of sales in the first nine months of 2008.

Assets and financial position

The CFC Group's total assets amounted to EUR 126.6 million as of September 30, 2008. An amount of EUR 62.1 million thereof was attributable to non-current fixed assets (not including other non-current assets) and EUR 62.3 million to current assets. EUR 34.5 million of the fixed assets were represented by intangible assets. This amount was composed of the capitalized trademarks "BERNDES" and "delmod" as well as customer relationships of the acquired companies. The brands are generally not depreciated on schedule and are subject to an annu-

al impairment review in compliance with IFRS, while the customer relationships are depreciated over their respective lives (approx. 10 - 16 years) in application of the straight-line method. The remaining fixed assets were essentially composed of real estate as well as technical equipment and machinery in the total amount of EUR 27.5 million.

Current assets included inventories in the amount of EUR 31.8 million, trade receivables in the amount of EUR 11.7 million, and cash and cash equivalents of EUR 11.1 million. Other assets of EUR 7.7 million comprised the outstanding amount from the sale of investments of EUR 3.5 million.

The assets were contrasted by equity of EUR 38.4 million and liabilities in the amount of EUR 88.2 million. Of the latter position, EUR 29.6 million were attributable to non-current liabilities, EUR 58.6 million to current liabilities. Current liabilities particularly included the partial sale of loans in the amount of EUR 6.2 million. All these positions result in the CFC Group's sound equity ratio of over 30 percent.

Employees

The CFC Group had 113 employees by the end of 2006. 747 people were in the Group's employ by the end of fiscal year 2007. As of September 30, 2008 the Group has 776 employees.

5. RISKS AND OPPORTUNITIES

The business model of CFC Industriebeteiligungen involves opportunities and risks, as does basically any entrepreneurial commitment. It is the goal of the CFC risk management to seize arising opportunities and to identify the material risks early on and to react to them in the best possible way.

As part of the corporate strategy, the risk policy of CFC is directed at increasing the group value. The respective risk strategy applied implies a continuous and systematic assessment of the risks as well as the opportunities. CFC deliberately takes reasonable, containable and manageable risks if they raise expectations for an adequate increase in value.

The order of the risks presented in the following carries no statement about their evaluation and does not make any claim to be complete. Uncertainties and risks not listed in the following could also have an effect on the company's assets, financial position, and results from operations.

Opportunities of the CFC business model

Marginal dependence on economic cycle

The CFC business model is distinguished to a certain degree by an independence of the economic cycle. In phases of recession, as we are experiencing at present, the buying market of CFC improves as more companies are exposed to crisis or cannot attend to their interest payments anymore. In phases of economic upswing, however, the operating business of the holdings usually improves, and restructuring is

thus made easier. In addition, during these phases opportunistic exits often open up. It is therefore essential for CFC to adapt to the respective economic situation at the right time, e.g. that the company has sufficient liquidity at its disposal if increasing opportunities for investment turn up in phases of an economic slump. With the sale of a part of the portfolio to Greenpark, CFC has proven that the company is able to adjust to economic changes in good time.

Deal flow and purchase prices

With regard to deal flow, CFC benefits from the management's network created over many years, including banking institutes' recapitalization departments, M&A consultants, auditing firms, etc., offering objects of acquisition to the company. Being part of this active network usually has a positive effect on the choice of companies up for consideration of potential transactions.

CFC also benefits from its focus on companies in need of rescue, as the purchase prices in this segment are often very low, if not merely symbolic, because of the pronounced risks and the weak profitability of the objects of acquisition at the time of purchase. If CFC is successful in rescuing the acquired companies, very high returns on the invested capital can thus be realized.

The key objective during this targeting phase is to identify the potential of the offered candidates, a potential CFC will later be able to mobilize and dynamize.

Restructuring

The restructuring effort starts for CFC even at the beginning of the due diligence, i.e. the examination for an acceptance of the takeover. By the application of "human due diligence", the actual demands and the management's requirement profile for restructuring the company are defined. Then a suitable "holding manager" is selected from the extensive network of the CFC management, someone who is exactly the right person for the target object based on his or her experience in the industry and/or the specific restructuring task, to subsequently take over management or join the management board. Only if this holding manager is found, providing CFC with the assurance that the restructuring will be successfully pressed ahead with, CFC will go ahead and make the investment.

Furthermore, CFC has its own team of experts experienced in restructuring, giving support to the holdings in restructuring their business operations. During the so-called "movement phase", it is the experts' goal to mobilize the potential identified in the deal phase.

The CFC typical organization of restructuring, teaming up a locally responsible, experienced "holding manager" and CFC's own restructuring experts, facilitates a very fast and systematic proceeding in this delicate process of transformation.

Exit

Subsequent to successful restructuring, the holdings are either sold (e.g. by trade sale or going public) or held for a longer term. CFC generally strives for medium-term investment periods of three to five years; shorter periods of commitment will rather be an exception as a sustainable turnaround usually takes 18 to 24 months. Only after this phase, the surplus values of the transformation strategy can be completely

mobilized. Because CFC is no private equity fund that needs to disinvest the resources invested after a certain amount of time, CFC is able to pursue an investment strategy of optimized returns and to raise the intrinsic group value, which in turn will manifest in the stock price. Therefore no pressure to sell is on CFC, especially not in cases where a complete recapitalization has been carried out.

Considering this general business policy, the sale to the Greenpark funds is certainly an exception as this sale transaction is not an exit of a single company or a subgroup of companies but rather the partial sale of the Group's entire portfolio. Besides, the sale to the Greenpark funds did not change the structure of the management leading the restructuring effort because the funds totally rely on the management of CFC as the unchanged majority partner.

Risks of the CFC business model

Portfolio size

As CFC is a rather young company whose holding portfolio is still at the beginning stage, losing individual holdings e.g. due to insolvencies could have grave consequences for the group as a whole, too. This risk is decreasing with an increasing portfolio size and the length of time of the holdings' portfolio inclusion. The risk is intended to be countered by the extremely thorough selection of holdings carried out by CFC. It is the objective to evaluate the risks brought about by the companies to be acquired early on and as precisely as possible and to take them into consideration in purchase price negotiations already. The business development department therefore follows strict target definitions for objects to be looked for.

Personnel risks

The dependence of the CFC business model on the personal network of the management and, above all, the general partner's managing director, Marcus Linnepe, is still relatively strong. A possible unforeseen resignation of Mr. Linnepe could have considerable negative consequences for the company.

CFC acquires companies in situations of crisis to be subsequently restructured either by CFC executives or managers recruited from the network. The success of these rescue operations is highly dependent on the abilities of the respective individuals in charge. Due to the intended expansion of the portfolio, CFC is therefore reliant on finding suitable employees (e.g. as holding managers) or being able to deploy a sufficient number of individuals recruited from the network. Especially because of last year's good economic development, it has become more difficult to find suited staff. If they cannot be found, promising investments might not be made in the end. If CFC picks the wrong person for the job, it might come to delays or complications, or even the failure of the restructuring mission. CFC tries to reduce these risks by intensive communication prior to and during the employment of key personnel.

Risks of corporate finance

Because of the young history of CFC, the portfolio companies are still in their very early phases of restructuring. There have therefore been no returns in the shape of dividends or returns of loans.

For this reason CFC's investment financing at present is still principally dependent on own resources to be raised within the framework of capital increases or as borrowed money through financing. In this context there is a very strong dependence on the development at the capi-

tal and credit markets. Thanks to the Greenpark transaction, refunding through equity could be strengthened just in time before the credit and banking crisis escalated, so that the Group can use these funds for financing portfolio companies as well, apart from acquiring new companies.

An unfavorable capital market environment could under the circumstances make the placing of a capital increase difficult. If at that time liquid assets would be urgently needed by CFC, this could have a negative effect on the company's liquidity situation. According to the circumstances, holdings would have to be sold considerably below purchase price. If a sale could not be realized, the company might even be facing insolvency.

CFC controls this risk by its appropriately diligent liquidity management. The partial sale of 49 percent of the portfolio to Greenpark has made a contribution to strengthening both equity base and liquidity. Management also tries to prevent the liquidity risk from happening by exclusively acquiring companies whose liquidity requirements up to operating profitability can be reliably assessed and funded. The objective of CFC is to reach the holdings' recapitalization capability as fast as possible. On the other hand, various instruments for refunding and hedging receivables and inventories such as factoring or credit loss insurance are applied to hedge against cash flow risks and safeguard the Group's liquidity.

In the third quarter 2008 meetings were held with the responsible management teams and analyses were conducted as determined by the risk management process, resulting in no noteworthy findings with respect to general risks or company-specific risks.



40

40

1804



655416404032

(8-85-176-5-0856-22)

40

40

1804

1804

32

1.2

6.20

II. Interim consolidated financial statements

1. CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	9/30/2008	12/31/2007
Non-current assets	64,287,642.92	61,567,699.71
Property, plant and equipment	27,533,308.85	25,869,948.30
Intangible assets	34,525,053.03	34,891,780.53
Financial assets	8,036.24	4,232.30
Real estate held as financial investments	0.00	0.00
Derivative financial instruments	0.00	0.00
Other non-current assets	2,221,244.80	801,738.58
Current assets	62,279,633.93	54,865,460.08
Inventories	31,751,281.65	26,939,848.92
Trade receivables	11,725,190.87	13,715,687.84
Receivables from related parties	0.00	0.00
Other financial assets and other assets	7,702,695.56	5,418,071.56
Cash and cash equivalents	11,100,465.85	8,791,851.76
Non-current available-for-sale assets	0.00	0.00
Total assets	126,567,276.85	116,433,159.79

EQUITY AND LIABILITIES	9/30/2008	12/31/2007
Equity	38,381,347.35	38,726,279.54
Capital stock	6,435,000.00	6,435,000.00
Additional paid-in capital	12,275,424.58	12,275,424.58
Profit-sharing rights	-270,653.52	-397,511.02
Accumulated other comprehensive income	16,539,427.63	2,806,553.80
Profit carry-forward	-171,594.26	13,732,873.83
Minority interest	3,573,742.92	3,873,938.35
Non-current liabilities	29,556,542.18	23,097,005.88
Special reserve	3,185,915.40	3,047,485.56
Pension commitments and similar obligations	3,627,282.10	3,446,348.80
Finance lease liabilities	519,981.71	1,303,556.96
Deferred tax liabilities	11,082,886.78	9,643,903.76
Other non-current liabilities	11,140,476.19	5,655,710.80
Current liabilities	58,629,387.32	54,609,874.37
Liabilities to banks	23,453,757.24	13,325,579.87
Current loans	6,656,763.06	6,575,002.30
Current portion of non-current loans	191,461.98	0.00
Trade payables	10,778,987.99	13,897,587.20
Advance payments	959,617.38	1,190,204.86
Liabilities to related parties	20,475.00	0.00
Current provisions	11,307,506.69	11,848,124.49
Current tax liabilities	1,224,880.08	1,333,957.71
Liabilities to partners	0.00	85,700.00
Other financial liabilities	3,009,342.76	5,387,574.78
Other liabilities	10,034.91	0.00
Finance lease liabilities	1,016,560.23	966,143.16
	126,567,276.85	116,433,159.79

2. CONDENSED CONSOLIDATED INCOME STATEMENT

OF CFC INDUSTRIEBETEILIGUNGEN GMBH & CO. KGAA FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2008

In EUR	1/1 - 9/30/2008	1/1 - 9/30/2007	Q 3 2008 7/1 - 9/30/2008	Q3 2007 7/1 - 9/30/2007
Sales	106,046,921	42,230,377	41,195,383	24,235,933
Changes in finished goods and work in process inventories	1,135,561	666,993	-1,155,523	451,353
Other operating income	12,167,607	4,723,281	7,546,343	851,506
Material expense	-62,149,519	-26,073,069	-23,462,476	-16,791,449
Personnel expense	-20,850,346	-6,647,400	-7,622,079	-3,698,475
Depreciation of property, plant and equipment and int, assets	-4,367,040	-1,039,528	-1,591,454	-849,676
Other operating expenses	-28,160,522	-13,181,955	-9,581,217	-7,006,928
Operating result	3,822,662	678,697	5,328,977	-2,807,736
Finance income	223,823	149,693	148,153	275,749
Finance expense	-2,764,754	-732,313	-1,344,238	-700,313
Financial result	-2,540,931	-582,620	-1,196,085	-424,564
Earnings before taxes	1,281,731	96,077	4,132,892	-3,232,300
Income tax	-1,725,124	1,741,738	-1,870,156	28,049
Third-party share in borrowed capital	-30,601	0	-16,979	0
Group net income for the period	-473,995	1,837,815	2,245,756	-3,204,251
Minority interest	302,401	263,719	221,895	0
Attributable to equity holders of the parent	-171,594	2,101,534	2,467,651	-3,204,251
Basic earnings per share	0	0,26	0	0
Fully diluted earnings per share	0	0,26	0	0

3. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

OF CFC INDUSTRIEBETEILIGUNGEN GMBH & CO. KGAA FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2008

in EUR	1.1. - 30.9.08	1.1. - 30.9.07
Cash flow from operating activities		
Earnings before taxes	1,281,731	96,077
Adjustments:		
Depreciation and amortization	4,367,040	1,039,528
Foreign currency loss		-
Loss/income from disposal of fixed assets	-606,390	
Capital gains	-7,145,841	
Other non-cash income/loss	-345,439	-3,275,784
Return on capital	-	-
Subtotal	-2,448,900	-2,140,179
Changes in non-current and current provisions	-885,730	-1,115,285
Changes in working capital	-5,698,691	-5,030,574
Changes in other non-current and current assets and liabilities	10,975,043	1,083,464
Income taxes paid	-83,355	-65,000
Net cash flow from operating activities	1,858,366	-7,267,574
Cash flow from investing activities		
Payments-in from asset disposals	606,390	
Payments-out for acquisition of intangible assets and property, plant and equipment	-4,308,181	-846,441
Payments-in from investment disposals	7,598,880	
Purchase price of acquisitions (less acquired cash and cash equivalents)	-450,000	-864,000
Net cash flow used in investing activities	3,447,089	-1,710,441
Cash flow from financing activities		
Payments-in from capital increase		9,571,838
Changes in liabilities and loans used for financing purposes	-1,133,797	835,999
Interest expense	-1,923,106	-397,327
Foreign currency effects and other non-cash changes		
Other adjustments		
Net cash flow used in financing activities	-3,056,902	10,010,510
Net increase in cash and cash equivalents	2,248,552	1,032,496
Cash and cash equivalents at beginning of period	8,791,852	5,584,358
Exchange rate differences	60,062	-76,000
Cash and cash equivalents	11,100,466	6,540,854

4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
OF CFC INDUSTRIEBETEILIGUNGEN GMBH & CO. KGAA AS OF SEPTEMBER 30, 2008

	Equity holders of the parent				Equity
	Stock capital	Additional paid-in capital	Accum. other compr. income	Retained earnings	
December 31, 2006	5,212,500.00	4,150,039.41	(215,779.38)	2,035,521.30	11,182,281.33
+/- changes in accounting policies and valuation methods and corrections of material mistakes	0.00	0.00	0.00	771,032.50	771,032.50
December 31, 2006 (adjusted)	5,212,500.00	4,150,039.41	(215,779.38)	2,806,553.80	11,953,313.83
Capital increase by contribution in kind	0.00	0.00	0.00	0.00	0.00
Capital increase from company resources	0.00	0.00	0.00	0.00	0.00
Capital increase in cash	1,222,500.00	8,349,338.07	0.00	0.00	9,571,838.07
Fundraising cost	0.00	0.00	0.00	0.00	0.00
Group net income	0.00	0.00	0.00	2,101,533.76	2,101,533.76
Foreign currency translation	0.00	0.00	-73,473.95	0.00	-73,473.95
Changes in basis of consolidation	0.00	0.00	0.00	0.00	0.00
September 30, 2007	6,435,000.00	12,499,377.48	(289,253.33)	4,908,087.56	23,553,211.71
December 31, 2007	6,435,000.00	12,275,424.58	(397,511.02)	16,539,427.63	34,852,341.19
Capital increase by contribution in kind	0.00	0.00	0.00	0.00	0.00
Capital increase from company resources	0.00	0.00	0.00	0.00	0.00
Capital increase in cash	0.00	0.00	0.00	0.00	0.00
Fundraising cost	0.00	0.00	0.00	0.00	0.00
Group net income	0.00	0.00	0.00	-171,594.26	-171,594.26
Foreign currency translation	0.00	0.00	126,857.50	0.00	126,857.50
Changes in basis of consolidation	0.00	0.00	0.00	0.00	0.00
September 30, 2008	6,435,000.00	12,275,424.58	-270,653.52	16,367,833.37	34,807,604.43

Minority partners				
Minority stake	Accum. other compr. income	Minority interest	Equity	Group equity
2,365,800.35	(92,476.87)	883,687.61	3,157,011.09	14,339,292.42
351,540.00	0.00	-21,097.50	330,442.50	1,101,475.00
2,717,340.35	(92,476.87)	862,590.11	3,487,453.59	15,440,767.42
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	9,571,838.07
0.00	0.00	0.00	0.00	0.00
0.00	0.00	-263,718.42	-263,718.42	1,837,815.34
0.00	36,301.69	0.00	36,301.69	-37,172.26
361,410.65	0.00	0.00	361,410.65	361,410.65
3,078,751.00	(56,175.18)	598,871.69	3,621,447.51	27,174,659.22
2,911,711.39	(170,720.15)	1,132,947.11	3,873,938.35	38,726,279.54
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	-302,400.69	-302,400.69	-473,994.95
0.00	80,096.09	0.00	80,096.09	206,953.59
-77,890.83	0.00	0.00	-77,890.83	-77,890.83
2,833,820.56	-90,624.06	830,546.42	3,573,742.92	38,381,347.35

III. Selected notes to interim consolidated financial statements

1. GENERAL INFORMATION

Basis for preparation of financial statements

The condensed interim consolidated financial statements for the period from January 1 to September 30, 2008 have been prepared in accordance with IAS 34: Interim Financial Reporting. The interim consolidated financial statements do therefore not include all the information and statements prescribed for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2007.

For the preparation of these interim consolidated financial statements, the same accounting policies and valuation methods have been adopted as were applied to the preparation of the consolidated financial statements for the past fiscal year.

Seasonal impact

Potential seasonal impact primarily concerns the business performance of the individual holdings. Please refer to the respective reports from the holdings for a discussion of effects from seasonal impact.

Unusual business events

Sale of investments and loans to Palace Park Investments Ltd.

Palace Park Investments Ltd., Jersey, acquired a 49 percent interest in the holding portfolio of and loans extended to CFC Electronic Holding GmbH, CFC Zweite Zwischenholding GmbH, and CFC Vierte Zwischenholding GmbH CFC by notarial deed signed on July 31, 2008.

Palace Park Investments also acquired a cash or call option on 49 percent of the interest in and loans extended to Berndes Beteiligungs GmbH held by CFC. This call option may be exercised in the period between January 1 and December 31, 2009.

In case of a future profitable exit of the segment "Fashion Group", currently including the companies delmod international GmbH & Co. KG and Hirsch Vertriebs GmbH, the agreement provides for a disproportionately high share of the exit proceeds to be allocated to CFC Industriebeteiligungen due to this segment's particularly bright prospects.

In concluding this transaction, Greenpark has made the commitment to support the continued development and growth of the portfolio companies with an amount of up to EUR 2.5 million in addition to the purchase price.

Palace Park Investments Ltd. is an acquisition vehicle specially established for this transaction. The company is funded by Greenpark Funds, Guernsey, specializing in so-called secondary investments, i.e. investments in existing portfolios. Greenpark Funds, advised in this transaction and managed by London based Greenpark Capital Ltd., ranks among Europe's largest and most successful secondary funds, its separate funds currently managing assets of EUR 1,300 million.

CFC retains management control over the holdings, thus providing for the companies' consistent development in line with the successful restructuring concept. Consequently, the sold companies remain in the basis of consolidation of CFC.

The purchase price for the sold investments, the loans and the option were evaluated as of call date May 31, 2008, coming to EUR 22.54 million. EUR 0.13 million are added to this amount for loans extended by CFC between call date and the transaction's closing. This results in a total purchase price of EUR 22.67 million. This purchase price is attributed to effectively or optionally acquired company investments in the amount of EUR 16.43 million and to loans in the amount of EUR 6.23 million. Upon closing the transaction, a due partial amount of EUR 13.5 million was paid by Palace Park. The remaining amount is payable during 2009.

As of the transaction's closing call date, our group auditor Ernst & Young conducted a review to audit the determination of results. The review resulted in a profit contribution of EUR 10.9 million at the level of CFC Industriebeteiligungen GmbH & Co. KGaA (individual financial statements). CFC has so far not chosen an applicable method for the determination of group earnings from the sale of investments and loans to a minority partner in its consolidated financial statements as no such sale has previously occurred. CFC has decided to treat the sale transaction according to the valuation method of "parent entity extension" (iGAAP 2008, no. 6.7.4) as this sale is not a transaction between partners, so that the full profit realized by this sale flows into the Group's earnings. The Group realized a profit of EUR 7.1 million from this transaction.

Estimates and assumptions

There were no changes in either nature or extent of estimates compared to previous financial statements.

Changes in basis of consolidation

In the third quarter 2008 there were no changes in the basis of consolidation.

Subsequent events

No exceptional or unusual events have occurred subsequent to the balance sheet date of the interim consolidated financial statements.



2. SEGMENT REPORTING

The following tables contain information about sales and results, assets and liabilities, as well as selected segment information of the CFC Group's business segments for the period January 1 to September 30, 2008.

Please refer to the Annual Report 2007 for the determination of business segments.

GROUP SEGMENT INCOME STATEMENT AS OF SEPTEMBER 30, 2008	Cookware	Home & Living	EMS
In Euro			
Sales	34,265,757.21	11,428,189.92	20,404,174.75
Changes in finished goods and work in process inventories	-363,617.96	-9,907.63	-410,275.80
Other operating income	727,165.53	-234,338.29	-3,094,656.08
Material expense	-19,824,571.32	-6,151,673.28	-11,747,607.77
Personnel expense	-4,087,290.16	-4,672,434.19	-5,193,965.94
Depreciation of property, plant and equipment and intangible assets	-810,002.15	-856,097.80	-1,239,144.14
Other operating expenses	-10,226,672.81	-1,807,862.44	-487,863.04
Operating result	-319,231.66	-2,304,123.71	-1,769,338.02
EBITDA	490,770.49	-1,448,025.91	-530,193.88
Finance income	30,509.43	49,178.68	53,719.68
Finance expense	-716,281.87	-790,803.98	-622,292.82
Financial result	-685,772.44	-741,625.30	-568,573.14
Earnings before taxes	-1,005,004.10	-3,045,749.01	-2,337,911.16

Fashion	Total segments	CFC KGaA financial statements	Consolidation	CFC
39,797,177.27	105,895,299.15	151,621.37		106,046,920.52
1,919,362.44	1,135,561.05	0.00		1,135,561.05
247,762.43	-2,354,066.41	10,926,675.01	3,594,998.24	12,167,606.84
-24,425,666.60	-62,149,518.97	0.00		-62,149,518.97
-6,792,613.23	-20,746,303.52	-104,042.65		-20,850,346.17
-1,446,205.98	-4,351,450.07	-15,589.44		-4,367,039.51
-6,165,202.18	-18,687,600.47	-2,564,902.69	-6,908,018.98	-28,160,522.14
3,134,614.15	-1,258,079.24	8,393,761.60	-3,313,020.74	3,822,661.62
4,580,820.13	3,093,370.83	8,409,351.04	-3,313,020.74	8,189,701.13
21,190.17	154,597.96	631,502.06	-562,277.04	223,822.98
-948,922.06	-3,078,300.73	-248,814.19	562,360.84	-2,764,754.08
-927,731.89	-2,923,702.77	382,687.87	83.80	-2,540,931.10
2,206,882.26	-4,181,782.01	8,776,449.47	-3,312,936.94	1,281,730.52

GROUP SEGMENT BALANCE SHEET AS OF SEPTEMBER 30, 2008	Cookware	Home & Living	EMS
In Euro			
ASSETS			
Non-current assets	15,633,936.87	11,534,391.04	10,006,210.56
Property, plant and equipment	2,595,143.02	11,089,611.10	6,379,696.13
Intangible assets	13,038,793.85	24,437.90	3,626,514.43
Financial assets	0.00	7,780.59	0.00
Real estate held as financial investments	0.00	0.00	0.00
Derivative financial instruments	0.00	0.00	0.00
Other non-current assets	0.00	412,561.45	0.00
Deferred tax assets	0.00	0.00	0.00
Current assets	20,313,504.60	3,913,919.87	7,693,019.25
Inventories	12,039,282.89	2,063,927.63	5,933,512.45
Trade receivables	5,321,781.77	1,180,959.81	1,347,479.79
Receivables IC	0.00	0.00	0.00
Other financial assets and other assets	1,893,356.44	669,032.43	262,389.52
Cash and cash equivalents	1,059,083.50	0.00	149,637.49
Non-current available-for-sale assets	0.00	0.00	0.00
Total assets	35,947,441.47	15,448,310.91	17,699,229.81

Fashion	Total segments	CFC KGaA financial statements	Consolidation	CFC
25,262,439.28	62,436,977.75	5,767,883.53	-3,917,218.36	64,287,642.92
7,468,468.70	27,532,918.95	389.90		27,533,308.85
17,428,378.41	34,118,124.59	110,208.94	296,719.50	34,525,053.03
255.65	8,036.24	5,657,284.69	-5,657,284.69	8,036.24
0.00	0.00	0.00		0.00
0.00	0.00	0.00		0.00
365,336.52	777,897.97	0.00	1,443,346.83	2,221,244.80
0.00	0.00	0.00		0.00
18,903,147.92	50,823,591.64	21,815,175.73	-10,359,133.44	62,279,633.93
11,714,558.68	31,751,281.65	0.00		31,751,281.65
3,988,641.64	11,838,863.01	64,649.38	-178,321.52	11,725,190.87
0.00	0.00	10,202,870.52	-10,202,870.52	0.00
765,260.23	3,590,038.62	4,112,656.94		7,702,695.56
2,434,687.37	3,643,408.36	7,434,998.89	22,058.60	11,100,465.85
0.00	0.00	0.00		0.00
44,165,587.20	113,260,569.39	27,583,059.26	-14,276,351.80	126,567,276.85

GROUP SEGMENT BALANCE SHEET AS OF SEPTEMBER 30, 2008	Cookware	Home & Living	EMS
In Euro			
EQUITY AND LIABILITIES			
Equity	11,477,106.42	-4,436,494.16	2,567,196.12
Non-current liabilities	4,736,742.36	4,447,639.69	2,345,080.99
Pension commitments and similar obligations	71,594.38	0.00	450,882.67
Non-current provisions	0.00	0.00	0.00
Finance lease liabilities	456,427.36	0.00	0.00
Deferred tax liabilities	4,208,720.62	2,313,582.99	-57,612.40
Other non-current liabilities	0.00	2,134,056.70	1,951,810.72
Current liabilities	19,733,592.69	15,437,165.38	12,786,952.70
Liabilities to banks	10,425,446.22	2,674,616.69	755,595.39
Current loans	490,000.00	8,712,000.00	4,031,000.00
Current portion of non-current loans	0.00	0.00	191,461.98
Trade payables	3,925,025.91	2,604,721.75	2,956,058.51
Advance payments	491,573.28	0.00	468,044.10
Payables IC	0.00	0.00	0.00
Current provisions	3,517,586.01	216,998.05	2,755,080.73
Current tax liabilities	325,715.65	383,372.16	210,951.06
Liabilities to partners	20,475.00	0.00	0.00
Other financial liabilities	332,052.14	845,456.73	1,408,726.02
Other liabilities	0.00	0.00	10,034.91
Finance lease liabilities	205,718.48	0.00	0.00
Total equity and liabilities	35,947,441.47	15,448,310.91	17,699,229.81

Fashion	Total segments	CFC KGaA financial statements	Consolidation	CFC
12,017,415.61	21,625,223.99	27,470,657.97	-10,714,534.61	38,381,347.35
12,257,355.33	23,786,818.37	-1,007,036.66	6,776,760.47	29,556,542.18
2,663,438.35	3,185,915.40	0.00		3,185,915.40
3,627,282.10	3,627,282.10	0.00		3,627,282.10
63,554.35	519,981.71	0.00		519,981.71
4,082,645.15	10,547,336.36	-1,007,036.66	1,542,587.08	11,082,886.78
1,820,435.38	5,906,302.80	0.00	5,234,173.39	11,140,476.19
19,890,816.26	67,848,527.03	1,119,437.95	-10,338,577.66	58,629,387.32
9,597,913.03	23,453,571.33	185.91		23,453,757.24
2,000,000.00	15,233,000.00	669,943.06	-9,246,180.00	6,656,763.06
0.00	191,461.98	0.00		191,461.98
2,182,108.44	11,667,914.61	203,471.04	-1,092,397.66	10,778,987.99
0.00	959,617.38	0.00		959,617.38
0.00	0.00			0.00
4,749,858.70	11,239,523.49	67,983.20		11,307,506.69
127,036.47	1,047,075.34	177,804.74		1,224,880.08
0.00	20,475.00	0.00		20,475.00
423,057.87	3,009,292.76	50.00		3,009,342.76
0.00	10,034.91	0.00		10,034.91
810,841.75	1,016,560.23	0.00		1,016,560.23
44,165,587.20	113,260,569.39	27,583,059.26	-14,276,351.80	126,567,276.85

3. NOTES TO SELECTED POSITIONS
OF THE INTERIM CONSOLIDATED BALANCE SHEET

3.1 Intangible assets

	(EUR'000) 9/30/2008	(EUR'000) 12/31/2007
Trademark rights	23,781	23,581
Customer relationships	8,609	9,184
Software and licenses	1,956	2,115
Advance payments	179	12
	34,525	34,892

With regard to trademark rights, the brands "Berndes" and "delmod" are intangible assets with indefinite useful lives. Insofar they are not subject to scheduled depreciation in accordance with IAS 38. There has been no indication for the requirement of unscheduled depreciation.

The capitalized customer relationships are depreciated according to schedule over approx. 10 - 16 years in application of the straight-line method. As of September 30, 2008 this kind of depreciation came to EUR 0.5 million.

3.2 Property, plant and equipment

Sachanlagen	(EUR'000) 9/30/2008	(EUR'000) 12/31/2007
Undeveloped real estate	917	826
Buildings on own and third-party property	14,165	13,825
Technical equipment and machinery	6,828	6,792
Other facilities, office equipment and furniture	4,554	3,890
Advance payments and construction in process	1,069	537
	27,533	25,870

3.3 Inventories

Inventories as of September 30, 2008 are composed as follows:

Inventories	(EUR'000) 9/30/2008	(EUR'000) 12/31/2007
Raw materials	8,489	7,532
Work in process	6,144	5,149
Finished goods	16,855	13,983
Advance payments for inventories	263	275
	31,751	26,940

For the allocation of inventories to the separate segments please refer to segment reporting.

3.4 Trade receivables

For the allocation of trade receivables to the separate segments please refer to segment reporting.

3.5 Stock capital

The stock capital of EUR 6,435,000.00 recognized in the balance sheet as of December 31, 2007 and consisting of 6,435,000 common bearer shares with a notional value of EUR 1.00 each is paid in entirety.

Partners are:

	EUR'000	percent
General partner		
CFC Industrie Beteiligungen Verwaltungs GmbH	0	0.0
Limited partners		
Heliad Equity Partners GmbH & Co. KGaA	500	7.77
Heliad Investments Ltd	500	7.77
Themis Equity Partners GmbH & Co. KGaA	1,500	23.31
Altira AG	240	3.73
Silvia Quandt & Cie. Capital Markets AG	438	6.81
Marcus Linnepe	971	15.09
Klaus von Hörde	250	3.89
Free float	2,036	31.64
	6.435	100.00

3.6 Other non-current liabilities

Other non-current liabilities remain at EUR 11.1 million as of September 30, 2008 (EUR 11.1 million as of June 30, 2008).

4. EMPLOYEES

As of September 30, 2008 there were 776 employees within the Group.

Disclosures according to Section 160 AktG

In the reporting period from January 1 to September 30, 2008 no reportable transactions involving the company's stock (directors' dealings) were made.

Responsibility statement

We assure to the best of our knowledge that the interim consolidated financial statements communicate a true and fair view of the Group's assets, financial position and results from operations, in accordance with applicable accounting standards, and that the interim group management report includes a fair review of the course of business including the result and the Group's position as well as a fair description of the material risks and opportunities of the Group's anticipated future development.

Dortmund, November 2008

Marcus Linnepe



FINANCIAL CALENDAR 2009

Preliminary results 2008	3/27/2009
Results 2008, Annual Report release, press conference, analyst conference	4/23/2009
Report on the first quarter 2009	4/23/2009
Annual General Meeting (Dortmund)	6/16/2009
Report on the second quarter 2009	7/31/2009
Report on the third quarter 2009	10/30/2009
Participation in investor conferences	
Presentation at German Equity Forum of Deutsche Börse AG	11/12/2008
Presentation at Munich Capital Markets Conference of GBC AG	12/10/2008

CONTACT

CFC Industriebeteiligungen GmbH & Co. KGaA
Dr. Frank J. Nellissen
Westfalendamm 9
44141 Dortmund

Phone.: + 49 231-22240 500
Fax: + 49 231-22240 7511

info@cfc.eu.com
www.cfc.eu.com