



## **Board of Management Report**

### **on Item 7 of the Agenda of the Annual Shareholders' Meeting on April 30, 2009 in compliance with Sec. 71 (1) No. 8 sentence 5 in conjunction with Sec. 186 (4) sentence 2 of the German Stock Corporation Act**

The Board of Management proposes under Item 7 b) (1) of the Agenda that, in appropriate application of Sec. 186 (3) sentence 4 of the German Stock Corporation Act, it may exclude shareholders' preemptive rights of subscription to new shares in the arithmetical nominal amount of up to ten percent of the capital stock, whereby the limit of ten percent may not be exceeded in aggregate, in other words including any other authorizations pursuant to Sec. 186 (3) sentence 4 of the German Stock Corporation Act. The possibility to exclude shareholders' preemptive rights of subscription under this authorization serves the Company's interest to be able to place treasury stock with institutional investors for instance. Additional new groups of shareholders in Germany and abroad can be won in this way. The possibility to exclude shareholders' preemptive rights of subscription enables management to seize on opportunities arising from prevailing stock market conditions especially for a faster and less expensive placement without the time-consuming and costly procedure associated with a rights issue. When exercising the authorization, the Board of Management will price the treasury stock so that any discount to the trading price will probably not exceed three percent of the Company's then current quoted share price. This procedure will protect shareholders against any undue dilution of their ownership interest.

The authorization to exclude shareholders' preemptive rights proposed under Item 7 b) (2) of the Agenda enables the Board of Management to use the Company's treasury stock to acquire companies or equity interests at short notice without having to raise funds in the market. Dürr Aktiengesellschaft continues to face tough competition from other companies, both nationally and internationally, and must be able to act quickly and flexibly at all times in the interests of its shareholders. This includes the acquisition of companies or equity interests to improve the Company's competitive position. High prices often have to be paid for such acquisitions which can no longer be financed entirely from cash without placing the company's liquidity at risk. Acquisitions are therefore often financed with the acquiring company's own stock. The proposed authorization is intended to provide Dürr Aktiengesellschaft with the necessary flexibility to be able to take advantage of opportunities to acquire companies or equity interests quickly and flexibly as they arise, also by offering treasury stock in exchange.

Stuttgart, March 2009

Dürr Aktiengesellschaft

Ralf Dieter

Ralph Heuwing