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Dürr AG

23rd Annual General Meeting
of Dürr Aktiengesellschaft

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The spoken word has precedence.

Chart 1: Welcome

Dear shareholders,

Dear shareholders' representatives, members of the press, guests and friends of our company

I would like to welcome you, also on behalf of my colleague Ralf Heuwing and all of our officers and employees, to Dürr AG's 23rd Annual General Meeting.

Today is already the seventh AGM at which I am reporting to you as Chief Executive Officer. But, today, I do so with particular pleasure, and also with pride, since I am able to report on a record business year, propose our highest ever dividend, and also give an optimistic outlook for 2012.

That Dürr is in such good shape is due to the general economic dynamic, but also to the foundations we have laid over the past years. For instance, our FOCUS optimization program in the years 2005 to 2007, the expansion of our position in the emerging markets, our consistent course of innovation, and the numerous improvements in our internal processes which have made the group more efficient. All these initiatives paid off in 2011, and will continue to drive us forward.

Chart 2: Agenda

Let me begin my report today with a few comments about our performance in the past 2011 fiscal year before taking a – very gratifying – look at our share and the dividend. I will then say a few words about our high-tech Application Technology business, which is now reported as a separate division since the end of 2011. As the next point I will present some of our latest innovations before discussing the "Dürr 2015" strategy, and concluding with the outlook.

Chart 3: Record order intake, earnings

So let's take a look at the record year 2011, in which we did a lot better than we originally expected.

This chart shows three ten-year comparisons: the grey line is sales revenues, the light blue line is incoming orders, and the orange line is earnings before interest and tax (EBIT).

As you can see on the far right, incoming orders and EBIT reached all-time highs in 2011. At € 107 million, EBIT topped the € 100 million mark for the first time in the company's history. With an EBIT margin of 5.5%, we already came close to achieving our target of 6%.

Also respectable is the development of incoming orders, which were up 64% versus 2010. At nearly € 2.7 billion, we even exceeded the levels in 2002 and 2003, despite the fact that the group was a good deal larger then. As you know, in 2005 we divested activities worth over € 400 million that were not part of our core business. We have more than recouped this lost volume.

Sales revenues - the grey line - were also up strongly by 52% in 2011; at € 1.92 billion, we almost reached the € 2 billion mark.

What are the reasons for the success in 2011?

The good performance was supported by strong capacity utilization as well as scale effects as a result of the high sales revenues. All the business units increased their earnings, and very strongly in some cases. This shows that Dürr's success was broad based. Together with our thanks to you and your teams, I would like to welcome here today the heads of the business units who are responsible for our business at the operating level: Manfred Weil, Dr. Uwe Siewert, Dr. Hans Schumacher, Dr. Ralf-Michael Fuchs, and Dr. Fritz Dorner. Bill Bell and

Joachim Kaufmann are away on business.

Incoming orders benefited not only from the robustness of the automobile market but also from backlog effects: besides new investment projects, our customers in the automobile industry also caught up on projects they had shelved during the crisis in 2008/2009. We also expanded our service business and generated additional demand with a number of product innovations.

Chart 4: Strong position in growth markets

Another success factor was our strong market position, also and especially in growth markets - marked in grey on the chart - such as China, India, Brazil, and Mexico. As you can see from the bar on the right these emerging markets meanwhile account for almost a third of our workforce. We have over 1,500 employees alone in China.

Chart 5: Business focus: growth markets

That expanding our capacities in the growth markets was the right move is underscored by this chart. While six years ago 27% of our orders came from the growth markets, it is now 65%; China alone accounts for almost one third of our orders. And on the subject of China: despite the repeated press reports about possible downturns in China, we believe firmly in this huge market. We are still witnessing continued dynamic demand there, and automobile sales have also picked up appreciably again over the past weeks.

Our customers are shifting their investments more and more to the growth markets in order to build up production capacities there. We are benefiting because we are better positioned with resources than other players in these regions. This is largely because we continued to build up our local teams also during the crisis in 2008/2009, while the competition made cuts. Through our focus on the growth markets, we are less exposed to the present economic weakness in Western Europe.

Chart 6: Marked rise in productivity

Ladies and Gentlemen

Dürr not only “grew” in 2011; it also demonstrated its efficiency. We achieved the strong 52% growth in sales revenues with a, by comparison, moderate 15% increase in headcount. Thanks to the high standard of professionalism we have achieved in the execution of large projects, no major problems were experienced despite the large number of projects being handled in parallel. If you recall: prior to 2008 we regularly reported about losses sustained on large projects that burdened our earnings. That has not happened again since 2008. And we aim to see it stays that way. Meanwhile, we are reliably executing over 30 large projects at one time; that is more than twice the number five years ago.

The flood of orders did not send us floundering; we have coped with the high volume with the right mix of experience, moderate capacity expansion, and international structures and processes. Here, the foremost role was played by the group’s almost 7,000 employees. Their dedication and expertise has impressed our customers again and again, for which we wish to thank all of our managers and employees around the world!

In these times of heavy workloads we are also being supported by many former “Dürraners” who have been finding retirement a bit too quiet. They are helping us out temporarily on projects throughout the world and passing on their experience to younger employees. Such commitment is not matter-of-course and says a lot about the sense of solidarity and loyalty at Dürr. So we are doing something for the 60-plus generation. With an average of 42 years, Dürr’s workforce has a good age structure, where experience and fresh stimulus are equally represented. Through the selective recruitment of new entrants, this will also be the case in future.

Chart 7: High liquidity, positive net financial position

Here, we show a few other key figures for 2011. Equity increased by 14%, but the equity ratio sank to 22%. This was because the balance sheet expanded by 37% due to the high volume of business. We still aim to return the equity ratio to a level of 30% over the next years.

We generated a high operating cash flow of € 128 million in 2011. This produced a liquidity cushion of almost € 300 million, as a result of which we had no net financial debt but a net cash position of € 52 million at the end of the year. This is all the more respectable considering that we shouldered an additional € 51 million of financing at the end of 2011. This was used to acquire our Campus site here in Bietigheim-Bissingen instead of leasing it as we had been doing. We are therefore now “living” here as owners, not tenants – a clear commitment to the region, a good signal for our employees, and a cost advantage.

Chart 8: Dividend

Ladies and Gentlemen

As shareholders, you should benefit appropriately from the strong earnings growth in 2011. The Supervisory Board and Board of Management therefore propose quadrupling the dividend from 30 cents last year to € 1.20 per share. This means a total dividend payout of € 20.8 million – the most that Dürr has ever paid. The € 20.8 million is equivalent to 32% of Group earnings after tax; that is in line with our dividend policy of distributing between 30% and 40% of Group net profit.

Chart 9: Share price

The performance of our share – shown in dark blue on the chart – also gives cause for satisfaction. As in 2009 and 2010, it also gained 40% in 2011 – putting the Dürr share among the top five performers of the DAX, MDAX, SDAX and TecDAX. Since the AGM a year ago, when the share was trading at € 26.36, it has gained over € 20.

Chart 10: Analysts and the MDAX

Most of the 16 analysts who cover our stock see further upside potential for the share. 84% of the analysts' recommendations are "Buy", with only one "Hold" and one "Sell" recommendation.

Interest in Dürr on the stock market has picked up appreciably. This is also connected with the exit of our former second-largest shareholder Aton about a year ago. Aton sold its 25% interest in Dürr to institutional investors, which increased our share's free float to 70%, while the average number of shares traded daily increased fivefold to over 100,000. Together with the growth in our market capitalization, this led to our promotion from the small cap SDAX index to the MDAX on March 19 this year. Through our entry into the MDAX – and the quality of our Investor Relations work, which has won us a number of awards – Dürr is attracting additional interest among investors at home and abroad as well as in the media.

However, I would also like to emphasize that, notwithstanding all the advantages from the share's higher free float, we highly appreciate having a reliable anchor shareholder with the Dürr family. The Dürr family stands firmly behind the company, and is an important guarantor of our continued independence in the long term.

Chart 11: Application Technology: A separate division

Ladies and Gentlemen

Let us now take a look at a business that is exemplary for Dürr's innovative power: Application Technology, in other words the business in components and robots for the automated application of paint, glue, and other high-viscosity materials. In response to the strong growth of this business, we have organized the Application Technology activities as a division since the end of 2011 and report its results separately. This not only makes for greater transparency but also makes the technological diversity within Dürr's portfolio more visible.

Chart 12: Group structure

With Application Technology, the Dürr Group now has four divisions. Paint and Assembly Systems - on the left - bundles together our plant engineering activities in paint and assembly systems for the automobile and aircraft industries, while Application Technology and Measuring and Process Systems represent our machinery business. On the right, you see the Clean Technology Systems division, created at the beginning of 2011, which is expanding our business in exhaust-air purification systems and energy-efficient technologies. I will be saying more about this later.

Chart 13: Application Technology: Key figures

But back to Application Technology: the division entered a new dimension in 2011, with a jump in new orders to almost € 600 million. That is also reflected in the number of robots sold which, at over 1,600, was more than twice as many as in the years before the crisis in 2008/2009. After sinking as a result of the economic crisis, the EBIT margin is back up to 7.6% already. For 2012 and beyond, we expect further improvements in the direction of 10%.

With a world market share of over 50%, Application Technology is way ahead of the competition. There are a number of reasons for this:

Chart 14: Application Technology: Success factors

- Dürr is the only supplier that offers the complete application systems from one source: from paint supply, robots and atomizers, through to software systems for control, operation, and simulation.
- For the automobile industry, our robots are the key to greater efficiency. Today, there are up to 130 robots in a modern paint shop!
- Our application products are cutting-edge in terms of technology: alone our new EcoBell3 high-speed rotary atomizer, which you see here in the video, embodies over 20 patents.
- And last but not least: we are using our application know-how to open up new

areas of business, for instance technologies for glueing and seam sealing in automobile production.

Chart 15: Innovation: Production efficiency

Ladies and Gentlemen

Innovation is the watchword in all our other areas of business, too, not only in Application Technology. Our new corporate slogan is: “Leading in Production Efficiency“, in other words: all our efforts are focused on making our customers’ production more efficient. In 2011, we increased our R&D spending by 14%. Let me now show you some of the results of our innovation work.

Chart 16: Innovation: Drier heating with solar energy

Under the motto Eco+Paintshop we have reduced the energy consumption of our paint shops by about 70% over the past years: from 1,500 kilowatt hours per body to less than 500 today. We are continuing on this path: for instance, we have developed a solar thermal system for heating the body driers which in sunny locations is capable of producing approximately 5,700 megawatt hours of CO₂-free energy a year.

Chart 17: Innovation: EcoMove

Our manufacturing technology is also being used more and more in aircraft production. We received our largest order to date in this business, worth over € 50 million, from the Russian aircraft manufacturer Irkut. Our engineers have developed the EcoMove handling system especially for aircraft assembly. It enables wings up to 35 meters long to be maneuvered fully automatically and positioned with millimeter range accuracy.

Chart 18: Innovation: Tooldyne

In balancing equipment, we launched seven world firsts at one go at the EMO machine tool trade fair in September 2011. The ToolDyne system for instance which balances cutting tools for machining metals and plastics.

Chart 19: Innovation: EcoCBase W3

An energy-efficient innovation in cleaning technology is the EcoCBase W3 system. It is used for cleaning workpieces after machining and uses up to 50% less energy than comparable systems for drying the cleaned workpieces.

Chart 20: Innovation: Ecopure KPR

In exhaust-air purification, we have developed a compact version of the Ecopure KPR system that can be combined optimally with our innovative EcoDryScrubber paint booth system. This compact unit is not only cheaper but also reduces the amount of energy needed to burn off the harmful emissions.

Chart 21: Agenda / guided tour

After this short excursion into the world of technology, let me now say a few words about today's agenda and the further procedure.

This year the agenda is leaner. This is because no authorizations, for instance for capital increases or share buybacks, need to be passed since all of the resolutions passed at previous AGMs are still valid. I may point out, pro forma, that we did not make use of any of the existing authorizations in 2011.

And one more thing: After the AGM, you are welcome to take a look at three interesting technology units here on the Campus: an automatic battery changing station developed by Dürr for electric vehicles, and glueing and seam sealing systems. If you wish to take part in the guided tour, please go to the information desk directly after the end of the meeting.

Chart 22: "Dürr 2015"

Ladies and Gentlemen

Let us now turn our attention to the "Dürr 2015" strategy and our potential for the future. I find it important to point out that "Dürr 2015" does not embody any

surprises or major changes. On the contrary, I am convinced that it is precisely the systematic pursuit of defined strategic goals and their continuous implementation that is one reason for Dürr's success.

With "Dürr 2015", we want to continue on our path of profitable growth. To this end, we are pursuing two other strategies besides innovation:

- Firstly, we are further expanding our successful core business.
- And, secondly, we are developing promising new areas of business, such as energy efficiency.

Chart 23: World automobile production

Firstly, our core business. Here, the prospects for Dürr remain good as automobile production is set to continue growing. Experts estimate that global production will grow to 30 million units by the year 2017. Much of this, namely 22 million cars, will probably be produced in the emerging markets – marked in blue. In these markets the demand for individual mobility is growing rapidly along with rising per capita incomes. It is striking that in the coming six years world automobile production is expected to grow more than three times as fast as in the past six years.

In light of the growing demand for cars, the automobile industry is continuing to invest heavily in equipment and systems from Dürr. With a certain time lag, this also leads to growing demand in the service business as the installed base of equipment supplied by us grows, and each production system has to be supplied with replacement parts and needs to be optimized over time.

Chart 24: New China locations

In view of the positive outlook we are continuing to invest in the growth markets. We are expanding the capacity of our plant in Mexico by one third. In China, we have just opened a new production facility for our plant engineering activities (on the left) and, by 2013, will be completing a new location for our machinery business. That will make Dürr as big in Shanghai as it is here in Bietigheim.

Chart 25: Acquisitions in the core business

Ladies and Gentlemen

Besides organic growth, we have made a number of smallish acquisitions over the past three years to tap additional market opportunities in our core business:

- We acquired the French specialist Datatechnic, with which we are successfully addressing the growth market for balancing equipment for turbocharger production.
- In cleaning technology, we have rounded out our portfolio with the acquisition of the Swiss company UCM, and now also offer systems for ultrafine cleaning.
- In application technology, we acquired the two German companies Kleinmichel and Rickert. This enables us to offer the automobile industry glueing systems for final assembly and for joining the new material combinations that are coming to be used increasingly in lightweight construction.
- In May 2011, we acquired a 55% interest in the Danish Agramkow Group, making us the world's largest supplier of filling equipment. With Dürr Somac and Agramkow, we now supply filling systems not only for the automobile industry but also for manufacturers of household appliances and air-conditioning systems. This business has also developed very positively in 2011.
- Last but not least, we took a 10% equity stake in the Japanese paint systems engineer Parker Engineering in 2011. Through Parker, we are improving our access to the Japanese automobile industry, especially in the growth market of South-east Asia which is dominated by Japanese auto makers. To fly our colors there, we recently opened a Dürr office in Thailand.

Ladies and Gentlemen

With these selective acquisitions and our strong position in the growth markets, we will continue to grow in our core business. In addition, we are pursuing a second

strategic thrust to secure future growth: expanding our portfolio of energy-efficient technologies.

Chart 26: Clean Technology Systems

Energy efficiency is a mega trend: with the refocusing in energy policy there is a growing realization that, besides tapping new sources of energy, using energy efficiently is also becoming more and more important - in the industrial countries as well as the emerging markets. Let me give an example to highlight the potential presented by energy efficiency: Through the consistent use of energy-saving technologies, it would be possible to save up to 30% of the energy used in industrial production. That is equivalent to about half of the domestic electricity consumed each year by households in Germany.

The trend towards energy-efficient technologies is therefore not only necessary in the interest of sustainability, it also makes economic sense. Dürr is actively shaping this process: at the beginning of 2011, after constructive discussions with the Supervisory Board, we set up the Clean Technology Systems division. Its backbone is our established business in exhaust-air purification systems. Beyond that, Clean Technology Systems is successively building up a technology portfolio through acquisitions with which we can support our customers in optimizing their production from energy aspects.

Our focus is on exploiting the waste heat from industrial processes. Take energy-intensive sectors such as the cement or glass industries, for instance, or our own paint systems. At present, most of the heat generated is passed into the atmosphere. Instead, we are offering systems that use it to generate electricity, for instance with the aid of micro gas turbines or Organic Rankine Cycle systems that operate on similar lines to steam turbines. We are also looking closely into heat exchanger technologies, heat conversion and heat storage.

It is an integral part of our technology management to derive mutual benefits from

the core business and the new energy efficiency activities. For instance, we transfer know-how from the energy optimization of our paint shops to Clean Technology Systems while, conversely, we are applying new processes from the energy efficiency portfolio in our core business. A good example here is the use of micro gas turbines for body dryers.

Ladies and Gentlemen

We are aiming to increase sales revenues at Clean Technology Systems to over € 200 million by the year 2015. For the present, the main driver will be the exhaust-air purification systems business, for which we see considerable opportunities especially in the growth markets. The new processes I just mentioned still need time before they generate higher revenues. They are an important investment in the future, for energy-efficient technologies harbor great potential in terms of cost-cutting, as a contribution towards sustainable production, and in decentralized energy supply. In this way, we are supporting the change in energy policy which has little chance of succeeding without energy efficiency.

Ladies and Gentlemen

My comments on the “Dürr 2015” strategy were intended to show

- that the automobile industry continues to be a growth industry,
- that we are tapping additional market opportunities in our core business through acquisitions, and
- that Dürr is positioning itself in the promising future market for energy-efficient technologies.

Chart 27: Q1 2012

Finally, a look at 2012.

We were able to start off the year with a record order backlog of over € 2.1 billion as incoming orders clearly exceeded sales revenues in 2011. This assures us a

good level of capacity utilization until into the year 2013.

In the first quarter of 2012, Dürr continued seamlessly on from the positive development in 2011, as the preliminary results we published ad hoc on Wednesday showed. At € 679 million, order intake in the first three months again reached an above-average level. The same applies to sales revenues, which rose to € 562 million. That is € 200 million more than in the first quarter last year. Earnings before interest and tax tripled year over year to nearly € 30 million, equating to an EBIT margin of 5.3%.

Chart 28: Outlook

With the successful first quarter behind us, we are very confident that we will also achieve our targets for the full year 2012.

We aim to increase sales revenues by at least 5% to over € 2 billion. Incoming orders are also expected to be in excess of € 2 billion again in 2012 – which would put us clearly above the level for the fiscal years before 2011.

We want to grow earnings more strongly than sales again, and target an EBIT margin improvement to between 5.5% and 6% in 2012. Parallel with that, earnings after tax and the dividend for 2012 based on that should rise by at least 15%. In short, this means that, unless there is a major deterioration in the general economic conditions, we want to reach new record levels again in 2012.

Ladies and Gentlemen

Dürr is a company with long traditions that has always remained true to its focus on innovation, quality, and customer orientation. Nonetheless, we have steadily moved forward. The past ten to 15 years were initially marked by acquisitions and strong growth, followed by a phase of consolidation and realignment.

Today, Dürr is geared for the future. We mastered the crisis in 2008/2009 in good

shape and were rewarded with the fruits of our efforts in the record year 2011. We are entering new areas of business and are on a path of profitable growth, from which you, as shareholders, also benefit. Our business has continued to develop well in the first months of 2012. We have innovative technologies, and excellent managers and employees, and will continue to benefit from the economic dynamic in the emerging markets.

I wish to thank you for your confidence and may assure you that we will continue to devote ourselves to furthering the interests of your company with energy and determination.

Thank you for your attention.