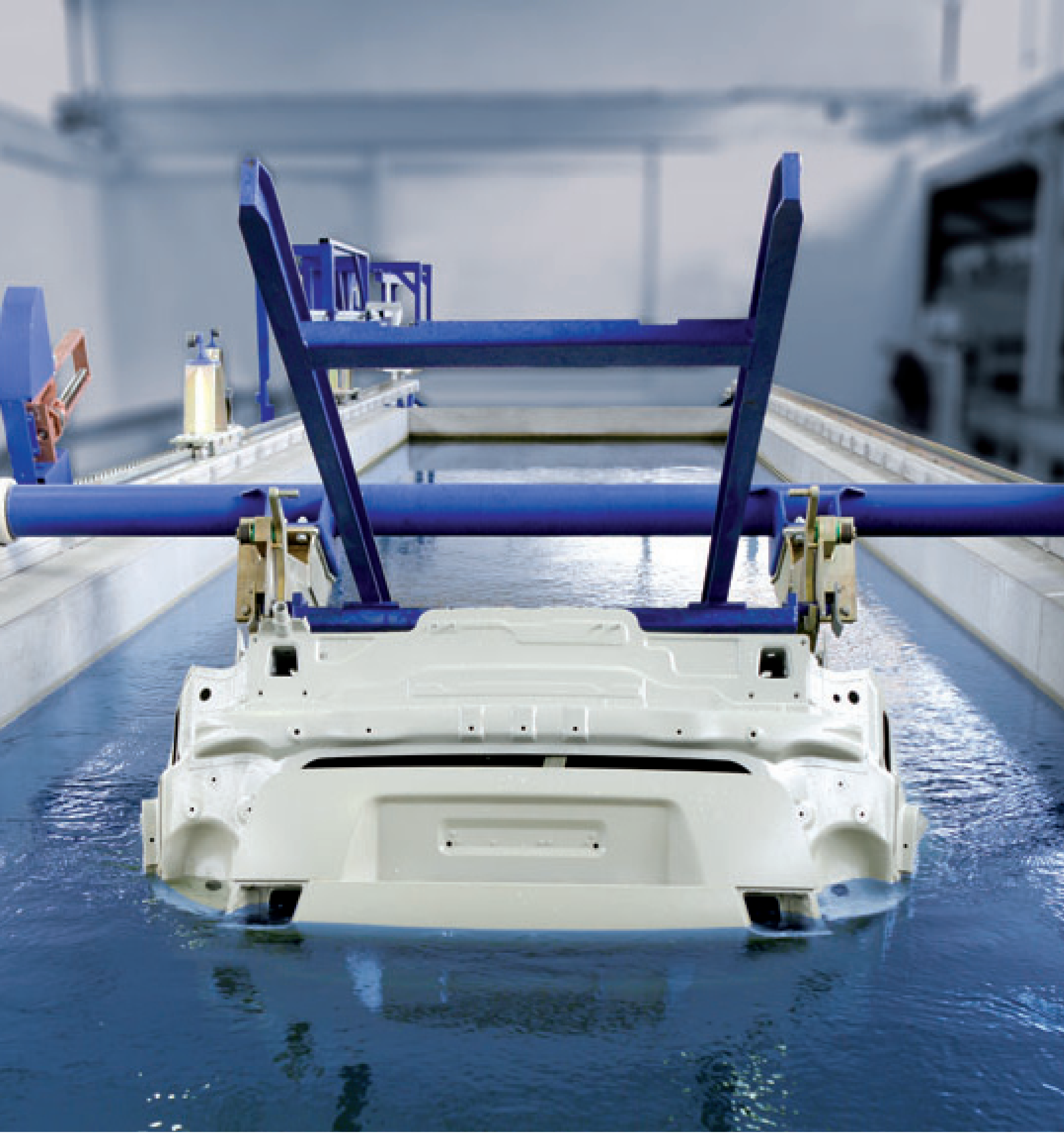


Interim financial report January 1 to June 30, 2008

DÜRR

Technologies · Systems · Solutions

Contents

Cover photo:

Dip-painting with Dürr´s patented RoDip technology protects the car body against corrosion and forms the basis for a glossy surface.

Key figures for the Dürr Group (IFRS)

(Continuing operations)

		H1 2008	H1 2007
Incoming orders	in € m	876.1	912.4
Orders on hand (June 30)	in € m	1,172.7	1,070.6
Sales revenues	in € m	752.7	650.3
EBITDA	in € m	33.5	20.4
EBIT	in € m	24.6	11.0
Earnings after tax	in € m	10.8	0.0
Cash flow from operating activities	in € m	-7.5	-23.3
Cash flow from investing activities	in € m	4.3	-6.8
Cash flow from financing activities	in € m	-22.5	-14.1
Free cash flow	in € m	-24.7	-45.4
Balance sheet total (June 30)	in € m	1,141.5	1,069.1
Equity (with minority interests) (June 30)	in € m	294.5	245.2
Net financial debt (June 30)1)	in € m	89.0	146.6
Net working capital (June 30)	in € m	127.2	155.8
Employees (June 30)		6,044	5,836
Dürr-stock ISIN: DE0005565204			
High2)	€	33.89	34.00
Low2)	€	17.51	20.20
Close2)	€	25.99	31.04
Number of shares (weighted average)	k	15,763	15,728
Earnings per share (diluted / undiluted)	€	0.63	0.02

1) The proceeds from the capital increase were booked in July 2008. As from 2008 financial liabilities/receivables due to/from entities accounted for using the equity method are included in the calculation of net financial debt. The prior-year figure has been adjusted accordingly.

2) XETRA

Immaterial variances may occur in this report in the computation of sums and percentages due to rounding.

Highlights

- Order backlog up 8.4% versus year-end 2007
- Sales revenues up 15.7% year on year
- Earnings and cash flow strongly improved
- Capital increase by almost 10% successfully placed, optimization of financing structure continued
- Positive full-year outlook for 2008

Management report

Successful capital increase despite difficult stock market phase

On the basis of an authorization passed by the Annual General Meeting on May 24, 2006 we placed 1,572,500 bearer ordinary shares (equivalent to just less than 10% of the capital stock) in June 2008 by way of an accelerated bookbuilding process. The new shares, which were mostly subscribed by institutional investors, will be entitled to the full dividend for 2008. With a placing price of € 28.00 per share, the issue raised gross proceeds of € 44.0 million for Dürr AG. The company's subscribed capital was increased from € 40.3 million to € 44.3 million, and the capital reserve from € 160.5 million to € 200.1 million. The proceeds were booked at the beginning of July 2008.

With the capital increase we have continued the optimization of our financing structure aimed at greater long-term security and financial flexibility. The capital increase also secures the basis for financing our growth. In the coming quarters we plan to make several small bolt-on acquisitions to flank our above-market-average organic growth. Acquisitions are targeted for instance in balancing technology.

As a further step to optimize our financing structure we intend to redeem an initial 50% of our high-yield bond in the third quarter. In addition, we are currently in negotiations with the banking consortium to renew and increase our syndicated credit facility on terms in line with the company's improved situation.

The combination of capital increase and bond redemption should yield significant relief in interest expense already in 2009. We also expect it to lead to an accelerated upgrading of our corporate ratings by Standard & Poor´s (S&P) and Moody´s. Both agencies have already responded positively to the capital increase. In light of the gross proceeds of € 44.0 million and the continued good operating performance S&P placed the Dürr rating on "credit watch with positive implications" in June, meaning that S&P will probably decide within 90 days on an upgrading to "B+". S&P's current rating for Dürr is "B". S&P had already raised Dürr's rating outlook from "stable" to "positive" in March. Moody´s has now also adjusted its outlook for Dürr from "stable" to "positive" and held out the prospect of a rating upgrade from "B2" to "B1" in relative short order.

Economic and industry environment

The slackening of global economic growth already visible at the end of 2007 grew more pronounced in the first half of 2008. Growth slowed down in the USA, primarily as a result of the problems in the property and credit markets. In Europe, on the other hand, and especially in Germany, the economic trend was relatively stable, and unemployment continued to fall. The growth in Asia remained dynamic, with China strengthening its position as a locomotive with worldwide driving power. The weakness of the US dollar and yen continues to be a source of concern. In addition, rising commodity and producer prices are pushing up inflation. Against this backdrop the central banks see only limited scope for stimulating the economy through rate cuts.

World automobile production in the first half of 2008 is likely to have exceeded the level in the first six months last year. However, against the backdrop of the respective economic situation and sharply rising fuel costs trends differed widely from market to market. Unit sales were down strongly in the USA and Japan, and also declined in Western Europe, while double-digit rates of growth were witnessed in India, China (+14%) and Russia (+41%). More automobiles are now sold in China, and in Russia, too, for the first time, than in Germany. The trend towards smaller, cheaper and low-fuel-consumption vehicles has become firmly established worldwide. In this context the automobile industry is also pushing the development of alternative drives with a better CO_2 balance.

We expect capital spending in the automobile industry to continue to rise in the coming years despite the present weakness of consumer demand. The main demand for new plants, for instance paint shops and assembly lines, is in Eastern Europe and the emerging Asian markets but there are also a number of projects in the pipeline in Western Europe and North America. In revamp business demand is steadily growing as many manufacturers are investing in older plants to make them more flexible and to optimize production costs.

Business developments*

Further growth in orders on hand
The Dürr Group booked orders worth € 876.1 million in the first half of 2008, which was 4.0% less than in the same period last year (H1 2007: € 912.4 million). This slight decline is in line with our planning and supports our forecast of new orders for the full year to be more or less on a level with last year. Orders booked in the second quarter of 2008 amounted to € 358.3 million and thus fell short of the comparatively high € 404.1 million in the second quarter last year. This deviation results mainly from the fact that we refrained from taking on low-margin orders in the final assembly conveyor systems business, as announced in the "Dürr 2010" strategy. The development in the products business (above all the Measuring and Process Systems division) was very positive despite the slackening economic dynamic.

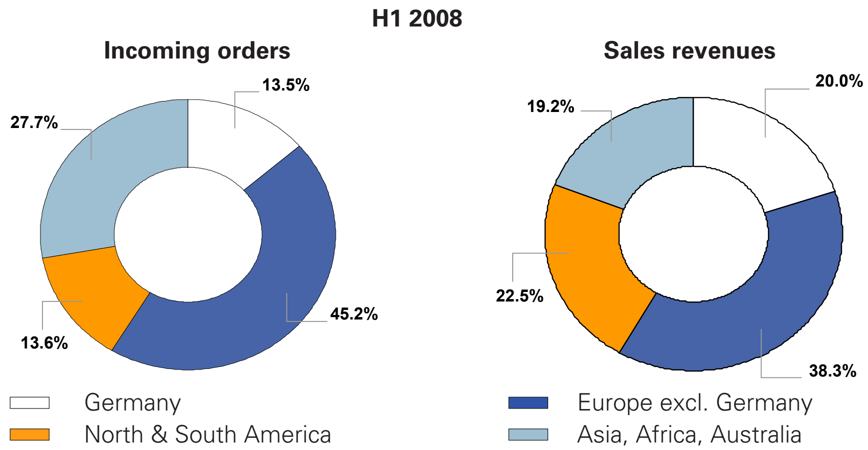
In the Paint and Assembly Systems division incoming orders were down 9.4% year on year. Much of this decline was attributable to the Paint and Final Assembly Systems business unit, where our greater selectivity in taking on orders in the final assembly systems business made itself felt. Environmental and Energy Systems witnessed a temporary lull in demand, while Application Technology booked more orders than in the first half of 2007.

Incoming orders in the Measuring and Process Systems division remained buoyant with growth of 14.7%, with both business units contributing to the dynamic development. New orders at Cleaning and Filtration Systems were up by almost one-fourth, buoyed by the new product lines introduced last year. Orders at Balancing and Assembly Products were up 10%. The business unit profited from the continued strong demand for balancing equipment for power plants.

*Unless stated otherwise, all figures and statements in this interim report refer to the continuing operations of the Dürr Group. These interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Within the framework of the "Dürr 2010" strategy we have transferred the assembly, filling and testing products business from the Paint and Assembly Systems division to the Measuring and Process Systems division. This affects our segment reporting, which is aligned to the two divisions. We have adjusted the two divisions' Q1 and Q2 2007 figures to the new structure. The figures for Q1 and Q2 2008 are therefore fully comparable with the figures for the first two quarters of 2007.

Viewed by region, the trends in incoming orders in the first half of 2008 varied. While Germany accounted for only 13.5% of new orders, there was marked growth in order intake in the rest of the EU, to which large orders from Italy, France and Great Britain contributed. In Eastern Europe, the Russian market especially remained dynamic but we also booked a large paint systems order from Romania. Order intake in North America was down after the strong growth witnessed in the first half of 2007. Asian business was very dynamic, with new orders up 28.4%, driven primarily by orders in China while order intake in India stabilized at the high year-earlier level.



Sales revenues up 15.7%

Consolidated sales have risen strongly so far this year: in the first six months they were up 15.7% to € 752.7 million (H1 2007: € 650.3 million); in the second quarter the growth was 14.5%. By business unit, Paint and Final Assembly Systems, Balancing and Assembly Products, and Cleaning and Filtration Systems posted the strongest growth rates.

The roughly 7% weaker US dollar compared with 2007 impacted sales revenues negatively by around 2%. Europe contributed 58.3% of sales revenues, Asia (incl. Africa and Australia) 19.2%, and North and South America 22.5%. Our business in the emerging markets accounted for 44.6% of consolidated sales, with much of this coming from the BRIC countries (Brazil, Russia, India, China). At 1.16, the ratio of new orders to sales – the book-to-bill ratio – remained comfortably above 1 despite the strong growth in sales revenues. This means further growthin orders on hand: order backlog as of June 30, 2008 came to € 1,172.7 million (June 30, 2007: € 1,070.6 million), an increase of € 90.7 million versus the end of 2007. Our reach of orders has therefore increased further.

Gross margin improved to 17.0%

The cost of sales increased by 14.6% in the first half of 2008, and thus less than proportionally compared to sales revenues. This is attributable above all to the improvement of our internal processes. The Group's gross margin rose respectably: from 16.1% to 17.0%. The improvement would have been still more pronounced had it not been for the fact that the higher-margin services business grew less strongly than new business. Final assembly conveyor technology is the only business not yet making a positive earnings contribution. The Board of Management is therefore reviewing various options for this peripheral activity.

Overhead costs rise much less strongly than sales revenues

Administrative and selling expenses rose by 4.1% and thus at a much slower pace than sales revenues. As a result, the ratio of administrative and selling expenses to sales fell to 12.4%. Research & development expenses rose by 3.7% to € 12.1 million (H1 2007: € 11.6 million). The net balance of other operating income and expenses was € +2.4 million (H1 2007: € +8.0 million). In addition to book gains on asset disposals (€ 3.6 million) there was also a positive balance of € 0.8 million from currency translation. The expenditures for the Campus project, covering the relocation of our activities in Stuttgart to Bietigheim-Bissingen and the expansion of this site, amounted to € 1.7 million in the first six months of 2008. There were no longer any restructuring expenses in the first half of 2008; in the first half of 2007 they had already amounted to only € 0.4 million.

EBIT more than doubled

EBITDA was increased by 64.2% to € 33.5 million in the first six months of 2008 (H1 2007: € 20.4 million). EBIT rose even more strongly and, with depreciation and amortization amounting to € 9.0 million (H1 2007: € 9.0 million), more than doubled to € 24.6 million (H1 2007: € 11.0 million). The weakness of the US dollar had an only marginal effect on earnings. The financial result improved by € 1.7 million to € -9.2 million. This was due to the lower average debt and higher investment income. Based on an effective tax rate of just under 30%, earnings after tax came to € 10.8 million. This, too, was a strong improvement after just breaking even in the first half of 2007.

Financial position

Cash flow from operating activities improved*

Cash flow from operating activities improved strongly in the first half of 2008 to € -7.5 million from € -23.3 million in the first half last year. This was due to a number of factors but mainly to the company's improved earning power. The changes in provisions were neutralized by higher cash outflows for taxes and a slight increase of € 9.2 million in net working capital. The item "Other" mostly relates to the increase in "Other receivables and other assets" (tax refund claims, among other things) and the reduction of "Other liabilities" (value-added tax, personnel).

Forfaiting and factoring transactions also need to be taken into account here in the year-on-year comparison of cash flow from operating activities. While we increased the volume of these transactions by € 48.2 million in the first half of 2007, it was reduced by € 13.8 million in the first half of 2008. If the resulting improvement of € 62.0 million is added to the improvement of € 15.8 million in cash flow from operating activities that is directly visible in the cash flow statement, the actual improvement in cash flow versus for the first half of 2007 would come to € 77.8 million on a like-for-like basis.

Amounts in € million	Dec. 31, 2006	June 30, 2007	Dec. 31, 2007	June 30, 2008
Factoring	11.9	9.1	14.2	8.7
Forfaiting	-	51.0	20.8	12.5
Total	**11.9**	**60.1**	**35.0**	**21.2**

Cash flow from investing activities was positive at € 4.3 million in the first half of 2008 (H1 2007: € -6.8 million). This was mainly due to proceeds from the disposal of non-current assets (land/buildings in the USA) that had already been planned for some time. At € 5.4 million, capital expenditure on property, plant and equipment was slightly higher than in the first half of 2007. On the other hand, at € 2.8 million, almost € 5 million less was invested in intangible assets. The growth here in the first half of 2007 was due to above-average expenditures for our Group-wide IT standardization project (software licenses, capitalized project costs etc.).

* Exchange rate effects have been eliminated in the cash flow statement. For this reason, the changes shown here can only be seen in the balance sheet to a limited extent.

Cash flow from financing activities amounted to € -22.5 million (H1 2007: € -14.1 million) and was mainly influenced by interest paid and the cash outflow for the dividend payment. The proceeds from the capital increase were booked at the beginning of July 2008 and were therefore not yet reflected in cash flow from financing activities in the first six months of 2008.

Free cash flow indicates what resources are left for paying dividends, buying back shares and reducing net financial debt. While, at € -24.7 million, free cash flow in the first half of 2008 was still negative, it was much improved versus the same period last year (€ -45.4 million).

Cash flow statement

Amounts in € million	H1 2008	H1 2007
Earnings before income taxes	15.4	0.1
Depreciation and amortization	9.0	9.0
Net interest	10.4	11.4
Income taxes paid	-6.7	-3.7
Change in provisions	5.3	-13.9
Change in net working capital	-9.2	3.9
Other	-31.7	-30.1
Cash flow from operating activities	**-7.5**	**-23.3**
Interest payments (net)	-9.1	-9.9
Capital expenditure	-8.1	-12.2
Free cash flow	**-24.7**	**-45.4**
Other cash flows (incl. dividend)	-2.5	-4.4
Decrease (+), increase (-) in net financial debt	**-27.2**	**-49.8**

Capital increase improves balance sheet and financial ratios
Net financial debt amounted to € 89.0 million as of June 30, 2008 as compared to € 61.8 million at the end of 2007. We met our financing requirements from available cash and cash equivalents, which decreased by € 31.4 million versus December 31, 2007 to € 116.1 million. Dürr's financing requirements are typically higher during the year than at the end of the year.

The balance sheet total rose to € 1,141.5 million (December 31, 2007: € 1,074.8 million). Owing to the higher volume of business, inventories, trade receivables and trade payables rose by over 10% each. Prepayments received (included under trade payables) developed nicely: as a result of the increased volume of orders they rose to € 178.9 million as of June 30, 2008, an increase of € 49.5 million versus the end of 2007. Another reason for the growth in the balance sheet was the capital increase, which increased equity and other receivables and other assets by € 43.7 million; the proceeds from the capital increase were booked at the beginning of July. While, in line with the growing volume of business, net working capital rose by € 9.2 million in constant currency versus the end of 2007 to € 127.2 million, in relative terms it was little changed with a low days-working-capital ratio of 30.4. We expect an appreciable reduction in the balance sheet total by the end of the year, firstly, as a result of the planned bond redemption and, secondly, because less capital will be tied up than in the middle of the year.

The equity ratio, standing at 25.8% as of June 30, 2008, was higher than at the end of 2007 (23.9%). This was due both to the capital increase and to reported earnings, set against which there were the dividend payout and the currency losses from the translation of balance sheet items charged directly to equity.

Current and non-current liabilities

Amounts in € million	June 30, 2008	June 30, 2007	Dec. 31, 2007
Financial liabilities	17.1	20.3	22.9
Coporate bond	192.7	191.0	191.7
Trade payables	390.2	359.1	344.8
of which prepayments received	178.9	133.2	129.4
Tax liabilities	27.7	24.1	31.4
Other liabilities	79.6	83.9	90.7
Total	**707.3**	**678.4**	**681.5**

R&D and capital expenditures

Direct expenses for research and development (R&D) recognized in the income statement for the first half of 2008 amounted to € 12.1 million (H1 2007: € 11.6 million). The R&D ratio, that is the ratio of these R&D expenses to sales revenues, was 1.6% (H1 2007: 1.8%). If additional project-related development expenses which arise in connection with customer orders are included, both R&D spending and the ratio were much higher and roughly level with the same period last year. Another € 1.1 million of expenditure for research and development was capitalized (H1 2007: € 1.6 million).

The R&D focus in paint systems technology was on the further development of our low-priced LeanLine systems concept. Under the slogan "LeanLayout" we designed an extremely compact paint shop layout where all the systems are placed on one building level only. This saves costs for our customers because, among other things, it lowers the structural demands placed on the paint shop building.

In environmental technology we combined an exhaust-air purification system for regenerative thermal oxidation with a so-called evaporation tower for the first time. This enables the system not only to clean waste gases containing hydrocarbons but also to treat solids-free effluents. This combination of processes reduces running costs as it can operate virtually without any input of primary energy. Instead, the hydrocarbons contained in the exhaust air are used as the energy source for the evaporation process.

The newly created Aircraft and Technology Systems business unit has pressed ahead with the standardization of its products. The focus was on spraying booths for painting aircraft components.

In balancing systems technology we have developed the PASIO 5 model which is specially designed for balancing small rotors such as armatures, spindles or fans. The machine, which we have been working on since the beginning of the year under an accelerated development process, is due to be presented already at this year's major autumn trade fairs such as the AMB in Stuttgart and the IMT in Brünn.

Capital expenditures
€ 8.1 million was invested in property, plant and equipment and in intangible assets, which was € 4.2 million less than in the first half of 2007. This was mainly due to the fact that the bulk of our capital spending on IT harmonization was undertaken in 2007. Besides smallish IT investments, the expenditure in the first half of 2008 was mainly on maintenance and replacement investments.

Capital expenditures*

Amounts in € million	H1 2008	H1 2007
Paint and Assembly Systems	5.0	10.1
Measuring and Process Systems	3.1	2.0
Corporate Center	0.0	0.2
Total	**8.1**	**12.3**

* in property, plant and equipment and in intangible assets

Employees

Further build-up in the emerging markets
The Dürr Group had 6,044 employees as of June 30, 2008. This is 1.8% more than at the end of 2007 and 3.6% more than on June 30, 2007. The growth was in the automobile industry's growth markets where demand is strong: headcount was increased in Asia (incl. Africa and Australia) by 21% versus June 30, 2007 (to 883 employees), in Mexico by 38% (to 131 employees) and in Brazil by 14% (to 107 employees). In Russia, an additional 30 employees were recruited for the company we established there in August 2007. On the other hand, we reduced our headcount in some countries in Western Europe, adjusting it to future market requirements. In France, for instance, the number of employees was reduced by 50 versus June 30, 2007 to 486. The number of employees has also declined slightly in Germany and Spain.

Employees

	June 30, 2008	June 30, 2007	Dec. 31, 2007
Paint and Assembly Systems	3,560	3,490	3,551
Measuring and Process Systems	2,437	2,303	2,338
Corporate Center	47	43	47
Total	**6,044**	**5,836**	**5,936**

Company officers

There were no changes in the Board of Management or Supervisory Board in the reporting period.

Overview of the divisions

Paint and Assembly Systems

		H1 2008	H1 2007
Incoming orders	in € million	641.8	708.3
Sales revenues	in € million	555.3	479.8
EBITDA	in € million	24.4	9.2
EBIT	in € million	18.9	4.1
Employees (June 30)		3,560	3,490

At € 641.8 million, incoming orders at Paint and Assembly Systems in the first half of 2008 did not match the previous year's very high level of € 708.3 million. The main reason for this decline was that we deliberately refrained from taking on low-margin orders in the final assembly conveyor systems business. We booked large paint system orders from Romania, China and India. Investment activity in the USA, on the other hand, was restrained. Growth in incoming orders was achieved in the Application Technology business unit. Thanks to the high order backlog capacities are well employed in all business units. EBIT improved strongly in the reporting period, mainly due to the better order quality and further efficiency enhancement measures. The earnings improvement was attributable largely to the paint systems business.

Measuring and Process Systems

		H1 2008	H1 2007
Incoming orders	in € million	234.3	204.2
Sales revenues	in € million	197.3	170.5
EBITDA	in € million	10.9	10.2
EBIT	in € million	8.0	6.8
Employees (June 30)		2,437	2,303

Measuring and Process Systems increased its order intake by 14.7% in the first half of 2008. Both business units contributed to this success. Balancing and Assembly Products benefited above all from the strong global demand for balancing systems in the power generating sector, while Cleaning and Filtration Systems profited from its strengthened international sales and production presence and was able to win several large orders. Both business units also achieved double-digit rates of growth in sales revenues. At Cleaning and Filtration Systems sales were even up by about one-fourth. This business unit also improved its EBIT strongly. Balancing and Assembly Products increased its earnings on a like-for-like basis.

Corporate Center

Corporate Center (Dürr AG) EBIT in the first half of 2008 came to € -2.3 million after € 0.1 million in the first half of 2007. The decline was mainly due to expenditures of € 1.7 million for the Campus project.

Opportunities and risks

Risks

In the months so far we were exposed to the risks which are typical of our business. These are primarily pricing pressure, differing regional demand trends and risks in order execution. A detailed description of these and other risks can be found in our Annual Report for 2007.

We do not see any problems for our corporate financing through the financial crisis: we were able to place our capital increase, equivalent to almost 10% of the capital stock, successfully in June, and the negotiations with our banking consortium on an enlarged credit facility are well advanced.

The outlook has deteriorated for some of our customers in the automobile industry as high fuel prices and inflation worries are causing many consumers to hold back with purchases. Nonetheless, the number and volume of requests for quotation remains at an undiminished high level. Beyond the typical quarterly fluctuations there are no indications that customers are considering shelving longer-term investment projects.

The US dollar's continued weakness against the euro has a negative impact on our sales figures, but this is only in the region of 2%. Thanks to our global value-added structure the impact on earnings, too, is only marginal. We are feeling the effect of the yen's weakness against the euro as a major competitor in the paint systems business is Japanese.

The economic downturn in North America and Europe increases the risk of a slackening business development at Dürr, too. However, due to our high order backlog and ongoing vivid project requests we adhere to our forecasts.

Opportunities

The opportunities we see for our business are also discussed in detail in our Annual Report for 2007. This includes the good longer-term growth prospects for the services business thanks to the strong market penetration of our machinery and systems. Opportunities are also presented by the dynamic growth of the automobile industry in the emerging markets.

In addition, we see attractive business potential for environmentally sound and resource-saving manufacturing technologies, not only in new business but above all in revamp business. Drivers are not only rising energy prices but also stricter environmental regulations, which lead to a growing demand for sustainable technologies.

Additional opportunities are presented by the strategic expansion of our business in assembly and painting technology for the aircraft industry. This industry currently has a number of major investment projects in the pipeline. We stand to benefit here from two trends. Firstly, aircraft manufacture is coming to be oriented more and more to the methods and processes used in automobile production with which we are intimately familiar. Secondly, as they streamline their supplier bases aircraft manufacturers are increasingly turning to turnkey suppliers that can reliably execute larger order packages. Here, we stand to profit not only from our decades of experience with general contractor projects but also from the cooperation with our partner EDAG.

Related-party disclosures

These disclosures can be found in the notes to the consolidated financial statements on page 32.

Outlook

For 2008 we expect incoming orders to be more or less on a level with last year provided the economic conditions and exchange rate situation do not deteriorate further. We will continue our earnings-oriented course in the final assembly systems business and only take on orders that offer adequate margins.

Consolidated sales will rise by up to 10% in 2008. We expect a further improvement in earnings. Our target continues to be a margin of 5% at the EBIT level. This is based on the planned increase in our gross margin through improved internal processes. In addition, overhead costs (selling, administrative and R&D expenses) should rise less than proportionally compared to sales revenues.

We will continue with the process of optimizing our financial structure initiated with the capital increase. The next two steps will be to renew and increase our syndicated credit line and to redeem € 100 million of our corporate bond. Both transactions will be completed in the third quarter of 2008.

The partial redemption of the bond will already reduce our regular interest payments in 2008. However, the partial redemption and the arrangement of the new credit facility will lead to one-off costs of € 9.6 million. We expect a further substantial increase in net income. On this basis we intend to pay a higher dividend for 2008. The tax rate should decline to a future normal level of 30% (2007: 39.0%).

We expect cash flow from operating activities to be positive in 2008 and to reach at least the 2007 level. Net working capital should be slightly lower despite rising sales revenues. In addition, we are aiming for a positive free cash flow again, so net financial debt should be reduced and liquidity improved. We expect to post a positive net cash position at the end of 2008 for the first time since 1998.

Capital expenditure (including planned acquisitions) in 2008 will probably be around the same level as last year. We plan slightly lower investments in property, plant and equipment and intangible assets than last year as most of the expenditures on harmonizing our IT systems to improve our internal processes were undertaken in 2007. On the other hand, our investment planning for 2008 and 2009 includes smallish bolt-on acquisitions to round out our activities in the Balancing and Assembly Products and Cleaning and Filtration Systems business units. We intend to increase our R&D spending slightly versus 2007 (€ 20.5 million).

We above all expect the capital increase and reported earnings (less dividend payments) to substantially strengthen our equity base and lead to an equity ratio of about 30% at the end of 2008.

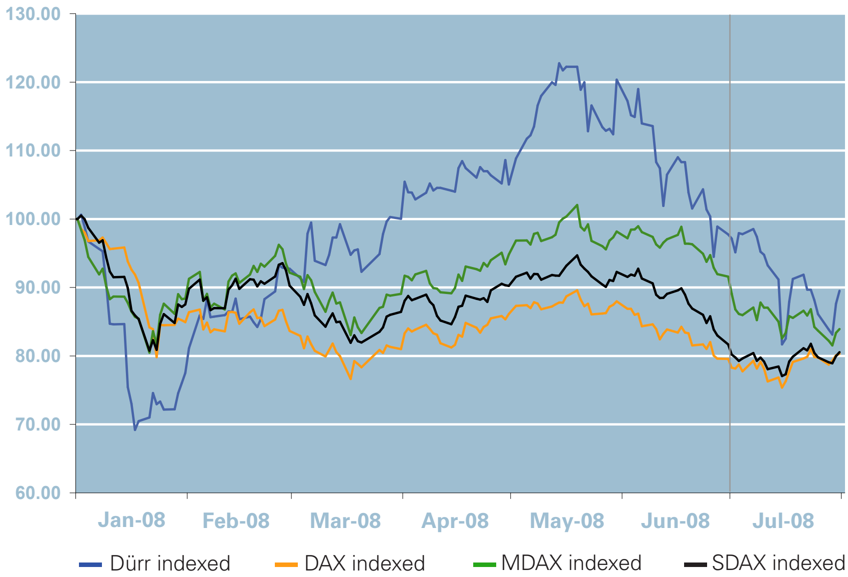
Owing to the continued buoyant project demand the number of employees will increase by about 5% in 2008, and thus more strongly than we had previously projected. Most of the increase will be in the growth markets where average labor costs are well below the European level.

For 2009 we expect sales growth of about 5% and a more-than-proportional improvement in earnings. This is based on further productivity improvements, for instance through the introduction of a Group-wide IT system. For 2010 we have set ourselves the ambitious target of an EBIT margin of about 6% within the framework of our “Dürr 2010” strategy.

Treasury stock and capital changes

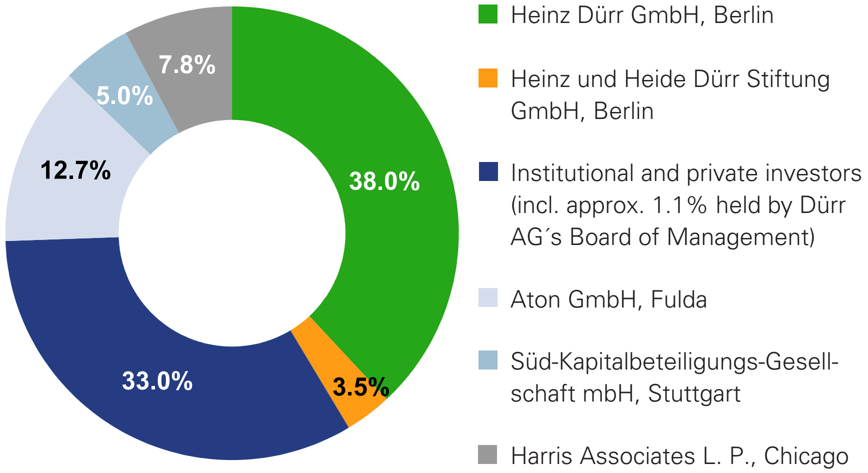
Dürr AG owns no treasury stock. The company's subscribed capital was increased from € 40.3 million to € 44.3 million in the reporting period. The cash inflow at the beginning of July amounted to a gross € 44.0 million. Further details can be found on pages 5 and 30.

Development of Dürr stock



The equity markets were in weak shape in the first half of 2008. Rising inflation and the expectation of declining corporate earnings led to uncertainty and selling pressure. In the financial sector there were numerous profit warnings and deep cuts. For many industrial companies, too, earnings expectations were lowered, and substantially in some cases. The DAX and SDAX suffered heavy losses in the first six months of -20.4% and -18.3%, respectively. The Dürr stock was not able to escape the negative trend entirely but lost only 2.3% in the months to the end of June.

Changes in the shareholder structure
The capital increase in June 2008 led to changes in the shareholder structure as the existing shareholders participated to different extents. The present shareholder structure is as follows:



The free float as calculated by Deutsche Börse is 40.8%.

Events subsequent to the reporting date

No exceptional events took place between the end of the reporting period and the time this interim report was published.

Stuttgart, August 7, 2008

Dürr Aktiengesellschaft

The Board of Management

Consolidated income statement

of Dürr Aktiengesellschaft, Stuttgart, for the period January 1 to June 30, 2008

Amounts in € k	H1 2008	H1 2007	Q2 2008	Q2 2007
Sales revenues	752,668	650,273	396,509	346,208
Cost of sales	-625,056	-545,551	-329,482	-291,986
Gross profit on sales	**127,612**	**104,722**	**67,027**	**54,222**
Selling expenses	-48,947	-47,057	-25,293	-24,113
General and administrative expenses	-44,464	-42,619	-22,311	-21,307
Research and development costs	-12,071	-11,640	-6,340	-6,010
Other operating income and expenses	2,435	7,961	1,130	5,500
	24,565	**11,367**	**14,213**	**8,292**
Restructuring expenses/onerous contracts	-	-393	-	-287
Earnings before investment income, interest and similar income, interest and similar expenses, and income taxes	**24,565**	**10,974**	**14,213**	**8,005**
Profit/loss from entities accounted for using the equity method	1,250	552	874	228
Interest and similar income	2,381	1,533	443	877
Interest and similar expenses	-12,786	-12,972	-6,410	-6,642
Earnings before income taxes from continuing operations	**15,410**	**87**	**9,120**	**2,468**
Income taxes	-4,595	-42	-2,771	-360
Profit/loss from continuing operations	**10,815**	**45**	**6,349**	**2,108**
Profit/loss from discontinued operations	**-93**	**218**	**-93**	**137**
Net income for the period	**10,722**	**263**	**6,256**	**2,245**
Profit/loss share of minority interests				
Continuing operations	830	-321	534	-325
Discontinued operations	-	-	-	-
Dürr Group	830	-321	534	-325
Profit/loss share of shareholders of Dürr Aktiengesellschaft				
Continuing operations	9,985	366	5,815	2,433
Discontinued operations	-93	218	-93	137
Dürr Group	9,892	584	5,722	2,570
Earnings per share in € (basic and diluted)				
Continuing operations	0.63	0.02	0.36	0.15
Discontinued operations	0.00	0.01	0.00	0.01
Dürr Group	0.63	0.03	0.36	0.16

Consolidated balance sheet

of Dürr Aktiengesellschaft, Stuttgart, as of June 30, 2008

Amounts in € k	June 30, 2008	June 30, 2007	Dec. 31, 2007
Assets			
Goodwill	260,155	263,798	263,180
Other intangible assets	30,161	27,081	31,666
Property, plant and equipment	88,606	104,265	89,802
Investment property	13,436	13,648	13,575
Investments in entities accounted for using the equity method	12,478	10,310	11,837
Other financial assets	348	445	350
Trade receivables	2,499	1,779	2,706
Income tax receivables	156	64	156
Other receivables and other assets	8,453	6,057	6,787
Deferred taxes	4,600	18,130	3,666
Prepaid expenses	313	514	445
Non-current assets	**421,205**	**446,091**	**424,170**
Inventories and prepayments	73,311	59,914	57,966
Trade receivables	442,463	454,731	405,357
Income tax receivables	8,051	8,034	10,099
Other receivables and other assets	73,157	38,348	20,283
Cash and cash equivalents	116,111	58,606	147,489
Prepaid expenses	7,235	3,351	2,624
	720,328	**622,984**	**643,818**
Non-current assets classified as held for sale	-	-	6,782
Current assets	**720,328**	**622,984**	**650,600**
Total assets Dürr Group	**1,141,533**	**1,069,075**	**1,074,770**
Equity and liabilities			
Subscribed capital	44,290	40,264	40,264
Capital reserve	200,112	160,459	160,459
Revenue reserves	98,512	73,585	94,911
Accumulated other comprehensive income	-50,327	-30,538	-37,294
Amounts recorded directly in equity from non-current assets classified as held for sale	-	-	-2,800
Equity without minority interests	**292,587**	**243,770**	**255,540**
Minority interests	1,889	1,432	1,569
Equity with minority interests	**294,476**	**245,202**	**257,109**
Provisions for post-employment benefit obligations	50,459	59,941	50,007
Other provisions	7,741	7,986	6,180
Bond	192,704	190,982	191,699
Other financial liabilities	7,756	8,868	7,831
Income tax liabilities	15,397	12,619	15,609
Other liabilities	16,960	13,369	14,289
Deferred taxes	18,300	23,452	18,152
Deferred income	1,067	1,371	1,205
Non-current liabilities	**310,384**	**318,588**	**304,972**
Other provisions	61,662	51,301	59,626
Trade payables	390,178	359,082	344,763
Financial liabilities	9,317	11,468	15,054
Income tax liabilities	12,273	11,512	15,842
Other liabilities	62,646	70,493	76,454
Deferred income	597	1,429	950
Current liabilities	**536,673**	**505,285**	**512,689**
Total equity and liabilities Dürr Group	**1,141,533**	**1,069,075**	**1,074,770**

Consolidated statement of changes in shareholders´ equity

of Dürr Aktiengesellschaft, Stuttgart, for the period January 1 to June 30, 2008

Amounts in € k	Subscribed capital	Capital reserve	Revenue reserves	Accumulated other comprehensive income	Amounts resulting from assets held for sale	Equity without minority interests	Minority interests	Equity with minority interests
January 1, 2007	**40,264**	**160,459**	**73,021**	**-29,257**	**-495**	**243,992**	**1,708**	**245,700**
Accumulated other comprehensive income	-	-	-	-1,281	495	-786	45	-741
Other changes	-	-	-20	-	-	-20	-	-20
Profit/loss from continuing operations	-	-	366	-	-	366	-321	45
Profit/loss from discontinued operations	-	-	218	-	-	218	-	218
June 30, 2007	**40,264**	**160,459**	**73,585**	**-30,538**	**-**	**243,770**	**1,432**	**245,202**
January 1, 2008	**40,264**	**160,459**	**94,911**	**-37,294**	**-2,800**	**255,540**	**1,569**	**257,109**
Capital increase Dürr Aktiengesellschaft	4,026	39,653	-	-	-	43,679	-	43,679
Dividends	-	-	-6,291	-	-	-6,291	-36	-6,327
Accumulated other comprehensive income	-	-	-	-13,033	2,800	-10,233	-474	-10,707
Profit/loss from continuing operations	-	-	9,985	-	-	9,985	830	10,815
Accumulated other comprehensive income	-	-	-93	-	-	-93	-	-93
June 30, 2008	**44,290**	**200,112**	**98,512**	**-50,327**	**-**	**292,587**	**1,889**	**294,476**

Statement of recognized income and expense

in the consolidated financial statements of Dürr Aktiengesellschaft, Stuttgart, for the period January 1 to June 30, 2008

Amounts in € k	H1 2008	H1 2007
Changes in fair value of financial instruments used for hedging purposes recognized in equity	-111	965
Changes in fair value of a put option recognized in equity	-1,945	-
Special reserve for currency translation of foreign subsidiaries	-11,446	-1,855
Amounts recognized directly in equity from non-current assets classified as held for sale	2,800	495
Actuarial gains/losses from defined benefit obligations and similar obligations	-	-5
Deferred taxes on revaluations recognized directly in equity	-5	-386
Revaluations recognized directly in equity	**-10,707**	**-786**
of which attributable to minority interests	-474	-
Profit/loss after tax	**10,722**	**263**
of which attributable to minority interests	830	-321
Total profit/loss for the period and revaluations recognized directly in equity in the period	**15**	**-523**
of which attributable to minority interests	356	-321

Consolidated cash flow statement

of Dürr Aktiengesellschaft, Stuttgart,
for the period January 1 to June 30, Juni 2008

Amounts in € k	H1 2008	H1 2007
Earnings before income taxes	15,410	87
Income taxes paid	-6,736	-3,651
Net interest	10,405	11,439
Profit/loss from entities accounted for using the equity method	-1,250	-552
Dividends from entities accounted for using the equity method	504	155
Amortization and depreciation of non-current assets	8,957	9,040
Net gain/loss on the disposal of non-current assets	-3,640	-4,535
Other non-cash income and expenses	23	201
Changes in operating assets and liabilities		
Inventories	-16,591	-8,973
Trade receivables	-47,470	-34,223
Other receivables and assets	-11,184	-13,896
Provisions	5,280	-13,919
Trade payables	54,818	47,084
Other liabilities (other than bank)	-11,945	-10,101
Other assets and liabilities	-4,069	-1,429
Cash flow from operating activities	**-7,488**	**-23,273**
Purchase of intangible assets	-2,751	-7,650
Purchase of property, plant and equipment	-5,376	-4,570
Purchase of other financial assets	-	-8
Proceeds from the sale of non-current assets	10,768	6,496
Acquisitions, net of cash acquired	-	300
Disposal of discontinued operations, net of cash disposed of	-	-2,800
Interest received	1,628	1,433
Cash flow from investing activities	**4,269**	**-6,799**
Change in current bank liabilities	-4,552	-1,541
Repayment of non-current financial liabilities	-499	-
Payment of finance lease liabilities	-417	-415
Borrowing (repayment) of financial liabilities due to entities accounted for using the equity method	19	-732
Dividends paid to shareholders of Dürr Aktiengesellschaft	-6,291	-
Dividends paid to holders of minority interests	-36	-
Interest paid	-10,707	-11,368
Cash flow from financing activities	**-22,483**	**-14,056**
Effects of exchange rate changes	-5,676	1,252
Changes in cash and cash equivalents	-31,378	-42,876
Cash and cash equivalents		
At the beginning of the period	147,489	101,482
At the end of the period	116,111	58,606

Notes to the consolidated financial statements January 1 to June 30, 2008

1. Summary of significant accounting policies

The Company

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") is headquartered at Otto-Dürr-Strasse 8, 70435 Stuttgart, Germany. The Dürr Group ("Dürr" or the "Group") consists of Dürr AG and its subsidiaries. The Dürr Group specializes in mechanical and plant engineering and is one of the global market leaders in almost all of its fields of business. It generates some 85% of sales revenue with the automotive industry, but also acts as supplier of production and environmental technology for other industries including the aviation, mechanical engineering as well as the chemical and pharmaceutical industries. Dürr serves the market with two divisions: the Paint and Assembly Systems division offers production and paint finishing technology, mainly for automotive bodyshells. The machines and systems produced by the Measuring and Process Systems division are used amongst others in engine and transmission manufacturing as well as final assembly.

Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of the balance sheet date, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB („Handelsgesetzbuch": German Commercial Code). The consolidated financial statements are in line with all IFRSs that have to be adopted by the balance sheet date. Due to the application of IAS 34 „Interim Financial Reporting", these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting.

The consolidated financial statements as of June 30, 2008 are not subject to any review or audit in accordance with Sec. 317 HGB.

With regard to the preparation of consolidated financial statements for interim reporting in accordance with IAS 34 the Management Board has to make estimates and judgements, which influence the application of accounting policies within the Company and the reporting of assets and liabilities as well as income and expenses. The actual amounts can differ from these estimates.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2007; we refer to our 2007 annual report.

Income that is recorded during the reporting period for seasonal reasons, due to cyclical developments, or only occasionally is not cut off in the consolidated interim financial statements. Expenses that are incurred irregularly during the reporting period have been cut off in those cases where they would also be cut off at year-end.

The income taxes were determined on the basis of an estimated average annual effective income tax rate.

The consolidated financial statements are prepared in euros; all amounts are reported in thousands of euros (€ k), unless stated otherwise.

2. Consolidated group

Besides Dürr AG, the consolidated financial statements as of June 30, 2008 contain all domestic and foreign companies which Dürr AG can control, directly or indirectly (control concept). The entities are included in the consolidated financial statements from the date on which the possibility of control was obtained. Joint ventures and associates are included in the consolidated financial statements using the equity method from the date on which joint control or the possibility of significant influence, respectively, starts to exist.

The table below shows the number of entities included in the consolidated group besides Dürr AG.

	June 30, 2008	Dec. 31, 2007
Number of fully consolidated entities		
Germany	10	10
Other countries	39	40
	49	**50**

	June 30, 2008	Dec. 31, 2007
Number of entities accounted for using the equity method		
Germany	2	2
Other countries	2	2
	4	**4**

The consolidated financial statements contain three entities (December 31, 2007: three) in which minority shareholders hold interests.

With economic effect as of January 1, 2008, Behr Industrial Systems Inc., Windsor, Ontario, Canada, was merged into Dürr Acco Canada Inc., Windsor, Ontario, Canada. Since then, the company has been signing with the name Dürr Systems Canada Inc.

3. Discontinued operations

The consolidated financial statements for the first six months of fiscal year 2008 include subsequent effects on results of € -93 thousand (first six months 2007: € +218 thousand) from the sale of the Services, Development Test Systems (DTS) and Measuring and Process Technologies (MPT) business units in fiscal year 2005.

4. Earnings per share

Earnings per share are determined pursuant to IAS 33 „Earnings per Share".

They are determined by dividing the earnings share of the shareholders of Dürr Aktiengesellschaft by the weighted average number of shares outstanding. The calculation is presented below. In the reporting periods from January 1 to June 30, 2008 and 2007 there were no dilutive effects in accordance with IAS 33. Due to the increase in subscribed capital of 1,572,500 shares, recorded in the commercial register on June 26, 2008, the weighted average of shares outstanding increased to 15,762,580 as of June 30, 2008.

		H1 2008	H1 2007
Profit/loss attributable to shareholders of Dürr Aktiengesellschaft	in € k	9,892	584
of which continuing operations	in € k	9,985	366
of which discontinued operations	in € k	-93	218
Number of shares outstanding (weighted average)	in k	15,762.6	15,728.0
Earnings per share (basic and diluted)	in €	0.63	0.03
of which continuing operations	in €	0.63	0.02
of which discontinued operations	in €	0.00	0.01

5. Liabilities from restructuring measures

Liabilities from restructuring measures have decreased by € 1,226 thousand to € 7,957 thousand compared to December 31, 2007. The decrease is mainly due to the utilization of liabilities formed in prior periods.

6. Financing measures

Based on the authorization by the annual general meeting of May 24, 2006, Dürr issued 1,572,500 no-par value bearer shares (just under 10% of the share capital) by an accelerated bookbuilding method, placed predominantly with institutional investors, in the second quarter of fiscal year 2008. The new shares are fully entitled to dividend. At an issuing price of € 28.00 the net proceeds for Dürr AG amounted to € 43,679 thousand. The subscribed capital increased from € 40,264 thousand to € 44,290 thousand, the capital reserve from € 160,459 thousand to € 200,112 thousand.

Furthermore, in the second quarter of fiscal year 2008, land and buildings of Dürr Systems Inc., Plymouth, USA, and Dürr Ecoclean Inc., Wixom, USA, were sold. They were reported as "Non-current assets classified as held for sale" as of December 31, 2007 (€ 6,182 thousand) and March 31, 2008 (€ 6,782 thousand), respectively. These land and buildings were leased back under an operating lease in a sale and leaseback transaction. The sale of these assets resulted in a gain of € 3,690 thousand recorded in the second quarter of fiscal year 2008.

7. Segment reporting

The segment reporting was prepared according to IAS 14 „Segment Reporting". Based on the internal reporting and organizational structure of the Group, the consolidated financial statement data is presented by divisions. The segmentation aims to make the earnings power and the net assets and financial situation of the respective activities more transparent.

The primary reporting is based on the divisions of the Group. The Dürr Group is comprised of a management holding and two divisions differentiated by product and service spectrum that each have global responsibility for their products and results.

The Corporate Center mainly consists of Dürr AG.

At the beginning of 2008 the product business with assembly, filling and testing technology was spun off from the Factory Assembly Systems business unit, which was part of the Paint and Assembly Systems division and was dissolved meanwhile. Together with the previous Balancing and Diagnostic Systems business unit, it now makes up the new Balancing and Assembly Products business unit, which is part of the Measuring and Process Systems division. Pursuant to this reorganization, the previous year's numbers were adjusted on the division level.

H1 2008		**Paint and Assembly Systems**	**Measuring and Process Systems**	**Corporate Center**	**Consolidation**	**Continuing operations**	**Discontinued operations**	**Total divisions**
External sales revenues	in € k	555,335	197,333	-	-	**752,668**	-	752,668
Sales revenues with other divisions	in € k	269	13,848	-	-14,117	**-**	-	-
Total sales revenues	**in € k**	**555,604**	**211,181**	**-**	**-14,117**	752,668	**-**	**752,668**
Earnings before investment income, interest, and taxes	in € k	18,882	8,047	-2,284	-80	**24,565**	-93	24,472
Assets (as of June 30)	in € k	572,459	429,981	542,649	-544,952	**1,000,137**	-	1,000,137
Employees (as of June 30)		3,560	2,437	47	-	**6,044**	-	6,044

H1 2007		**Paint and Assembly Systems**	**Measuring and Process Systems**	**Corporate Center**	**Consolidation**	**Continuing operations**	**Discontinued operations**	**Total divisions**
External sales revenues	in € k	479,818	170,455	-	-	**650,273**	-	650,273
Sales revenues with other divisions	in € k	822	8,446	-	-9,268	**-**	-	-
Total sales revenues	**in € k**	**480,640**	**178,901**	**-**	**-9,268**	650,273	**-**	**650,273**
Earnings before investment income, interest, and taxes	in € k	4,070	6,838	51	15	**10,974**	218	11,192
Assets (as of June 30)	in € k	607,725	413,410	503,715	-550,919	**973,931**	-	973,931
Employees (as of June 30)		3,490	2,303	43	-	**5,836**	-	5,836

8. Related-party transactions

Dr.-Ing. E. h. Heinz Dürr is the chairman of the Supervisory Boards of Dürr AG and Dürr Systems GmbH. In the first six months of 2008, Dr.-Ing. E. h. Heinz Dürr received remuneration of € 53 thousand for these activities. Dr.-Ing. E. h. Heinz Dürr is also a member of the supervisory board of Landesbank Baden-Württemberg. In the first six months of 2008, expenses of € 136 thousand were payable to Heinz Dürr GmbH, Berlin, of which Dr.-Ing. E. h. Heinz Dürr is general manager, for reimbursement of office and travel expenses relating to supervisory board activities and for cost reimbursements for the Dürr office in the German capital, Berlin. For his former activity as general manager, Dr.-Ing. E. h. Heinz Dürr also received benefits from the pension commitment (of April 2, 1978, supplemented December 21, 1988) of € 186 thousand in the first six months of 2008.

Mr. Joachim Schielke is a Supervisory Board member of Dürr AG, a member of the Board of Management of Landesbank Baden-Württemberg and Chairman of the Board of Management of Baden-Württembergische Bank. From the current business relationship, there was a balance at Baden-Württembergische Bank of € 40,183 thousand as of June 30, 2008. From transactions with Baden-Württembergische Bank there were interest expenses in the first six months of 2008 of € 91 thousand. The warranties and guarantees issued by Baden-Württembergische Bank on behalf of Dürr amounted to € 23,551 thousand as of June 30, 2008.

The Board of Management confirms that all the related-party transactions described above were carried out at arm’s length conditions.

9. Contingent liabilities and other financial obligations

Amounts in € k	June 30, 2008	Dec. 31, 2007
Contingent liabilities from guarantees, notes and check guarantees	171,150	123,160
Other	31,201	32,135
Contingent liabilities	**202,351**	**155,295**

Amounts in € k	June 30, 2008	Dec. 31, 2007
Rent and lease agreements (operating leases)	139,207	145,521
Liabilities from other continuous obligations	28,260	25,387
Other financial obligations	**167,467**	**170,908**

The increase of the contingent liabilities mainly resulted from advance payment guarantees, given in connection with major incoming orders.

Responsibility statement by management

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Stuttgart, August 7, 2008

Dürr Aktiengesellschaft

The Board of Management

Ralf Dieter
Chairman of the Board
of Management

Ralph Heuwing
Chief Financial
Officer

Financial calendar

08/27/2008	Mechanical Engineering Conference, Commerzbank, Frankfurt/Main
09/02/2008	Mechanical Engineering Conference, BHF-Bank, Frankfurt/Main
11/06/2008	Interim report on the first nine months of 2008
11/07/2008	German Small and Midcap Conference, Berenberg Bank, Brocket Hall, UK
11/10 - 11/12/2008	German Equity Forum, Frankfurt/Main

Contact

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This interim report is the English translation of the German original.

This interim report includes forward-looking statements about future developments. As is the case for any business activity conducted in a global environment, such forward-looking statements are always subject to uncertainty. Our information is based on the conviction and assumptions of the Board of Management of Dürr AG, as developed from the information currently available. However, the following factors may affect the success of our strategic and operating measures: geopolitical risks, changes in general economic conditions (especially a prolonged recession in Europe or North America), exchange rate fluctuations and changes in interest rates, new products launched by competitors, and a lack of customer acceptance for new Dürr products or services, including growing competitive pressure. Should any of these factors or other imponderable circumstances arise, or should the assumptions underlying the forward-looking statements prove incorrect, actual results may differ from those projected. Dürr AG undertakes no obligation to provide continuous updates of forward-looking statements and information. Such statements and information are based upon the circumstances as of the date of their publication.