Interim Financial Report January 1 to June 30, 2010

DÜRR

Technologies · Systems · Solutions

Contents

Cover photo:
Top coat application by Dürr robots at the Chinese automaker Chery in Wuhu

Key figures for the Dürr Group (IFRS)

		H1 2010	H1 2009
Incoming orders	in € m	737.1	506.8
Orders on hand (June 30)	in € m	1,261.4	844.5
Sales revenues	in € m	517.9	571.5
EBITDA	in € m	10.4	16.4
EBIT	in € m	1.1	6.1
Earnings after tax	in € m	-13.4	-6.6
Cash flow from operating activities	in € m	-2.2	-37.8
Cash flow from investing activities	in € m	-6.8	-13.3
Cash flow from financing activities	in € m	-3.8	30.3
Free cash flow	in € m	-14.6	-51.9
Total assets (June 30)	in € m	999.0	989.3
Equity (with non-controlling interests) (June 30)	in € m	304.2	325.9
Net financial status (June 30)	in € m	-6.1	-104.5
Net working capital (June 30)	in € m	51.2	168.8
Employees (June 30)		5,733	5,906
Dürr share ISIN: DE0005565204			
High[1]	€	19.66	14.85
Low[1]	€	14.17	7.14
Close[1]	€	17.30	11.45
Number of shares (weighted average)	k	17,301	17,301
Earnings per share (diluted / undiluted)	€	-0.78	-0.42

[1] XETRA

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

Highlights

- Earnings turnaround in Q2: EBIT and EBT positive
- Order intake from the emerging markets remains buoyant
- Order backlog of € 1,261 million reaches well into the year 2011
- Sales revenues up versus Q2/2009 and Q1/2010
- Services business much revived
- Cash flow improves versus H1/2009; net financial debt close to nil
- Positive outlook: order intake 2010 > +15%

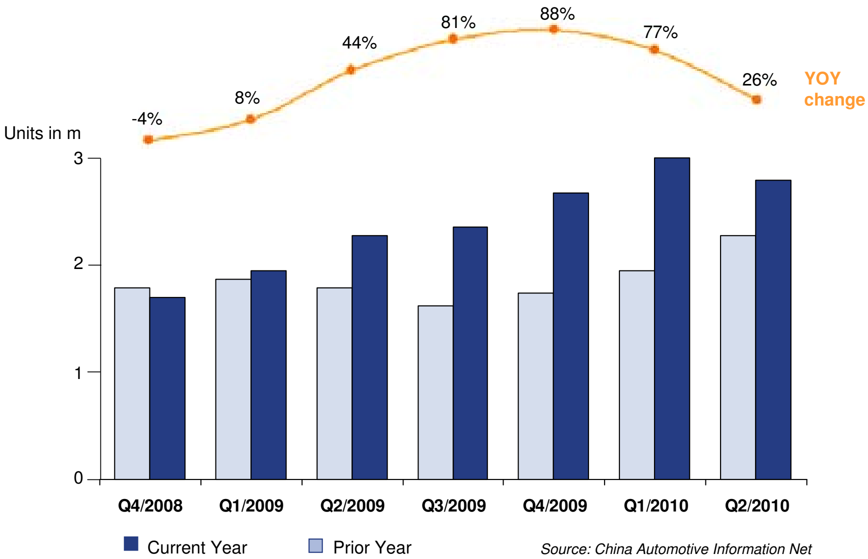
Group management report

Chinese automobile market as the growth driver

Business development in the first half of 2010 again clearly underscored the strongly growing importance of the emerging markets for Dürr. Together, the markets of Asia (ex Japan), Eastern Europe, Brazil and Mexico accounted for 61% of incoming orders and 51% of sales revenues. Earnings in the emerging markets – unlike in some established markets – were also comfortably in positive territory.

China occupies a foremost position among the growth markets. The scale on which the Chinese automobile market grew especially in the crisis year 2009 took all market participants by surprise despite the stimulus from government incentives. Unit sales of passenger cars and light commercial vehicles were up by as much as 56%. The positive trend continued in the first half of 2010, albeit at a slightly slower pace. China has meanwhile overtaken the USA as the world's largest automobile market and is unlikely to lose this position in the future.

China: Normalization on high level after extraordinary boom
Light vehicle sales volume Q4/2008-Q2/2010

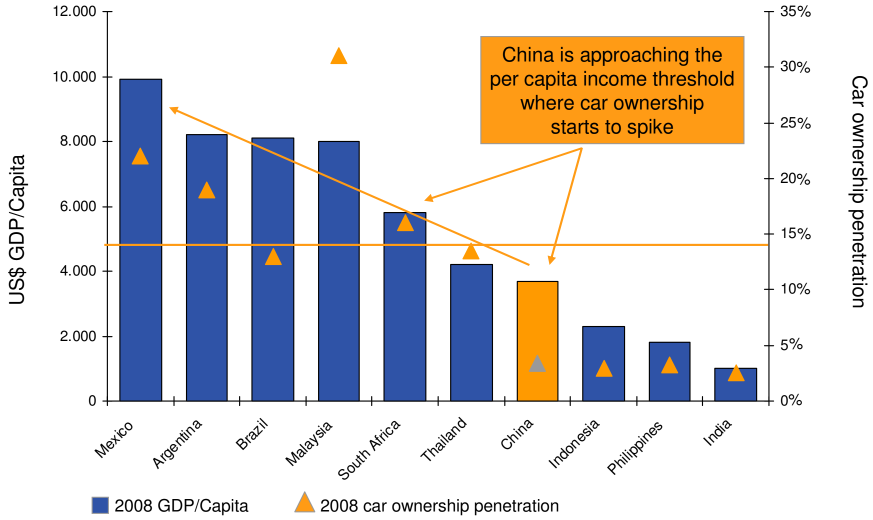


Source: China Automotive Information Net

The main reason for the dynamic growth of the Chinese automobile market, according to a study by Deutsche Bank, is the development of household incomes. This year, per capita income in China will draw close to the US$ 5,000 mark. Experience in other countries shows that the car penetration rate – in other words the number of vehicles per thousand inhabitants – surges strongly from this income level upwards. One explanation is that the basic needs of consumers have been satisfied and the wish for individual mobility and the automobile as status symbol come to play a much greater role.

In China, the penetration rate was still only about 3% in 2008. The advanced economies have rates of over 50%, with well over 500 cars per 1,000 inhabitants. In countries like South Africa or Thailand with per capita incomes in the region of US$ 5,000 the penetration rates are much higher than in China at around 15%.

Growth potential in China remains high



Most research institutes forecast average growth of about 10% p.a. in China's gross domestic product (GDP) in the coming years, which would take per capita incomes above US$ 5,000. With a population of over 1.3 billion people, China therefore presents enormous sales potential for the automobile industry over the longer term.

Against this backdrop, Dürr will continue to pursue its expansion strategy and further scale up its activities not only in China but also in the other emerging markets of India, Brazil, Mexico and Eastern Europe. With a total workforce of over 700 employees, we already have a much stronger presence in China today than our competitors.

Operating environment

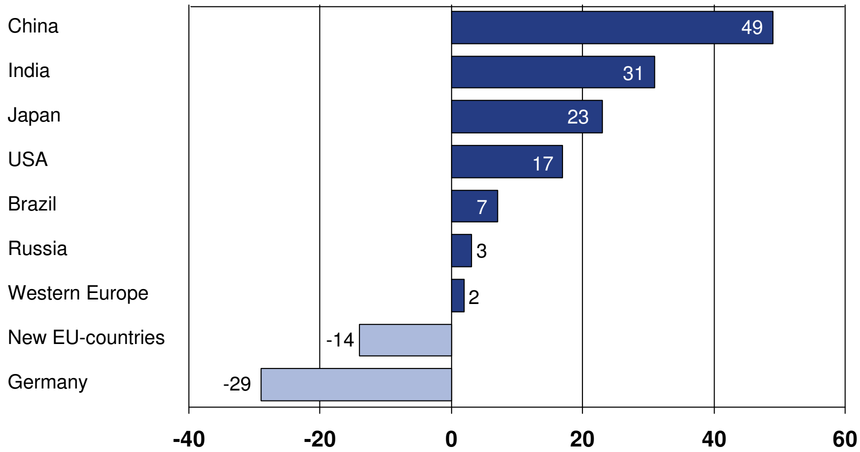
Economic situation
The economic situation continued to stabilize in the second quarter of 2010. Economic growth in emerging markets such as China, India and Brazil remains strong. After the sharp slump in 2009, GDP growth of over 3% is also being reached again in advanced economies such as the USA and Japan. In Europe, growth is damped by the high levels of debt in many states, although countries like Germany are benefiting above average from the weakness of the euro. Many economists expect economic recovery in the second half of 2010 to be more modest than in the first six months, especially as a number of leading indicators weakened in the second quarter.

Automobile industry
The automobile markets recovered more strongly than the economy as a whole in the first half of 2010 after slumping more sharply, too, in the wake of the economic and financial crisis. World production of passenger cars and light commercial vehicles was up by about 40% in the period from January to May; in light of this, a number of experts have raised their full-year production forecasts for 2010. The growth in production is in response to the continued dynamic demand in the emerging markets and the upward trends in Japan and the USA.

In China, automobile sales were up 49% in the first six months of 2010 although, as expected, the dynamic slackened a little in the second quarter. In India, a strong first quarter was followed by a slight downturn more recently due to the expiry of the government's "cash for clunkers" incentive program. Automobile sales in the USA and Japan have been rising steadily since the beginning of the year. After the sharp slump in 2009 and the first quarter of 2010, the Russian market recovered in the second quarter of 2010, helped also by government support measures for the automobile industry.

Car sales development January – June 2010

Change year-on-year in %



Source: VDA (German car makers´ association)

The development of production and unit sales in the automobile industry is an important indicator for future investment and capital spending activity in the industry, which is the driver not only for our new plant and machinery business; it also affects our services business to some extent. As automobile sales are expected to continue rising again over the longer term, the positive trend in incoming orders should persist.

The aerospace industry is currently in the throes of change: the supplier side, which includes Dürr, is in a process of consolidation. On the manufacturer side, the Airbus and Boeing duopoly in the passenger aircraft segment is being challenged by manufacturers from China, Russia and other countries. We see this development as positive for us as it promises additional sales opportunities and reduces our exposure to the investment cycles of individual manufacturers.

In general industry, too, the upward trend visible since the end of 2009 is continuing. The German plant and mechanical engineering industry association, the Verband des Deutschen Maschinen- und Anlagenbaus (VDMA), reported an increase of 37% in new orders year over year in the period from March to May.

Business development*

Order intake from the emerging markets remains buoyant
Dürr Group's order intake was up 45.5% year over year to € 737.1 million in the first six months of 2010. In the second quarter we booked orders worth € 374.9 million, an increase of 25.6% versus the same period last year. Incoming orders have averaged over € 350 million in the last four quarters. This compares with a figure of about € 200 million still at the height of the economic crisis at the end of 2008 and the beginning of 2009.

The Paint and Assembly Systems division increased its order intake in the first half of 2010 by 43% to € 536.0 million. This was buoyed by large paint systems orders from China, Brazil and India. Orders were also well up in the Application Technology and Aircraft and Technology Systems business units.

In our mechanical engineering division, Measuring and Process Systems, the positive trend witnessed in the first quarter continued in the second quarter. Incoming orders were up 54% overall in the first six months. After the investment restraint in the automotive industry had led to severe shortfalls at Cleaning and Filtration Systems in 2009, this business unit more than doubled its order intake in the first six months of 2010. At Balancing and Assembly Products, too, new orders were up over 30% on the first half of 2009.

In the geographical distribution of incoming orders, the emerging markets have gained further weight. Their contribution doubled in the first half of 2010 - versus the same period last year - to over 60%. China alone accounted for over one-third, or € 260 million, of the Group's total order intake. As expected, demand in Germany and in the rest of Europe remained modest, accounting for 37% of incoming orders. As also expected, in North America, reviving automobile sales have not led as yet to an upturn in investment activity among our customers.

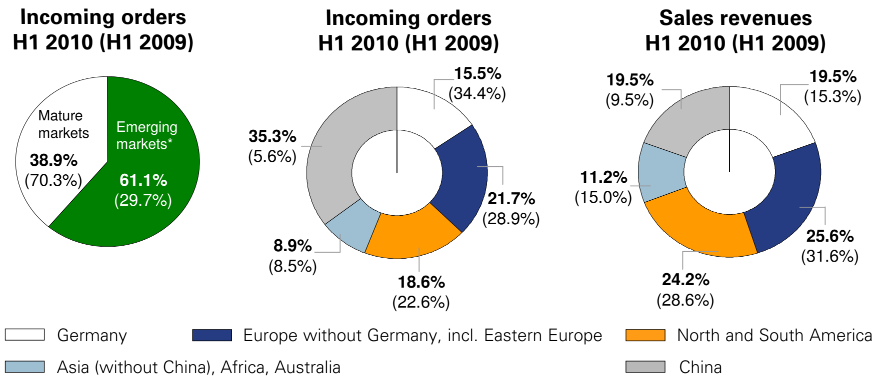
Sales development: turnaround achieved
We witnessed a turnaround in sales revenues in the second quarter of 2010: after still being down 25.6% at € 230.3 million in the first quarter, in the second quarter they were up almost 10% year over year at € 287.6 million. The growth versus the first quarter of 2010 was 24.9%, or € 57.3 million. Coupled with the development of incoming orders, this confirms our view that the first quarter saw the low point in sales revenues for this year. Sales revenues for the six months from January to June 2010 were still down 9.4% versus the same period last year.

*These interim financial statements have been prepared according to the International Financial Reporting Standards (IFRS).

The services business also developed gratifyingly after it had turned down surprisingly strongly last year due to the sales crisis at our customers. In the first half of 2010, the marked rise in production and capacity utilization in the automobile industry led to growth of approximately 20% in revenues from our service activities. The services business accounted for about 30% of Group sales revenues.

New orders comfortably exceeded sales revenues also in the first six months, with the book-to-bill ratio again at a high level of 1.4. Order backlog continued to grow, reaching € 1,261.4 million at the mid-year mark. That is equivalent to about one year's worth of sales, so our orders on hand reach well into the year 2011.

19.5% of our sales revenues in the first six months came from Germany, while the rest of Europe contributed 25.6%. Asia (including Africa and Australia) accounted for 30.7%, which is a marked increase versus the same period last year. North and South America contributed 24.2%. The emerging markets accounted for 50.8% of sales, with the bulk of this coming from the BRIC countries.



*Asia (without Japan), Mexico, Brazil, Easterm Europe

Gross margin stabilizes in the second quarter

Our gross margin improved to 20.5% in the second quarter of 2010, up from 18.5% in the first quarter. The main drivers were the 20% higher revenues in the services business, better levels of capacity utilization in the mechanical engineering business units, and the positive effects of the weak euro. On the other hand, we already began to realize sales revenues on poorer margin projects that had been taken on in 2009.

The cost of sales decreased by 9% in the first six months, which was roughly in line with the decline in sales revenues. As a result, the gross margin for the six months from January to June 2010 remained more or less constant at 19.6% (H1/2009: 20.1%). Gross profit was down € 13.2 million to € 101.6 million.

Declining overhead costs in H1/2010
Selling and administrative costs were reduced by 6.5% year over year in the first half of 2010. However, in the second quarter there was no further decrease versus the first quarter as capacity utilization picked up. R&D spending was unchanged at € 12.7 million in the first six months (H1/2009: € 12.7 million) but will probably increase slightly in the second half.

The balance of other operating income and expense remained low at € -0.7 million (H1/2009: € -1.2 million). The largest individual items were income and expenses from currency translation and for the Campus relocation project. In both cases they virtually balanced each other out.

The restructuring costs for capacity adjustments amounted to € 1.2 million in the first half of 2010 (H1/2009: € 2.8 million); most of the adjustments were in the USA and France.

EBIT much improved in Q2
EBIT was well into positive territory at € 7.1 million in the second quarter of 2010, which was a considerable improvement on the previous year's figure (€ 1.4 million). We have therefore achieved the earnings turnaround announced, after a loss in the first quarter. EBIT for the six months from January to June was also positive at € 1.1 million (H1/2009: € 6.1 million). EBITDA was down € 6.1 million to € 10.4 million in the first half of 2010.

Despite lower average net financial debt, the financial result changed in the first half of 2010 by € -2.5 million year over year to € -10.3 million. A major factor was higher commitment fees and the costs for adjusting our syndicated loan agreement in 2009 which have been amortized over the life of the loan. Another factor was lower investment income.

The effective tax rate will probably again be fairly high – relative to our expected pre-tax result. This is due to the structure of the earnings contributions from our local national companies, and especially to residual losses still incurred in the USA and France. Tax expense in the first six months came to € 4.1 million (H1/2009: € 4.9 million), resulting in earnings after tax of € -13.4 million (H1/2009: € -6.6 million).

Financial position

Cash flow from operating activities much improved year over year

As expected, in the second quarter our **cash flow from operating activities** declined slightly versus the first quarter of 2010. The growth in the volume of business, especially on the mechanical engineering side, increased our net working capital (NWC) slightly in the second quarter. Nonetheless, we still managed to improve operating cash flow in the first half of 2010 by € 35.6 million versus the same period last year to € -2.2 million.

Cash flow statement*

in € million	H1/2010	H1/2009
Earnings before taxes on income	-9.3	-1.7
Depreciation and amortization	9.3	10.3
Interest result	10.5	8.6
Income tax payments	-10.1	-11.4
Change in provisions	-3.1	-5.8
Change in net working capital	8.4	-16.6
Other items	-7.9	-21.2
Cash flow from operating activities	**-2.2**	**-37.8**
Interest payments (net)	-7.5	-6.5
Capital expenditure	-4.9	-7.6
Free cash flow	**-14.6**	**-51.9**
Other cash flows (incl. dividends)	5.5	-18.2
Decrease (+), increase (-) in net financial debt	**-9.1**	**-70.1**

*We have eliminated currency translation effects from the cash flow statement. As such, the cash flow statement does not fully reflect all changes in balance sheet positions as shown in the statement of financial position.

Forfaiting and factoring transactions have to be taken into account in a period comparison of cash flows. In the first half of 2009 and 2010 their volume sank by € 60.9 million and € 1.9 million, respectively. Without this reduction in the forfaiting and factoring portfolio, cash flow would have turned out correspondingly higher. On a comparable basis, operating cash flow would have come to € +23.1 million in the first half of 2009 and € -0.3 in the first half of 2010.

in € million	Dec. 31, 2008	June 30, 2009	Dec. 31, 2009	June 30, 2010
Factoring	15.0	12.1	11.9	7.0
Forfaiting	67.6	9.6	0.0	3.0
Total	**82.6**	**21.7**	**11.9**	**10.0**

Cash flow from investing activities amounted to € -6.8 million in the first six months of 2010 (H1/2009: € -13.3 million). We acquired the assets of the German glueing technology specialist Klaus Kleinmichel GmbH in January 2010, thus improving our position in the promising segment of glueing systems for final vehicle assembly. The acquisition led to a cash outflow of € 2.5 million; in the first half of 2009 the French company Datatechnic S.A.S. had been acquired at a total cost of € 7.1 million. At € 3.3 million, capital expenditure on property, plant and equipment remained below the year-earlier level (€ 5.3 million), as did capital expenditure on intangible assets at € 1.6 million (H1/2009: € 2.3 million).

Cash flow from financing activities came to € -3.8 million (H1/2009: € 30.3 million) and was affected by the small increase in short-term financial liabilities and by interest paid.

Free cash flow indicates what resources are left for paying dividends, buying back shares and reducing net financial debt. Free cash flow was negative to the tune of € -14.6 million in the first half of 2010 but showed an improvement of € 37.3 million versus the same period last year. The other cash flows in the table on page 12 mostly relate to the translation of the cash positions of foreign subsidiaries into euro.

Total assets slightly increased due to growth in business volume

We continued to pursue our strict net working capital management in the first half of 2010. As a result, the growth in business volume only increased total assets by € 30.8 million, or approximately 3%, versus the end of 2009. In non-current assets, there was an increase of approximately € 11 million in goodwill. This was mainly due to exchange rate effects; moreover, the Kleinmichel acquisition and the first-time consolidation of UCM AG contributed to the increase. The growth in current assets was mainly in inventories, which increased by almost € 20 million. At € 100.1 million, cash and cash equivalents were little changed versus the end of 2009 (€ 103.9 million). Net working capital (NWC) was reduced by € 6.2 million versus the end of 2009.

Equity rose by € 2.8 million to € 304.2 million as of June 30, 2010; here, the effect of the aftertax loss in the first six months was more than offset by currency translation gains that are recognized directly in equity. At 30.4%, the equity ratio remained above the target of 30%.

Net financial debt amounted to € 6.1 million as of June 30, 2010, after € 104.5 million at the mid-year mark in 2009. We met our financing needs from cash and cash equivalents and through a marginal increase in bank debt versus December 31, 2009. Dürr's financing requirements are usually higher during the year than at the end of the year.

The only significant change in liabilities is the growth in trade payables. They were € 20.2 million higher than at the end of 2009 and, among other things, include higher prepayments from customers (up € 11.3 million to € 211.8 million). The ratio between prepayments received and orders on hand remained stable at just over 16%, as in the previous years.

Current and non-current liabilities

in € million	June 30, 2010	Dec. 31, 2009
Financial liabilities	108.5	104.0
of which: bond	98.8	98.1
Provisions (incl. pensions)	110.0	107.5
Trade payables	351.0	330.9
of which: prepayments received	211.8	200.5
Income tax liabilities	4.6	7.9
Other liabilities (incl. deferred taxes, deferred income)	120,7	116,4
Total	**694.8**	**666.7**

Since 2008 we include the financial liabilities and receivables due to and from associated companies accounted for using the equity method in the calculation of net financial debt.

R&D and capital expenditures

At € 12.7 million, research and development (R&D) expense shown in the income statement was level with the prior-year figure in the first half of 2010. Owing to the lower sales revenues, the R&D ratio rose to 2.5% (H1/2009: 2.2%). Including additional development costs arising from customer projects and expensed as cost of sales, both R&D expense and the R&D ratio were significantly higher and were above the prior-year level. We furthermore capitalized € 1.3 million in R&D expense (H1/2009: € 0.9 million).

In the second quarter of 2010, we progressed with a number of innovation projects and were already able to introduce some of them in the market. In paint application technology we presented the material-saving dosing pump ***Eco***Pump9. During test runs at our development center we were able to reduce paint losses during flushing and color changes by about 25%. Through targeted development projects we are aiming to open up new applications for our ***Eco*****DryScrubber** energy-saving paint booth system. We are currently working on a version specifically tailored to the requirements in component painting, for instance at automotive suppliers. A focus in aircraft assembly technology was the further development of our positioning technology for assembling large components. Here, we are working on a flexible product platform whose mechatronic function modules can be combined into customized positioning systems for specific applications. In balancing technology, we have further refined our tried and tested CAB 920 precision measuring device with the new SmartTouch operator control concept. The SmartTouch software enables a transparent display of the complex balancing process and simple operation of the machine via touch screen. For the precision cleaning of workpieces we have developed the EcoCFlexS system which achieves extremely high standards of cleanliness with short cycle times. Through innovative cleaning processes the system's energy consumption can be reduced by up to 50% compared to conventional solutions. In addition, highly efficient oil separation considerably prolongs the service life of the cleaning fluid.

Capital expenditure

We further reduced our capital expenditure on property, plant and equipment and on intangible assets in the first half of 2010 by € 8.0 million to € 7.0 million. The capital expenditure includes a fixed asset addition of € 2.2 million in connection with the Kleinmichel acquisition, of which € 1.6 million represents intangible assets in the form of goodwill. In the previous year there had been an investment of € 5.3 million for the acquisition of Datatechnic S.A.S. We limited the capital expenditure on property, plant and equipment to € 3.3 million; it was mainly on smallish IT investments, maintenance and replacements. At € 3.8 million, capital expenditure on intangible assets was much lower, too, after € 9.8 million in the same period last year.

In May 2010, we signed an agreement for the acquisition of Helmuth Rickert GmbH and its subsidiary I.N.T. - Rickert GmbH. Rickert is a glueing technology specialist whose systems are used in the automotive body in white process. In January 2010, we had acquired the glueing technology activities of Klaus Kleinmichel GmbH with 30 employees. Rickert will be consolidated for the first time in the third quarter of 2010. Information on the purchase price can be found in the notes to the consolidated financial statements on page 42; the cash component was paid at the end of July. Information on the opportunities presented in glueing technology can be found on page 21.

Capital expenditure*

in € million	H1/2010	H1/2009
Paint and Assembly Systems	4.3	6.0
Measuring and Process Systems	2.7	6.8
Corporate Center	0.0	2.2
Total	**7.0**	**15.0**

* on property, plant and equipment and on intangible assets

Employees

Significant structural shifts

The Dürr Group had 5,733 employees as of June 30, 2010. That was 21 more than at the end of 2009. The first-time consolidation of UCM and Kleinmichel added 48 new employees. We have reduced the number of employees in the established markets, especially in France and the USA but also in Germany. On the other hand, our headcount in the emerging markets – especially in China – increased by 110 versus the end of 2009 to 1,494 employees. They now account for 26.1% of the Group's total workforce.

Employees

	June 30, 2010	June 30, 2009	Dec. 31, 2009
Paint and Assembly Systems	3,297	3,433	3,283
Measuring and Process Systems	2,391	2,427	2,381
Corporate Center	45	46	48
Total	**5,733**	**5,906**	**5,712**

Personnel changes

Guido Lesch was appointed by court order as employee representative on the Supervisory Board of Dürr AG with effect as from May 9, 2010. Mr. Lesch is Second Authorized Representative of the IG Metall trade union administrative office in Völklingen; he succeeds Günther Lorenz, former Principal Authorized Representative of the IG Metall trade union administrative office in Darmstadt, who has stepped down from the Supervisory Board after reaching retirement age.

Overview of the divisions

Paint and Assembly Systems

		H1/2010	H1/2009
Incoming orders	in € million	536.0	376.0
Sales revenues	in € million	375.4	407.1
EBITDA	in € million	9.6	17.1
EBIT	in € million	4.2	11.5
Employees (June 30)		3,297	3,433

The strong demand in the Paint and Assembly Systems division continued in the second quarter of 2010, with orders up again by approximately 5% on the first quarter. We received large paint systems orders above all from China, Brazil, and India, with orders being won both from international automakers and from local manufacturers. The emerging markets accounted for almost 69% of our order intake in the first six months. Business with the automobile industry picked up particularly strongly in the period under review. The aircraft systems activities also witnessed strong growth, for instance as a result of assembly systems orders from Airbus, Embraer, and Spirit. Orders also picked up at Environmental and Energy Systems, with the shortfall in the first quarter being more than offset.

The Paint and Assembly Systems division's sales revenues improved considerably in the second quarter of 2010, with growth of € 41.2 million versus the first quarter to € 208.3 million. The services business also picked up strongly in the spare parts segment as well as in revamps and conversions. Thanks to the better capacity utilization and higher sales revenues the division achieved positive EBIT of € 6.3 million in the second quarter after a loss of € 2.1 million in the first quarter.

Measuring and Process Systems

		H1/2010	H1/2009
Incoming orders	in € million	201.1	130.7
Sales revenues	in € million	142.5	164.4
EBITDA	in € million	0.4	0.4
EBIT	in € million	-3.2	-3.1
Employees (June 30)		2,391	2,427

The Measuring and Process Systems division also witnessed strong increases in incoming orders in the first half of 2010. Owing to the low prior-year base, new orders at Cleaning and Filtration Systems were up by over 100%. There was significant growth at Balancing and Assembly Products, too.

After averaging only € 63.4 million in the first three quarters of 2009, order intake at Measuring and Process Systems came to over € 100 million in each of the first two quarters of 2010. Capacity utilization has therefore improved appreciably. However, Cleaning and Filtration Systems and Balancing and Assembly Products started off the year 2010 with low orders on hand and declining sales revenues. As a result, the division's overall earnings situation has improved only gradually so far in the second quarter. The positive result in the second quarter was not yet able to offset the loss in the first quarter. Balancing and Assembly Products achieved a lower but still clearly positive result in the first six months of 2010. On the other hand, the earnings situation at Cleaning and Filtration Systems was still burdened by capacity utilization problems, especially in France and the USA. However, the measures undertaken to remedy the situation are increasingly taking effect; a marked earnings improvement is therefore likely in the second half of the year.

Schenck Technologie- und Industriepark GmbH, which is part of the Measuring and Process Systems division, continued its positive performance and achieved positive EBIT on the back of a high occupancy level.

Corporate Center

Corporate Center (mainly Dürr AG) EBIT came to € -0.1 million in the first six months of 2010 (H1/2009: € -1.5 million). In addition to the earnings contributions from the two divisions (€ 0.9 million) and the Corporate Center (€ -0.1 million) Group EBIT also includes earnings of € 0.2 million (H1/2009: € -0.3 million) from the elimination of consolidation effects.

Opportunities and risks

For a detailed presentation of Dürr's business risks and opportunities please refer to our 2009 annual report. There you will also find a description of our risk and opportunity management systems.

Risks
Currently, there is much to suggest that the recovery of the world economy will continue. However, should the euro crisis and the debt situation in a number of industrial countries escalate the possibility of a renewed recession cannot be ruled out. The, of late, weak labor market data in the USA and the slight slowing of growth in China could also dampen the upswing.

With the general economic recovery so far, the Group's overall risk situation continued to improve in the second quarter of 2010. Capacity utilization is back to a satisfying level at most of our locations. Since the beginning of the year more external labor has been hired again in some areas in response to the strong growth in order intake, especially from China. In North America, reviving passenger car and truck sales have not caused investment activity in the automobile industry there to pick up yet. Demand in Western Europe also remained subdued.

The exceptional boom on the automobile market in China will slacken a little in the mid term. However, experts predict average growth rates of around 10% p.a. also over the next ten years. Against this backdrop, the pace of investment activity by the automobile industry in China is likely to slacken a little but still remain high given that additional local production capacities will be needed in the mid to long term.

We are currently in the process of executing various orders that were taken on in the highly competitive environment last year at correspondingly poor margins, thus presenting a higher earnings risk for these projects. We are countering this risk through cost reductions on the sourcing side, for instance by collaborating more with low-cost suppliers in emerging markets. Moreover, we are pursuing a tight project management to avoid additional project execution costs and to realize cost-cutting potential.

Opportunities
Dürr has a stronger than average local presence in growth markets like China, India, Brazil and Mexico. This places us in a very good position when bidding for customer orders, especially as this enables us to benefit more than other foreign competitors from local cost advantages.

The US automobile market is expected to grow to between 11 and 12 million light vehicles this year. However, despite the closure of a number of automobile plants there are still overcapacities. Additional production capacities will be needed in North America should the market reach a size of 14 million or more vehicles again in the mid term. We therefore expect investment activity in the automobile industry to pick in the coming years.

The weak euro gave us certain advantages when exporting from the eurozone. However, the exposure of our business to currency effects is small, as the bulk of our value added is produced directly in the countries where the projects are executed.

We increased our R&D spending slightly in 2009 despite the economic crisis. This gives us a number of innovations to market broadly as the recovery progresses. One example is our new ***Eco***Bell3 paint atomizer which we presented at the beginning of 2010. Information on other innovations can be found in the R&D section on page 15.

Glueing technology for the automotive industry and other sectors is an area of business we will be expanding strongly in the coming years. In the body in white process glueing is increasingly replacing conventional joining methods. Here, glueing affords advantages in terms of rigidity and comfort and is a precondition for lightweight designs using new materials (such as carbon, plastics). Glueing is also being used increasingly in final vehicle assembly for quality reasons, for instance for fitting windscreens. Moreover, glueing is on the advance in other areas, for instance in the solar industry and in the production of electrical and electronic components. To expand our glueing technology activities we acquired Klaus Kleinmichel GmbH in January 2010, a company specializing in glueing equipment for final vehicle assembly. Moreover, we will be consolidating Helmuth Rickert GmbH for the first time in the third quarter of 2010. Rickert, whose acquisition was agreed in May 2010, mainly supplies glueing equipment for the body in white process. Kleinmichel and Rickert are technology leaders with top market positions in Germany. We will be marketing the broadened glueing technology portfolio more internationally and to new customers through the Group’s global network. The market for glueing technology in the automotive industry is meanwhile worth in the region of € 150 million and is set to grow strongly in the coming years, too. Our mid-term target is annual sales of around € 50 million in glueing technology.

Growth potential is also presented by two other acquisitions: Datatechnic S.A.S. (France), which was acquired in April 2009, specializes in turbocharger balancing technology and rounds out our product portfolio in this growth segment. The acquisition of the Swiss firm UCM AG (consolidated since the beginning of 2010) has given us access to the market for precision cleaning technology. With these two companies we aim to achieve above-average growth rates by internationalizing the business.

We intend to significantly expand our activities in the area of environmental technology. In addition to waste air cleaning technology, we want to establish ourselves as a supplier of systems for increasing energy efficiency. To this end, we plan to supplement our existing know-how through acquisitions that selectively broaden our spectrum of process technologies.

Transactions with related parties

These disclosures can be found in the notes to the consolidated financial statements on page 40.

Outlook

The economic parameters have clearly stabilized in the first half of 2010, although the sovereign debt crisis, especially in Europe, caused some turmoil for a while. On the other hand, European companies are benefiting from the weakness of the euro as it makes them more competitive. The automobile industry continued to recover in the first half of 2010, increasing its output more strongly than market experts had expected. However, in light of weaker leading indicators, there are growing signs that the pace of economic recovery will slacken in the second half of the year; the growth in China is likely to slow a little, too. The main risks continue to be the sovereign debt situation, high unemployment, and the fragility of the banking sector in some countries. Nonetheless, leading research institutions forecast global GDP growth of about 4% in both 2010 and 2011.

We still expect over 7% sales growth this year versus 2009. Our high order backlog allows good visibility regarding the probable sales development over the coming quarters. In addition, we assume that the recovery of demand in the mechanical engineering business witnessed in the first six months will continue.

Growth of at least 15% in new orders
Given continued strong demand, especially from the automobile industry, we now expect order intake to reach at least € 1,360 million in 2010. That would be an increase of 15% over 2009; previously, we had reckoned with growth of between 5 and 10%.

EBIT will probably improve significantly in 2010, the main drivers being our successful optimization and cost cutting measures and the reviving services and mechanical engineering businesses. However, set against this there are the lower margins on projects taken on in the highly competitive environment last year. The financial result is likely to deteriorate slightly due to higher costs for the adjustment of the syndicated loan agreement in 2009. Tax expense should be lower than last year as the one-off burden in 2009 due to the allowance of deferred tax assets will fall away. Consequently, we aim to achieve slightly positive earnings after taxes.

Paint and Assembly Systems' bottom line should benefit this year from the improved order situation. The earnings situation at the Measuring and Process Systems division picked up in the second quarter; this trend should continue during the rest of the year.

On the plant engineering side, a number of projects are about to reach an advanced stage of completion, which is usually associated with growth in net working capital. We expect rising order intake in the mechanical engineering business, which will require us to pre-finance more inventories and receivables again. Against this backdrop, we assume that our 2010 cash flow will fall short of last year's high level but will stay clearly positive as we will continue our strict cash and net working capital management.

We will somewhat increase our spending on property, plant and equipment and intangible assets in the coming quarters. In 2010, we expect capex in the order of some € 15 to 20 million mostly for replacements. We furthermore want to continue our successful strategy of small technology-oriented bolt-on acquisitions, especially in the area of environmental systems and energy efficiency.

At the end of 2010 our net financial debt will probably be slightly higher than it was as of June 30, 2010 due to the expected growth in net working capital. Equity will probably not change much in 2010 and the equity ratio should stay around 30%.

We expect a stable development in the number of employees through to the end of 2010. Depending on order development, project distribution and capacity utilization within the Group, we would not rule out further capacity reductions in individual segments and markets. We will continue to increase our headcount in the emerging markets.

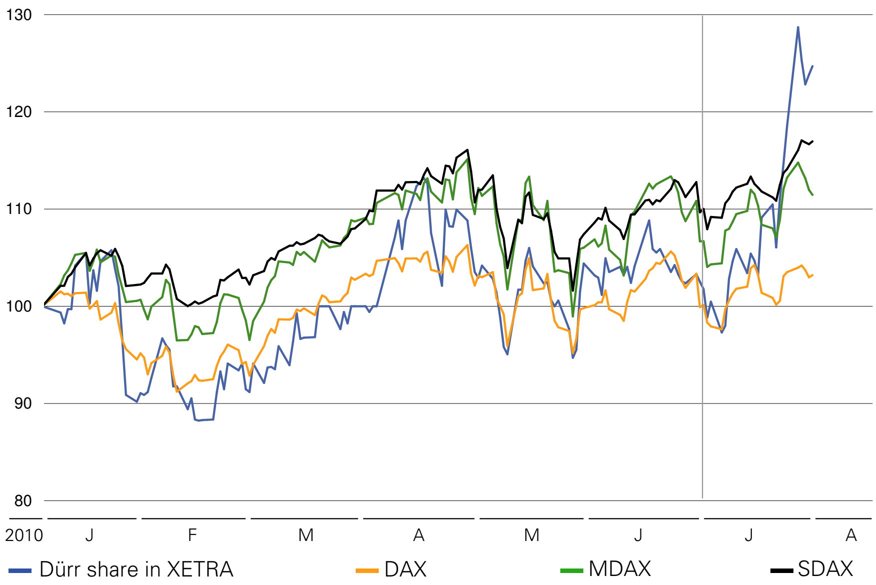
Our syndicated loan and corporate bond will mature in summer 2011. We are currently in negotiations with our banking syndicate for a renewal of the syndicated loan or its replacement by a new credit agreement already this year. In addition, we plan to issue a bond in a volume of approximately € 100 million in autumn 2010. After its successful placement we intend to redeem the existing bond, issued in 2004, prematurely and in full by November 2010.

Treasury stock and capital changes

Dürr AG does not hold any of its own stock. Our capital stock of € 44.3 million, which is divided into 17.3 million shares, did not change in the period under review.

Dürr share performance

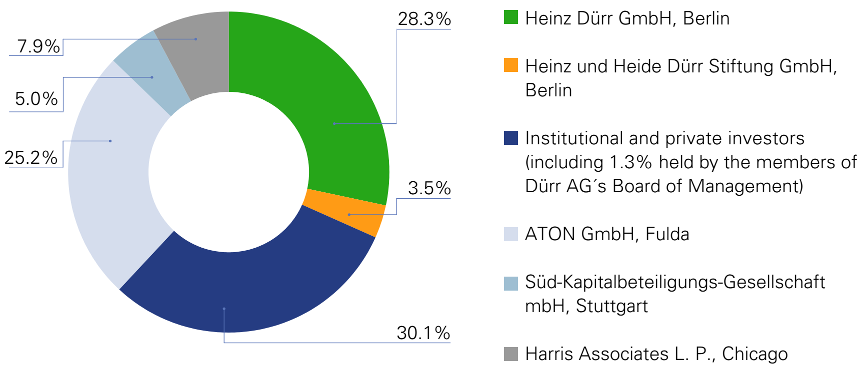
indexed values in %



After the upward forces on the stock market had still predominated in the first quarter of 2010, a sideways trend emerged in the second quarter. Despite better company results there were growing doubts whether the economic recovery would last. The Dürr share - like many other engineering stocks - managed to gain slightly since the beginning of the year. While the DAX was little changed, the MDAX and SDAX stocks were able to show more pronounced gains.

Ownership structure

Our ownership structure changed only marginally in the second quarter. The Dürr family added slightly to its holdings through Heinz Dürr GmbH. The free float is 38% according to Deutsche Börse calculations. The present ownership structure is as follows:



Events after the reporting date

Apart from the closing of the Rickert acquisition, no events that may materially impact the Group's asset, financial or income positions occurred between the end of the reporting period and the publication of this report.

Bietigheim-Bissingen, August 5, 2010

Dürr Aktiengesellschaft

The Board of Management

Consolidated statement of income

of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2010

in € k	H1 2010	H1 2009	Q2 2010	Q2 2009
Sales revenues	517,928	571,508	287,600	261,971
Cost of sales	-416,365	-456,780	-228,595	-208,175
Gross profit on sales	**101,563**	**114,728**	**59,005**	**53,796**
Selling expenses	-47,238	-50,094	-24,090	-24,575
General and administrative expenses	-38,696	-41,786	-19,390	-19,769
Research and development costs	-12,704	-12,709	-6,431	-6,584
Other operating income	13,856	40,027	8,002	13,727
Other operating expenses	-14,576	-41,266	-8,917	-13,747
	2,205	**8,900**	**8,179**	**2,848**
Gain or loss on restructuring / onerous contracts	-1,153	-2,765	-1,060	-1,471
Impairment losses / reversal of impairment losses	21	-	21	-
Earnings before investment income, interest and similar income, interest and similar expenses, and income taxes	**1,073**	**6,135**	**7,140**	**1,377**
Profit / loss from entities accounted fore using the equity method	137	801	232	470
Interest and similar income	839	928	203	610
Interest and similar expenses	-11,313	-9,574	-5,844	-4,934
Earnings before income taxes	**-9,264**	**-1,710**	**1,731**	**-2,477**
Income taxes	-4,102	-4,934	-4,675	-4,643
Loss / profit of the Dürr Group	**-13,366**	**-6,644**	**-2,944**	**-7,120**
of which attributable to				
Non-controlling interests	184	581	232	232
Shareholders of Dürr Aktiengesellschaft	**-13,550**	**-7,225**	**-3,176**	**-7,352**
Earnings per share in € (basic and diluted)	-0.78	-0.42	-0.18	-0.43

Consolidated statement of comprehensive income

of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2010

in € k	H1 2010	H1 2009	Q2 2010	Q2 2009
Loss / profit of the Dürr Group	**-13,366**	**-6,644**	**-2,944**	**-7,120**
Other comprehensive income				
Changes in fair value of financial instruments used for hedging purposes recognized in equity	-3,136	1,135	-2,427	2,895
Currency translation reserve of foreign subsidiaries	19,184	3,001	11,777	-2,584
Currency translation reserve of foreign entities accounted for using the equity method	2,060	-841	1,615	-388
Actuarial gains / losses from defined benefit obligations and similar obligations	-2,938	980	-2,937	980
Deferred taxes recognized on other comprehensive income	1,637	-619	1,425	-1,276
Other comprehensive income after tax	**16,807**	**3,656**	**9,453**	**-373**
Total comprehensive income after tax	**3,441**	**-2,988**	**6,509**	**-7,493**
of which attributable to				
Non-controlling interests	184	581	232	232
Shareholders of Dürr Aktiengesellschaft	**3,257**	**-3,569**	**6,277**	**-7,725**

Consolidated statement of financial position

of Dürr Aktiengesellschaft, Stuttgart, as of June 30, 2010

in € k	June 30, 2010	Dec. 31, 2009
Assets		
Goodwill	282,006	271,264
Other intangible assets	35,988	36,978
Property, plant and equipment	91,133	88,851
Investment property	20,305	20,475
Investments in entities accounted for using the equity method	11,911	9,636
Other financial assets	358	4,510
Trade receivables	1,698	2,592
Income tax receivables	101	101
Sundry financial assets	5,191	5,214
Other assets	64	74
Deferred taxes	6,670	5,336
Prepaid expenses	7,496	7,625
Non-current assets	**462,921**	**452,656**
Inventories and prepayments	82,423	62,511
Trade receivables	318,138	323,277
Income tax receivables	7,004	4,562
Sundry financial assets	10,211	9,641
Other assets	13,483	8,669
Cash and cash equivalents	100,130	103,897
Prepaid expenses	4,642	2,932
Current assets	**536,031**	**515,489**
Total assets Dürr Group	**998,952**	**968,145**
Equity and liabilities		
Subscribed capital	44,289	44,289
Capital reserve	200,186	200,186
Revenue reserves	78,571	92,237
Other comprehensive income	-25,001	-41,797
Total equity of shareholders of Dürr Aktiengesellschaft	**298,045**	**294,915**
Non-controlling interests	6,135	6,488
Total equity	**304,180**	**301,403**
Provisions for post-employment benefit obligations	58,640	55,144
Other provisions	6,429	6,295
Bond	98,753	98,141
Other financial liabilities	4,062	4,483
Sundry financial liabilities	6,492	5,875
Income tax liabilities	159	126
Other liabilities	9,943	7,440
Deferred taxes	23,180	22,880
Deferred income	688	748
Non-current liabilities	**208,346**	**201,132**
Other provisions	44,916	46,063
Trade payables	351,027	330,850
Financial liabilities	5,638	1,333
Sundry financial liabilities	27,059	21,878
Income tax liabilities	4,424	7,733
Other liabilities	52,820	57,052
Deferred income	542	701
Current liabilities	**486,426**	**465,610**
Total equity and liabilities Dürr Group	**998,952**	**968,145**

Consolidated statement of cash flows

of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2010

in € k	H1 2010	H1 2009
Earnings before income taxes	-9,264	-1,710
Income taxes paid	-10,093	-11,359
Net interest	10,474	8,646
Profit / loss from entities accounted for using the equity method	-137	-801
Amortization and depreciations of non-current assets	9,291	10,344
Net loss / gain on the disposal of non-current assets	13	-270
Other non-cash income and expenses	-9	-11
Changes in operating assets and liabilities		
Inventories	-14,622	6,793
Trade receivables	29,432	86,954
Other receivables and assets	-6,863	5,683
Provisions	-3,121	-5,764
Trade payables	-6,321	-110,313
Other liabilities (other than bank)	608	-20,832
Other assets and liabilities	-1,560	-5,110
Cash flow from operating activities	**-2,172**	**-37,750**
Purchase of intangible assets	-1,640	-2,259
Purchase of property, plant and equipment	-3,252	-5,289
Purchase of entities accounted for using the equity method	-	-13
Proceeds from the sale of non-current assets	194	246
Acquisitions, net of cash acquired	-2,500	-6,832
Interest received	400	886
Cash flow from investing activities	**-6,798**	**-13,261**
Change in current bank liabilities	5,704	50,974
Repayment of non-current financial liabilities	-74	-275
Payment of finance lease liabilities	-1,033	-437
Borrowing / repayment of financial liabilities due to entities accounted for using the equity method	6	-2
Dividends paid to shareholders of Dürr Aktiengesellschaft	-	-12,110
Dividends paid to shareholders of non-controlling interests	-504	-388
Interest paid	-7,935	-7,470
Cash flow from financing activities	**-3,836**	**30,292**
Effects of exchange rate changes	8,981	672
Changes in cash and cash equivalents related to changes in the consolidated group	58	-
Changes in cash and cash equivalents	-3,767	-20,047
Cash and cash equivalents		
At the beginning of the period	103,897	84,385
At the end of the period	100,130	64,338

Consolidated statement of changes in equity

of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2010

				Other comprehensive income								
in € k	Subscribed capital	Capital reserve	Revenue reserve	Unrealized gains/ losses from cash flow hedges	Unrealized gains/ losses from available-for-sale securities	Changes related to the consolida-ted group/ reclassifi-cations	Unrealized actuarial gains/ losses	Currency translation	Other compre-hensive income	Total equity of share-holders of Dürr Aktienge-sellschaft	Non-controlling interests	Total equity
January 1, 2009	**44,289**	**200,186**	**130,557**	**-805**	**-18**	**822**	**-6,668**	**-34,113**	**-40,782**	**334,250**	**7,119**	**341,369**
Loss for the period	-	-	-7,225	-	-	-	-	-	-	-7,225	581	-6,644
Other comprehensive income	-	-	-	808	-	-	688	2,160	3,656	3,656	-	3,656
Total comprehensive income	**-**	**-**	**-7,225**	**808**	**-**	**-**	**688**	**2,160**	**3,656**	**-3,569**	**581**	**-2,988**
Dividends	-	-	-12,110	-	-	-	-	-	-	-12,110	-388	-12,498
Other changes	-	-	17	-	-	-17	-	-	-17	-	-	-
June 30, 2009	**44,289**	**200,186**	**111,239**	**3**	**-18**	**805**	**-5,980**	**-31,953**	**-37,143**	**318,571**	**7,312**	**325,883**
January 1, 2010	**44,289**	**200,186**	**92,237**	**-304**	**-11**	**801**	**-11,085**	**-31,198**	**-41,797**	**294,915**	**6,488**	**301,403**
Loss for the period	-	-	-13,550	-	-	-	-	-	-	-13,550	184	-13,366
Other comprehensive income	-	-	-	-2,218	-	-	-2,219	21,244	16,807	16,807	-	16,807
Total comprehensive income	**-**	**-**	**-13,550**	**-2,218**	**-**	**-**	**-2,219**	**21,244**	**16,807**	**3,257**	**184**	**3,441**
Dividends	-	-	-	-	-	-	-	-	-	-	-504	-504
Put option of shareholders of non-controlling interests	-	-	-127	-	-	-	-	-	-	-127	-33	-160
Other changes	-	-	11	-	-	-11	-	-	-11	-	-	-
June 30, 2010	**44,289**	**200,186**	**78,571**	**-2,522**	**-11**	**790**	**-13,304**	**-9,954**	**-25,001**	**298,045**	**6,135**	**304,180**

Notes to the consolidated financial statements January 1 to June 30, 2010

1. Summary of significant accounting policies

The Company

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") has its registered offices in Stuttgart, Germany. Its headquarters for operations are located at Carl-Benz-Strasse 34 in 74321 Bietigheim-Bissingen, 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 80% of sales revenues with the automotive industry, but also acts as supplier of production technology for other industries including the aviation, mechanical engineering, energy 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 mainly used in engine and drive construction as well as in final assembly.

Accounting policies

The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) at balance sheet date, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code).

The accompanying consolidated statements of income and comprehensive income for the three and six months ended June 30, 2010 and 2009, the consolidated statement of financial position as of June 30, 2010, the consolidated statement of cash flows and the consolidated statements of changes in equity for the six months ended June 30, 2010 and 2009 and the explanatory notes to consolidated financial statements have been prepared for interim financial information. These interim consolidated financial statements are condensed and prepared in compliance with International Accounting Standard (IAS) 34 „Interim Financial Reporting".

The interim consolidated financial statements as of June 30, 2010 are not subject to any review pursuant to Sec. 37w (5) WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act) or audit pursuant to Sec. 317 HGB.

The preparation of the consolidated financial statements for interim reporting pursuant to IAS 34 requires management to make estimates and judgements that affect the application of accounting policies in the Group as well as the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual figures may diverge from these estimates.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2009; we refer to our 2009 annual report. Changes in the accounting policies during the first six months of fiscal year 2010 mainly arose from the following new or amended standards, for which application is mandatory since January 1, 2010:

Changes in IAS 27 "Consolidated and Separate Financial Statements" and IFRS 3 "Business Combinations": The revised standards are applicable for reporting periods beginning on or after July 1, 2009. The standards change the accounting for business combinations thus affecting the amount of goodwill recognized, the result of the reporting period in which the acquisition took place and future results. Pursuant to the revised standards the costs of the acquisitions were recorded in profit or loss as incurred. Accordingly, the amount of goodwill recognized is lower.

Expenses that 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 for the interim reporting periods are determined on the basis of an estimated annual effective income tax rate for each individual entity.

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

2. Consolidated group

Besides Dürr AG, the consolidated financial statements as of June 30, 2010 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, start to exist.

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

	June 30, 2010	Dec. 31, 2009
Number of fully consolidated entities		
Germany	9	9
Other countries	42	42
	51	**51**

	June 30, 2010	Dec. 31, 2009
Number of entities accounted for using the equity method		
Germany	3	3
Other countries	1	1
	4	**4**

The consolidated financial statements contain four entities (December 31, 2009: four) with shareholders of non-controlling interests.

Effective as of January 1, 2010, Dürr first consolidated UCM AG, Rheineck, Switzerland. As of June 21, 2010, UCM Holding AG, Rheineck, Switzerland, was merged with UCM AG.

3. Company acquisitions

UCM AG

As of January 1, 2010, the entity UCM AG, registered in Rheineck, Switzerland, was first consolidated. In line with the purchase contract dated December 9, 2009, Dürr acquired 100% of UCM's shares. UCM AG specializes in equipment for the precision cleaning of workpieces. With this move, Dürr is rounding out its portfolio in a business segment that addresses growth industries such as medical engineering and precision optics.

UCM AG was first consolidated pursuant to IFRS 3 "Business Combinations" under application of the acquisition method. The results of the acquired company were included in the consolidated financial statements starting with the date of first consolidation. The contribution of UCM AG to the net result of the period from the date of first consolidation to June 30, 2010, amounted to € -212 thousand, the sales revenues with external parties included in this period amounted to € 1,615 thousand.

The purchase price of € 4,156 thousand for UCM AG consists of a base price of € 2,240 thousand and of two base rates dependent on company results (earnings before interest, taxes, depreciation and amortization – EBITDA) for fiscal years 2010 and 2011. At the date of acquisition the contingent portion of the purchase price of € 1,916 thousand was recognized as a liability. The two base rates increase or decrease in proportion to the difference between the expected EBITDA and the EBITDA as shown in the annual financial statements. The change of the two base rates together must not exceed € 672 thousand (cap). The maximum purchase price amounts to € 4,635 thousand; the minimum purchase price is € 3,291 thousand. In case that the actual EBITDAs for the fiscal years 2010 and 2011 together add up to at least € 1,441 thousand the second base rate will be raised by another € 269 thousand. The goodwill of € 1,525 thousand reflects technology and cost synergies in precision cleaning technology as well as the positive earnings expectations of UCM AG.

Kleinmichel

On January 25, 2010, Dürr acquired in an asset deal assets of Klaus Kleinmichel GmbH, Bernried, Germany, from the bankruptcy estate. The company specializes in glueing equipment for automobile manufacture and general industry. The acquired assets were first consolidated pursuant to IFRS 3 “Business Combinations“ under application of the acquisition method. The goodwill of € 1,603 thousand reflects technology and cost synergies in glueing equipment.

In 2010, until its bankruptcy in January, Klaus Kleinmichel GmbH has not generated sales revenues. Due to the fact that the acquired assets are completely merged into the accounts of the acquiring company Dürr Systems GmbH, Stuttgart, a separate presentation of the results and sales revenues since the date of acquisition is not feasible.

The acquired net assets and goodwill of UCM AG and Kleinmichel are determined as follows:

in € k	
Acquisition price	6,656
Fair value of net assets	3,528
Goodwill	**3,128**

The total purchase price was allocated to the assets acquired and liabilities assumed as follows:

in € k	Carrying amount before acquisition	Adjustment	Carrying amount after acquisition
Intangible assets	-	2,332	2,332
Property, plant and equipment	1,159	-309	850
Inventories	1,116	-425	691
Receivables and other assets	1,671	19	1,690
Cash and cash equivalents	59	-1	58
Non-current liabilities	225	-	225
Deferred tax liabilities	255	312	567
Current liabilities	1,303	-2	1,301
Net assets	**2,222**	**1,306**	**3,528**

The carrying amounts after acquisition correspond to fair values as of the date of acquisition. The gross contractual amounts receivable are nearly identical to their fair value. The adjustments mainly relate to intangible assets, where technological know-how and customer relationships were recognized in the course of the purchase price allocation. A building owned by UCM AG was measured at market value. In addition, the acquired inventories were written-down.

The useful lives of intangible assets acquired are presented in the following.

	Fair value (in € k)	Useful life (in years)
Technological know-how	892	8
Customer relationship	1,440	10
	2,332	

The goodwill was allocated to the Cleaning and Filtration Systems and Application Technology business units and is tax deductible at the amount of € 1,603 thousand.

4. Earnings per share

Earnings per share is determined pursuant to IAS 33 "Earnings per Share". Earnings per share is calculated as the profit share of the shareholders of Dürr AG divided by the weighted average number of shares issued. The calculation is presented in the table below. In the reporting periods from January 1 to June 30, 2010 and 2009, there were no dilutive effects.

		H1 2010	H1 2009
Loss / profit attributable to the share-holders of Dürr AG	in k €	-13,550	-7,225
Number of shares issued (weighted average)	k	17,300.5	17,300.5
Earnings per share (basic and diluted)	€	-0.78	-0.42

5. Other operating income and expenses

In the reporting period other operating income and expenses mainly comprised currency exchange rate gains and losses. The considerably higher income and expenses in the prior period resulted from the expenses for the Campus construction project and the income from reimbursements of these expenses.

6. Income tax effects relating to other comprehensive income

The following table shows the components of other comprehensive income and the associated tax effects, taking into account the changes of the item "Non-controlling interests".

	H1 2010			H1 2009		
in € k	Before tax	Tax effect	Net	Before tax	Tax effect	Net
Net gains/losses (-) from derivatives used to hedge cash flows	-3,136	918	-2,218	1,135	-327	808
Difference arising from foreign currency translation	19,184	-	19,184	3,001	-	3,001
Difference arising from foreign currency translation of entities accounted for using the equity method	2,060	-	2,060	-841	-	-841
Change in net actuarial gains and losses from benefit obligations	-2,938	719	-2,219	980	-292	688
Change in other comprehensive income	**15,170**	**1,637**	**16,807**	**4,275**	**-619**	**3,656**

The increase of the components of other comprehensive income that were recognized directly in equity and that depend on currency exchange rates is mainly due to the fluctuations of the euro in comparison to US-dollar, Chinese renminbi yuan, Brazilian real and Japanese yen.

For reconciliation reasons to the consolidated statement of changes in equity the figures for the first six months of 2009 were adjusted.

7. Liabilities from restructuring measures

Liabilities from restructuring measures decreased by € 3,765 thousand to € 10,306 thousand compared to December 31, 2009. This was mainly due to the utilization of liabilities formed in prior periods, whereas an addition of € 706 thousand was recorded in the first six months of fiscal year 2010 with opposite effect.

8. Segment reporting

The segment reporting was prepared according to IFRS 8 „Operating Segments". Based on the internal reporting and organizational structure of the Group, the consolidated financial statement data is presented by division. The segmentation is to provide details on the results of operations, net assets and financial position of individual activities.

The reporting is based on the divisions of the Group. The Dürr Group consists of a management holding (Dürr AG) and two divisions differentiated by product and service range, each with global responsibility for their products and results. The Corporate Center essentially consists of Dürr AG.

Management monitors the EBIT (earnings before investment income, interest and taxes) of its two divisions separately for the purpose of making decisions about resource allocation and evaluating the segments' development and operating performance. As the basis for segment reporting in accordance with IFRS 8 is the same as is used internally (management approach), the level of EBIT determined may differ from the consolidated financial statements. Group financing (including finance cost and finance income) and income taxes are managed on a Group basis and are not allocated to the operating segments.

H1 2010		Paint and Assembly Systems	Measuring and Process Systems	Total segments	Reconciliation	Total Dürr Group
External sales revenues	in € k	375,387	142,541	**517,928**	-	**517,928**
Sales revenues with other divisions	in € k	507	3,816	**4,323**	-4,323	**-**
Total sales revenues	**in € k**	**375,894**	**146,357**	**522,251**	**-4,323**	**517,928**
EBIT	in € k	4,151	-3,235	**916**	157	1,073
Assets (as of June 30)	in € k	514,120	385,244	**899,364**	-26,228	873,136
Employees (as of June 30)		3,297	2,391	**5,688**	45	5,733

H1 2009		Paint and Assembly Systems	Measuring and Process Systems	Total segments	Reconciliation	Total Dürr Group
External sales revenues	in € k	407,132	164,376	**571,508**	-	**571,508**
Sales revenues with other divisions	in € k	318	7,550	**7,868**	-7,868	**-**
Total sales revenues	**in € k**	**407,450**	**171,926**	**579,376**	**-7,868**	**571,508**
EBIT	in € k	11,550	-3,084	**8,466**	-2,331	6,135
Assets (as of December 31)	in € k	492,902	373,480	**866,382**	-21,769	844,613
Employees (as of June 30)		3,433	2,427	**5,860**	46	**5,906**

Group figures are derived as follows from the segment figures:

in € k	H1 2010	H1 2009
EBIT of the segments	916	8,466
EBIT of the Corporate Center	-75	-1,506
Borrowing costs recognized pursuant to IAS 23	-	-543
Elimination from consolidation entries	232	-282
EBIT of the Dürr Group	**1,073**	**6,135**

in € k	June 30, 2010	Dec. 31, 2009
Segment assets	899,364	866,382
Assets of the Corporate Center	509,897	499,971
Elimination from consolidation entries	-536,125	-521,740
Cash and cash equivalents	100,130	103,897
Tax receivables	7,105	4,663
Investments in entities accounted for using the equity method	11,911	9,636
Deferred tax assets	6,670	5,336
Gross assets of the Dürr Group	**998,952**	**968,145**

The employees reported in the reconciliation column relate to the Corporate Center.

Under the revised IAS 23 "Borrowing Costs", borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset must be included in the cost of that asset; the previously allowed alternative treatment of immediately recognizing borrowing costs has been eliminated. In Dürr's financial statements this means that finance costs that are attributable to long-term construction contracts in accordance with IAS 11 "Construction Contracts" are recognized in cost of sales. Since the EBIT is the basis used internally for management purposes without taking into account finance costs, borrowing costs are not included in segment profit or loss. No borrowing costs pursuant to IAS 23 were recognized in the first six months of fiscal year 2010 (prior period: € -543 thousand).

9. Related-party transactions

Dr.-Ing. E. h. Heinz Dürr is chairman of the supervisory board of Dürr AG and was chairman of the supervisory board of Dürr Systems GmbH until March 15, 2010. He received remuneration of € 27 thousand (prior period: € 35 thousand) for these duties. Dr.-Ing. E. h. Heinz Dürr is also a member of the supervisory board of Landesbank Baden-Württemberg. Expenses of € 118 thousand (prior period: € 100 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, for cost reimbursements for the Dürr office in the German capital, Berlin, and for other cost reimbursements. 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 € 120 thousand (prior period: € 189 thousand).

Mr. Joachim Schielke is a member of Dürr AG's supervisory board and of the management board of Landesbank Baden-Württemberg as well as chairman of the management board of Baden-Württembergische Bank. From the current business relationship, a balance of € 10,520 thousand (Dec. 31, 2009: € 5,397 thousand) and liability from utilization of the cash line of the syndicated loan of € 0 thousand (Dec. 31, 2009: € 0 thousand) were held at Baden-Württembergische Bank at the end of the reporting period. Transactions with Baden-Württembergische Bank resulted in interest expenses of € 733 thousand (prior period: € 732 thousand) in the reporting period. The warranties and guarantees issued by Baden-Württembergische Bank on behalf of Dürr amounted to € 19,559 thousand at the end of the reporting period (Dec. 31, 2009: € 13,869 thousand).

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

10. Contingent liabilities and other financial obligations

in € k	June 30, 2010	Dec. 31, 2009
Contingent liabilities from guarantees, notes and check guarantees	1,758	1,961
Other	25,162	15,288
Contingent liabilities	**26,920**	**17,249**

in € k	June 30, 2010	Dec. 31, 2009
Rent and lease agreements (operating leases)	124,265	127,863
Liabilities from other continuous obligations	15,200	16,440
Other financial obligations	**139,465**	**144,303**

The increase of other contingent liabilities is mainly due to contingent liabilities related to pending tax proceedings in Brazil.

The Company assumes that these contingent liabilities will not lead to any liabilities and thus to cash outflows.

Shares in subsidiaries had been pledged as collateral for the bond and the syndicated loan facility at the end of the reporting period. In connection with the adjustment of the financial covenants in 2009, collateral was provided in the form of current and non-current assets with a carrying amount of € 133,379 thousand as of June 30, 2010 (Dec. 31, 2009: € 181,132 thousand).

The following table shows the contingent liabilities for joint ventures.

in € k	June 30, 2010	Dec. 31, 2009
Guarantees for joint ventures	3,069	3,069
Accession of joint and several liability by the venturer	-1,705	-1,705
	1,364	**1,364**

11. Subsequent events

On May 27, 2010, Dürr has signed a contract to purchase Helmuth Rickert GmbH and its subsidiary I.N.T. - Rickert GmbH, both located in Wolfsburg, Germany. Based on existing agreements the purchase was carried out on July 30, 2010. The purchase price consists of a portion of € 5.4 million that was paid in cash on July 29, 2010, and another results-based portion that is € 1.2 million at most. A take-over balance is not on hand, yet.

Rickert develops and supplies mainly glueing systems especially for the body in white process. Rickert is a leading supplier of products for glueing body shell components in Germany.

Responsibility statement by management

To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, these interim consolidated financial statements give a true and fair view of the assets, liabilities, financial, and income position of the Group and the consolidated interim management report includes a fair review of the Group's business development, performance, and position 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.

Bietigheim-Bissingen, August 5, 2010

Dürr Aktiengesellschaft

The Board of Management

Ralf Dieter
Chairman of the Board
of Management

Ralph Heuwing
Chief Financial Officer

Financial calendar

August 25, 2010	Commerzbank Sector Conference Week, Frankfurt/M., Germany
September 21, 2010	Unicredit German Investment Conference, Munich, Germany
November 03, 2010	Interim report for the first nine months of 2010
December 01, 2010	Berenberg Conference, London, UK
December 03, 2010	LBBW Conference, Zurich, Switzerland

Contact

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This interim report is the English translation of the German original. The German version shall prevail.

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.