



**Welcome to the conference call
Dürr AG**

**Results January-September 2010
Dürr Group**

Bietigheim-Bissingen, November 3, 2010



Disclaimer

This presentation has been prepared independently by Dürr AG (“Dürr”).

The presentation contains statements which address such key issues as Dürr’s strategy, future financial results, market positions and product development. Such statements should be carefully considered, and it should be understood that many factors could cause forecast and actual results to differ from these statements. These factors include, but are not limited to price fluctuations, currency fluctuations, developments in raw material and personnel costs, physical and environmental risks, legal and legislative issues, fiscal, and other regulatory measures. The stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

Agenda



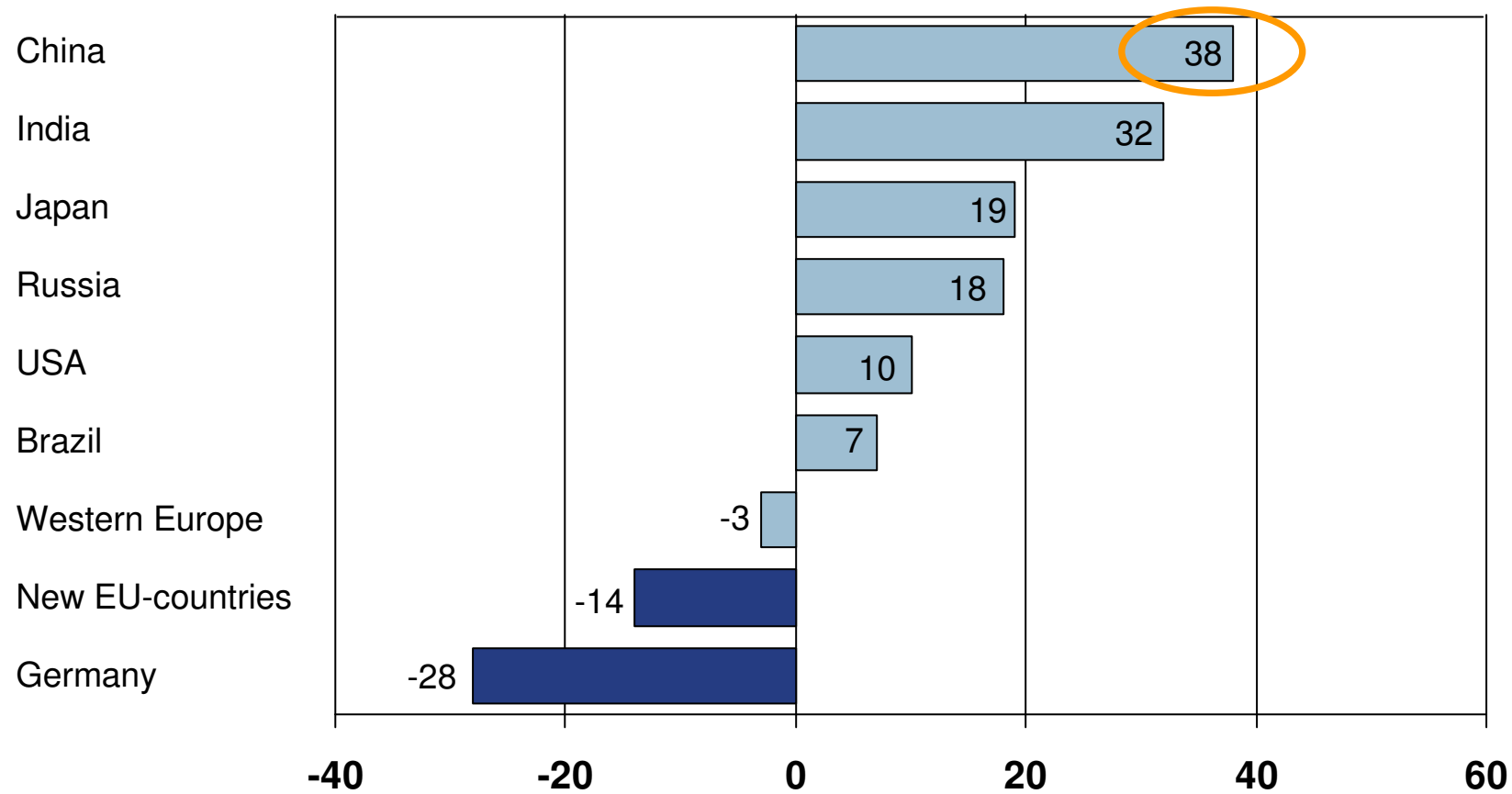
- **Markets & China**
- **9 months' figures**
- **Refinancing**
- **Summary**



Market recovery stronger than expected

Car sales January to September 2010

Change year-on-year in %



Source: VDA (German car makers' association)

Light vehicles: Further increase in production forecast



CAGR of more than 6% over the next 4 years

Region	2008	2009	2010	2011	2012	2013	2014	CAGR 2008-2014
North America	12.6 (-16.6%)	8.5 (-32.5%)	11.8 (38.8%)	12.5 (5.9%)	13.3 (6.4%)	14.1 (6.0%)	14.9 (5.7%)	2.8%
Mercosur	3.4 (6.2%)	3.3 (-2.9%)	3.6 (9.1%)	3.9 (8.3%)	4.4 (12.8%)	4.7 (6.8%)	5.2 (10.6%)	7.3%
Western Europe	15.2 (-6.2%)	12.3 (-19.1%)	13.2 (7.3%)	13.5 (2.3%)	14.2 (5.2%)	14.5 (2.1%)	14.8 (2.1%)	-0.1%
Eastern Europe	6.2 (6.9%)	4.4 (-29.0%)	5.4 (22.7%)	6.1 (13.0%)	6.6 (8.2%)	7.1 (7.6%)	7.6 (7.0%)	3.5%
Asia	26.3 (1.2%)	26.4 (0.4%)	32.5 (23.1%)	35.3 (8.6%)	38.3 (8.5%)	40.6 (6.0%)	42.3 (4.2%)	8.2%
thereof China	7.5 (5.6%)	11.0 (46.7%)	13.7 (24.5%)	15.3 (11.7%)	16.6 (8.5%)	17.9 (7.8%)	19.1 (6.7%)	16.9%
Others	2.5 (0.0%)	2.3 (-8.0%)	2.7 (17.4%)	2.9 (7.4%)	3.0 (3.4%)	3.2 (6.7%)	3.5 (9.4%)	5.8%
Total	66.2 (-3.8%)	57.2 (-13.6%)	69.2 (21.0%)	74.2 (7.2%)	79.8 (7.5%)	84.2 (5.5%)	88.3 (4.9%)	4.9%
Forecast 1/2010	66.2	57.4	63.2	70.2	75.6	79.7	83.0	3.8%

Source: own estimates, PWC, JD Power
Last update October 2010

Dürr's track record in China in 2009/2010

Paint Shops

- 10 orders in the last 15 months
- 4 LOI's (e.g. Chery, SVW) as of 09/30/2010
- 12 projects in the pipeline (6 months)



Sustainable paint shop: Reference order from a German OEM in China (1)



Project premises and targets of the OEM:

- Most sustainable “Green” Paint Shop in the world
- State-of-the-art technologies (process and equipment) with high reliability
- World-wide premium quality standard
- Operator-friendly, communication-oriented, maintenance-friendly
- Expandable paint shop concept (15jph* – **30jph** – 45jph – 60jph)
- High profitability: optimized cost per unit and competitive investment cost







* jph: jobs per hour

Sustainable paint shop: Reference order from a German OEM in China (2)



Consumption targets of the OEM:

	New project	Recent projects	10 years ago
Energy 	~ 500 kwh/u	~ 800 kwh/u	~ 1,500 kwh/u
VOC ¹⁾ 	≤ 0.8 kg/u	~ 2.5 kg/u	~ 3.0 kg/u
Water 	≤ 0.6 m ³ /u	~ 0.8 m ³ /u	~ 1.5 m ³ /u
Waste Water 	≤ 0.3 m ³ /u	~ 0.5 m ³ /u	~ 0.8 m ³ /u

¹⁾ Volatile organic compounds

Sustainable paint shop: Reference order from a German OEM in China (3)



Green solutions

Measures to reduce energy consumption:

- *EcoDryScrubber* with highly efficient recirculation of process air
- Heat recovery wheels for fresh air in spray booths
- Direct evaporation system for intermediate dryer
- Heat recovery at VOC¹⁾ treatment plant
- RoDip with reduced energy consumption of process pumps due to smaller tanks
- Reduced heat losses by using TAR²⁾ for oven heating
- Recirculated air for cooling zones
- TAR²⁾ can be used for hot water heat recovery (optional)

Measures to reduce VOC emission:

- VOC treatment plant with KPR³⁾ concentrator, followed by TAR



- ¹⁾ Volatile organic compounds
- ²⁾ Thermal exhaust air purification
- ³⁾ Rotary concentrator

Sustainable paint shop: Reference order from a German OEM in China (4)



Green solutions

Measures to reduce water consumption:

- RoDip with smaller process tanks in pre-treatment and electro-dip painting
- Recirculation unit for demineralized water in pre-treatment line
- Process water recirculation in decreasing stage with ultra filtration
- Less air humidification by air circulation with *EcoDryScrubber*

Measures to reduce waste water:

- Less waste water by abandonment of system tank for exhaust air scrubbers with *EcoDryScrubber*



Sustainable paint shop: Reference order from a German OEM in China (5)



Green solutions

Measures to reduce material consumption (paint, chemicals):

RoDip with small process tanks

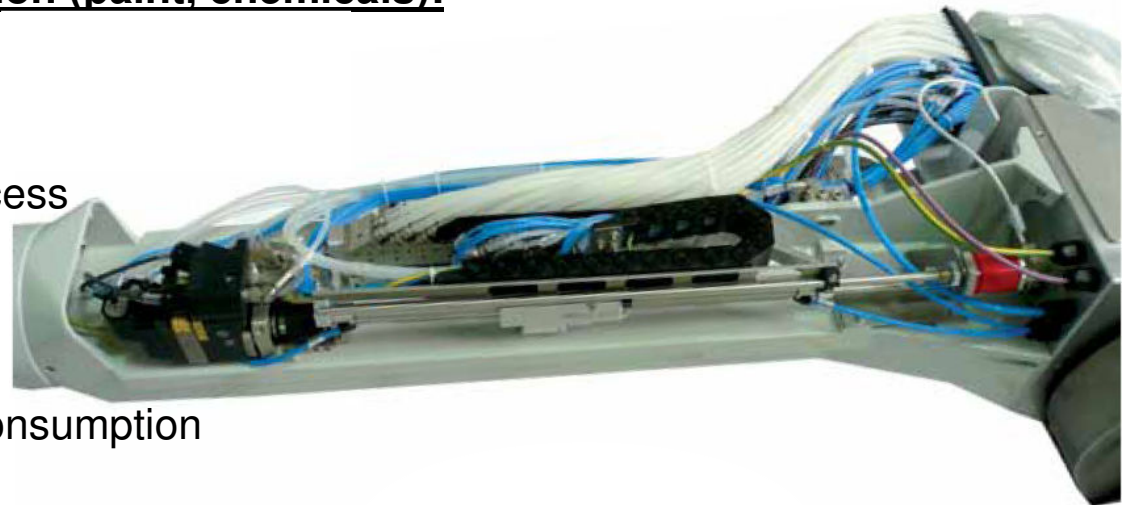
→ less chemical consumption

High transfer efficiency in application process
(bell – bell process and *EcoBell 3*)

→ less paint consumption

EcoLCC colour changer

→ less paint loss and solvent consumption



Measures to reduce waste:

- Less material consumption
- Dry overspray separation with lime stone as natural binding material for recycling

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Strong upward trend in sales revenues

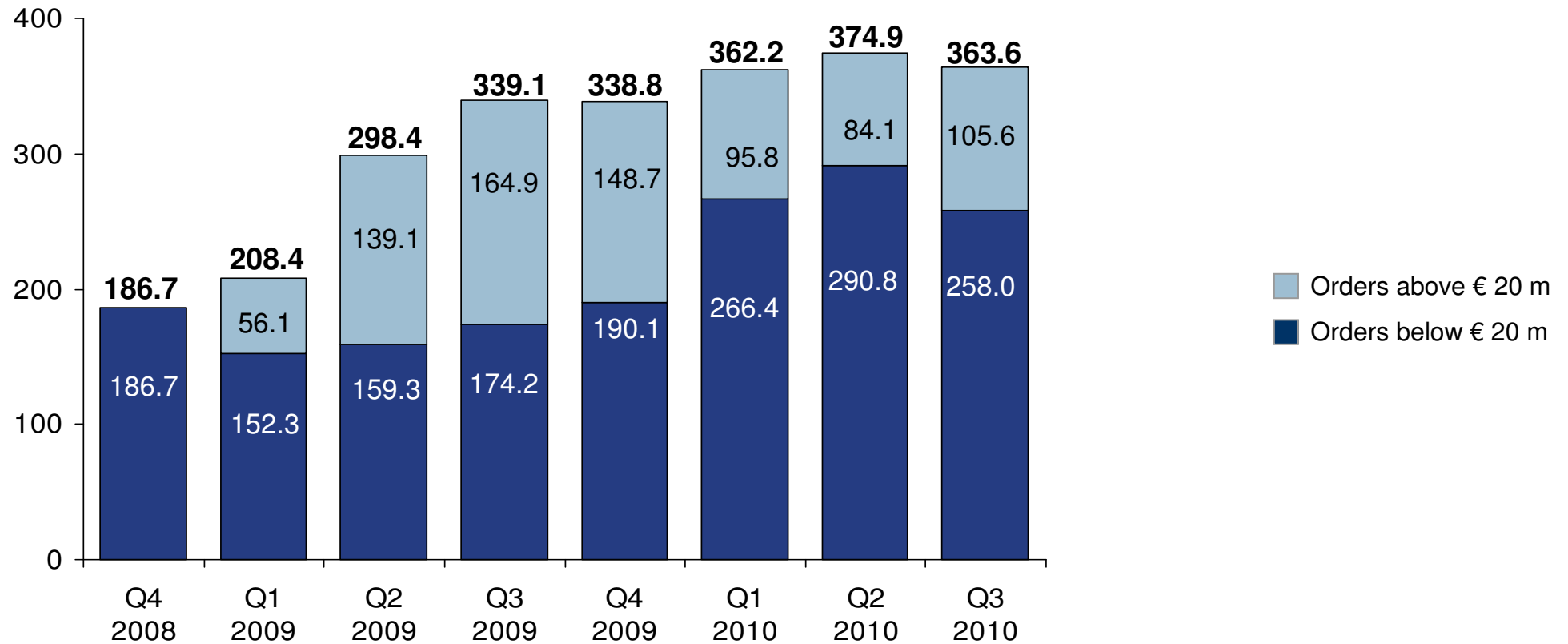
	9 months 2010	9 months 2009	Δ	Q3 2010	Q3 2009	Δ
in € m						
Incoming orders	1,100.7	845.8	30.1%	363.6	339.0	7.3%
Sales revenues	854.5	813.0	5.1%	336.6	241.5	39.4%
Orders on hand (09/30)	1,257.3	927.2	35.6%	1,257.3	927.2	35.6%

- Sales revenues up 39% in Q3 to € 336.6 m (Q1: € 230.3 m, Q2: 287.6 m)
- Incoming orders in Q3 at the high level of the previous quarters; strong machinery business
- Significant improvement in service business (+37% in first nine months)

Good mixture between underlying and big ticket business

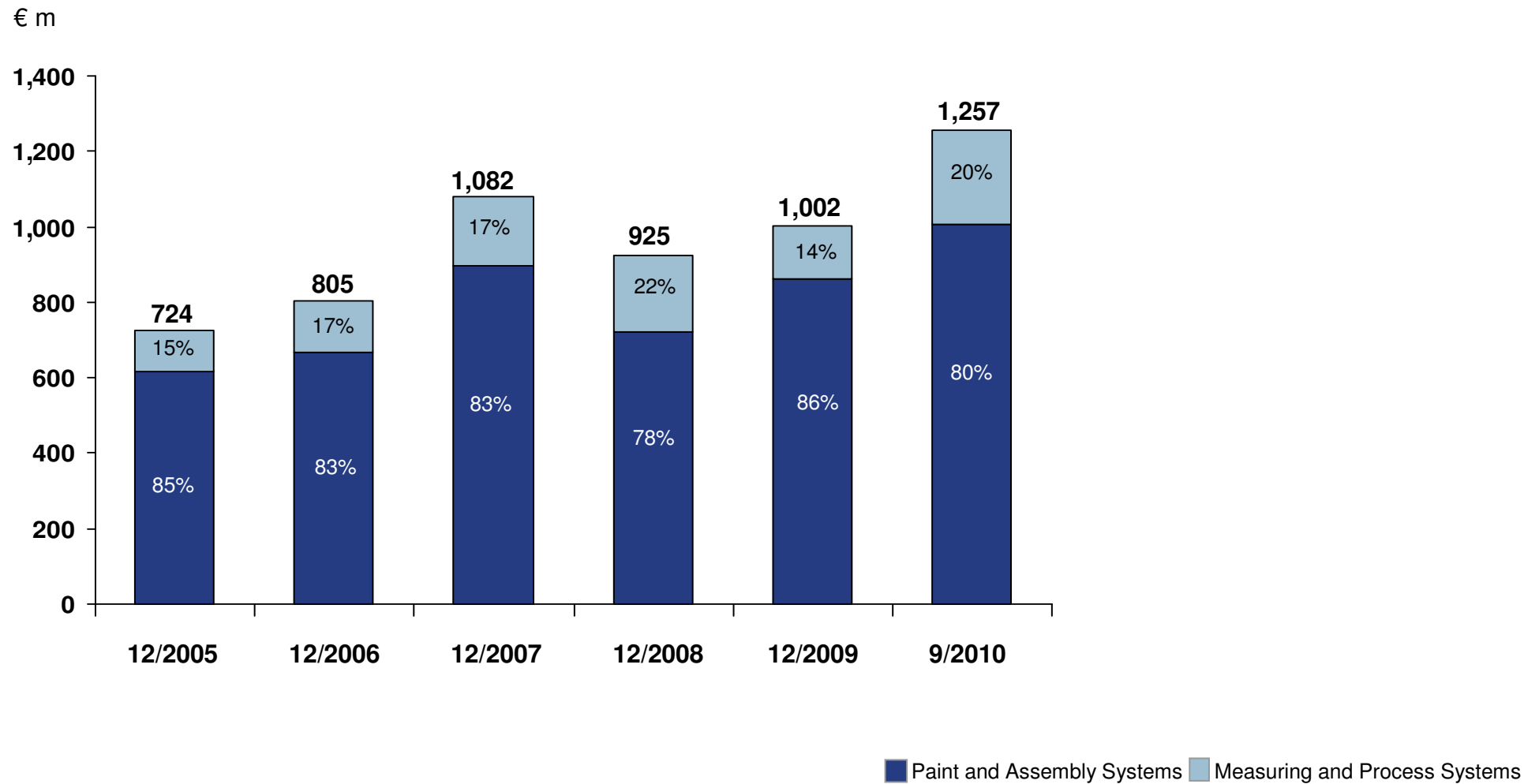


in € m



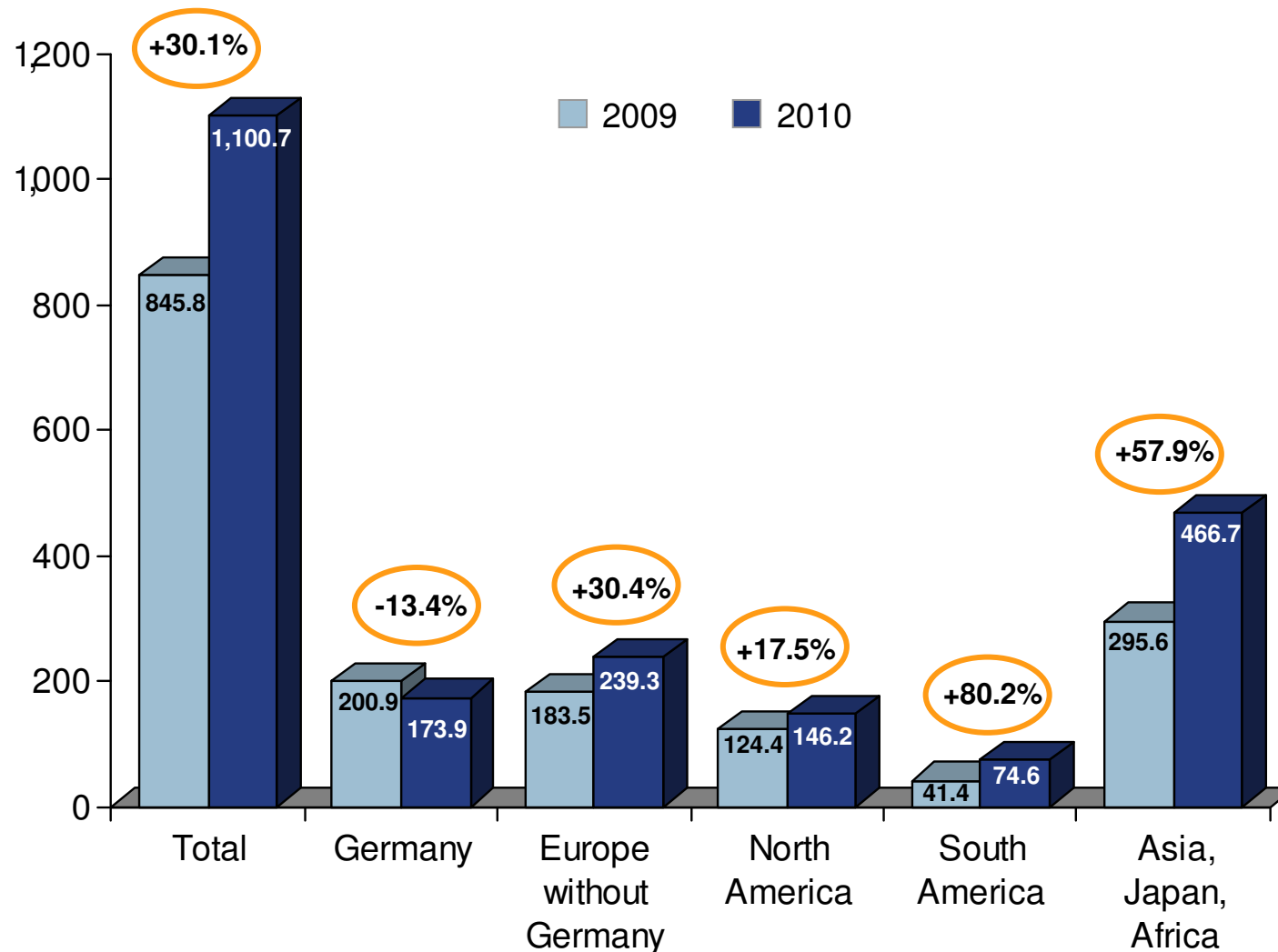


Order backlog at high level with € 1.3 bn



Incoming orders January – September

in € m



- **Germany:**
2009 influenced by Porsche order
- **Europe:**
Increase in most countries
- **Asia:**
China is the dominating market
- **South America:**
Further upside
- **North America:**
Growth in Mexico, US still flat



€ 3.4 m net income in Q3

	9 months 2010	9 months 2009	Δ
in € m			
Gross profit on sales	161.8	166.2	-2.6%
EBITDA	28.1	23.3	20.6%
EBIT	14.3	7.7	85.7%
Net loss/income	-9.9	-14.5	-

- Gross margin decreased to 18.9% in 9 months 2010 due to processing of weak margin orders from 2009. Strong service business supports earnings. Absolute gross profit up € 8.9 m in Q3

Cash flow: NWC increase in Q3 due to higher business volume



	9 months 2010	9 months 2009
in € m		
EBT	-3.3	-5.3
Depreciation and amortization of non-current assets	13.8	15.7
Interest result	17.7	13.9
Income taxes paid	-14.3	-9.4
Δ Provisions	1.3	-9.1
Δ Net working capital	-39.2	11.7
Other	-9.4	-16.2
Cash flow from operating activities	-33.4	1.3
Interest paid (net)	-13.8	-13.1
Capital expenditure	-7.9	-12.4
Free cash flow	-55.1	-24.2

- Positive operating cash flow in Q4 expected due to working capital management

WIP and progress billings: Back to normality



	09/30/10	12/31/09	09/30/09
in € m			
Assets			
Work in process from contracts (WIP)	699.7	516.6	579.6
Progress billings	-486.4	-377.5	-432.3
① WIP in excess of billings	213.3	139.1	147.4
Liabilities			
Work in process from contracts (WIP)	-474.8	-485.0	-545.7
Progress billings	677.3	674.9	676.9
② Billings in excess of WIP	202.4	189.9	131.3
Machinery business			
WIP	-11.4	-8.1	-7.2
③ Progress billings	19.9	10.6	10.7
④ Billings in excess of WIP	-8.4	-2.5	-3.5

WIP and progress billings: Back to normality



	09/30/10	06/30/10	12/31/09	09/30/09
in € m				
Balance: total WIP less total progress billings				
① - ② - ④	2.4	-33.9	-53.3	12.6
Prepayments (liabilities)				
② + ③	222.2	211.8	200.5	141.9

- Progress billings and future receivables¹⁾ were balanced on September 30, 2010
- Normalization process after € -53.3 m at year-end 2009

¹⁾ These future receivables are not included in trade receivables

Solid financial ratios

	09/30/2010	12/31/2009	09/30/2009
Equity in € m	294.4	301.4	315.4
Equity ratio in %	27.9 ¹⁾	31.1	32.2
Net financial status in € m	-57.5	3.0	-81.3
Cash in € m	93.3 ¹⁾	103.9	78.4
Gearing in %	16.3	-1.0	20.5
ROCE ²⁾ in %	4.6	1.9	1.7

- ROCE in Q3: 12.7% (annualized)
- Equity ratio influenced by working capital build up

¹⁾ After redemption of the old bond (€ 100m) as of Oct. 29, 2010

²⁾ annualized

Paint and Assembly Systems: Continued strong demand



	9 months 2010	9 months 2009	Δ
in € m			
Incoming orders	748.1	655.6	14.1%
Sales revenues	620.2	565.7	9.6%
EBIT	15.5	9.9	56.6%

- Incoming orders up 14.1%, LOI's not included
- Strong sales increase in Q3
- EBIT € 11.3 m in Q3 (Q3 2009: € -1.6 m)

Measuring and Process Systems: Major jump in incoming orders in Q3



	9 months 2010	9 months 2009	Δ
in € m			
Incoming orders	352.7	190.2	85.4%
Sales revenues	234.3	247.3	-5.3%
EBIT	1.2	0.6	100%

- Positive Q3 EBIT (€ 4.4 m) due to higher utilization especially in Balancing and Assembly Products
- Order income reaches € 151.5 m in Q3 (+155%), Cleaning and Filtration Systems back to pre-crisis level

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Refinancing activities Q4 2010

- 1.) **Bond** => bond issued in September (€ 150 m, 5 years, 7.25%)
 - *redemption of old bond*
 - *financing of NWC increase*
- 2.) **Bond** => offering of additional senior notes (€ 50 to € 75 m) in Q4 at lower yield
 - *reduction of credit lines (syndicated loan)*
 - *financing of acquisitions in energy and environmental technology business*
- 3.) **Syndicated loan** => good progress in finalizing negotiations with our banking consortium towards Q1 2011, reduction of credit lines and refinancing costs



➔ Despite long-term funding and higher bond-volume, financial result for 2011 is expected to be at the same level as 2010

Bond emission: additional senior notes (“tap”)



- € 50 to € 75 m, coupon 7.25%, maturity 9/2015, issue price with discount on current price, yield ~ 6%
- Again: focus on private investors, private asset managers and family offices
- Timing towards early December, capital markets allowing



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Summary

- Recovery to pre-crisis level quicker than expected
- Important service business substantially improved in the first nine months: +40%
- Strong sales and earnings improvement in Q3; positive trend should continue in Q4
- Outlook 2010:
 - *Incoming orders: between +15% and +20%*
 - *Sales revenues: between +9% and +12%*
 - *Significant earnings improvement vs 2009*
- Additional senior notes of up to €75 m planned in Q4 => acquisitions in environmental and energy technology business



Financial calendar

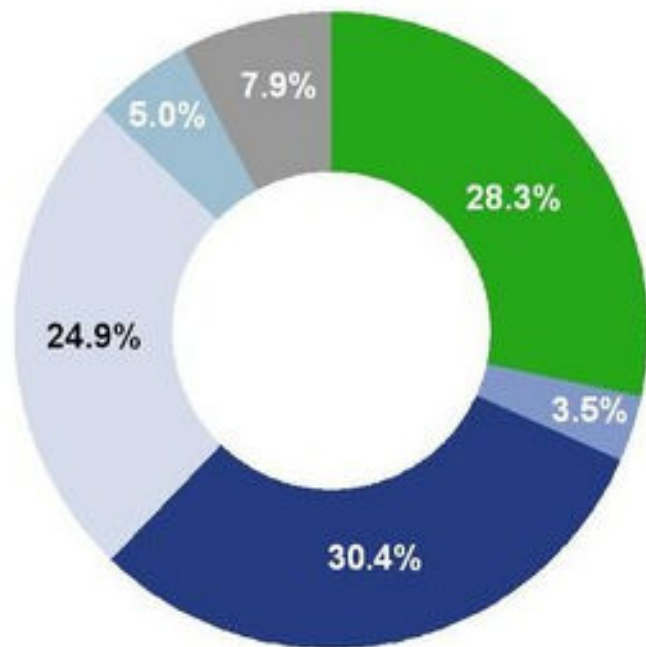
11/23/2010	Equity Forum, Frankfurt
12/01/2010	Berenberg Conference, UK
12/03/2010	LBBW Conference, Switzerland
02/2011	Preliminary figures 2010
03/24/2011	Annual press conference/Analysts' conference

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Appendix

Shareholder structure October 25, 2010



Shareholder structure		
	28.3 %	Heinz Dürr GmbH, Berlin
	3.5 %	Heinz und Heide Dürr Stiftung GmbH, Stuttgart
	30.4 %	Institutional and private investors ¹⁾
	24.9 %	ATON GmbH, Fulda
	7.9 %	Harris Associates L. P., Chicago
	5.0 %	Süd-Kapitalbeteiligungs-Gesellschaft mbH, Stuttgart
Free float 38.3% according to Deutsche Börse		

¹⁾ about 1.3% Dürr Board of Management included