



Welcome to the conference call Dürr AG

**Results January - June 2011
Dürr Group**

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Ralph Heuwing, CFO**

Bietigheim-Bissingen, August 4, 2011



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. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

Agenda

- **H1 figures**
- China expansion
- Summary

Strong momentum in Q2

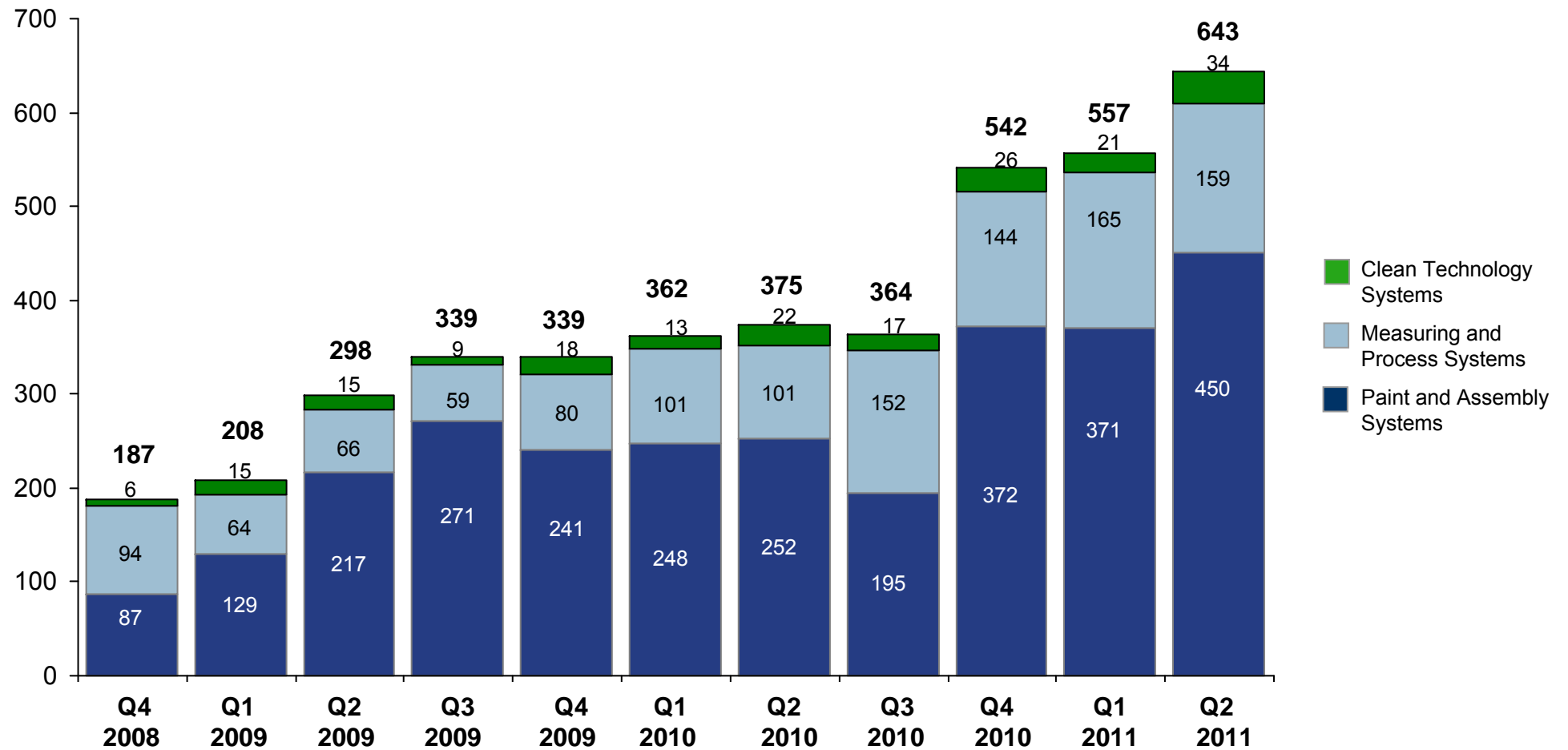
	H1 2011	H1 2010	Δ	Q2 2011	Q2 2010	Δ
in € m						
Incoming orders	1,200.4	737.1	62.9%	643.4	374.9	71.6%
Sales revenues	783.5	517.9	51.3%	424.9	287.6	47.7%
Orders on hand (06/30)	1,746.9	1,261.4	38.5%	1,746.9	1,261.4	38.5%

- Incoming orders in Q2 +72% (YOY)
- Sales in Q2 +48% (YOY) and +18% compared to Q1 2011
- Order backlog at record high
- Book-to-bill ratio at 1.5

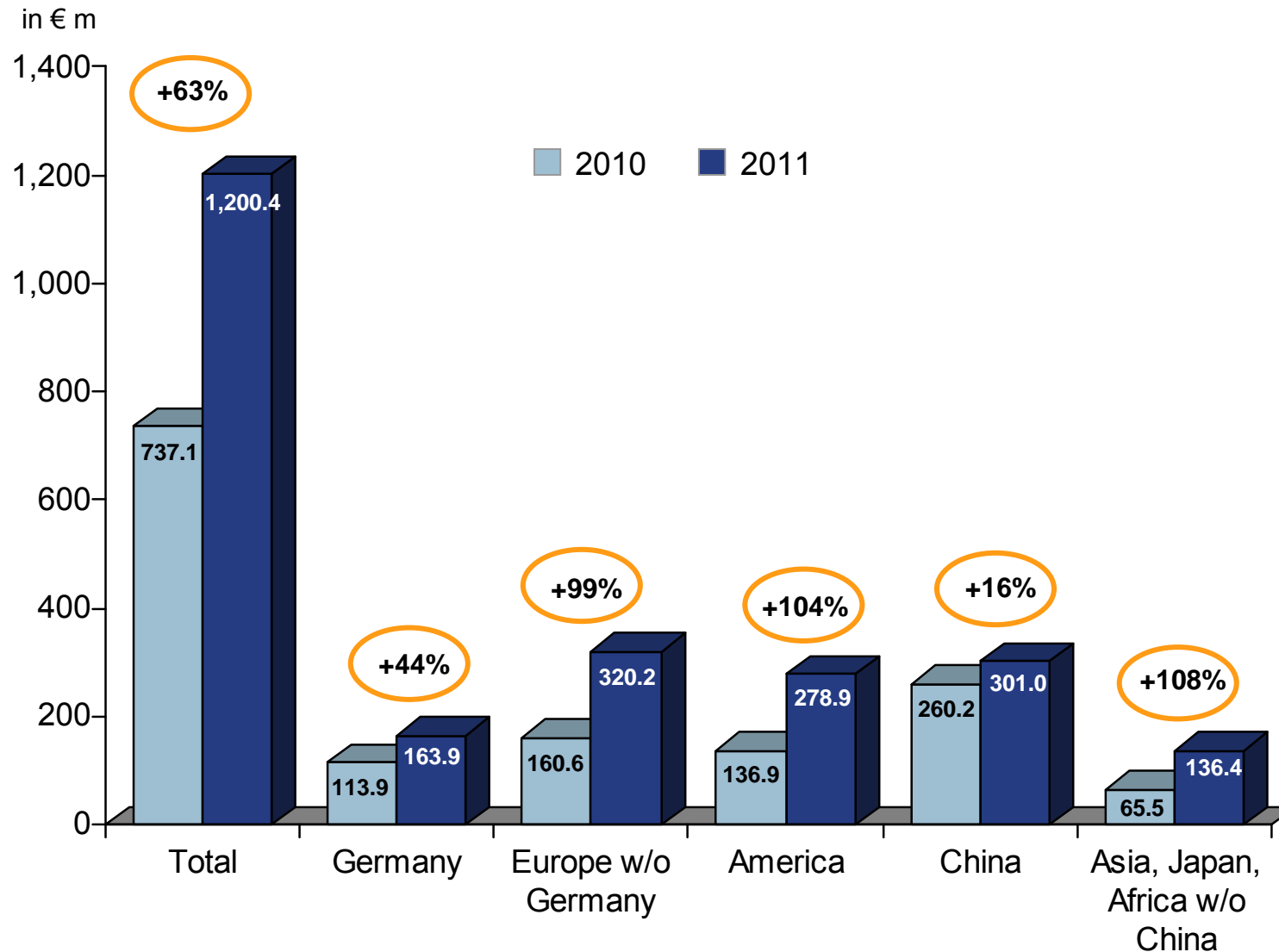
Incoming orders over the last 4 quarters: €2.1 bn



in € m



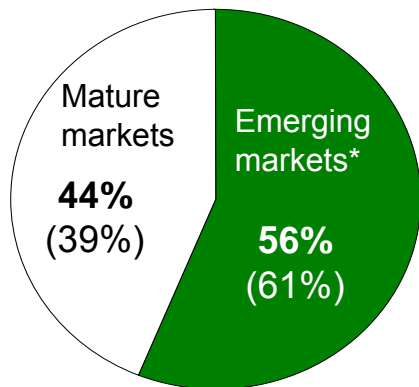
Incoming orders January-June 2011 vs. 2010



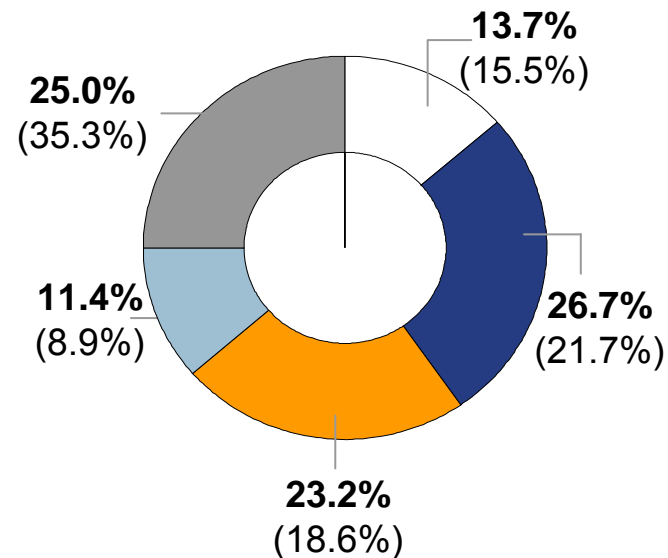
- **Germany:**
Smaller revamp and modernization projects
- **Europe:**
Recovery in most countries (e.g. Hungary, Italy, UK, Russia, Serbia)
- **China:**
High level of last year topped
- **America:**
Strong growth in US

Healthy regional split

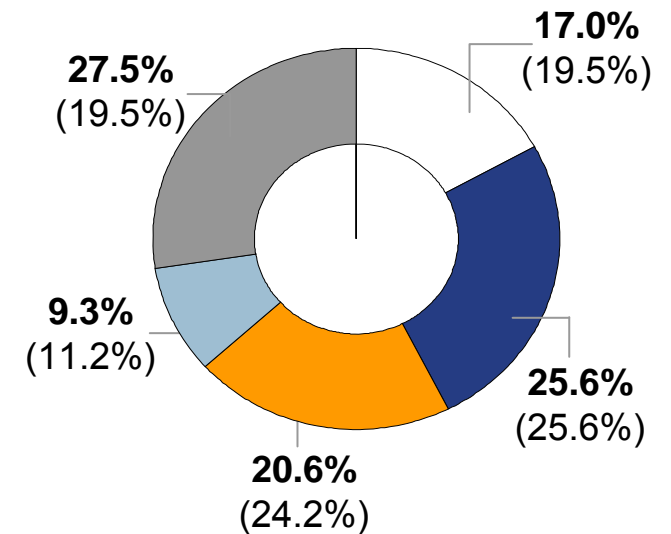
Incoming orders
H1 2011 (H1 2010)



Incoming orders
H1 2011 (H1 2010)



Sales revenues
H1 2011 (H1 2010)



- Germany
- Europe without Germany, incl. Eastern Europe
- North and South America
- Asia (without China), Africa, Australia
- China

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

Strong earnings trend in Q2

	H1 2011	H1 2010	Δ
in € m			
Gross profit on sales	140.3	101.4	38.4%
EBITDA	42.1	10.4	304.8%
EBIT	32.6	1.1	-
Net income	16.0	-13.4	-

- Strong Q2 gross margin at 18.6%; might get somewhat weaker in H2 due to cost increases
- EBIT improved from € 9.2 m (Q1) to € 23.5 m (Q2)
- Moderate increase of SG&A costs (+8.5%)
- Tax loss carry-forwards not factored into tax disclosure for H1 – full year rate expected at 25%

Moderate NWC increase impacts cash flow in H1 2011



Cash flow/free cash flow	H1 2011	H1 2010
in € m		
EBT	23.7	-9.3
Depreciation and amortization of non-current assets	9.5	9.3
Interest result	9.3	10.5
Income taxes paid	-4.3	-10.1
Δ Provisions	0.8	-3.1
Δ Net working capital	-33.2	8.4
Other	-30.9	-7.9
Cash flow from operating activities	-25.1	-2.2
Interest paid (net)	-0.2	-7.5
Capital expenditure	-8.0	-4.9
Free cash flow	-33.3	-14.6

NWC: Increase due to business expansion

	06/30/2011	12/31/2010	06/30/2010
NWC in €m	63.0	27.3	51.2
DWC (Days Working Capital)	14.5	7.8	17.8
DSO (Days Sales Outstanding)	113.9	112.2	111.2

- NWC increase along with business volume especially at Measuring and Process Systems
- Some further NWC buildup expected in H2
- DWC range over the cycle: between 20 and 25 days

WIP and progress billings: High prepayments



	06/30/11	12/31/10	06/30/10
in € m			
Assets			
Work in process from contracts (WIP)	844.7	700.9	682.2
Progress billings	-570.7	-491.6	-514.5
① WIP in excess of billings	274.0	209.3	167.7
Liabilities			
Work in process from contracts (WIP)	-742.6	-552.5	-390.6
Progress billings	1,081.4	813.3	585.4
② Billings in excess of WIP	338.8	260.8	194.8
Machinery business			
WIP	-15.3	-11.9	-10.2
③ Progress billings	15.2	12.5	17.0
④ Billings in excess of WIP	-0.1	0.6	6.8

WIP and progress billings: High prepayments



	06/30/11	12/31/10	06/30/10
in € m			
Balance: total WIP less total progress billings			
① - ② - ④	-64.7	-52.1	-33.9
Prepayments (liabilities)			
② + ③	353.9	273.2	211.8

- Progress billings exceeded total WIP by € 65 m on June 30, 2011
- Accordingly, future cash outflows expected

Rapid growth with impact on financial ratios



	06/30/11	12/31/10	06/30/10
Equity in €m	323.2	319.4	304.2
Equity ratio in %	24.3	26.3	30.4
Net financial status in €m	-34.9	23.6	-6.1
Cash in €m	195.2	252.3	100.1
Gearing in %	12.1	-8.0	2.0
ROCE¹⁾ in %	15.8	9.4	0.6

- Higher equity despite currency translation losses (€ -9.1 m)
- Annualized ROCE already 15.8%

¹⁾annualized

Paint and Assembly Systems: Q2 stronger than expected



	H1 2011	H1 2010	Δ in %
in €m			
Incoming orders	821.0	500.8	63.9
Sales revenues	514.4	345.2	49.0
EBIT	20.8	3.4	511.8

- Ongoing strong improvement of incoming orders from all regions
- Doubling of EBIT in Q2 compared to Q1

Measuring and Process Systems: Strong improvement in H1 2011



	H1 2011	H1 2010	Δ in %
in €m			
Incoming orders	324.1	201.1	61.2
Sales revenues	236.6	142.5	66.0
EBIT	11.8	-3.2	-

- Incoming orders increased by more than 100% at Cleaning and Filtration Systems
- Incoming orders on average level of € 150 m over the last four quarters
- EBIT improvement from € 1.9 m in Q1 to € 9.9 m in Q2: Strong EBIT improvement at Balancing and Assembly Products due to high capacity utilization

Measuring and Process Systems: Acquisition of Agramkow A/S



	H1 2011	FY 2010
in €m		
Sales revenues	12.4	21.2
EBIT	2.0	3,8



- World market leader in filling equipment for household appliances (e.g. air conditioners, refrigerators) and heat pumps; good position in filling equipment in automotive production
- Sales volume of above € 50 m in 2011 together with Dürr Somac (No. 1 for filling systems in automobile production)
- Synergy potential in R&D, sales and distribution (e.g. China, Americas)
- Acquisition is earnings enhancing from 2011 onwards

Clean Technology Systems: Strong growth



	H1 2011	H1 2010	Δ in %
in €m			
Incoming orders	55.4	35.1	57.8
Sales revenues	32.6	30.2	7.9
EBIT	1.5	0.6	150.0

- Several larger projects won in H1, particularly from chemical and carbon fiber industries
- Delayed sales realization in H1; sales revenues will speed up in H2

Clean Technology Systems: Cyplan: First Clean Tech acquisition



- 50% participation in start-up company (acquisition price € 3.5 m)
 - ORC systems: Electricity generation from waste heat
=> lower waste heat temperatures can be used e.g. in biogas plants and cogeneration heat-and-power plants
-
- ORC technology is being tested in several projects; first systems to be sold in 2011; sales potential well above € 10 m by 2014

Agenda

- H1 figures

- **China expansion**

- Summary

China expansion

Light vehicle production: From 2011 until 2015 production will grow by 10 m additional units in China!

Region	2009	2010	2011	2012	2013	2014	2015	CAGR 2011-2015
North America	8.5 (-32.5%)	11.9 (40.0%)	12.8 (7.6%)	13.8 (7.8%)	14.5 (5.1%)	15.4 (6.2%)	15.6 (1.3%)	5.1%
Mercosur	3.3 (-2.9%)	4.2 (27.3%)	4.4 (4.8%)	5.0 (13.6%)	5.5 (10.0%)	6.0 (9.1%)	6.3 (5.0%)	9.4%
Western Europe	12.3 (-19.1%)	13.3 (8.1%)	13.8 (3.8%)	14.4 (4.3%)	14.6 (1.4%)	15.0 (2.7%)	15.1 (0.7%)	2.3%
Eastern Europe	4.4 (-29.0%)	5.6 (27.3%)	6.5 (6.1%)	6.9 (6.2%)	7.6 (10.1%)	8.1 (6.6%)	8.7 (7.4%)	7.5%
Asia	26.4 (0.4%)	34.1 (29.2%)	35.4 (3.8%)	40.3 (13.8%)	44.5 (10.4%)	48.0 (7.9%)	50.3 (4.8%)	9.2%
thereof China	11.0 (46.7%)	14.5 (31.8%)	15.3 (5.5%)	17.4 (13.7%)	20.5 (17.8%)	23.4 (14.1%)	25.2 (7.7%)	13.3%
Others	2.3 (-8.0%)	2.4 (4.3%)	2.7 (12.5%)	3.0 (11.1%)	3.1 (3.3%)	3.3 (6.5%)	3.3 (0.0%)	5,1%
Total	57.2 (-13.6%)	71.5 (25.0%)	75.6 (5.7%)	83.4 (10.3%)	89.8 (7.7%)	95.8 (6.7%)	99.3 (3.7%)	7.1%
Forecast 1/2011	57.2	70.9	75.4	81.3	86.5	90.8	93.8	5.6%

Source: own estimates, PWC, JD Power
July 2011

Dürr China expansion: Strong growth since 2005



	2011 (e)	2010	...	2005	CAGR in %
Incoming orders (in €m)	600	590		146	27
Sales revenues (in €m)	440	282		83	32
Employees¹	974	713		271	24
Orders on hand (in €m)	644 ²	577		119	32

¹without external workers (approx. 300)

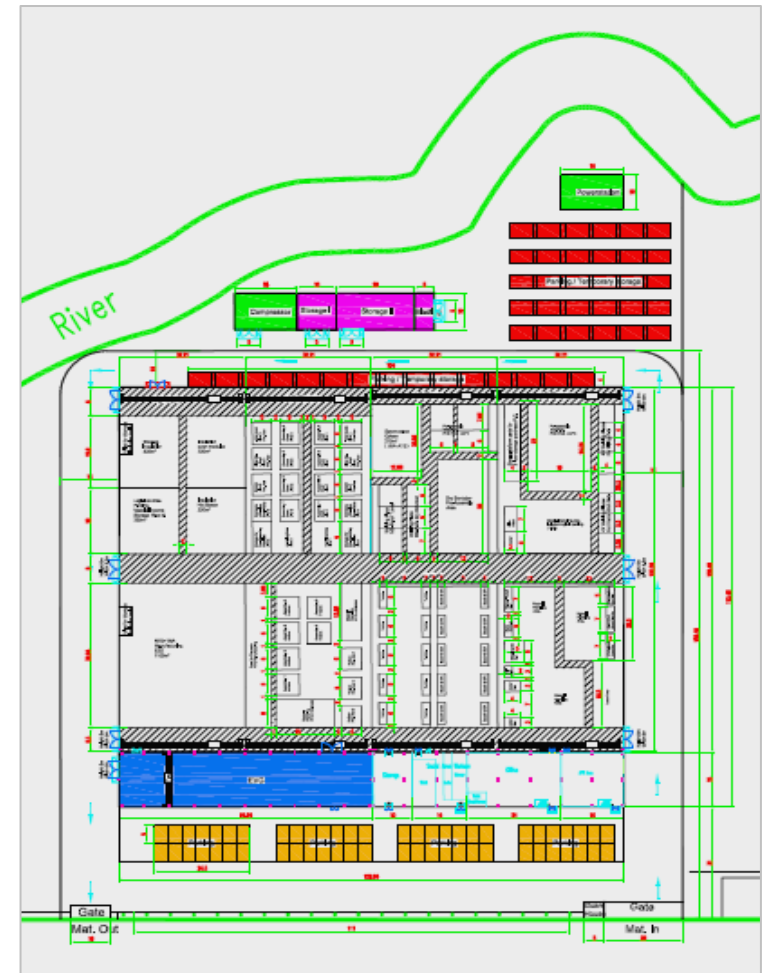
²as of 06/30/2011

China expansion overview: New production facility for Paint and Assembly Systems



Doubling of space and capacity

- Move-in 10/2011: Shanghai Qingpu
- 13,000 m² production space
- 1,500 m² office space (engineering, admin)
- New production facilities for e.g. laser, bending, welding
- Extended manufacturing range
- Product showroom
- Parallel usage of previous manufacturing facility (6,000 m²)



China expansion overview: New production facility for Measuring and Process Systems



All mechanical engineering activities under one roof

- Move-in 6/2013: Shanghai Baoshan
- Consolidation from 3 to 1 location
- Balancing, filling, assembly, cleaning technology
- Synergies, know-how transfer, flexibility
- 23,000 m² production space
- 7,000 m² office space (engineering, admin)

Schenck Shanghai Machinery

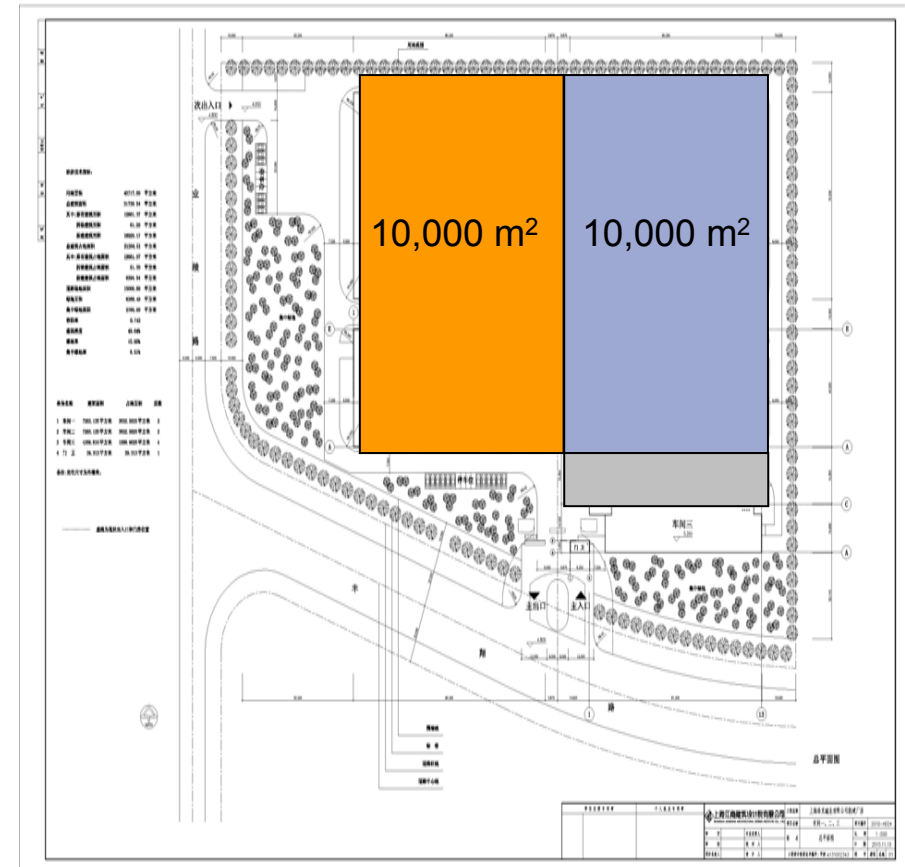


Since 1991

Dürr Ecoclean China



Since 2003



- Production cleaning + filling technology
- Production balancing + assembly technology
- Office building

Agenda

- H1 figures
- China Expansion
- **Summary**

Summary

- Strong sales and earnings momentum in Q2; positive trend should continue in the next quarters, healthy project pipeline
- High gross margin of 18.6% in Q2; in H2 somewhat weaker due to higher costs (e.g. work on Saturdays, additional employees, material costs)
- Outlook 2011:
 - Incoming orders: ~ € 2.0 bn (+20%)
 - Sales: ~ 1.75 bn (+40%)
 - Significant earnings improvement: EBIT margin 4 to 4.5%, tax rate ~ 25%



Financial calendar

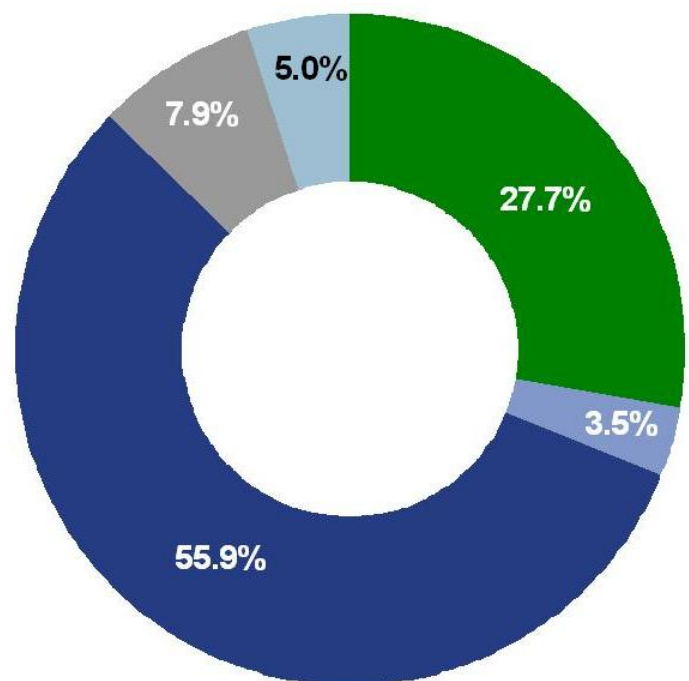
09/02/2011	Commerzbank Conference, Frankfurt
09/14/2011	UBS Conference, New York
09/28/2011	Unicredit Conference, Munich
10/19/2011	Investor's Day: BMW, Regensburg
11/03/2011	Interim report for the first nine months of 2011
12/01/2011	Berenberg Conference, Penny Hill Park, London

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Appendix

Shareholder structure July 21, 2011



Shareholder structure (as of 07/21/2011)

	27.7 %	Heinz Dürr GmbH, Berlin
	3.5 %	Heinz und Heide Dürr Stiftung GmbH, Stuttgart
	55.9 %	Institutional and private investors ¹⁾
	7.9 %	Harris Associates L. P., Chicago
	5.0 %	Süd Beteiligungen GmbH, Stuttgart

Free float 63.8% according to Deutsche Börse

¹⁾ about 1.3% Dürr Board of Management included