

Conference Call

Dürr Aktiengesellschaft

Fiscal Year 2011
- *preliminary figures* -

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Ralph Heuwing, CFO

Bietigheim-Bissingen, February 21, 2012

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

- 1. Overview**
- 2. Financials**
- 3. Application Technology**
- 4. Strategy**
- 5. Shareholder structure/Index ranking**
- 6. Outlook and summary**

1. Overview

Earnings at record level

	2011	2010	Δ in %
in € m			
Incoming orders	2,684.9	1,642.2	63.5
Orders on hand (December 31)	2,142.7	1,359.1	57.7
Sales revenues	1,922.0	1,261.4	52.4
EBIT	106.5	36.6	191.0
Net income	64.3	7.1	805.6
Earnings per share	3.58	0.37	767.6
Dividend per share	1.20 ¹⁾	0.30	300.0
Cash flow from operating activities	127.9	55.4	130.9


 All figures above budget and expectations

¹⁾ Proposal Annual General Meeting

1. Overview

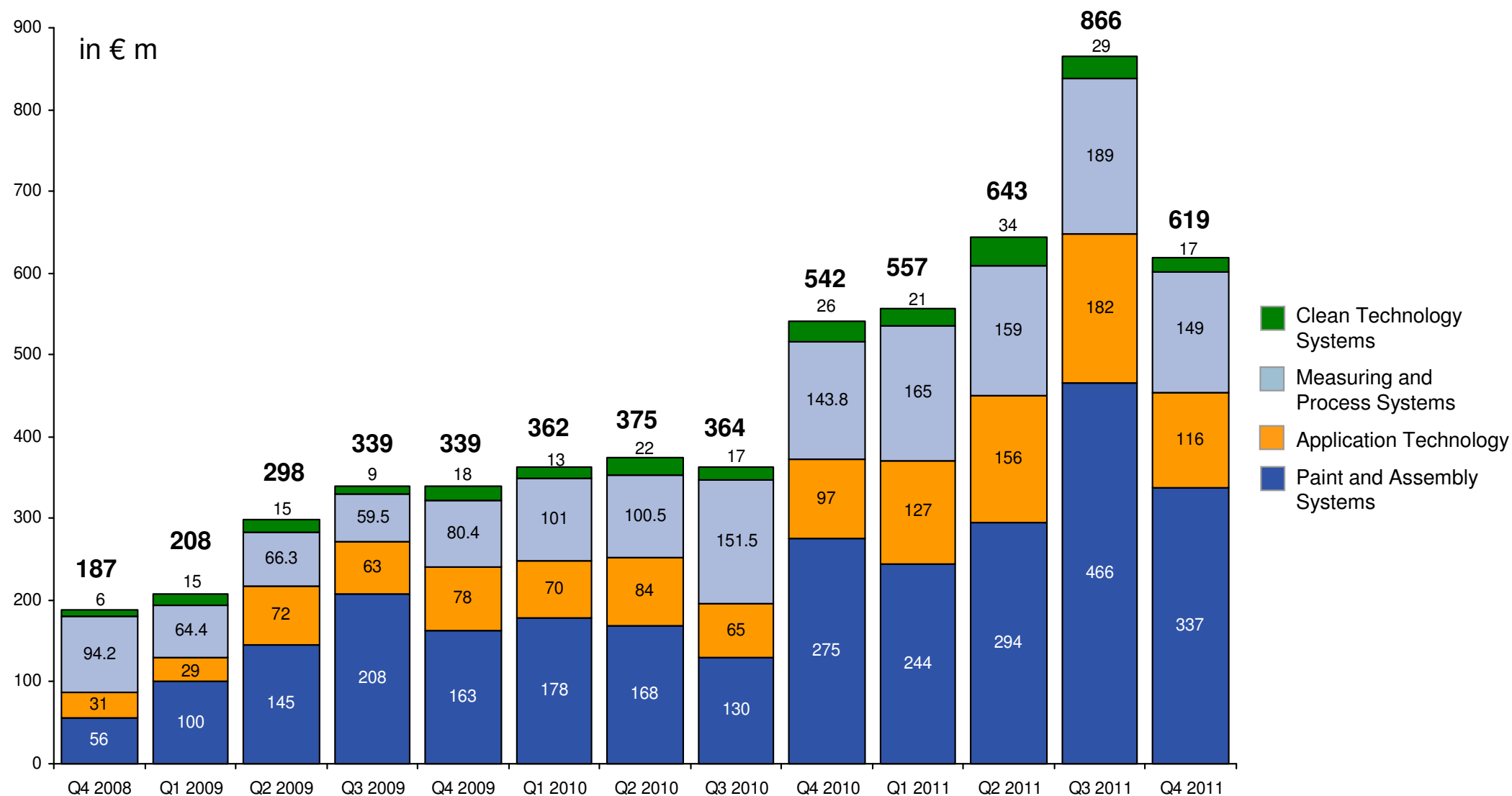
Strong Q4 with ongoing high demand

	Q4 2011		Q4 2010	Δ in %
in € m				
Incoming orders	618.4		541.5	14.2
Sales revenues	614.7		406.9	51.1
EBIT	44.9		22.3	101.3
Net income	29.7		17.0	74.7
Cash flow from operating activities	99.7		88.8	12.3
Free cash flow	96.5		78.0	23.7

 Sales increase by +51% while personnel grew by only 15%
 ► improved productivity

1. Overview

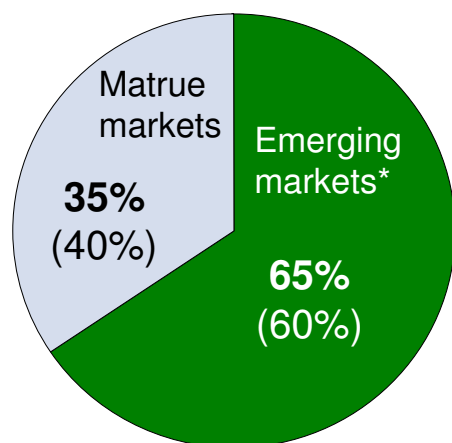
Incoming orders 2011 pushed by catch-up effects from crisis 2008/2009



1. Overview

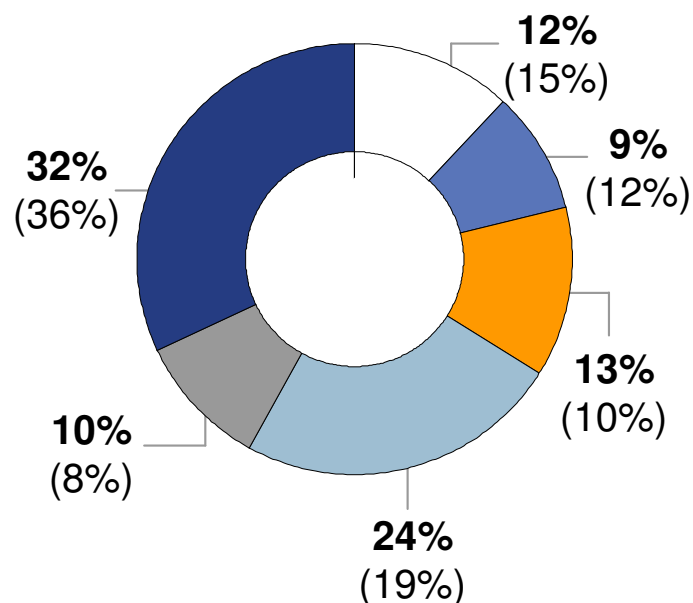
China boom continues

Incoming orders
2011 (2010)

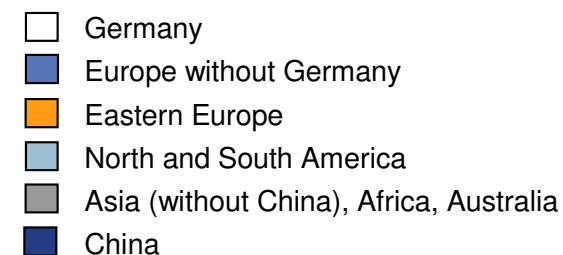
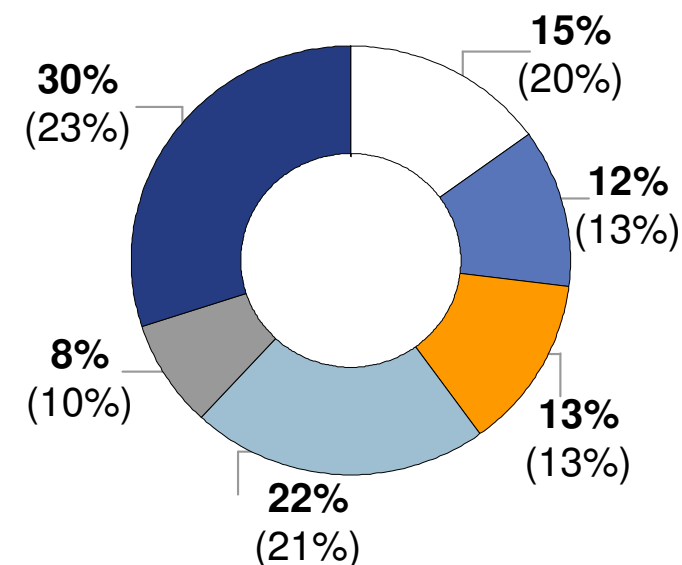


*Asia (without Japan), Mexico, Brazil, Eastern Europe

Incoming orders
2011 (2010)



Sales revenues
2011 (2010)



2. Financials

Income statement

	2011	2010	Δ in %
in € m			
Sales revenues	1,922.0	1,261.4	52.4
Gross profit on sales	331.4	237.5	39.5
Gross margin in %	17.2	18.8	-1.6% ppt
R&D	-29.5	-25.8	-14.3
SG&A	-196.0	-175.8	-11.1
EBIT ¹⁾	106.5	36.6	191.0
Financial result	-20.7	-24.1	14.1
EBT	85.8	12.5	586.4
Income taxes	-21.5	-5.4	-298.1
Net income	64.3	7.1	805.8

¹⁾ The interest cost from the valuation of pension obligations was reclassified in 2011.
The prior-year figures have been adjusted accordingly

2. Financials

Income statement

- Strong quarterly sales momentum
- Gross margin declined to 17.2% in 2011 (2010: 18.8%)
 - Stable margins in new business, gradual improvement in H2 2011
 - New business (+ 64%) grew much stronger than service business (+ 23%)
- Cost containment in SG&A: increase by 11%
- Hardly any impact from other operating costs/income
- Financial result improved due to better financial structure
- Income tax quote at 25% due to the use of tax loss carry forwards

2. Financials

Cash flow/Free cash flow

	2011	2010	2009
in € m			
EBT	85.8	12.5	-12.2
Depreciation and Amortization	20.6	18.0	19.9
Interest result	21.3	24.7	18.9
Income taxes paid	-14.3	-17.4	-16.3
Changes			
Provisions	0.6	-11.2	-15.4
Net working capital	-2.3	31.9	94.9
Other	16.2	-3.1	5.6
Cash flow from operating activities	127.9	55.4	95.4
Interest paid (net)	-16.5	-17.7	-14.3
Capital expenditures	-19.6	-14.8	-17.4
Free cash flow	91.8	22.9	63.7

➡ Cash flow above expectations due to strong earnings increase and an unchanged NWC

2. Financials

Net Working Capital: Under control

	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Net Working Capital in € m	32.6	27.3	57.4	151.8
DWC (Days Working Capital)	6.1	7.8	19.2	34.1
DSO (Days Sales Outstanding)	117.2	112.2	108.9	100.3

- ➔ Very low NWC level. DWC below our target level of 20-25 days, increase expected in 2012
- ➔ Slight DSO increase, due to higher accounts receivable volume

2. Financials

WIP and progress billings: Strong prepayment at year end

	12/31/2011	12/31/2010	12/31/2009
in € m			
Assets			
Work in process from contracts (WIP)	936.8	700.9	516.6
Progress billings	-639.2	-491.6	-377.5
① WIP in excess of billings	297.6	209.3	139.1
Liabilities			
Work in process from contracts (WIP)	-1,221.9	-552.5	-485.0
Progress billings	1,650.1	813.3	674.9
② Billings in excess of WIP	428.2	260.8	189.9
Machinery business			
WIP	-23.1	-11.8	-8.1
③ Progress billings	18.6	12.4	10.5
④ Billings in excess of WIP	-4.5	0.6	2.4

2. Financials

WIP and progress billings

	12/31/2011	12/31/2010	12/31/2009
in € m			
Balance: total WIP less total progress billings			
① - ② - ④	-126.1	-52.1	-53.2
Prepayments (liabilities)			
② + ③	446.8	273.2	200.4

- ➡ Progress billings were € 126 m higher than future receivables¹⁾ on December 31, 2011
- ➡ The amount of € 126 m will lead to future cash outflows ► normalization of net financial status and NWC expected
- ➡ Prepayments (liabilities) as a stand alone figure are misleading

¹⁾ These future receivables are not included in trade receivables

2. Financials

Key ratios: Net financial status further improved

	12/31/2011	12/31/2010	12/31/2009	12/31/2008
in € m				
Equity	364.3	319.4	301.4	341.4
Equity ratio in %	21.9	26.3	31.1	31.4
Net financial status	51.8	23.6	3.0	-34.4
Cash	298.6	252.3	103.9	84.4
Gearing in %	-16.6	-8.0	-1.0	9.2
ROCE in %	28.4	10.3	1.6	16.8

- ➡ Cash at record level, equity base strengthened in absolute terms
- ➡ Equity ratio reduced due to temporary increase of balance sheet total
- ➡ Purchase price of headquarter (€ 51 m) already included in net financial status

2. Financials

Divisional breakdown

Paint and Assembly Systems

in € m

Sales 878.7 (582.0)

EBIT-margin 4.6% (2.4%)



Paintshops and
Final Assembly



Aircraft
Technology

Application Technology

in € m

Sales 406.8 (267.2)

EBIT-margin 7.6% (4.3%)



Application
Technology



Glueing and
Sealing Technology

Measuring and Process Systems

in € m

Sales 550.4 (344.7)

EBIT-margin 5.7% (3.0%)



Balancing and
Assembly Products



Cleaning and
Filtration Systems

Clean Technology Systems

in € m

Sales 86.1 (67.5)

EBIT-margin 5.7% (5.2%)



Air Purification



Energy Efficiency
Systems

3. Application Technology

Application range

Painting



Cars



Trucks

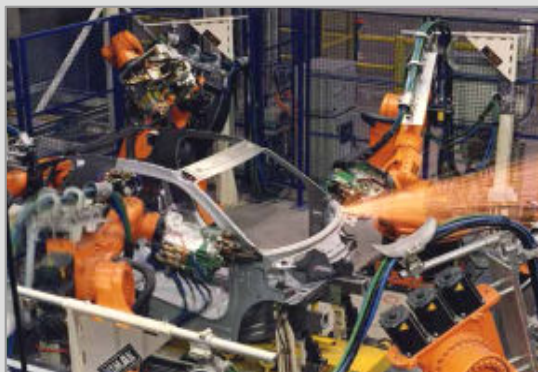


Plastic parts (e.g. bumper)

Sealing and Glueing



Sealing



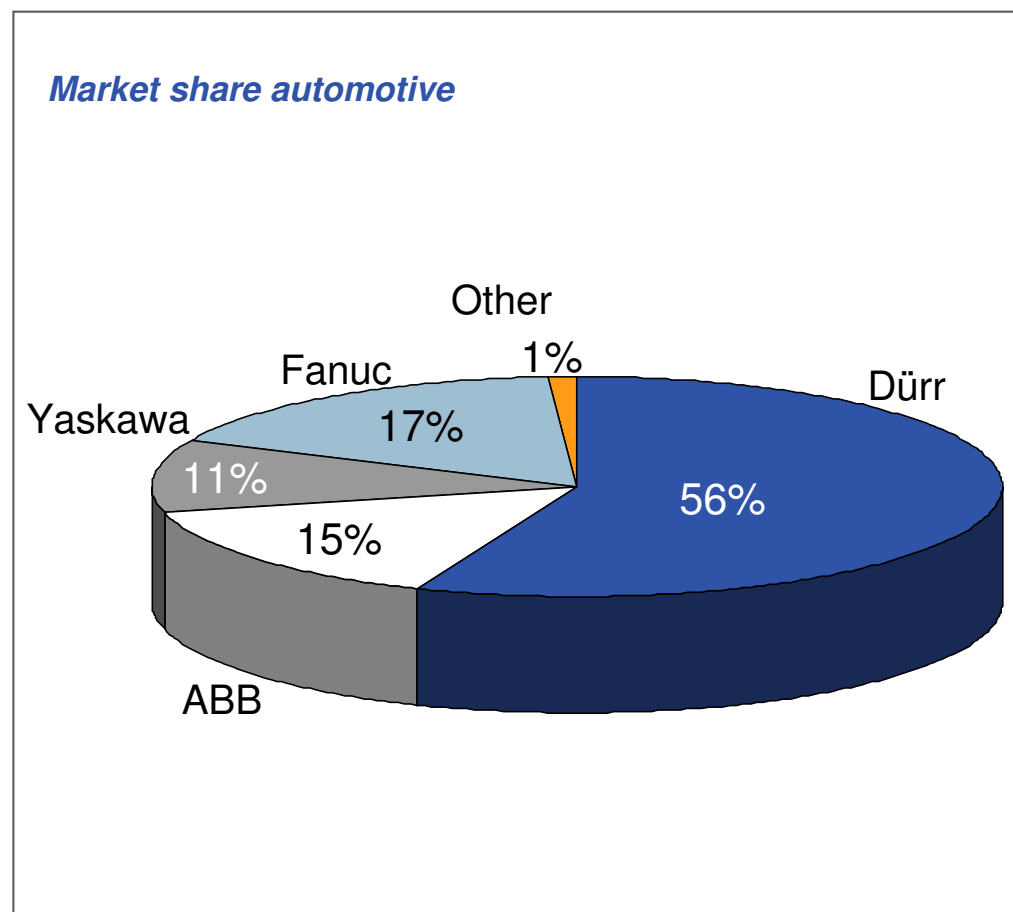
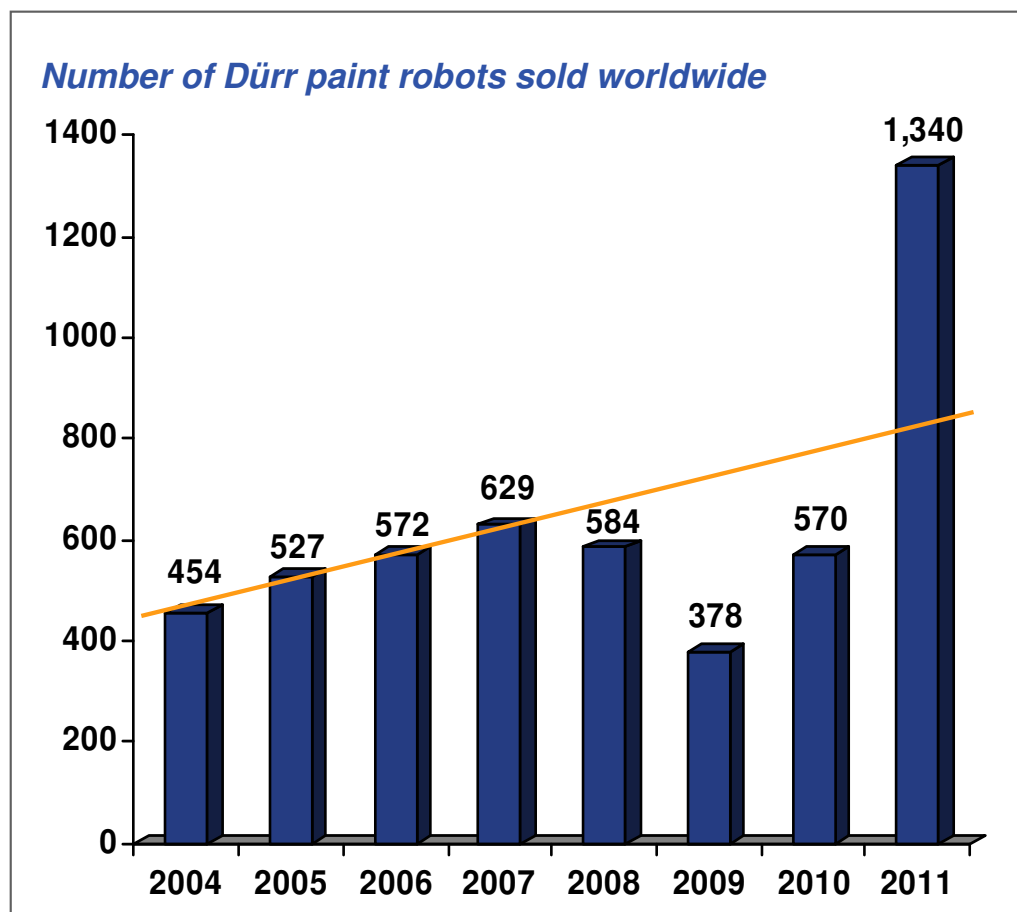
Gluing body-in-white



Gluing at final assembly

3. Application Technology

No. 1 at paint robots



3. Application Technology

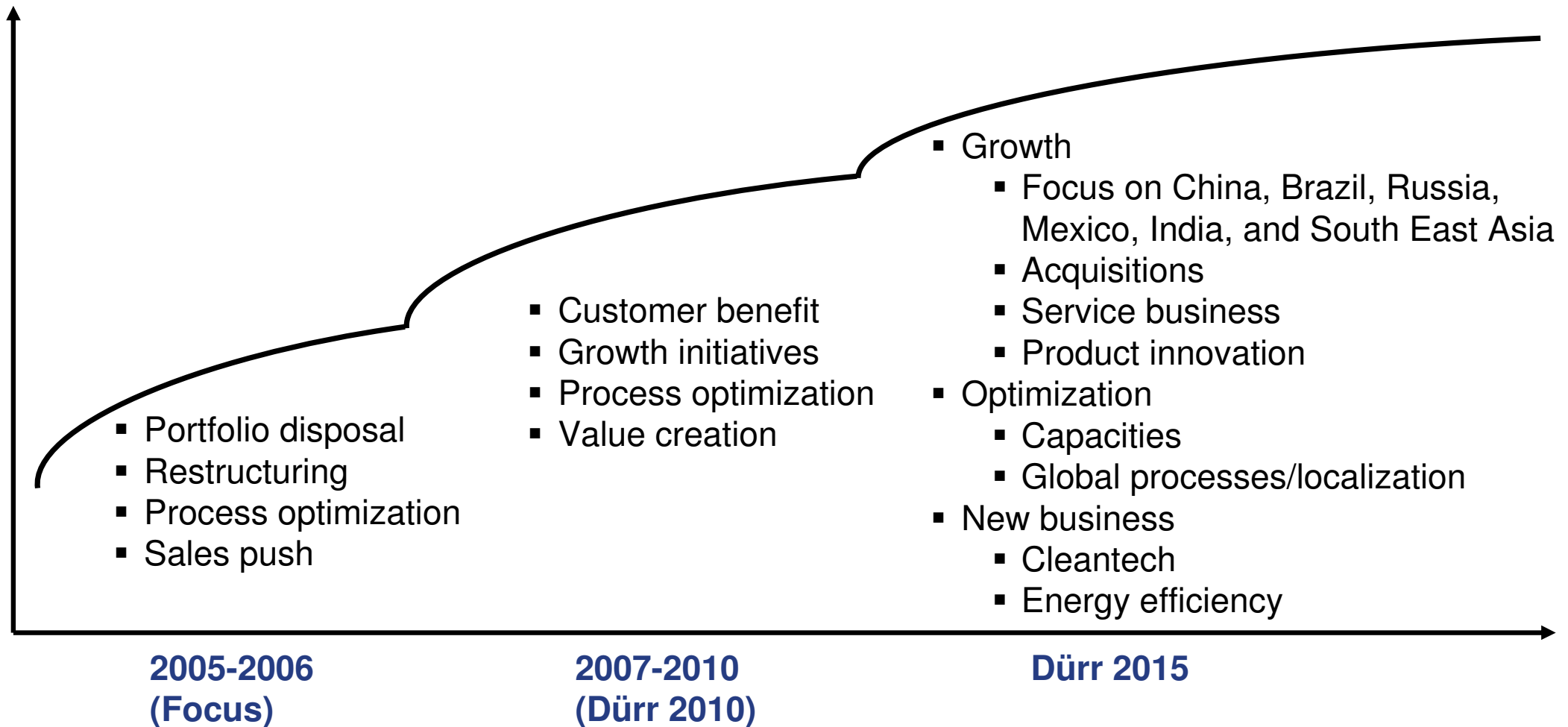
Application Technology: Financials 2005-2011

	2011	2010	2009	2008	2007	2006	2005	CAGR
in € m								
Incoming orders	581	314	241	278	299	268	274	13%
Sales revenues	407	267	204	286	270	272	232	10%
EBIT	31.1	11.6	3.0	28,2	23.9	19.0	12.5	16%
EBIT-margin in %	7.6	4.3	1.5	9,9	8.9	7.0	5.4	-
Employees	1,203	1,061	998	1,049	974	965	976	4%
R&D	-13.8	-12.3	-12.4	-10.9	-8.6	-8.4	-5.6	-16%
Capex	4.0	3.4	6.3	4.4	5.8	5.1	9.5	-

➡ 2011 still burdened by weaker margin orders from 2009/2010

➡ 2012 with strong sales increase and higher margins

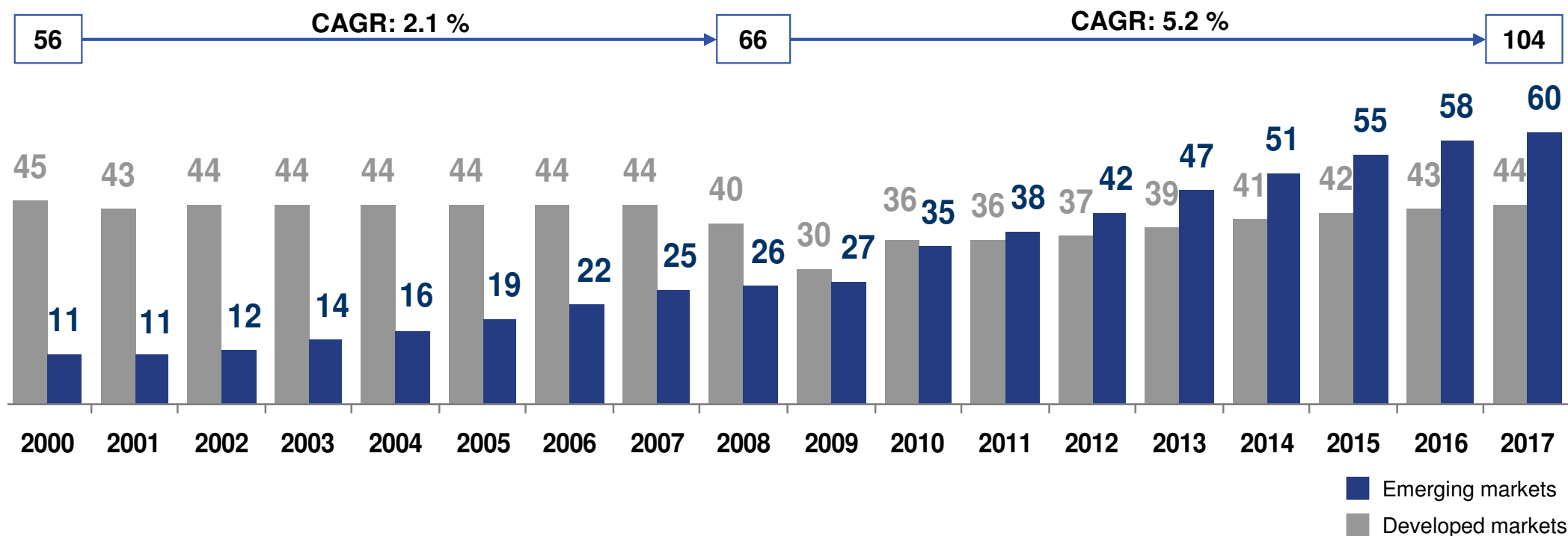
4. Strategy: Focus on growth and optimization



4. Strategy: Growth

Emerging markets overtook mature markets in 2011 for the first time

in m units (light vehicles)



➔ World market growth in the last 6 years: 11 m units; until 2017: 30 m units

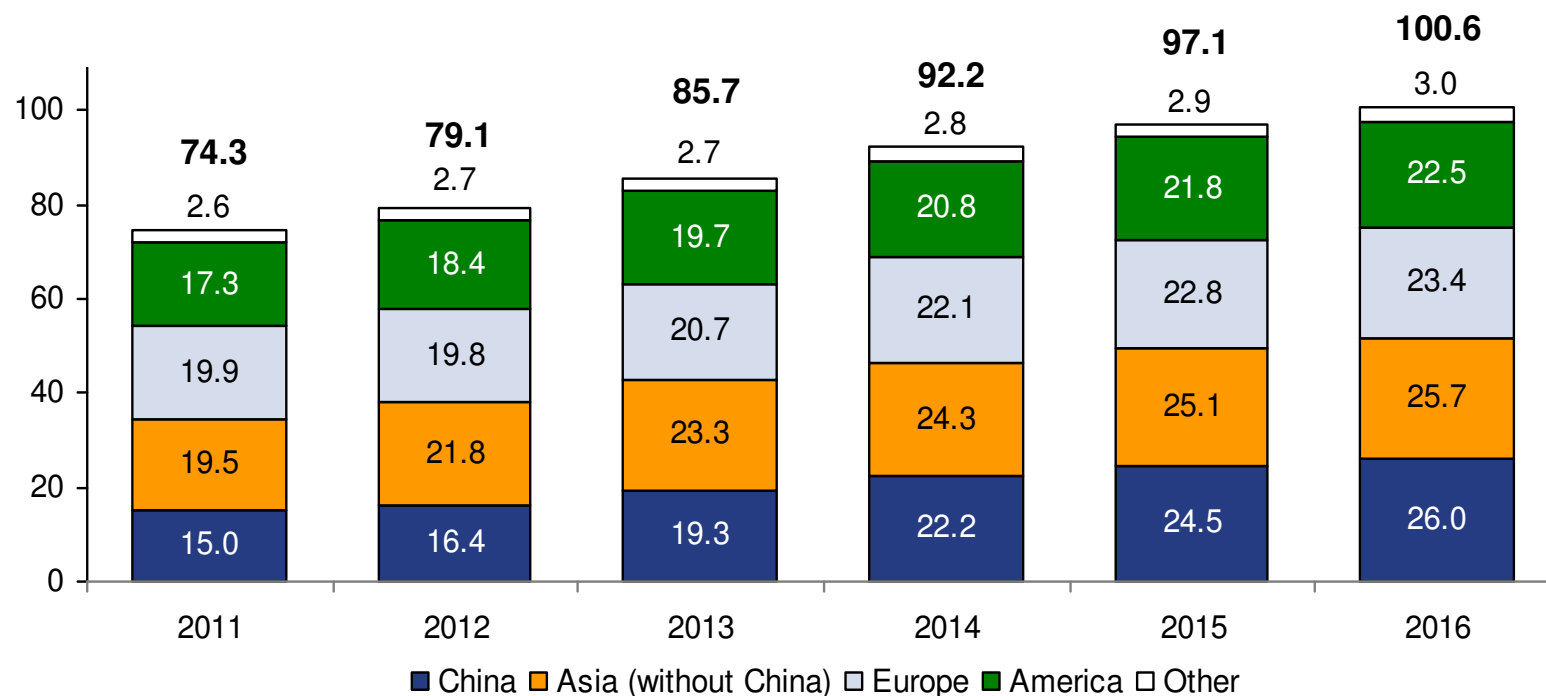
➔ Further strong growth in emerging markets to be expected

Source: PwC Autofacts

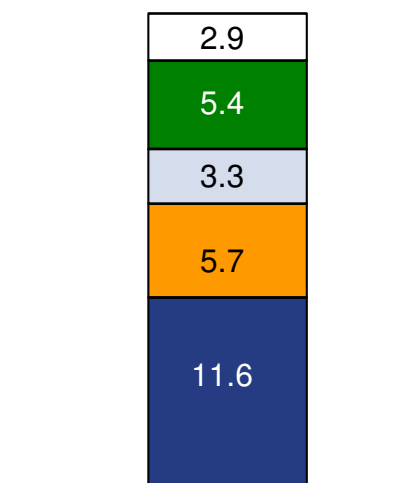
4. Strategy: Growth

Growth in automobile industry is driver for our core business

in m units



CAGR in %



➔ 2012: Weakness in Western Europe remains a local topic

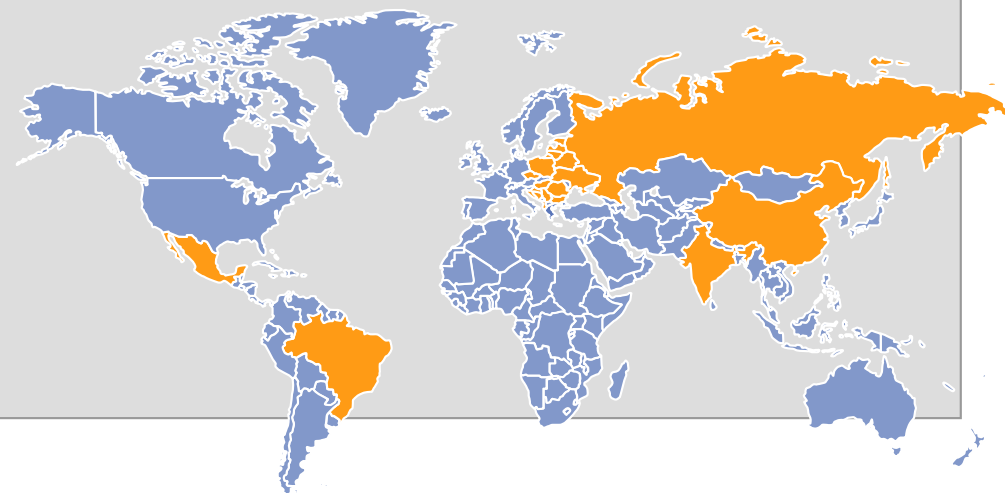
➔ Ø growth in worldwide production until 2016: +6.2%

Source: PwC Autofacts

4. Strategy: Growth

Focus on emerging markets

- Further expansion of capacities in the growth markets
 - ▶ *1/3 of employees in emerging markets (2005: 14%)*
- Strengthening of local competences in engineering, production/assembly and order execution
- China:
 - Completion of second workshop 2011/2012
 - New facility for machinery business 2013
 - Total space: 63,000 m²
 - (for comparison: Dürr Campus 68,000 m²)
- Mexico:
 - Office extension: from 1,200 m² to 2,000 m²
 - Workshop extension: from 7,700 m² to 10,000 m²



4. Strategy: Growth

“Buy and build” acquisitions

Agramkow

- 55% investment in world market leader in filling technology for the appliance and heat pump industries, 2011 sales: € 21.4 m
- Synergies with Dürr Somac
 - ▶ R&D, purchasing, sales, business locations
- The combined Agramkow & Dürr Somac group is the biggest supplier in filling technology worldwide



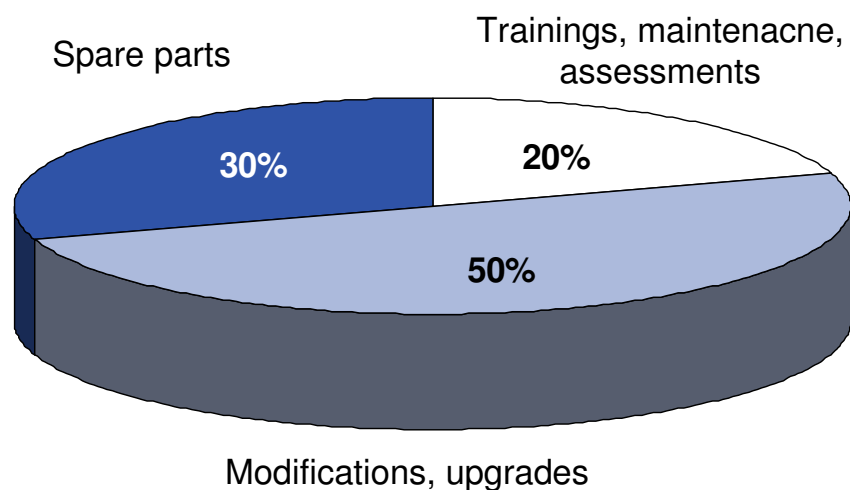
Parker Engineering

- 10% investment in Japanese paint shop supplier
 - ▶ Expansion of existing cooperation
- Dürr contributes technology and know-how, Parker provides customer contacts and market access
- Goal: Tap market potentials in South East Asia and expand business with Japanese OEMs

4. Strategy: Growth

Strong growth in service business: +23% over 2010

	2011	2010	2009
Sales revenues in € m	445	362	263
% of group sales	23.2	28.7	24.4



- Growing installed basis
- Expansion of service business in the emerging markets
- Establish new antennas (service location at customer)
- Assessments and energy audits

4. Strategy: Growth



Leading in Production Efficiency

4. Strategy: Growth

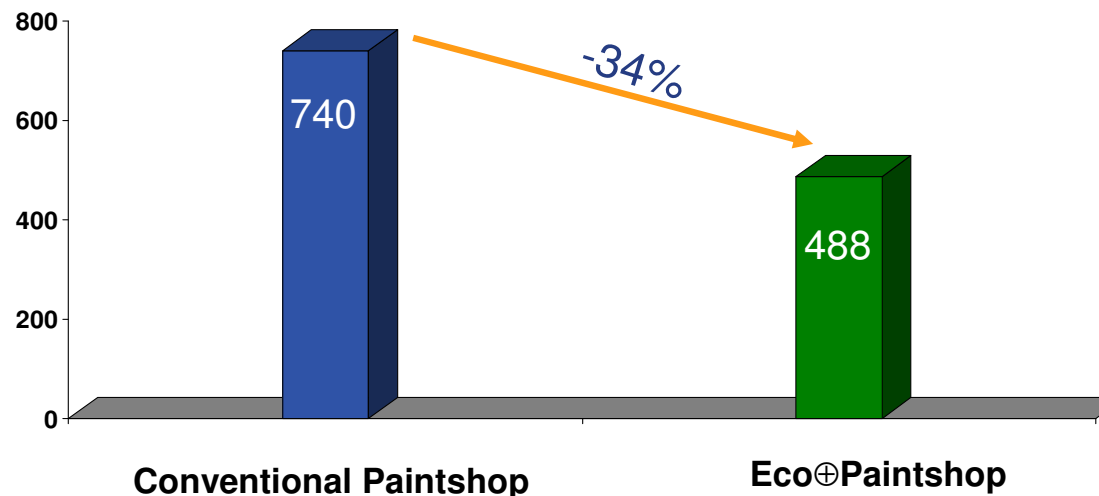
Leading in Production Efficiency



Dürr innovation strategy:

- Reduction of CPU
- Reduction of life cycle costs
- Optimized ecological footprint

Example: Eco⊕Paintshop with reduced energy consumption



Measures

- *EcoDryScrubber*
- Heat recovery (heat wheels)
- *EcoRPE* robots for smaller paint booths
- RoDip pre-treatment
- Optimized oven technology
- Optimized air exchange

4. Strategy: New business

Clean Technology Systems



- All activities in environmental technology in one division
- Goal: Expand business in energy efficiency and exhaust-air purification technology
- Exhaust-air purification technology shows steady growth of 5-10% p.a. and solid profitability
- First Acquisitions:
 - Cyplan:** ORC technology - generating electricity from industrial waste heat
 - HeatMatrix:** Innovative heat exchangers made of special plastics => Suitable for corrosive media, reduction of weight and cost
- Further acquisitions planned to grow new division

5. Shareholder structure/Index ranking: Free float increased to 70%

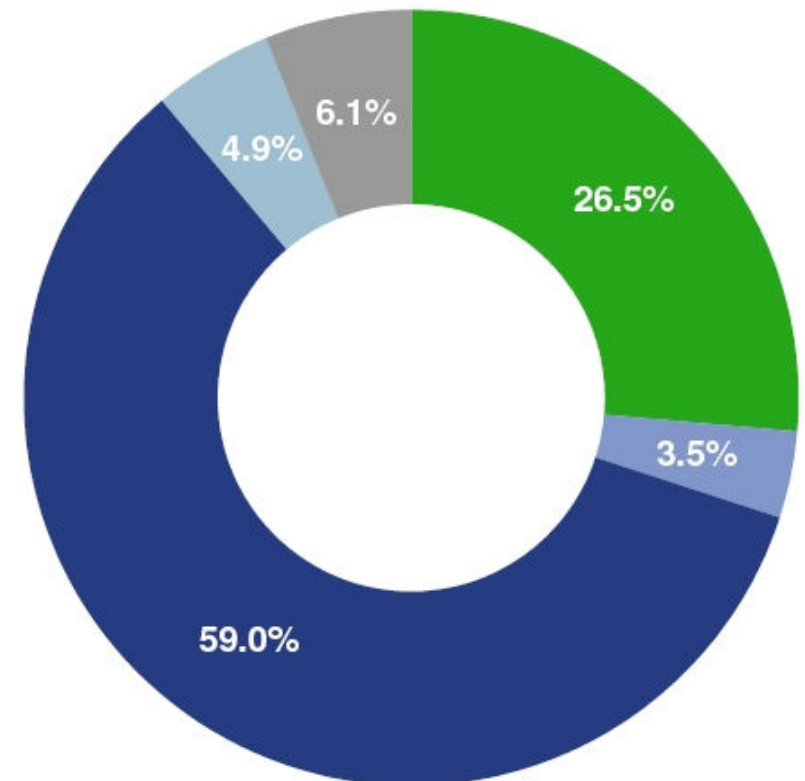


Shareholder structure (as of 14/02/2012)



Free float 70% according to Deutsche Börse

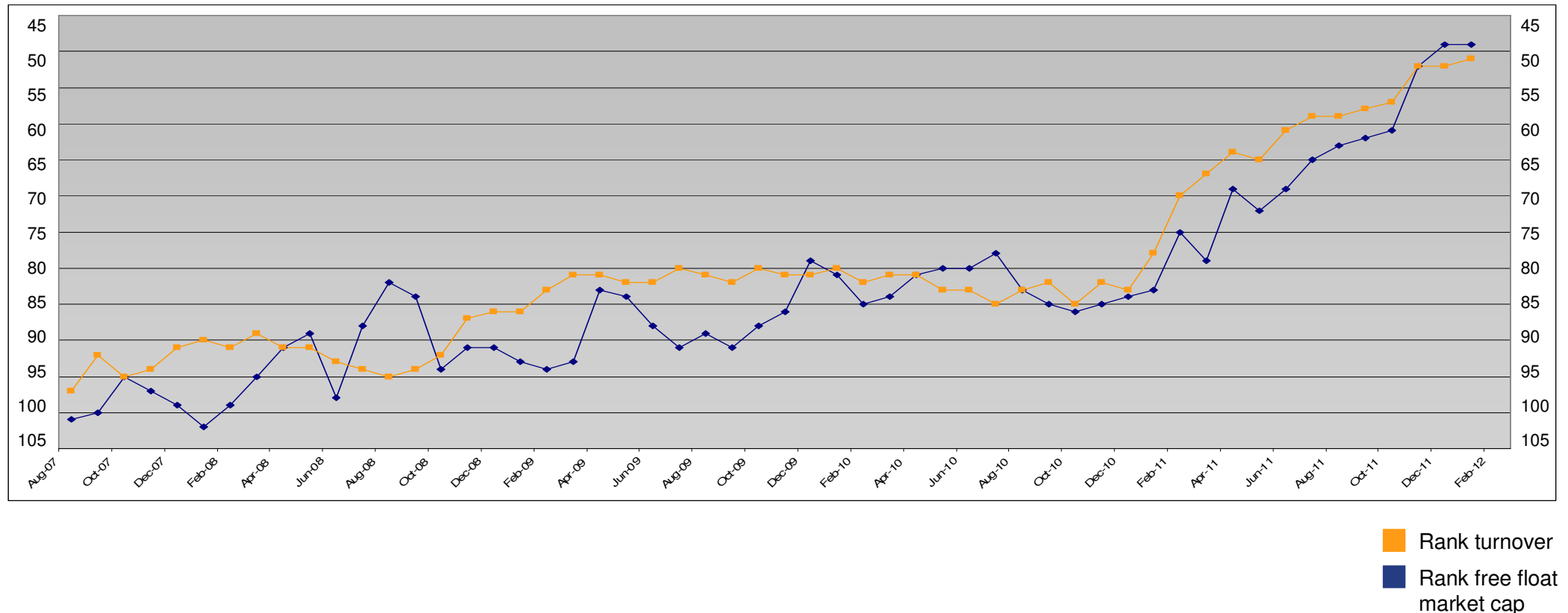
¹⁾ about 1.3% Dürr Board of Management included



5. Shareholder structure/Index ranking: Continuous improvement



Ranking MDAX/SDAX

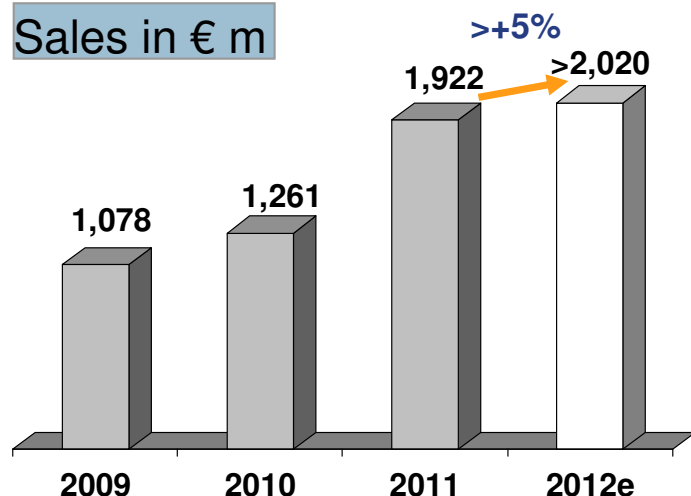


➔ Turnover in Dürr-shares tripled in 2011 to 65,100 shares per day

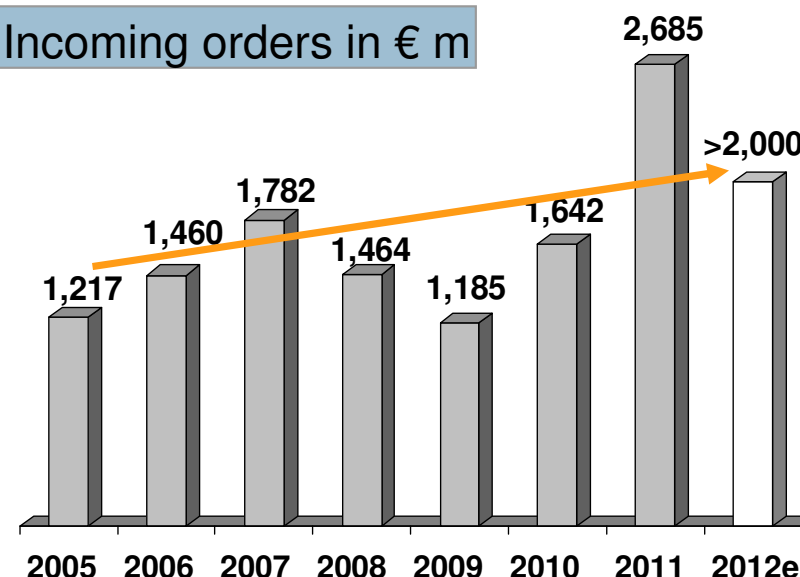
6. Outlook and summary

Ongoing growth and profit improvement expected

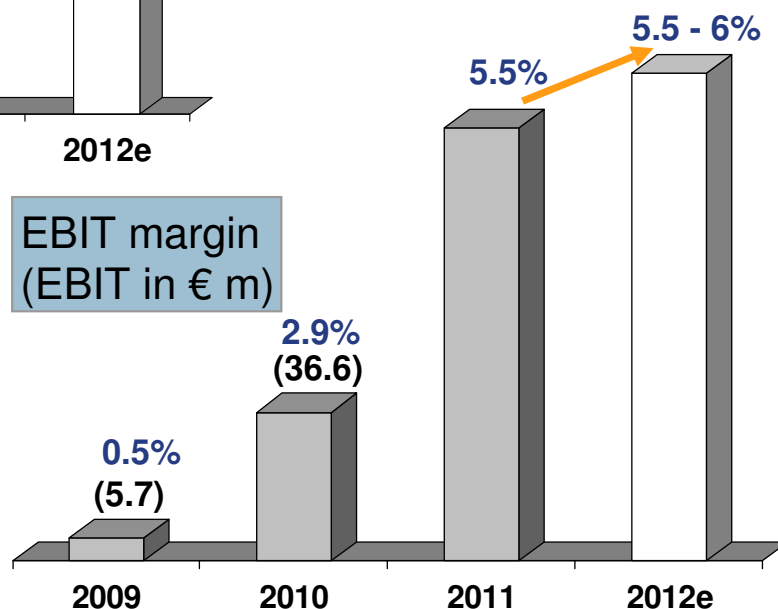
Sales in € m



Incoming orders in € m



EBIT margin
(EBIT in € m)



➡ Somewhat weaker cash flow expected for 2012 after very strong NWC performance in 2011

6. Outlook and summary

- 2011: Best year in Dürr's history
- Dividend of 1.20 € per share proposed
- Stronger growth potential for global automotive industry, good opportunities for Dürr
- Dürr growth strategy
 - *Emerging markets*
 - *Product innovation*
 - *Service business*
 - *Clean Technology Systems*
- Targets for 2012
 - *Sales growth >5%*
 - *EBIT margin between 5.5% and 6%*
 - *Order intake above 2 bn*
- Solid balance sheet and financial ratios
 - *Positive net financial status*
 - *Undrawn credit facilities of € 90 m, cash position: € 299 m*



Financial calendar

03/15/2012	Publication annual report 2011
04/27/2012	Annual general meeting, Bietigheim-Bissingen
05/10/2012	Interim report Q1 2012
08/01/2012	Interim financial report H1 2012
11/06/2012	Interim report 9M 2012; Analyst conference

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Leading in Production Efficiency