LEADING IN PRODUCTION EFFICIENCY

INTERIM FINANCIAL REPORT

JANUARY 1 TO JUNE 30, 2014

www.durr.com

CONTENTS

COVER PHOTO
Dürr Somac filling adapter.
Our latest filling products were presented alongside many other innovations at our 9th Dürr Open House in May. You can find out more about the innovation show, which attracted over 1,400 guests, in the section on research and development on page 19.

Key figures for the Dürr Group (IFRS)

		H1 2014	H1 2013	Q2 2014	Q2 2013
Order intake	€ m	1,271.5	1,293.5	707.1	613.1
Orders on hand (June 30)	€ m	2,351.6	2,457.5	2,351.6	2,457.5
Sales revenues	€ m	1,060.4	1,131.7	522.2	589.2
Gross profit	€ m	233.6	219.9	117.9	117.8
EBITDA	€ m	102.5	95.9	51.7	53.7
EBIT	€ m	89.2	82.4	45.0	46.4
Earnings after tax	€ m	57.9	52.4	28.7	29.7
Gross margin	%	22.0	19.4	22.6	20.0
EBIT margin	%	8.4	7.3	8.6	7.9
Cash flow from operating activities	€ m	24.2	12.1	-18.4	41.8
Cash flow from investing activities	€ m	-331.1	-36.7	-316.2	-12.6
Cash flow from financing activities	€ m	240.9	-54.8	242.9	-46.1
Free cash flow	€ m	5.3	-10.3	-28.4	27.8
Total assets (June 30)	€ m	2,232.6	1,840.6	2,232.6	1,840.6
Equity (with non-controlling interests) (June 30)	€ m	513.7	438.0	513.7	438.0
Equity ratio (June 30)	%	23.0	23.8	23.0	23.8
ROCE[1]	%	49.2	34.7	49.7	39.1
Net financial status (June 30)	€ m	227.2	43.0	227.2	43.0
Net working capital (June 30)	€ m	-4.6	153.2	-4.6	153.2
Employees (June 30)		8,324	7,899	8,324	7,899
Dürr share[2] ISIN: DE0005565204					
High[3]	€	68.13	52.75	65.98	52.75
Low[3]	€	54.50	33.73	55.25	38.02
Close[3]	€	64.80	46.35	64.80	46.35
Average daily trading volumes	units	137,700	151,807	103,501	175,092
Number of shares (weighted average)	thous.	34,601	34,601	34,601	34,601
Earnings per share (basic / undiluted)	€	1.64	1.51	0.81	0.85

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

[1] Annualized

[2] The number of shares doubled due to the issue of bonus shares on May 27, 2013; historical price data, daily trading volumes and earnings per share for 2013 have been adjusted accordingly

[3] XETRA

Highlights H1 2014

- High order intake in Q2, H1 virtually on a par with the previous year
- Order backlog (€ 2.35 billion) roughly € 200 million up on the end of 2013
- Book-to-bill ratio of 1.2
- 6% decline in sales in H1 due to project delays
- Positive margin trend continued in Q2
- Cash flow in H1 clearly in positive territory and up on the previous year
- H1 figures corroborate the full-year outlook, order intake and EBIT margin expected to come in at the upper end of the target corridor and sales at the lower end
  - Order intake: € 2.3 to 2.5 billion
  - Sales: € 2.4 to 2.5 billion
  - EBIT margin: 8.0 to 8.5%
- Material event occurring after the reporting date: acquisition of HOMAG Group AG announced on July 15, 2014
  - 53.7% stake purchased for € 219.2 million
  - Further 22.1% of the voting rights secured by means of pool agreement
  - Consolidation expected for Q4/2014 pending antitrust clearance
  - Positive effect – from today's perspective – expected on order intake, sales and (absolute) earnings in 2014
  - Post-consolidation EBIT margin and ROCE initially slightly weaker

Group management report

Operating environment

ECONOMY

The global economy continued on its moderate upward trajectory in the second quarter of 2014, albeit with less momentum than expected. The US economy returned to its growth course after the temporary interruption caused by the cold weather conditions in the first quarter. With GDP expanding by 7.5% in the second quarter, China repeated the robust growth which it had achieved in the first quarter (7.4%). In Russia, the Ukrainian crisis is increasingly taking its toll on economic output, prompting experts to assume only weak full-year growth in 2014. Conditions in South America also remain difficult. On the other hand, the European economies are on the road to recovery after bottoming out in 2013. Central banks around the world are maintaining their accommodative monetary policies, with no end in sight to the low interest rates.

Economic experts assume that the global economy will grow by 3.3% in 2014 as a whole (previous year: 2.9%). Momentum is expected to pick up in 2015, with global GDP set to expand by 3.9%. The United States look set to remain the driving force behind the industrialized nations of the West, with the European economies likely to remain on their moderate growth trajectory. China will presumably keep on expanding at a swift rate.

// ECONOMIC FORECAST

	2012	2013	2014F	2015F
GDP growth, %				
G7	1.4	1.4	2.0	2.8
United States	2.2	1.9	2.3	3.8
Japan	2.0	1.5	1.2	1.4
Eurozone	-0.6	-0.4	1.1	1.5
Emerging markets	4.7	4.6	4.7	6.1
China	7.8	7.7	7.8	8.0
India	4.1	4.7	5.8	6.1
Russia	3.4	1.3	0.8	2.4
Brazil	2.7	2.5	1.2	1.2
Global	**2.9**	**2.9**	**3.3**	**3.9**

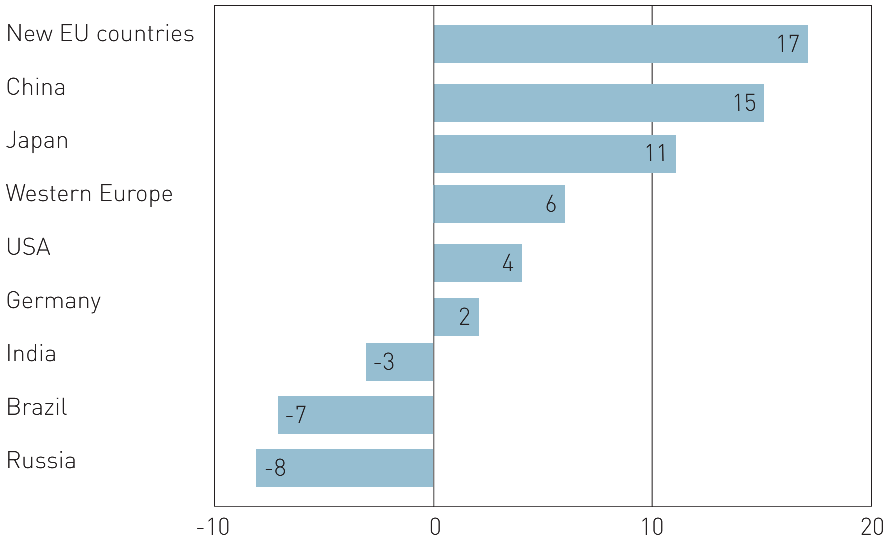
Source: Deutsche Bank Global Markets Research, June 2014
F = forecast

AUTOMOTIVE INDUSTRY

Regionally, automotive sales painted a mixed picture in the first half of 2014. Demand in China, the world's largest automotive market, grew again by a strong 15%. Sales in Western Europe rose by 6% from a low level, while the surprisingly brisk market momentum in the new EU countries generated growth of 17%. The US automotive market staged a recovery in the second quarter of 2014 and was largely able to overcome the weakness caused by the cold weather conditions in the first quarter of the year. Sales figures in Brazil, Russia and India remained muted, although signs of an improvement in the second half of the year emerged in India.

// PASSENGER VEHICLE SALES JANUARY TO JUNE 2014

% year-on-year change



Source: VDA

OTHER SECTORS

In the period from January to May 2014, global air transport volumes widened by 5.8% (source: IATA). Full-year growth of 5 to 6% is expected. With a seat load factor of just under 80%, airlines are achieving good levels of capacity utilization and this should contribute to slight improvements in earnings. The individual aircraft builders' order receipts were disparate in the first half of 2014.

In the German mechanical and plant engineering sector, the slight decline in demand emerging in the previous year continued in the first five months of 2014, with industry association VDMA registering a 2% drop in orders. Full year production output will hardly change compared to the previous year.

Acquisition of HOMAG*: Growth potential and broader positioning in mechanical and plant engineering

GLOBAL MARKET LEADER IN WOOD PROCESSING MACHINERY

On July 15, 2014, we announced the acquisition by Dürr Technologies GmbH – subject to antitrust clearance – of 53.7% of the shares as well as a pooling agreement for a further 22.1% of the capital of mechanical engineering company HOMAG Group AG. On the same day, an announcement was made to the effect that a voluntary public offer would be made to all HOMAG shareholders to buy their shares in this company.

With 28% of the global market, HOMAG is the leading international producer of stationary machinery for processing wood. In addition, it offers handling and materials management systems as well as control software and services. In 2013, HOMAG reported a 3% increase in sales to € 789 million, accompanied by a 10% improvement in EBIT to € 34.6 million, translating into an EBIT margin of 4.4%. The company from Schopfloch in the German state of Baden-Württemberg was established in 1960, it has around 5,400 employees at its 37 facilities and generates 79% of its sales outside Germany. HOMAG machinery and production lines are used for manufacturing furniture and building elements as well as the construction of timber houses. Its customers are furniture producers as well as manufacturers of flooring, windows and prefabricated houses. HOMAG is known as the technological leader of its industry.

COMPLEMENTARY ACQUISITION OFFERING POTENTIAL

By acquiring HOMAG, we will be additionally broadening Dürr's mechanical and plant engineering activities. In addition to painting systems, which generate around 65% of our sales, we have been shoring up our other business in filling, assembly, testing, environmental, energy efficiency, cleaning and balancing technology by means of small acquisitions over the last few years. Wood processing systems, a business which we will be entering via the purchase of HOMAG, constitute an appropriate supplement to this range. Like the other Dürr activities, HOMAG offers technologically leading production systems, is the largest operator in a niche market and possesses extensive automation expertise. Consequently, it satisfies material criteria which we have defined for acquisitions in our "Dürr 2017" strategy. HOMAG's current situation also offers a good fit in our acquisition strategy as it is expanding after successfully restructuring in 2011 and 2012 and has strong potential for continued profitable growth. To this end, it is continuing to enhance its process and structures. We will be stepping up this course in conjunction with HOMAG's management and particularly contributing our expertise in process optimization for mechanical and plant engineering systems. Since 2005, Dürr has implemented end-to-end Group-wide business processes and IT systems to systematically underpin the expansion of its position in the emerging markets. We want to transplant this successful model to HOMAG together with the HOMAG team and build on the optimization advances already achieved. One major focus will be on strengthening HOMAG's position in the emerging markets. In addition, we want to work with HOMAG to harness synergistic effects, e.g. in procurement operations and in joint activities in selected technological fields such as automation systems.

* All business figures for HOMAG Group AG and details of its market position have been taken from the HOMAG annual report for 2013 and the HOMAG web site

STRATEGIC BACKGROUND

The purpose of the acquisition of mechanical and plant engineering company HOMAG is to supplement our core business in the automotive industry. Dürr has grown sharply since the economic crisis of 2008/2009 particularly as a result of the demand generated by the automotive industry in the emerging markets. Whereas our business was on average worth around € 1.5 billion a year in the pre-crisis years, it has since expanded to some € 2.4 billion. However, following this sharp rise, we are encountering organic limits to growth in automotive business. Looking ahead over the next few years, we project more moderate growth of 3 to 5% in this segment. Via HOMAG, we will be able to tap a new area of business as a basis for additional growth. However, by no means does this strategy mean that we are withdrawing from automotive business. On the contrary, we will be continuing to support the automotive industry with our full commitment and the necessary resources. At the same, however, we are using our ample capital resources to broaden our mechanical and plant engineering portfolio.

TARGETS FOR HOMAG

HOMAG achieved further growth in order intake, sales revenues, earnings and cash flow in 2013. This course is to be continued. In addition to growth of around 3% p.a. in the market for wood processing machinery, HOMAG is particularly seeking greater penetration of the emerging markets such as China, where demand for stationary automated wood processing systems is growing as disposable incomes are rising and increasingly being used to buy homes and furniture. HOMAG wants to at least maintain its good market position in Europe, where it currently generates some 70% of its business.

HOMAG's management projects sales of € 860 to 880 million for 2014. Order intake should also rise to around € 760 to 780 million. Earnings are expected to grow more quickly than sales in 2014, coming to € 20 to 22 million after tax, up from € 18.4 million in 2013.

Assuming that the acquisition of HOMAG proceeds according to plan and the resultant opportunities and synergistic effects are utilized, we see further potential in terms of both business volumes and profitability. We will be issuing guidance for HOMAG and the Dürr Group including HOMAG in spring 2015 on the assumption that the takeover process is duly completed. In absolute terms, the acquisition should already result in an increase in the Dürr Group's earnings in 2015. Analysts expect a roughly 10% increase in earnings per share.

KEY FIGURES HOMAG GROUP

€ m	**2013**	2012
Order intake	605.0	575.8
Sales revenues	788.8	767.0
of which in Germany	169.1	205.2
EBIT[1]	34.6	31.4
Net profit for the year	19.0	12.2
Cash flow from operating activities	46.5	38.6
Equity ratio (%)	32.7	30.6

[1] Before employee profit participation

// PRO-FORMA CONSOLIDATION 2013:
WITHOUT SYNERGIES, FINANCING EXPENSES AND OTHER EFFECTS

	Dürr	HOMAG group[1]	Dürr (incl. HOMAG group)
Sales in € m	2,407	789	3,196
EBIT in € m	203	35	238
EBIT-margin in%	8.4	4.4	7.5
Net profit group in € m	141	19	160
Net profit shareholders in € m	140	18	150[2]
Earnings per share in €	4.05		4.33

[1] Source: HOMAG annual report
[2] Assumption: 53.7% shareholding of Dürr

ACQUISITION PROCESS

In July 2014, Dürr AG via its wholly owned subsidiary Dürr Technologies GmbH entered into agreements with various principal shareholders of HOMAG Group AG for the acquisition of a total of 53.7% of HOMAG's capital. Corresponding contracts have been entered into with Deutsche Beteiligungs AG (39.5% of the shares), the Schuler/Klessmann pool (3%) and a further two shareholders (around 11%). Execution of the contracts is subject to receipt of anti-trust clearance. A sum of € 219,2 million is being paid for the 53.7% stake in HOMAG. In addition, an agreement has been reached with the Schuler family and the Klessmann Foundation, who have hitherto held a pool of 25.1% of the HOMAG shares, under which Dürr will be entering this pool. This will cover the 3% of the shares acquired from the pool and will take effect shortly before execution of the purchase contract with the Schuler/Klessmann pool. The pool will consent to HOMAG entering into a control and/or profit transfer contract with Dürr as well as any corporate actions which may be necessary. To this end, we have access to a total of 75.8% of the voting rights from the outset. All told, there are 15,688,000 HOMAG shares outstanding.

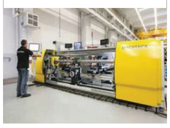
Dürr Technologies GmbH will be submitting to the shareholders of HOMAG Group AG a voluntary public takeover offer covering all the remaining shares under Sections 29 and 34 of the German Securities Acquisition and Takeover Act (WpÜG) and publishing the corresponding offering documents in the near future. Dürr Technologies GmbH published the decision to submit a takeover bid in accordance with Section 10 of the aforementioned act on July 15, 2014. We will be offering the remaining shareholders of HOMAG Group AG € 26.35 per share payable in cash, i.e. 13.48% above the volume-weighted average XETRA price of the share in the three months prior to the announcement of the decision to submit a takeover bid (€ 23.22). The validity of the takeover bid is particularly subject to receipt of antitrust clearance. The acceptance period will have a length of four to ten weeks. Assuming that the takeover bid is published on August 25, 2014, the period for acceptance will end on September 22, 2014 at the earliest and November 3, 2014 at the latest. The legal assessment by the relevant antitrust authorities will be taking place at the same time as the takeover bid.

We will be financing the purchase of the shares in HOMAG Group AG fully on a cash basis. As of the end of June 2014, we had cash and cash equivalents (including term deposits and other investments such as bonds) of € 788.9 million. Our net financial position stood at € +227.2 million as of the same date.

HOMAG WITHIN THE DÜRR GROUP

We expect the first-time consolidation of HOMAG Group AG in the fourth quarter of 2014. HOMAG will continue to exist as a separate entity and operate in the market under the HOMAG brand name as before. We do not currently plan to delist the company or "squeeze out" the minority shareholders. HOMAG will form the new Wood Processing Systems division within the Dürr Group structure. There will be no change to the four other Dürr divisions.

// DÜRR GROUP STRUCTURE WITH FIVE DIVISIONS*

PAINT AND ASSEMBLY SYSTEMS	APPLICATION TECHNOLOGY	MEASURING AND PROCESS SYSTEMS	CLEAN TECHNOLOGY SYSTEMS	WOOD PROCESSING SYSTEMS
» Paint Shops & Final Assembly, Aircraft Production Technology	» Paint Application Technology, Glueing & Sealing Technology	» Balancing, Assembly, Testing, Filling & Cleaning Technology	» Air Purification Systems, Energy Efficiency Systems	» Machinery for Stationary Woodworking
» Sales: € 1,177m » EBIT: € 98 m	» Sales: € 540 m » EBIT: € 60 m	» Sales: € 584 m » EBIT: € 46 m	» Sales: € 106 m » EBIT: € 6 m	» Sales: € 789 m » EBIT: € 35 m (source: annual report HOMAG)
				

* Sales and EBIT figures relate to the year 2013.

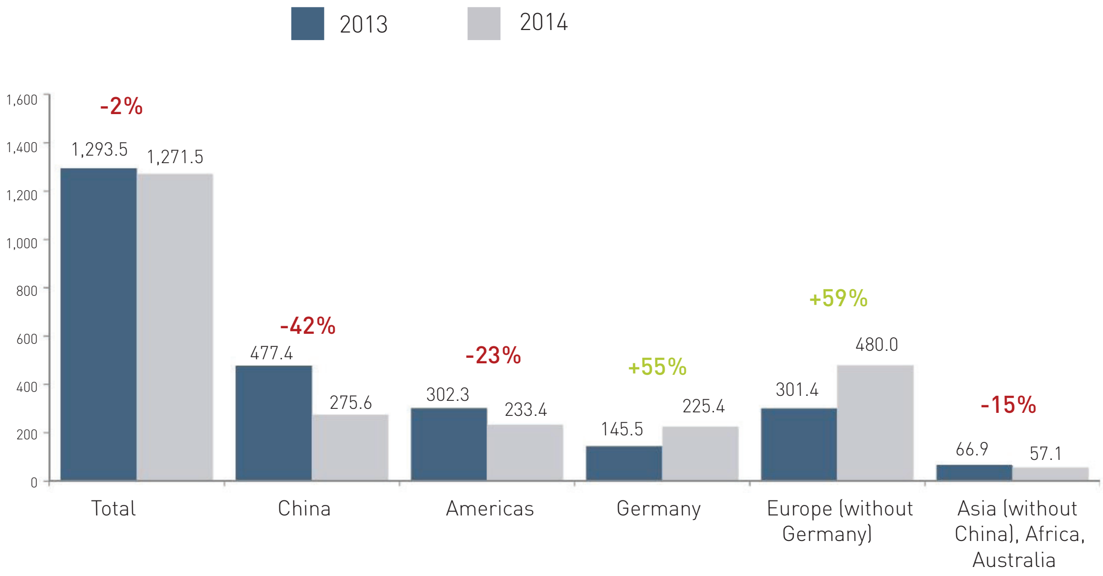
Business performance[1]

SUBSTANTIAL IMPROVEMENT IN ORDER INTAKE IN THE SECOND QUARTER

At € 707.1 million, we registered above-average order intake in the second quarter of 2014 (Q2 2013: € 613.1 million). New orders were valued at € 1,271.5 million in the first half of 2014 and were thus practically unchanged over the previous year. After a strong second quarter, order intake in the Paint and Assembly Systems division fell short of the first half of 2013 by only 3%. Down 6%, the decline in Application Technology was also moderate. Measuring and Process Systems expanded by 0.4% in the first half of 2014 despite the sale of filtration technology business at the end of 2013. Order intake in Clean Technology Systems rose by 25% in the first half of 2014, underpinned in part by environmental technology company LTB, which had been acquired in the previous year and consolidated on July 4, 2013 for the first time. The price quality of new orders was satisfactory across all four divisions.

[1] This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS).

// ORDER INTAKE (€ MILLION) JANUARY TO JUNE 2014



In the emerging markets (Mexico, Brazil, Eastern Europe, Asia excluding Japan), order receipts dropped by 3% to € 734 million in the first half of 2014. Whereas new orders were appreciably lower in China and Brazil, they rose significantly in Eastern Europe. However, it should be noted that in the equipment engineering industry an isolated view of individual quarters does not permit any meaningful conclusions to be drawn as our order intake hinges on the timing of major contract awards by customers. In the previous year, a large proportion of orders from China had been received in the first half; by comparison, a number of major contracts are expected to be awarded in the second half of 2014. Order intake remained muted in India, while the Ukraine crisis placed an appreciable damper on capital spending in Russia. In North America, we were not able to quite reach the previous year's high volume of new orders. On the other hand, order intake in Europe was up substantially. In Germany, where we were awarded a large conversion contract, orders rose by 55%. At 58%, the emerging markets again accounted for a large proportion of the Group's total orders.

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Order intake	1,271.5	1,293.5	707.1	613.1
Sales revenues	1,060.4	1,131.7	522.2	589.2
Orders on hand (June 30)	2,351.6	2,457.5	2,351.6	2,457.5

SALES DOWN IN THE FIRST HALF OF THE YEAR

At € 1,060.4 million, consolidated sales were down 6.3% on the previous year in the first half of 2014, contracting in the second quarter by 11.4% to € 522.2 million. As reported in the first quarter, the main reason for this muted development was project delays on the part of customers. However, we expect the shortfall to be recouped step for step by the end of the year.

Service revenues rose by 7.7% to € 257.5 million in the first half of the year, accounting for 24.3% of consolidated sales, up from 21.1% in the previous year. We expect the positive trend in service business to continue thanks to the sharp growth in our installed base and the broad-based CustomerExcellence@Dürr optimization program. In this way, we are establishing the internal basis for harnessing market potential in service business more systematically and effectively than before. Against this backdrop, we are confident of being able to additionally widen the proportion of service business in total sales.

As order intake substantially exceeded sales revenues, the book-to-bill ratio rose to 1.20 in the first half of 2014. Orders on hand climbed by € 201.5 million over the end of 2013, reaching a very high € 2,351.6 million. Notionally, the order backlog is sufficient to generate just under one year's worth of sales revenues and ensure capacity utilization until well into 2015.

Once again, the distribution of sales was regionally balanced in the first half of the year, with Germany accounting for 16%, the rest of Europe for 27% and North and South America for 20%, while Asia and Africa contributed 37%. At 56%, the emerging markets again generated more than half of sales (H1 2013: 55%).

MARGINS IMPROVED DESPITE SALES DECLINE

In the first half of 2014, the gross margin widened by 2.6 percentage points year over year, reaching a pleasing 22.0%. At 22.6% in the second quarter (Q2 2013: 20.0%), we achieved a wider gross margin than in the first three months of the year (21.5%; Q1 2013: 18.8%). This favorable performance was chiefly due to strong capacity utilization and the high quality of order execution together with a turnaround in earnings in Cleaning and Surface Processing and the increased volume of service business.

The cost of sales (€ 826.8 million) dropped by 9.3% in the first half of 2014 and thus more quickly than sales. Accordingly, gross profit increased by 6.2% to € 233.6 million. Growth in internally sourced production materially helped to lower the ratio of consolidated cost of materials to sales to 39.1% (H1 2013: 45.5%). In absolute terms, the consolidated cost of materials, which is fully included in the cost of sales, dropped from € 514.8 million in the previous year to € 414.2 million.

// INCOME STATEMENT AND PROFITABILITY RATIOS

		H1 2014	H1 2013	Q2 2014	Q2 2013
Sales revenues	€ m	1,060.4	1,131.7	522.2	589.2
Gross profit	€ m	233.6	219.9	117.9	117.8
Selling and administrative expenses	€ m	122.8	118.0	62.8	60.9
R&D expenses	€ m	22.1	19.4	10.5	9.6
EBITDA	€ m	102.5	95.9	51.7	53.7
EBIT	€ m	89.2	82.4	45.0	46.4
Net finance expense	€ m	-9.1	-10.2	-5.3	-5.5
EBT	€ m	80.1	72.2	39.7	40.9
Income taxes	€ m	-22.2	-19.8	-11.0	-11.1
Earnings after tax	€ m	57.9	52.4	28.7	29.7
Earnings per share	€	1.64	1.51	0.81	0.85
Gross margin	%	22.0	19.4	22.6	20.0
EBITDA margin	%	9.7	8.5	9.9	9.1
EBIT margin	%	8.4	7.3	8.6	7.9
EBT margin	%	7.6	6.4	7.6	6.9
Return on sales after taxes	%	5.5	4.6	5.5	5.0
Interest coverage		9.3	7.9	8.0	8.2
Tax rate	%	27.7	27.4	27.7	27.2

EBIT MARGIN OF 8.4% ACHIEVED

As part of our efforts to increase internally sourced production and strengthen our presence in China, we have expanded our workforce by 5.4% to 8,324 people since mid-2013. The rise in selling and administration expenses was capped at 4.1% in the first half of 2014. Research and development expenses were increased by 14.1% to € 22.1 million. In this way, we continued the innovation course under our "Dürr 2017" strategy; in addition, individual product developments were sped up ahead of the Open House innovation show in May.

Other operating income net of other operating expense came to € 0.6 million and therefore did not exert any major influence on earnings. The most important individual items were currency translation expenses (€ 5.9 million) and income (€ 6.4 million).

On the basis of the good gross profit, EBIT rose by 8.3% to € 89.2 million in the first half of 2014, with the second quarter contributing € 45.0 million. The EBIT margin widened from 7.3% in the year-ago period to 8.4%, thus already achieving the full-year target corridor of 8.0 to 8.5%. Before depreciation and amortization of € 13.3 million, EBITDA was up 6.9%, rising to € 102.5 million.

Net finance expense dropped by € 1.1 million to € 9.1 million in the first half of 2014. In the second quarter, the additional interest expense on the new corporate bond issued at the beginning of April made itself felt. Even so, at € 5.3 million, net finance expense was somewhat lower than in the same period of the previous year (€ 5.5 million) due to higher interest income from cash investments and the improved terms of the new syndicated loan entered into in March.

The tax rate came to 27.7% in the first half of 2014. It should also remain at this level over the year as a whole as our unused tax-loss carry-forwards are increasingly becoming depleted and can only be capitalized to a limited extent. With tax expense coming to € 22.2 million (H1 2013: € 19.8 million), earnings after tax rose by 10.5% to € 57.9 million in the first half of 2014 (H1 2013: € 52.4 million).

MATERIAL EVENTS

There were no singular events in the first half of 2014 materially impacting the Dürr Group's results of operations, financial condition and net assets. Muted capital spending in Russia in the wake of the Ukraine crisis also left only limited traces on our business. In the first half of the year, Russia accounted for 1% of our order intake, down from a usual 2 to 3%. Announced on July 15, 2014, the acquisition of a majority interest in HOMAG Group AG will have a significant impact on Dürr's sales and earnings in the future. The details of this transaction can be found on page 7 and in the outlook on page 28.

ACTUAL PERFORMANCE VS. FORECAST: BUSINESS PERFORMANCE IN LINE WITH EXPECTATIONS

Despite the muted sales revenues, business performance in the first half of 2014 was in line with our expectations. On this basis, we reaffirm our full-year forecast for 2014. Further information can be found in the Outlook on page 28. We have not published any guidance for the first half of 2014 as quarterly or half-yearly forecasts do not do justice to the medium to long-term nature of our business.

Financial position

CASH FLOW FROM OPERATING ACTIVITIES IMPROVED IN H1 2014

Increased income and earnings caused **cash flow from operating activities** in the first half of 2014 to double to € 24.2 million year over year. Cash flow includes an increase of € 26.0 million in net working capital (NWC) since the end of 2013; at € 53.6 million, the increase in NWC in the same period of the previous year had been around twice as large. We expect NWC to continue growing until the end of 2014: As of December 31, 2013, the prepayments and progress payments received from customers exceeded the nominal level by around € 100 million; this liquidity will now be successively channeled into order execution, causing NWC to increase. The cash flow from operating activities in the first half of 2014 includes the effects of further external funding of pension provisions of € 13.7 million. This is duly reflected in the decline in pension provisions and lower current pension expense.

// CASHFLOW*

€ m	H1 2014	H1 2013	Q2 2014	Q2 2013
Earnings before taxes	80.1	72.2	39.7	40.9
Depreciation and amortization	13.3	13.5	6.8	7.4
Interest result	9.6	10.5	5.7	5.7
Income tax payments	-19.7	-16.3	-9.7	-13.6
Change in provisions	-11.3	9.6	-3.7	3.3
Change in net working capital	-26.0	-53.6	-26.7	20.2
Other items	-21.8	-23.8	-30.5	-22.1
Cash flow from operating activities	**24.2**	**12.1**	**-18.4**	**41.8**
Interest payments (net)	-1.1	-0.7	-0.5	-0.1
Capital expenditure	-17.8	-21.7	-9.5	-13.9
Free cash flow	**5.3**	**-10.3**	**-28.4**	**27.8**
Other cash flows (incl. dividend)	-58.6	-43.4	-56.4	-43.6
Change in net financial status	**-53.3**	**-53.7**	**-84.8**	**-15.8**

* Currency translation effects have been eliminated 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, factoring and negotiation transactions must be taken into account when comparing cash flow over different reporting periods. There were no such transactions in the first half of 2014; in the previous year, the volume of these transactions had risen by € 0.7 million to € 22.6 million.

Cash flow from investing activities of € -331.1 million was recorded in the first half of 2014 compared with € -36.7 million in the same period of the previous year. This significant change is primarily due to a € 305.1 million investment in term deposits after we had received the proceeds of the bond issued at the beginning of April. It also reflects cash outflows for property, plant and equipment and equity investments.

Cash flow from financing activities came to € 240.9 million in the first half of 2014 (H1 2013: € -54.8 million), reflecting the influx of proceeds from the new bond and the outflow for the dividend payment.

Driven by the cash flow from operating activities, **free cash flow** was also positive at € 5.3 million (H1 2013: € -10.3 million).

TEMPORARY INCREASE IN TOTAL ASSETS DUE TO BOND ISSUE

// CURRENT AND NON-CURRENT ASSETS

€ m	**June 30, 2014**	% of total assets	December 31, 2013	June 30, 2013
Intangible assets	322.0	14.4	322.0	324.5
Property, plant and equipment	181.5	8.2	173.8	162.0
Other non-current assets	102.9	4.6	95.1	88.7
Non-current assets	**606.4**	**27.2**	**590.9**	**575.2**
Inventories	175.0	7.8	148.0	177.7
Trade receivables	627.1	28.1	675.7	753.2
Cash and cash equivalents	393.5	17.6	458.5	269.6
Other current assets	430.6	19.3	118.7	64.9
Current assets	**1,626.2**	**72.8**	**1,400.9**	**1,265.4**
Total assets	**2,232.6**	**100.0**	**1,991.8**	**1,840.6**

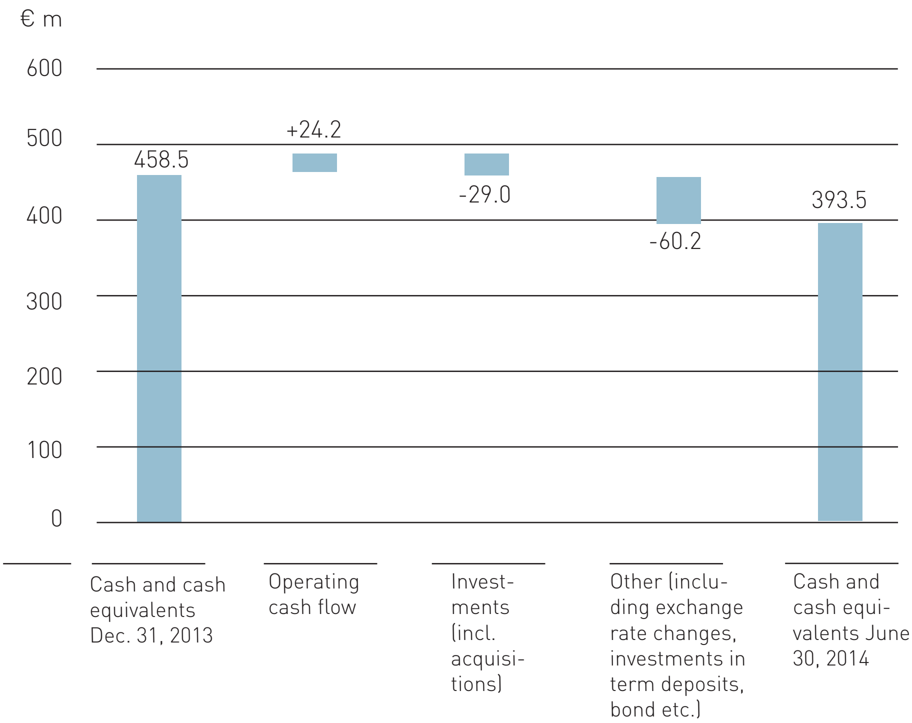
The new bond for € 300 million was materially responsible for an increase in total assets to € 2,232.6 million in mid-2014. This was an increase of 12.1% over December 31, 2013 and 21.3% over June 30, 2013.

On the assets side, trade receivables and inventories dropped by a total of € 21.5 million. On the liabilities side, trade payables fell by € 49.2 million. Net working capital rose by € 26.0 million before currency conversion compared with the end of 2013. At € 606.4 million, non-current assets remained largely unchanged. Compared with the end of 2013, cash and cash equivalents dropped by € 65.0 million to € 393.5 million. Including short-term deposits and other investments such as bonds, our total liquidity amounted to € 788.9 million as of June 30, 2014. By comparison, total liquidity stood at € 547.2 million at the end of 2013.

// NET FINANCIAL STATUS

€ m	
June 30, 2014	227.2
December 31, 2013	280.5
June 30, 2013	43.0

// CHANGES IN LIQUIDITY



Net financial status contracted from € 280.5 million at the end of 2013 to € 227.2 million on June 30, 2014 as a result of the only slightly positive free cash flow (€ 5.3 million) and the outflow caused by the dividend paid to the Dürr shareholders (€ 50.2 million). It improved substantially over the middle of 2013 (€ 43.0 million) with an increase of € 184.2 million. In the year to date, we have covered our funding requirements from our cash flow and cash and cash equivalents (further information can be found in the Outlook section on page 28).

€ 76 MILLION INCREASE IN EQUITY OVER MID-2013

// EQUITY

€ m	**June 30, 2014**	% of total assets	December 31, 2013	June 30, 2013
Subscribed capital	88.6	4.0	88.6	88.6
Other equity	418.5	18.7	415.9	342.5
Equity attributable to shareholders	507.1	22.7	504.5	431.1
Non-controlling interests	6.6	0.3	6.9	6.9
Total equity	**513.7**	**23.0**	**511.4**	**438.0**

Equity rose by € 2.3 million over December 31, 2013 to € 513.7 million. We were able to absorb the dividend distribution of € 50.2 million thanks to our strong earnings performance in the first half of the year. The increase in total assets caused the equity ratio to contract from 23.8% (June 30, 2013) to 23.0%. We expect equity and the equity ratio (before the consolidation of HOMAG Group AG) to improve substantially as the year progresses. Looking further down the road, we have defined a target of 30%, which we want to achieve by retaining profits.

// CURRENT AND NON-CURRENT LIABILITIES

€ m	**June 30, 2014**	% of total assets	December 31, 2013	June 30, 2013
Financial liabilities (incl. bonds)	565.9	25.4	271.1	275.1
Provisions (incl. pensions)	121.1	5.4	122.8	123.4
Trade payables	806.9	36.1	856.8	778.5
of which prepayments received	563.8	25.3	596.8	524.1
Income tax liabilities	21.2	1.0	30.7	21.6
Other liabilities (incl. deferred taxes, deferred income)	203.8	9.1	199.0	204.1
Total	**1,718.9**	**77.0**	**1,480.4**	**1,402.7**

The bond issue was the main reason for the increase of € 238.5 million in current and non-current liabilities to € 1,718.9 million compared with December 31, 2013. At € 806.9 million, trade payables remained the largest item on the liabilities side. The prepayments received from customers included in this item dropped by € 33.0 million over the end of 2013 to € 563.8 million. Financial liabilities (€ 565.9 million) are the second largest item and are covered by total liquidity of € 788.9 million (cash and cash equivalents, term deposits and other investments such as bonds).

DEBT CAPITAL AND FUNDING STRUCTURE

As of June 30, 2014, our debt capital financing comprised four main elements:

- Issued in April 2014 with an effective interest rate of 3.085%, our corporate bond for € 300 million matures in 2021. There is no early call option for this bond.
- The bond issued in 2010 for € 225 million runs until September 2015 and has an effective interest rate of 7.173%. Calling in the bond at 100% is possible on September 28, 2014 at the earliest, subject to the notice periods provided for in the bond issue terms. A decision on a possible early call has not yet been made.
- In March 2014, we agreed on the terms of a new syndicated loan with our banking syndicate. It comprises a cash facility of € 100 million and a guarantee facility of € 200 million. It expires in April 2019 but may be renewed until April 2021 at no added expense.
- In connection with the purchase of the Dürr Campus in Bietigheim-Bissingen at the end of 2011, we assumed the related finance of € 45.8 million (carrying amount as of June 30, 2014: € 40.9 million). The corresponding fixed-rate and annuity loans will be running until September 30, 2024, with the fixed-rate period expiring in 2017, but may be discharged at an earlier date subject to payment of early repayment fees.

In addition, there are bilateral credit facilities of a smaller volume and liabilities from finance leases as well as liabilities to companies accounted for using the equity method. The loans can be used in different currencies. In addition to money and capital market instruments, we utilize a small volume of off-balance-sheet financing instruments such as operating leases.

OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND OBLIGATIONS

There has been virtually no change in the volume of off-balance-sheet financing instruments and obligations since the end of 2013. Future minimum payments under operating leases amounted to € 90.2 million as of June 30, 2014, which was slightly lower than on December 31, 2013 (€ 97.6 million). Operating leases constitute by far the most important form of off-balance-sheet financing for Dürr. There were no forfaiting, factoring or negotiation operations in the first half of 2014. As of June 30, 2014, we utilized guarantees of € 244.3 million comprising bank guarantees of € 112.4 million and fidelity bonds of € 131.9 million. The guarantees chiefly take the form of credit guarantees and sureties and do not constitute off-balance-sheet financing instruments.

R&D and capital expenditure

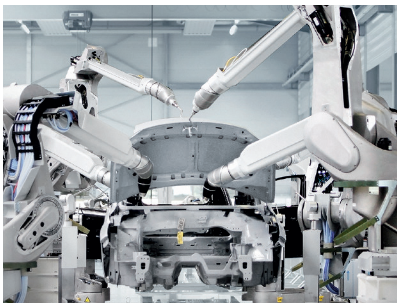
RESEARCH AND DEVELOPMENT: OPEN HOUSE INNOVATION SHOW IN MAY 2014

Innovation forms one of the four main thrusts of the "Dürr 2017" strategy. For this reason, we have additionally boosted research and development (R&D) expense in the year to date. In the first half of 2014, it rose by 14.1% over the previous year to € 22.1 million, climbing by 9.4% to € 10.5 million in the second quarter. The R&D ratio stood at 2.1% in the first half of the year and at 2.0% in the second quarter of 2014 (H1 2013: 1.7%, Q2 2013: 1.6%). In addition to direct R&D expense, development costs arose which were allocated directly to individual contracts and are therefore included in the cost of sales. Capitalized development costs came to € 1.5 million in the first half of 2014 (H1 2013: € 1.6 million) and € 0.8 million in the second quarter, up from € 0.6 million in the same period of the previous year. The Group's R&D departments had 262 employees as of the middle of the year, an increase of 5.6% over the end of 2013 and 24.8% over June 30, 2013.

Visitors at the Dürr Open House in May 2014.

At the Open House innovation show in May, we presented new technologies for achieving maximum production efficiency. A record 1,400 international visitors from the automotive and other industries obtained information at 24 stations. Held at our headquarter in Bietigheim-Bissingen every two years, the Open House has become an important industry event. This year's main innovations included the **Eco+**Speed spray booth system, which is suitable for both new and existing painting lines. The combination of time-saving application products and swifter conveyor systems reduces by half the transfer and color change times for interior painting, thus cutting the unproductive time of the painting robots to a minimum.

During the Open House, Application Technology introduced the world's first testing center for handling processes for interior vehicle painting. This allows to test the automatic opening and closing of doors and hoods with robots in the interests of swift and low-risk start-ups. We opened a testing center for painting systems for our Japanese customers in Tokyo in May.



The time-saving **Eco+**Speed.paint booth system.

A further highlight of the Open House was the demonstration model of our **Eco**ReBooth spray booth system. Porsche has been using this energy and space-saving technology, which is based on the **Eco**DryScrubber dry separation system, for painting its Macan models in Leipzig since the beginning of the year. **Eco**ReBooth is particularly compact and features an integrated air circulation and conditioning system fitted beneath the booth.

We also presented new overspray separation systems based on **Eco**DryScrubber technology at the Open House. These include **Eco**Dry X for paint systems with low to medium overspray volumes. With this multi-stage filter system, disposable filters can be replaced simply and quickly.

Innovative filling technology from Dürr Somac.

Balancing and Assembly Products unveiled a new filling system for the R744 (CO_2) refrigerant. With its climate-friendly properties, R744 will increasingly be used in vehicle air conditioning systems in the future. As it has previously only been possible to fill R744 in liquid form, it had to be kept permanently refrigerated. Thanks to Dürr's new multiphase filling process, it is now possible for R744 to be processed in an overcritical condition and, hence, independently of the temperature. As a refrigeration system is no longer necessary, energy and space requirements are lower, resulting in reduced investment and life-cycle costs.

Cleaning and Surface Processing has developed an innovative system for aqueous part cleaning. With its small footprint, the **Eco**CWave can be integrated effortlessly in any production array. It offers greater process reliability, reduced idle times and lower energy consumption compared with customary systems. Powerful spray flooding pumps ensure a turbulent fluid flow and optimum chip removal.

CAPITAL EXPENDITURE

At € 17.8 million, capital expenditure was down € 4.0 million on the first half of 2013 as expected. The main focus was on trailing spending in connection with our program for optimizing our network of facilities. Most of the program was executed in 2013 and it will be completed in 2014.

The decline in capital expenditure was due solely to reduced spending on property, plant and equipment of € 13.9 million, down from € 17.9 million in the previous year. Spending on licenses, software and other intangible assets came to € 3.8 million, exactly on par with the previous year. Corporate Center capital expenditure (€ 2.3 million) chiefly comprises the purchases made by globally active Dürr IT Service GmbH (software and licenses), with the Dürr AG holding company accounting for a smaller portion.

Equity investments came to € 11.2 million in the first half of 2014. Of this, a sum of € 10.4 million entailed purchase price payments for Bersch & Fratscher GmbH (Karlstein/Main, Germany) and EST+ a.s. (Ledeč nad Sázavou, Czech Republic), which were acquired in June. Both companies offer paint application products and services, supplying customers in general industry such as wood, plastic and metal processing companies. With roughly 70 employees, Bersch & Fratscher has since been renamed Dürr Systems Karlstein GmbH. EST+ has been renamed Dürr Systems Czech Republic a.s. and has 60 employees. The two companies generated combined revenues of just under € 10 million in 2013.

// CAPITAL EXPENDITURE* //

€ m	H1 2014	H1 2013	Q2 2014	Q2 2013
Paint and Assembly Systems	3.9	4.9	2.6	3.3
Application Technology	5.1	6.9	3.1	4.2
Measuring and Process Systems	5.2	4.9	3.0	3.3
Clean Technology Systems	1.3	2.9	0.6	1.9
Corporate Center	2.3	2.2	0.2	1.2
Total	**17.8**	**21.8**	**9.5**	**13.9**

* on property, plant and equipment and on intangible assets

Employees

FURTHER INCREASE IN EMPLOYEE NUMBERS

Dürr Group employee numbers increased by 425 over June 30, 2013 to 8,324 (up 5.4%) primarily as a result of our efforts to increase the volume of internally sourced production as well as the first-time consolidation of Luft- und Thermotechnik Bayreuth GmbH (LTB) in July 2013 (112 employees in Germany). Over the last few months, the rate of new recruiting has slowed: of the 182 additional employees recruited since the end of 2013, 117 joined the Group in the first quarter and 65 in the second quarter. Over the past twelve months, China and Germany have figured particularly prominently in new recruiting. All told, the headcount in the emerging markets increased by 6.8% over June 30, 2013, rising to 2,849 employees and contributing 34.2% of the Group workforce. In Germany, staff numbers climbed by 9.2% to 3,861 in the same period, with roughly one third of this increase attributable to the first-time consolidation of LTB. In North America, employee numbers have dropped by 101 since June 2013 to 486 due to reduced business volumes in industrial cleaning systems and the sale of filtration technology business (Cleaning and Surface Processing business unit).

// EMPLOYEES BY DIVISION

	June 30, 2014	December 31, 2013	June 30, 2013
Paint and Assembly Systems	3,113	3,075	2,983
Application Technology	1,603	1,546	1,469
Measuring and Process Systems	3,018	2,967	3,039
Clean Technology Systems	456	426	288
Corporate Center	134	128	120
Total	**8,324**	**8,142**	**7,899**

// EMPLOYEES BY REGION

	June 30, 2014	December 31, 2013	June 30, 2013
Germany	3,861	3,749	3,536
Other European countries	1,385	1,361	1,324
North / Central America	717	726	800
South America	340	335	317
Asia, Africa, Australia	2,021	1,971	1,922
Total	**8,324**	**8,142**	**7,899**

Segment report

// SALES REVENUES BY DIVISION

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Paint and Assembly Systems	477.1	559.2	225.5	290.7
Application Technology	249.2	256.4	121.8	135.6
Measuring and Process Systems	272.4	273.7	144.1	139.3
Clean Technology Systems	61.7	42.4	30.8	23.6
Corporate Center	0.0	0.0	0.0	0.0
Group	**1,060.4**	**1,131.7**	**522.2**	**589.2**

// EBIT BY DIVISION

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Paint and Assembly Systems	39.4	43.5	18.4	24.5
Application Technology	26.1	27.3	13.3	14.4
Measuring and Process Systems	25.6	16.3	13.9	10.5
Clean Technology Systems	2.3	1.3	1.4	0.8
Corporate Center / consolidation	-4.2	-6.0	-2.0	-3.8
Group	**89.2**	**82.4**	**45.0**	**46.4**

// PAINT AND ASSEMBLY SYSTEMS

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Order intake	608.9	625.8	354.9	301.7
Sales revenues	477.1	559.2	225.5	290.7
EBITDA	42.8	46.2	20.2	25.8
EBIT	39.4	43.5	18.4	24.5
Employees (June 30)	3,113	2,983	3,113	2,983

Paint and Assembly Systems registered order intake of € 608.9 in the first half of 2014, falling only marginally short of the previous year (down 2.7%). This performance was driven by a strong second quarter in which orders rose by 17.6% to € 354.9 million. Major projects were awarded in China, Mexico, Brazil, Poland and Germany in the first half of the year. Paint and Assembly Systems expects consistently stable demand in the second half of the year. At 73%, the emerging markets accounted for a very large proportion of order intake in the first six months of 2014.

Paint and Assembly Systems sales declined by 14.7% to € 477,1 million in the first half of the year primarily as a result of customer-induced delays in a number of projects. However, we expect revenues to pick up as the year progresses. Orders on hand rose as of June 30, 2014 due to the higher order intake. EBIT dropped by 9.4% and, hence, less quickly than sales (down 14.7%), while the EBIT margin widened from 7.8% to 8.3%.

//APPLICATION TECHNOLOGY

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Order intake	305.6	325.9	170.3	143.5
Sales revenues	249.2	256.4	121.8	135.6
EBITDA	29.1	29.6	14.9	15.6
EBIT	26.1	27.3	13.3	14.4
Employees (June 30)	1,603	1,469	1,603	1,469

Order intake has also recently picked up for Application Technology. After falling 25.8% short of the previous year in the first quarter, new orders were up 18.7% in the second quarter, coming to € 170.3 million. On balance, order intake for the first half of the year was only 6.2% down on the previous year. As further major orders are expected to be forthcoming by the end of the year, we are still confident that Application Technology´s full-year order intake will reach the previous year's level in 2014. Major contracts for the delivery of painting robots and application technology have been received from China, the United States, Poland and Germany since the beginning of the year.

Application Technology closed the first half of the year with a small 2.8% drop in sales. The book-to-bill ratio of 1.2 indicates that the order backlog rose. At € 26.1 million, EBIT was down 4.4% on the previous year; the EBIT margin came to 10.5%, down from 10.7% in the first half of 2013.

//MEASURING AND PROCESS SYSTEMS

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Order intake	285.5	284.4	146.9	138.4
Sales revenues	272.4	273.7	144.1	139.3
EBITDA	30.0	21.2	16.1	13.0
EBIT	25.6	16.3	13.9	10.5
Employees (June 30)	3,018	3,039	3,018	3,039

Order intake in the Measuring and Process Systems division rose by 6.1% in the second quarter of 2014, thus more than making up for the decline in the first quarter; as a result, orders in the first half were up a small 0.4%. This growth was driven by Balancing and Assembly Products, whereas orders for Cleaning and Surface Processing declined due to the sale of the filtration technology business at the end of 2013.

Sales from Measuring and Process Systems also climbed in the second quarter, remaining steady at the previous year's level over the first half as a whole. The book-to-bill ratio stood at 1.05. With sales constant, Measuring and Process Systems achieved a remarkable 57.1% increase in EBIT chiefly as a result of the turnaround in earnings at Cleaning and Surface Processing. This was due to the successful realignment of this business, which is now concentrating solely on cleaning technology product business and has discarded system integration business with its smaller margins. Balancing and Assembly Products again achieved a favorable EBIT margin.

// CLEAN TECHNOLOGY SYSTEMS

€ m	**H1 2014**	H1 2013	Q2 2014	Q2 2013
Order intake	71.6	57.4	35.1	29.5
Sales revenues	61.7	42.4	30.8	23.6
EBITDA	3.2	2.0	1.8	1.2
EBIT	2.3	1.3	1.4	0.8
Employees (June 30)	456	288	456	288

The figures for the Clean Technology Systems division are mainly determined by exhaust-air purification technology. In addition, energy efficiency technology business, which includes the consolidated companies Dürr Cyplan and Thermea as well as microgas turbine technology business, is being extended.

Order intake and revenues in the Clean Technology Systems division rose substantially in the first half of the year, driven by brisk demand for exhaust-air purification technology as well as the consolidation of environmental technology company LTB, which had been acquired in July 2013.

At 1.16, the book-to-bill ratio was distinctly positive. EBIT growth outpaced sales revenues. The EBIT margin widened from 3.1% in the previous year to 3.7% despite the still negative contribution made to earnings by recent activities in energy efficiency technology. The headcount increased by 168 over mid-2013 to 456 employees. Most of this growth was due to the LTB acquisition.

CORPORATE CENTER

The Corporate Center (Dürr AG and Dürr IT Service GmbH) generates only a small volume of external sales via Dürr IT Service GmbH. The loss at the EBIT level contracted to € 4.2 million in the first half of the year as a result of changes in the accounting of shared costs (H1 2013: loss of € 6.0 million). The EBIT includes consolidation effects of € -0.8 million (H1 2013: € -1.0 million).

Opportunities and risks

RISKS

The Board of Management currently does not see any risks liable to exert substantially adverse effects on our results of operations, financial condition and net assets either directly or in conjunction with other risks. Nor are any risks to the Group's going-concern status discernible.

The risks arising from our business are discussed in detail in our annual report for 2013 (page 127). The risks described there continue to apply as of the end of the first half of the year. Existing risks are readily manageable and we consider them to be reasonable in the light of our business activities.

After a solid first quarter with growth of 7.4%, Chinese GDP expanded by 7.5% in the second quarter. Forecasts had initially pointed to weaker growth. Automotive sales in China have also risen significantly in the past six months. At this stage, there is nothing to suggest that the Chinese economy could slow as the government is also generating further impetus for growth. However, the possibility of the Chinese market cooling off cannot be entirely excluded, something which would leave substantial traces on the Dürr Group's sales and earnings.

The tension between Ukraine and Russia together with the weak ruble is also exerting strain on Dürr's business in these two countries. As a result, we are generating substantially lower sales revenues and earnings in this region than previously. In the absence of any material improvement in the situation or in the event of a deterioration of the crisis and further economic sanctions, the contributions to revenues and earnings from Russia and Ukraine will continue to contract in the future. However, as both countries usually account for only a small proportion of the Group's top and bottom lines (Russia: 2 to 3% of consolidated sales), we consider the risk to be manageable.

Forecasts for global economic growth have been scaled back in the course of the year, with experts now forecasting 3.3% for 2014 instead of the originally assumed 3.7% and 3.9% for 2015 (previously 4.0%). Such adjustments could place a damper on capital spending in our markets and have negative effects on sales and order intake.

Dürr pays the greatest attention to project execution/engineering risks. Part of our business entails very complex projects. If we are unable to observe deadlines and obligations, this may have an adverse effect on the Dürr Group's reputation and earnings. However, project execution resources have been reinforced over the last few quarters, ensuring that even multiple large-scale projects can be reliably executed in parallel

The possibility of acquired companies failing to live up to expectations, to meet sales or earnings forecasts or to generate the planned synergistic effects cannot ultimately be ruled out. This will doubtless also apply to the acquisition of HOMAG given its size. Dürr always makes acquisition decisions only after a comprehensive and diligent examination of the target company and utilizes internal and external specialists. This was also the case with HOMAG. The results of the due-diligence exercise provided the basis for the decisions by the Board of Management and the Supervisory Board of Dürr AG.

OPPORTUNITIES

The opportunities arising from our business and the opportunities management system are also described in depth in the 2013 annual report (page 138).

With every machine and system sold, demand for maintenance, repairs, spare parts and modernization also climbs. This lucrative after-sales business contributed around 22% to consolidated sales in 2013, a share which is expected to widen. The structural and organizational measures which we are taking to boost service business have been pooled in our CustomerExcellence@Dürr optimization program, which is delivering initial successes and offering major opportunities for the Dürr Group.

We see continued growth potential in Asian business. In May 2014, we started up a testing center in Tokyo allowing Japanese automotive OEMs to evaluate our technologies in conjunction with our partner paint systems supplier Parker Engineering. To date, the Japanese automotive industry has primarily used local suppliers. With the testing center we want to intensify our relations with Japanese OEMs and support our selling activities. We have held a 10% stake in Parker Engineering for several years.

Similarly, we are active in South-East Asia, a market which holds potential for the automotive industry. Looking ahead over the next few years, experts forecast strong growth in this region. And we are prepared for this, having established Dürr Thailand in 2012. In the year to date, we have acquired the sales and service companies Eurotech Solution Sdn. Bhd. and PT Anugerah Cipta Kelola in Malaysia and Indonesia. The two companies have since been renamed Dürr Systems (Malaysia) Sdn. Bhd. and PT Durr Systems Indonesia, respectively.

The acquisitions announced over the last few weeks will additionally strengthen Dürr. With the takeover of Befrag and EST+, we have widened our range of products and services and our customer base in paint application technology. The acquisition of HOMAG will allow us to enter a new area of business, namely wood processing, which offers opportunities for growth in the emerging markets and North America in particular. In this way, the Dürr Group is broadening its technological footprint as well as its customer base. A detailed description of the HOMAG transaction and the strategic fit which it offers can be found on page 7.

We had previously completed smallish acquisitions in niche markets in earlier years, e.g. in the areas of energy efficiency, gluing technology and filling technology for the non-automotive segment. Generally speaking, we will continue to explore opportunities for further acquisitions in our core business and, where appropriate, act on them. However, there will be a clear focus on the successful further development of the recent acquisitions.

Personnel changes

Prof. Dr. Norbert Loos stepped down from the Supervisory Board at the end of the annual general meeting on April 30, 2014. Prof. Dr.-Ing. Holger Hanselka, Chairman of the Karlsruhe Institute of Technology (KIT) was elected as his replacement. The Supervisory Board elected Dr. Herbert Müller as Prof. Dr. Loos´s successor for the position of Chairman of the Audit Committee.

Transactions with related parties

This information can be found in the notes to the consolidated financial statements on page 56.

Outlook

OPERATING ENVIRONMENT

The global economy is expected to grow by 3.3% in 2014 and, hence, more quickly than in the previous year. Momentum should pick up in 2015, with global GDP set to expand by 3.9%, spurred by low energy prices, improving consumer confidence, progress in reducing public-sector debt and the central banks' accommodative monetary policies. The outlook is muted for Latin America and Russia but upbeat for Asia. This is summarized in the table on page 29.

Automotive sales should at least keep pace with GDP growth in the individual regions of the world in 2014. Industry experts forecast growth rates in the mid single digits in Europe and America. With sales climbing by some 10%, China should remain the driving force behind the global automotive industry, while Brazil and Russia are experiencing a phase of consolidation. In India, there are mounting signs of a recovery in the recently muted conditions in the automotive industry. The automotive analysts at PricewaterhouseCoopers (PwC) are clearly optimistic, stating in their most recent study (end of July 2014) that average global production growth should reach 4.9% p.a. through 2018.

PRODUCTION OF LIGHT VEHICLES

Million units	2013	2018F	CAGR 2013-2018
North America	16.2	18.6	2.8%
Mercosur	4.6	6.3	6.5%
Western Europe	12.4	15.3	4.3%
Eastern Europe	7.1	8.3	3.2%
Asia	40.8	54.0	5.8%
thereof China	19.3	29.2	8.6%
Others	1.5	2.5	10.8%
Total	**82.6**	**105.0**	**4.9%**

Source: PwC, July 2014
F=forecast

GROUP OUTLOOK (BEFORE CONSOLIDATION OF HOMAG GROUP)

		2013 act.	Forecast for 2014
Order intake	€ m	2,387.1	2,300 - 2,500
Orders on hand (December 31)	€ m	2,150.1	1,950 - 2,250
Sales revenues	€ m	2,406.9	2,400 - 2,500
EBIT margin	%	8.4	8.0 - 8.5
ROCE	%	66.2	30 - 40
Net finance expense	€ m	-18.4	Slightly weaker
Tax rate	%	23.7	27 - 28
Earnings after tax	€ m	140.9	Stable
Cash flow from operating activities	€ m	329.1	Substantially weaker
Free cash flow	€ m	261.9	Slightly negative
Net financial status (December 31)	€ m	280.5	+ € 150 - + 250
Liquidity (December 31)	€ m	458.5	330 - 430
Capital expenditure[1]	€ m	51.2	40 - 50

[1] on property, plant and equipment and on intangible assets (excluding acquisitions)

SALES, INCOMING ORDERS AND EARNINGS

On the strength of the performance achieved in the first half of 2014 and the projects currently in the pipeline, we reaffirm our full-year forecast for 2014. The table on page 29 summarizes our targets. The planned acquisition of a majority stake in HOMAG is not yet factored into the guidance for 2014.

At this stage, we are confident of being able to recoup the shortfall in sales arising in the first half of the year by the end of 2014. Accordingly, we still expect to be able to report total sales of € 2.4 to 2.5 billion, although a figure at the lower end of this range is more likely. Order intake is expected to reach the upper end of the target corridor of € 2.3 to 2.5 billion. Reflecting this, order backlog should also tend to move towards the upper end of the planned range (€ 1.95 to 2.25 billion). We are seeking a full-year EBIT margin in a corridor of between 8.0 and 8.5% for 2014. Earnings should receive impetus from our high capacity utilization, optimization measures such as those in Cleaning and Surface Processing and the above-average growth in service business, thus also reaching the top end of the target corridor.

Following our refinancing arrangements at the end of March 2014, net finance expense should increase slightly in the current year. Looking ahead to next year, the savings resulting from the new arrangements will show up in full. We expect a tax rate of between 27 and 28% for 2014 as some of our unused tax-loss carry-forwards are expiring. Earnings after tax should be stable. In accordance with our long-term dividend policy, the distribution for 2014 should be between 30 and 40% of consolidated net profit.

DIVISIONS

The Application Technology, Measuring and Process Systems and Clean Technology Systems divisions are budgeting increases in sales and earnings for 2014. After the extraordinarily high earnings in 2013, Paint and Assembly Systems is expecting at most a constant EBIT margin, with sales unlikely to reach the previous year's level.

CASH FLOW, CAPITAL EXPENDITURE, FINANCIAL POSITION

The strong cash flow in 2013 benefited from unusually high progress billings and prepayments at the end of the year and is hardly likely to be repeated in the same extent in 2014. Adjusted for the non-recurring high payment receipts, some of which were brought forward, in the final quarter of 2013, cash flow from operating activities and free cash flow would likewise reach high levels in 2014. Reported cash flow from operating activities is likely to decline substantially, while reported free cash flow might turn slightly negative. We assume that cash flow and the high cash and cash equivalents will be sufficient to cover operating funding requirements (capital expenditure, interest payments etc.) and the dividend distribution in 2014.

Capital expenditure on property, plant and equipment and on intangible assets should come to € 40 to 50 million (net of acquisitions) in 2014. Of this, replacement spending is set to account for a good 50%, with the balance likely to be used for expansion spending. In this way, we will be adjusting our capacities to accommodate the sustained increase in demand and continuing the strategic expansion of our position in the emerging markets.

A cash outflow of an initial € 219.2 million will arise in connection with the acquisition of a majority stake in HOMAG Group AG assuming that antitrust clearance is forthcoming. This amount covers the already agreed acquisition of 53.7% of HOMAG's shares. This may be joined by a further sum of a maximum of € 100.4 million as a result of the voluntary public takeover bid, depending on acceptance by the shareholders. Consequently, a total of up to € 319.6 million may be withdrawn from our cash position for the acquisition. In this case, it is currently assumed that the net financial status will stand at around € -100 million at the end of 2014. An acquisition of only 53.7% of HOMAG's shares will likely result in a net financial status of around € 0 million.

Equity will continue to grow in 2014. We currently do not have any corporate actions planned for the current year. We consider calling in the bond issued in 2010 (7.25% coupon, maturing on September 28, 2015) at 100% on September 28, 2014 at the earliest, subject to the notice periods provided for in the bond issue terms. A decision on this has not yet been made.

EMPLOYEES

Employee numbers are likely to rise by some 5% to over 8,500 in 2014. This growth will be primarily attributable to the emerging markets, which should account for just under 35% of the total Group headcount.

CONSOLIDATION OF HOMAG

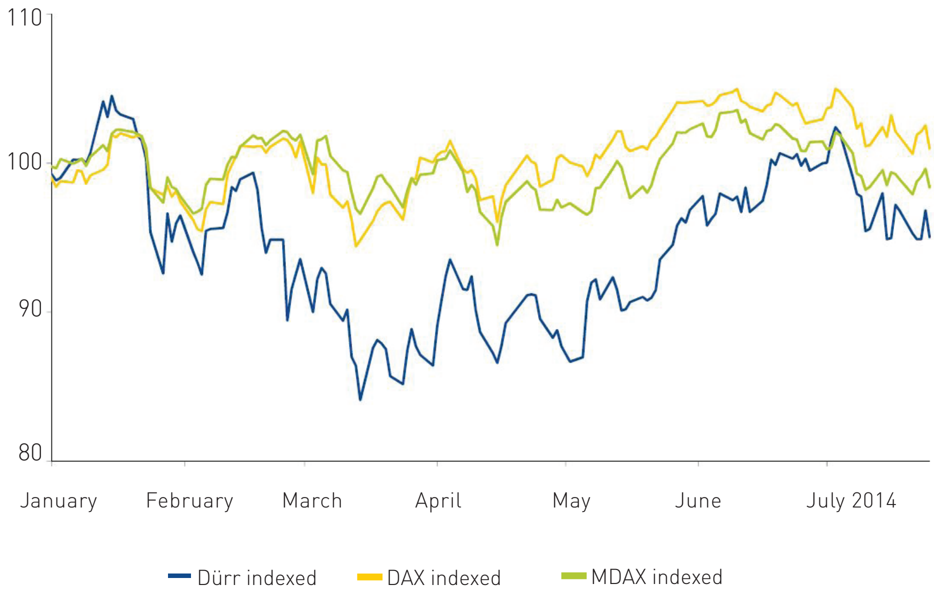
We plan to consolidate HOMAG Group AG within the Dürr Group as soon as the transaction has been closed. This could well be the case in the fourth quarter of 2014, depending on the outcome of the takeover bid and the ongoing antitrust review. If HOMAG was consolidated for the entire fourth quarter of 2014, this would add around € 200 million to sales and also order intake. From today's perspective, Dürr's earnings would also increase in absolute terms, while the EBIT margin and ROCE would contract slightly.

Treasury stock and capital changes

Dürr AG does not hold any treasury stock. There were no changes in our capital stock of € 88.6 million, which is divided into 34.6 million shares, in the reporting period.

Dürr on the capital market

DEVELOPMENT OF DÜRR SHARE, DAX, MDAX (YEAR TO DATE 2014)



PERFORMANCE OF DÜRR SHARE

The equities markets were in a volatile state in the first few months of 2014. After an initial spell of weakness, the DAX crossed the 10,000 line in June, closing the first half of the year at 9,833.1 points, up 4.6%. The MDAX, in which Dürr is listed, temporarily exceeded the 17,000 threshold, seeing the first half of the year out at 16,815.6 points, equivalent to gains of just under 2% compared with the beginning of the year. In addition to fears of the Ukraine crisis worsening, markets particularly took their cues from the historically low interest rates and the top and bottom line gains reported by many German companies.

After the extraordinarily dynamic business of the past few years, we now expect Dürr to perform more moderately. After hitting an all-time high of € 68.13 in mid-January 2014, Dürr stock increasingly retreated in the course of the first quarter, hitting a low for the first half of € 54.50 in mid-March. It picked up again in the second quarter and at € 64.80 on June 30, 2014 was virtually on a par with the level at which it had been trading at the beginning of the year (December 30, 2013: € 64.81).

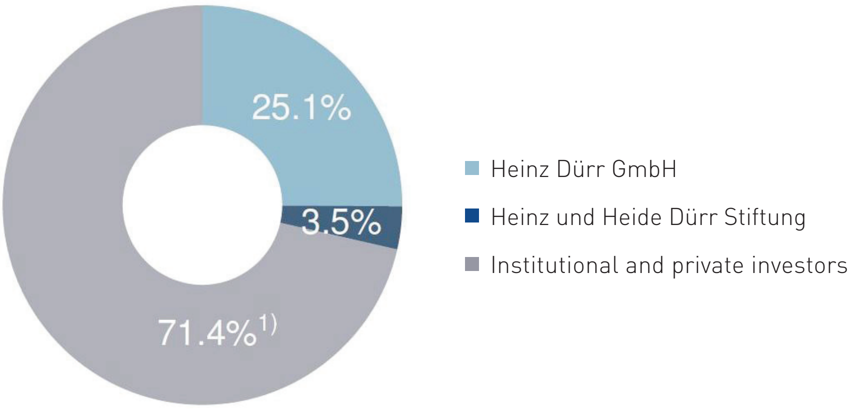
NEW BOND SUCCESSFULLY PLACED

At the end of March 2014, we issued a new bond for € 300 million (ISIN XS1048589458) with a coupon of 2.875% p.a. and maturing in 2021. On June 30, 2014, it was trading at 103.29% in Stuttgart, equivalent to a yield of 2.3%. The issue achieved a bid-to-cover ratio of 4, reflecting the great trust that Dürr enjoys with institutional and private investors.

The 2010 bond maturing on September 28, 2015 (7.25% coupon) was trading at 105.35% at the end of the quarter (June 30, 2013: 108.60%) in Stuttgart. Calling in the bond at 100% is possible on September 28, 2014 at the earliest, subject to the notice periods provided for in the bond issue terms.

SHAREHOLDER STRUCTURE

The Dürr family as the anchor shareholder continues to hold a total of 28.6% of Dürr AG's stock. 25.1% is held by Heinz Dürr GmbH and a further 3.5% by Heinz und Heide Dürr Stiftung. Looking forward, the family wants to continue to retain an interest of over 25% in Dürr AG. A total of 0.7% of the stock is held by the members of the Board of Management Ralf W. Dieter (CEO) and Ralph Heuwing (CFO). The free float is an unchanged 71.4%. This figure is calculated on the basis of the Deutsche Börse definitions. Average daily trading volumes in the German stock exchanges stood at 137,770 shares in the first half of the year, down from 152,000 in 2013. However, there has recently been an appreciable increase in OTC trading.



[1] thereof 0.7% share of Dürr Management Board

Events after the reporting period

On July 15, 2014, Dürr Technologies GmbH announced that it had secured 75.8% of the voting rights and 53.7% of the shares of HOMAG Group AG under contracts signed with various principal shareholders. At the same time, a voluntary public takeover bid for the remaining shares was announced. Further information can be found on page 7.

No other exceptional or reportable events occurred between the end of the reporting period and the publication of this report.

Bietigheim-Bissingen, July 31, 2014

Dürr Aktiengesellschaft

The Board of Management

Consolidated statement of income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2014

€ k	H1 2014	H1 2013	Q2 2014	Q2 2013
Sales revenues	1,060,420	1,131,658	522,215	589,195
Cost of sales	-826,843	-911,803	-404,322	-471,423
Gross profit on sales	**233,577**	**219,855**	**117,893**	**117,772**
Selling expenses	-69,624	-64,868	-35,843	-33,350
General administrative expenses	-53,222	-53,158	-27,003	-27,585
Research and development costs	-22,096	-19,369	-10,471	-9,570
Other operating income	8,951	12,485	5,072	7,029
Other operating expenses	-8,357	-12,566	-4,617	-7,954
Earnings before investment income, interest and income taxes	**89,229**	**82,379**	**45,031**	**46,342**
Profit from entities accounted for using the equity method	411	332	339	220
Other investment income	49	-	49	-
Interest and similar income	3,566	1,396	2,096	494
Interest and similar expenses	-13,182	-11,909	-7,805	-6,206
Earnings before income taxes	**80,073**	**72,198**	**39,710**	**40,850**
Income taxes	-22,155	-19,805	-10,958	-11,130
Profit of the Dürr Group	**57,918**	**52,393**	**28,752**	**29,720**
Attributable to:				
Non-controlling interests	1,100	156	774	444
Shareholders of Dürr Aktiengesellschaft	**56,818**	**52,237**	**27,978**	**29,276**
Earnings per share in € (basic and diluted)	1.64	1.51	0.81	0.85

Consolidated statement of comprehensive income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2014

€ k	H1 2014	H1 2013	Q2 2014	Q2 2013
Profit of the Dürr Group	**57,918**	**52,393**	**28,752**	**29,720**
Items of other comprehensive income that are not reclassified to profit or loss				
Remeasurement of defined benefit plans and similar obligations	-8,105	817	-4,479	801
Associated deferred taxes	2,128	-179	1,060	-174
Items of other comprehensive income that may be reclassified subsequently to profit or loss				
Changes in fair value of financial instruments used for hedging purposes recognized in equity	155	-4,164	-21	157
Gains/losses from changes in the fair value of available-for-sale securities	21	9	9	9
Reclassifications from currency translation through profit or loss	-4	-	-4	-
Currency translation reserve of foreign subsidiaries	2,715	-1,371	3,974	-6,583
Currency translation reserve of foreign entities accounted for using the equity method	497	-1,537	332	-794
Associated deferred taxes	-119	1,069	-25	264
Other comprehensive income, net of tax	**-2,712**	**-5,356**	**846**	**-6,320**
Total comprehensive income, net of tax	**55,206**	**47,037**	**29,598**	**23,400**
Attributable to:				
Non-controlling interests	1,096	149	772	423
Shareholders of Dürr Aktiengesellschaft	**54,110**	**46,888**	**28,826**	**22,977**

Consolidated statement of financial position

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF JUNE 30, 2014

€ k	June 30, 2014	December 31, 2013	June 30, 2013
ASSETS			
Goodwill	287,702	286,971	288,157
Other intangible assets	34,286	35,063	36,374
Property, plant and equipment	181,469	173,849	161,982
Investment property	21,926	22,245	22,733
Investments in entities accounted for using the equity method	12,609	11,699	12,146
Other financial assets	40,885	30,618	25,553
Trade receivables	190	101	766
Income tax receivables	331	245	60
Sundry financial assets	3,816	4,004	3,644
Other assets	230	198	235
Deferred taxes	21,124	23,687	19,352
Prepaid expenses	1,827	2,267	4,242
Non-current assets	**606,395**	**590,947**	**575,244**
Inventories and prepayments	174,990	148,014	177,742
Trade receivables	627,101	675,593	753,200
Income tax receivables	6,190	6,755	7,894
Sundry financial assets	381,298	74,197	36,515
Other assets	26,358	18,759	15,287
Cash and cash equivalents	393,528	458,513	269,611
Prepaid expenses	6,851	4,483	5,155
Assets held for sale	9,886	14,582	-
Current assets	**1,626,202**	**1,400,896**	**1,265,404**
Total assets Dürr Group	**2,232,597**	**1,991,843**	**1,840,648**
EQUITY AND LIABILITIES			
Subscribed capital	88,579	88,579	88,579
Capital reserves	155,896	155,896	155,896
Revenue reserves	322,345	317,059	235,709
Other comprehensive income	-59,753	-57,035	-49,079
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	**507,067**	**504,499**	**431,105**
Non-controlling interests	6,633	6,875	6,885
Total equity	**513,700**	**511,374**	**437,990**
Provisions for post-employment benefit obligations	44,927	49,762	53,447
Other provisions	6,972	7,758	7,020
Trade payables	1,264	2,026	914
Bonds	521,170	225,200	225,225
Other financial liabilities	42,243	43,396	44,481
Sundry financial liabilities	20,973	19,737	13,752
Income tax liabilities	447	205	225
Other liabilities	8,399	4,344	7,506
Deferred taxes	48,662	42,246	41,590
Deferred income	107	120	149
Non-current liabilities	**695,164**	**394,794**	**394,309**
Other provisions	69,164	65,296	62,907
Trade payables	805,649	854,772	777,557
Financial liabilities	2,515	2,460	5,381
Sundry financial liabilities	30,224	16,254	54,197
Income tax liabilities	20,738	30,506	21,390
Other liabilities	86,938	107,742	86,652
Deferred income	638	390	265
Liabilities held for sale	7,867	8,255	-
Current liabilities	**1,023,733**	**1,085,675**	**1,008,349**
Total equity and liabilities Dürr Group	**2,232,597**	**1,991,843**	**1,840,648**

Consolidated statement of cash flows

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2014

€ k	H1 2014	H1 2013	Q2 2014	Q2 2013
Earnings before income taxes	80,073	72,198	39,710	40,850
Income taxes paid	-19,697	-16,317	-9,676	-13,589
Net interest	9,616	10,513	5,709	5,712
Profit from entities accounted for using the equity method	-411	-332	-339	-220
Amortization and depreciation of non-current assets	13,318	13,505	6,764	7,377
Net gain/loss on the disposal of non-current assets	53	-91	17	-139
Other non-cash income and expenses	-292	6	-29	2
Changes in operating assets and liabilities				
Inventories	-27,301	-33,019	-25,983	-12,124
Trade receivables	53,398	-57,812	40,484	6,963
Other receivables and assets	-8,813	9,303	-10,315	9,478
Provisions	-11,295	9,589	-3,646	3,306
Trade payables	-52,094	37,259	-41,127	25,422
Other liabilities (other than bank)	-10,610	-29,966	-21,431	-31,725
Other assets and liabilities	-1,696	-2,714	1,436	492
Cash flow from operating activities	**24,249**	**12,122**	**-18,426**	**41,805**
Purchase of intangible assets	-3,936	-3,893	-1,202	-1,663
Purchase of property, plant and equipment	-13,842	-17,815	-8,263	-12,247
Purchase of other financial assets	-4,311	-11,609	-4,011	-5,264
Proceeds from the sale of non-current assets	2,423	265	2,344	216
Acquisitions, net of cash acquired	-10,852	-1,316	-10,402	-1,316
Investments in time deposits	-305,088	-3,847	-297,760	6,707
Proceeds from the sale of assets and liabilities classified as held for sale	1,276	-	1,276	-
Interest received	3,272	1,538	1,819	956
Cash flow from investing activities	**-331,058**	**-36,677**	**-316,199**	**-12,611**
Change in current bank liabilities and other financing activities	1,757	-10,661	1,518	-3,838
Repayment of non-current financial liabilities	-1,147	-1,012	-574	-462
Bond issue	296,031	-	296,031	-
Payments of finance lease liabilities	-210	-179	-99	-78
Change in financial receivables due from entities accounted for using the equity method	-	-96	-	-96
Cash received from transactions with non-controlling interests	500	-	-	-
Dividends paid to the shareholders of Dürr Aktiengesellschaft	-50,172	-38,926	-50,172	-38,926
Dividends paid to non-controlling interests	-1,463	-1,692	-1,463	-1,692
Interest paid	-4,444	-2,229	-2,391	-1,053
Cash flow from financing activities	**240,852**	**-54,795**	**242,850**	**-46,145**
Effects of exchange rate changes	972	-383	3,104	-2,428
Changes in cash and cash equivalents related to changes in the consolidated group	-	62	-	-
Change in cash and cash equivalents	-64,985	-79,671	-88,671	-19,379
Cash and cash equivalents				
At the beginning of the period	458,513	349,282	482,199	288,990
At the end of the period	393,528	269,611	393,528	269,611

Consolidated statement of changes in equity

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2014

				Other comprehensive income								
				Items that are not reclassified to profit or loss	Items that may be reclassified subsequently to profit or loss							
€ k	Subscribed capital	Capital reserve	Revenue reserves	Remeasure-ment of defined benefit plans	Unrealized gains/losses from cash flow hedges	Unrealized gains/losses from available-for-sale securities	Changes related to the consolidated group/reclassifi-cations	Currency translation	Other com-prehensive income	Total equity attributable to the share-holders of Dürr Aktien-gesellschaft	Non-controlling interests	**Total equity**
January 1, 2013	**44,289**	**200,186**	**223,073**	**-28,514**	**1,677**	**23**	**737**	**-17,643**	**-43,720**	**423,828**	**8,254**	**432,082**
Profit for the period	-	-	52,237	-	-	-	-	-	-	52,237	156	52,393
Other comprehensive income	-	-	-	638	-3,093	7	-	-2,901	-5,349	-5,349	-7	-5,356
Total comprehensive income, net of tax	-	-	52,237	638	-3,093	7	-	-2,901	-5,349	46,888	149	47,037
Capital increase Dürr Aktiengesellschaft from company funds	44,290	-44,290	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-38,926	-	-	-	-	-	-	-38,926	-1,692	-40,618
Put options non-controlling interests	-	-	-685	-	-	-	-	-	-	-685	174	-511
Other changes	-	-	10	-	-	-	-10	-	-10	-	-	-
June 30, 2013	**88,579**	**155,896**	**235,709**	**-27,876**	**-1,416**	**30**	**727**	**-20,544**	**-49,079**	**431,105**	**6,885**	**437,990**
January 1, 2014	**88,579**	**155,896**	**317,059**	**-26,939**	**877**	**30**	**715**	**-31,718**	**-57,035**	**504,499**	**6,875**	**511,374**
Profit for the period	-	-	56,818	-	-	-	-	-	-	56,818	1,100	57,918
Other comprehensive income	-	-	-	-5,977	41	16	-	3,212	-2,708	-2,708	-4	-2,712
Total comprehensive income, net of tax	-	-	56,818	-5,977	41	16	-	3,212	-2,708	54,110	1,096	55,206
Dividends	-	-	-50,172	-	-	-	-	-	-	-50,172	-1,463	-51,635
Put options non-controlling interests	-	-	-1,333	-	-	-	-	-	-	-1,333	-412	-1,745
Other changes	-	-	-27	-	-	-	-10	-	-10	-37	537	500
June 30, 2014	**88,579**	**155,896**	**322,345**	**-32,916**	**918**	**46**	**705**	**-28,506**	**-59,753**	**507,067**	**6,633**	**513,700**

Notes to the consolidated financial statements January 1 to June 30, 2014

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 more than 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 four divisions: Paint and Assembly Systems offers production and paint finishing technology, mainly for automotive bodyshells, but also for aircraft. Application Technology produces products and systems for automated painting applications as well as sealing and glueing technology. The machines and systems produced by Measuring and Process Systems are used in engine and drive construction as well as final assembly. Clean Technology Systems manufactures plant and equipment for purifying exhaust gases produced by industrial processes and develops technologies for improving the energy efficiency of production processes.

Accounting policies

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

The consolidated statements of income for the second quarter of 2014 and 2013 and the first six months of 2014 and 2013 have been prepared for interim financial information. The same applies to the consolidated statements of comprehensive income and the consolidated statements of cash flows for the second quarter and the first six months of 2014 and 2013, for the consolidated statements of financial position as of June 30, 2014, December 31, 2013 and June 30, 2013, and also for the consolidated statements of changes in equity for the first six months of 2014 and 2013 and the explanatory notes to the consolidated financial statements. 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, 2014 are not subject to any review pursuant to Sec. 37w (5) WpHG ("Wertpapierhandelsgesetz": German Securities Trading Acts) or audit pursuant to Sec. 317 HGB.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2013; please refer to our 2013 annual report.

The changes in accounting policies result from the adoption of the following new or revised standards:

- IFRS 10 "Consolidated Financial Statements": IFRS 10 introduces a uniform concept of control to be used in determining which entities should be included in the consolidated financial statements. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and Standing Interpretations Committee (SIC)-12 "Consolidation – Special Purpose Entities". As of January 1, 2014, there are no amendments to the entities included in the consolidated financial statements and therefore no effect on the net assets, financial position or results of operations of the Group as Dürr continues to exercise control over the previously consolidated companies even after applying the new IFRS 10.
- IFRS 11 "Joint Arrangements": IFRS 11 governs the financial reporting by parties to a joint arrangement. It replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly controlled Entities – Non-monetary Contributions by Venturers". IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. As Dürr had measured its joint ventures and associates in accordance with the equity method in the past and the application of IFRS 11 does not have any effect on the composition of these companies, the introduction of the standard does not have any effect on the net assets, financial position or results of operations of the Group.
- IFRS 12 "Disclosure of Interests in Other Entities": IFRS 12 governs the disclosures required for reporting on the interests held by the reporting entity in subsidiaries, joint ventures, associates, and structured entities that were previously contained in a number of other standards (IAS 27, IAS 28 and IAS 31) and results in extended disclosure requirements.
- Amendments to the transitional provisions for IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities": These define the date of first-time adoption and the applicable wording of IFRS 3 "Business Combinations" and IAS 27 "Separate Financial Statements" when applying IFRS 10 retrospectively. They also provide for exemptions in IFRS 11 and IFRS 12. The amendments have no effects on the consolidated financial statements.
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" relating to exemptions from the duty to consolidate for investment entities. As the new regulations cannot be applied to Dürr, they have no effect on the consolidated financial statements.
- Amendment to IAS 27 "Consolidated and Separate Financial Statements": Due to the fact that the accounting standards for consolidated financial statements were all shifted to IFRS 10, IAS 27 now contains the standards on accounting for shares in subsidiaries, joint ventures and associates in the separate financial statements. Accordingly, IAS 27 was renamed "Separate Financial Statements". The new regulations are not relevant to the Group and have therefore no effect on the net assets, financial position or results of operations of the Group.

- Amendment to IAS 28 "Investments in Associates": This standard was renamed "Investments in Associates and Joint Ventures". The amended IAS 28 now incorporates SIC-13 "Jointly controlled Entities – Non-monetary Contributions by Venturers" and clarifies other issues as well. The amended standard has no effects on the consolidated financial statements.
- Amendment to IAS 32 "Financial Instruments: Presentation": The amendment clarifies some details related to the offsetting of financial assets and financial liabilities. The amendment has no effect on the accounting policies used by Dürr, although it requires additional disclosures.
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" regarding novation of derivatives and continuation of hedge accounting. Extensive regulatory changes were introduced to improve the transparency and regulatory oversight of over-the-counter (OTC) derivatives. Companies must therefore transfer derivatives to central counterparties to avoid any risks of default (novation). Pursuant to IAS 39, accounting for derivatives as a hedging instrument was to be ended if the original derivate no longer existed. The International Accounting Standards Board (IASB) added a simplification to IAS 39, according to which the hedge accounting does not have to be ended if the novation of a hedging instrument with a central counterparty satisfied certain criteria. Dürr enters into OTC derivatives. However, due to simplifications, the amendment has no effect on the financial statements of the Group.

The preparation of the consolidated financial statements for interim reporting pursuant to IAS 34 requires management to make estimates and judgments 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 methods of estimation used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2013.

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. Dürr's operations are not subject to material seasonal influences.

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 euros; all amounts are presented in thousands of euro (€ thousand or € k), unless stated otherwise.

In the reporting period no unusual events occurred that had a material effect on the interim report as of June 30, 2014.

2. Consolidated Group

Besides Dürr AG, the consolidated financial statements as of June 30, 2014, contain all German and foreign entities which Dürr AG can control directly or indirectly. According to IFRS 10 an investor is able to control an investee when it is exposed, or has rights, to positive or negative returns from its involvement with the investee.

Moreover, the investor has the ability to use its power over the investee to affect the amount of its variable returns by directing the relevant activities. Control can be exercised through voting rights or rights arising from the current ability to direct the relevant activities, amongst other contractual arrangements.

The entities are included in the consolidated financial statements of Dürr AG from the date on which the possibility of control was obtained. For the greater part of the subsidiaries, the basis for control is the majority of voting rights. Pursuant to the provisions of the agreement, Dürr has the power to control three entities. An entity will be excluded from the consolidated financial statements if Dürr loses its control over the entity.

Entities over which Dürr AG is able to exert a significant influence as defined by IAS 28 (associates) and joint ventures pursuant to IFRS 11 are included in the consolidated financial statements using the equity method. Significant influence is presumed with a share of voting rights ranging from 20% to 50% . Joint ventures are characterized by an economic activity which is subject to joint control by Dürr together with other parties. The parties that have joint control over the arrangement have a right to the net assets of the arrangement, however not to the individual assets and liabilities. 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 a significant influence exists.

The table below shows the number of entities included in the consolidated group besides Dürr AG as the parent:

// NUMBER OF FULLY CONSOLIDATED ENTITIES //////////////////////////////////

	June 30, 2014	December 31, 2013
Germany	13	14
Other countries	48	48
	61	**62**

The consolidated financial statements contain eight entities (Dec. 31, 2013: eight) which have non-controlling interests.

// NUMBER OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD //////////////

	June 30, 2014	December 31, 2013
Germany	2	2
Other countries	2	2
	4	**4**

Four entities are not included in the consolidated financial statements. The share of voting rights in three companies is below 20% . Dürr does not have control over one entity as it cannot enjoy the economic rewards from the operations of the entity. These entities are reported as other investments in the consolidated statement of financial position.

Furthermore, the three companies acquired in June 2014 (see note 8) are not yet included in the consolidated financial statements as of June 30, 2014.

Changes in the consolidated group
On March 10, 2014, the entity Dürr Systems (Malaysia) Sdn. Bhd., based in Kuala Lumpur, Malaysia, was founded and fully consolidated.

As of May 22, 2014, Landwehr Elfte Vermögensverwaltung GmbH based in Darmstadt, Germany, was closed and deconsolidated.

As of May 22, 2014, Dürr Pty. Ltd. based in Adelaide, Australia, was closed and deconsolidated.

Companies that are not yet included in the consolidated financial statement
On June 17, 2014, Dürr took over 100% of the shares in Bersch & Fratscher GmbH based in Karlstein/Main, Germany. After acquisition the entity was renamed into Dürr Systems Karlstein GmbH.

On June 23, 2014, Dürr acquired 100% of the shares in the company Kronen zweitausend25 GmbH based in Stuttgart, Germany. After acquisition the entity was renamed into Dürr Technologies GmbH.

On June 25, 2014, Dürr acquired 100% of the shares in EST+ a.s. based in Ledeč nad Sázavou, Czech Republic. After acquisition the entity was renamed into Dürr Systems Czech Republic a.s.

3. 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. There were no dilutive effects in the first six months of 2014 and 2013.

		H1 2014	H1 2013
Profit attributable to the shareholders of Dürr AG	€ k	56,818	52,237
Number of shares issued	thousands	34,601	34,601
Earnings per share (basic and diluted)	€	1.64	1.51

4. Amortization of capitalized development costs

Since reporting period 2014, pursuant to industry practice Dürr has been presenting the amortization of capitalized development costs in the cost of sales instead of presenting it in research and development costs. In the first six months of 2014 the amortization of capitalized development costs amounted to € 1,287 thousand (prior period: € 1,498 thousand).

5. Other operating income and expenses

As in the prior period, other operating income and expenses mainly comprise currency exchange rate gains and losses.

6. Net interest

€ k	**H1 2014**	H1 2013
Interest and similar income	3,566	1,396
Interest and similar expenses	-13,182	-11,909
of which from:		
Nominal interest expenses on the corporate bonds	-10,241	-8,156
Amortization of transaction costs and discount from bonds issue and from a syndicated loan	-38	153
Interest expenses from finance leases	-161	-169
Net interest from the measurement of pension obligations	-1,099	-1,138
Other interest expenses	-1,643	-2,599
Net interest	**-9,616**	**-10,513**

7. Financing of the Group

Syndicated loan
As of March 21, 2014, Dürr secured a new syndicated loan with a total volume of € 300,000 thousand maturing on March 21, 2019. It has been used for the early refinancing of the former syndicated loan of € 230,000 thousand (maturing on June 30, 2015). The syndicate of banks comprises Baden-Württembergische Bank, Commerzbank AG, Deutsche Bank AG, UniCreditBank AG, HSBC Trinkhaus & Burkhardt AG and KfW IPEX-Bank GmbH.

The new syndicated loan does not include any collateral on current or non-current assets and has been raised for general corporate financing purposes. It consists of a cash facility of € 100,000 thousand and a guarantee facility of € 200,000 thousand. The latter will be used for guarantees and warranties in the operating business. The former loan agreement consisted of a cash facility of € 50,000 thousand and a guarantee facility of € 180,000 thousand. It is possible to extend the new loan agreement by up to two years, until March 21, 2021, without incurring any additional costs.

Premature termination of the syndicated loan is possible if the agreed-upon financial covenants or other terms of the loan are infringed and a two-third majority of the lending banks vote in favor of termination. Interest is payable at the matching refinancing rate plus a variable margin.

Bond
In March 2014 Dürr issued an unsubordinated bond with a volume of € 300,000 thousand, a coupon of 2.875% and an issue price of 99.2%. The payment to Dürr and the initial listing were on April 3, 2014. The bond has a term of seven years and cannot be terminated early. It was issued to institutional and private investors outside the United States. The bond has no rating.

8. Acquisitions

Dürr reinforces its presence in the growth market of Southeast Asia by taking over the activities of two companies in Malaysia and in Indonesia. In March 2014 a first partial payment of € 450 thousand was made. The allocation of the purchase price to the acquired activities has not been finalized as yet.

The Application Technology division expanded its product range by taking over 100% of the shares in Bersch & Fratscher GmbH based in Karlstein/Main, Germany, on June 17, 2014 and 100% of the shares in EST+ a.s. based in Ledeč nad Sázavou, Czech Republic, on June 25, 2014. The two companies offer automated application systems, spray guns for manual paint application as well as smaller paint and drying systems. They supply a broad array of sectors within general industry.

The purchase price for both companies amounted to € 10,402 thousand. Since the allocation of the purchase price to the assets and liabilities has not been finalized yet, € 8,402 thousand are preliminarily included within the sundry financial assets and € 2,000 thousand within land and buildings in the statement of financial position as of June 30, 2014.

On June 23, 2014 Dürr acquired 100% of the shares in the shell company Kronen zweitausend25 GmbH based in Stuttgart, Germany. After acquisition the company was renamed to trade as Dürr Technologies GmbH. The company's purchase price totaled € 28 thousand.

9. Assets held for sale and associated liabilities

Since December 20, 2013, assets and the associated liabilities of Dürr Automation S.A.S. in France have been classified as held for sale and accounted for at the lower of their carrying amount or fair value less costs to sell.

Assets held for sale also included a plot of land with buildings in the US. When reviewing the real estate portfolio, real estate not needed for operating purposes was identified for sale and sold on June 16, 2014. The measurement at fair value of the plot of land with buildings gave rise to an impairment reversal of € 255 thousand in fiscal 2014, which was recognized as other operating income. The net sale proceeds amounted to € 1,276 thousand.

The assets and liabilities sold as well as those classified as held for sale are allocated to the Measuring and Process Systems division.

10. Other comprehensive income

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

€ k	H1 2014 Before tax	H1 2014 Tax effect	H1 2014 Net	H1 2013 Before tax	H1 2013 Tax effect	H1 2013 Net
Items that are not reclassified to profit or loss						
Remeasurement of defined benefit plans and similar obligations	-8,105	2,128	-5,977	817	-179	638
Items that may be reclassified subsequently to profit or loss						
Net gain/loss (-) from derivatives used to hedge cash flows	155	-114	41	-4,164	1,071	-3,093
Gains from the change in fair value of securities held for sale	21	-5	16	9	-2	7
Reclassifications from currency translation through profit or loss	-4	-	-4	-	-	-
Difference arising from currency translation	2,715	-	2,715	-1,371	-	-1,371
Difference arising from currency translation of entities accounted for using the equity method	497	-	497	-1,537	-	-1,537
Change in other comprehensive income	**-4,721**	**2,009**	**-2,712**	**-6,246**	**890**	**-5,356**

In line with the reduction of provisions for post-employment benefit obligations through the purchase of further employer's pension liability insurance policies, other comprehensive income from the remeasurement of defined benefit plans decreased by € 3,626 thousand.

The increase in currency-related components of other comprehensive income is essentially attributable to the fluctuation of the euro against the Brazilian real, the US dollar and the Korean won. The strengthening of the euro against the Chinese renminbi had the opposite effect.

11. Provisions for post-employment benefit obligations

Effective March 1, 2014, employer's pension liability insurance policies with a fair value of € 13,726 thousand were acquired at German Dürr entities to reduce interest and longevity risks of further significant benefit obligations.

12. Other notes on financial instruments

In order to make the fair value measurement of financial instruments comparable, a fair value hierarchy has been introduced in IFRSs with the following three levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- Inputs that are not based on observable market data (level 3).

The financial instruments measured at fair value by Dürr break down as follows according to the fair value hierarchy levels:

		Fair Value Hierarchy		
€ k	**June 30, 2014**	Level 2	Level 2	Level 2
Assets at fair value – not through profit or loss				
Available-for-sale financial assets	377	377	-	-
Derivatives used for hedging	3,351	-	3,351	-
Assets at fair value – through profit or loss				
Derivatives not used for hedging	202	-	202	-
Derivatives used for hedging	630	-	630	-
Held-for-trading financial assets	5,275	5,275		-
Liabilities at fair value – not through profit or loss				
Obligations from put options	18,242	-		18,242
Derivatives used for hedging	1,321	-	1,321	-
Liabilities at fair value – through profit or loss				
Derivatives not used for hedging	341	-	341	-
Derivatives used for hedging	284	-	284	-
Contingent purchase price installments	2,355	-	-	2,355

€ k	December 31, 2013	Fair Value Hierarchy Level 2	Level 2	Level 3
Assets at fair value – not through profit or loss				
Available-for-sale financial assets	356	356	-	-
Derivatives used for hedging	2,434	-	2,434	-
Assets at fair value – through profit or loss				
Derivatives not used for hedging	98	-	98	-
Derivatives used for hedging	505	-	505	-
Held-for-trading financial assets	10,052	10,052	-	-
Liabilities at fair value – not through profit or loss				
Obligations from put options	16,497	-	-	16,497
Derivatives used for hedging	888	-	888	-
Liabilities at fair value – through profit or loss				
Derivatives not used for hedging	149	-	149	-
Derivatives used for hedging	224	-	224	-
Contingent purchase price installments	2,108	-	-	2,108

Level 3 of the fair value hierarchy developed as follows:

€ k	**2014**
As of January 1	**18,605**
Changes in fair value	1,992
As of June 30	**20,597**

€ k	**2013**
As of January 1	**35,305**
Changes in the consolidated group	620
Disposals	-24,500
Changes in fair value	7,180
As of December 31	**18,605**

The changes in the fair value of the liabilities reported in level 3 were reported in profit or loss or directly in equity. No reclassifications were made between the fair value hierarchy levels in the first six months of 2014.

Valuation techniques

The fair value of the derivative financial assets and liabilities allocated to level 2 of the fair value hierarchy is based on daily observable spot foreign exchange rates and interest yield curves. In connection with IFRS 13 "Fair Value Measurement", both the counterparty credit risk and own risk of default have been taken into account during measurement since January 1, 2013. Input factors to take into account the counterparty credit risk are credit default swaps (CDSs), observable on the markets, of the credit institution involved in the respective transaction. If there is no CDS for a single credit institution, a synthetic CDS is derived from other observable market data (such as rating information). The counterparty credit risk is minimized by diversifying its portfolio and selecting its counterparties carefully. To calculate its own risk of default, Dürr receives information from credit institutions and insurance companies which is used to derive a synthetic CDS for Dürr.

The fair value of the put options and contingent purchase price installments allocated to level 3 in the fair value hierarchy is calculated based on internal planning data. This includes expected results of each company as well as expected sales figures of specific products on which the amount of the financial liability depends. An adjustment to the planning data is made if there are indications that warrant such a measure. If applicable, unwinding effects resulting from the approaching maturity date are also included in the valuation.

Sensitivity level 3

Assuming that the parameters (equity and accumulated earnings before income tax or EBIT) had been 10% higher (lower) on the earliest possible exercise date, the value of the put options for CPM S.p.A. and Luft- und Thermotechnik Bayreuth GmbH, classified to level 3 of the fair value hierarchy, would have been € 1,719 thousand (Dec. 31, 2013: € 1,548 thousand) higher (lower).

The level 3 contingent purchase price installment arising from the acquisition of Dürr Systems Wolfsburg GmbH would be € 25 thousand (Dec. 31, 2013: € 25 thousand) higher (lower) in the event of deviation of the individual goals of +10% (-10%).

The contingent purchase price installments associated with the acquisition of Dürr Cyplan Ltd., classified to level 3 of the fair value hierarchy, would be € 49 thousand (Dec. 31, 2013: € 112 thousand) higher if the terms of the contract were met one year earlier than expected. Furthermore, this would involve a cash outflow of € 500 thousand. If the terms of the contract were completed one year later than expected, the contingent purchase price installments would be reduced by € 55 thousand (Dec. 31, 2013: € 105 thousand).

As on December 31, 2013, the put option in connection with the acquisition of Thermea Energiesysteme GmbH would not change if the planned EBIT of the company increased (decreased) by 10% over the next three years. In such circumstances, the call option (currently € 0 thousand; Dec. 31, 2013: € 0 thousand) would also remain unchanged as the proportionate business value of Thermea Energiesysteme GmbH does not exceed the capped exercise price on account of a 10% variation in EBIT.

Fair values of financial instruments carried at amortized cost

The table below shows the fair value of the financial assets and liabilities carried at cost or amortized cost. The fair value of financial instruments not carried at amortized cost approximates their carrying amount (with the exception of available-for-sale financial assets measured at cost because their fair value cannot be determined reliably).

€ k	June 30, 2014 Fair value	June 30, 2014 Carrying amount	December 31, 2013 Fair value	December 31, 2013 Carrying amount
Assets				
Cash and cash equivalents	393,528	393,528	458,513	458,513
Costs and estimated earnings in excess of billings	315,750	315,750	357,129	357,129
Trade receivables due from third parties	311,461	311,461	318,544	318,544
Trade receivables due from entities accounted for using the equity method	80	80	21	21
Other non-derivative financial instruments				
Sundry financial assets	376,107	376,107	65,563	65,563
Held-to-maturity investments	29,690	28,899	26,350	27,355
Liabilities				
Trade payables	243,011	243,011	259,969	259,969
Trade payables due to entities accounted for using the equity method	123	123	3	3
Sundry non-derivative financial liabilities	28,654	28,654	16,125	16,125
Bonds	546,908	521,170	241,425	225,200
Liabilities to banks	44,095	40,907	44,931	41,932
Finance lease liabilities	4,923	3,851	5,028	3,924
of which combined by measurement category in accordance with IAS 39				
Loans and receivables	1,081,176	1,081,176	842,641	842,641
Held-to-maturity investments	29,690	28,899	26,350	27,355
Financial liabilities measured at amortized cost	867,714	837,716	567,481	547,153

Cash and cash equivalents, trade receivables, other receivables, trade payables, sundry non-derivative financial liabilities and overdraft facilities mostly fall due within the short term. Consequently, their carrying amounts at the end of the reporting period approximate their fair value.

The fair value of the held-to-maturity investments (fair value hierarchy level 1) is equal to the nominal value multiplied by the quoted price of the respective financial instrument.

It was not possible to determine the fair values of equity interests measured at cost of € 2,756 thousand because market prices were not available as no active markets exist. These are interests in four non-listed entities where the estimated future cash flows were not discounted because they could not be determined reliably. It was assumed that their fair value approximates their carrying amount. At present Dürr does not have any plans to sell these equity interests.

The fair value of non-current liabilities is based on the current interest rate for borrowing at similar terms and conditions with comparable due date and credit rating. With the exception of the bonds and a Campus financing loan, the fair value of liabilities approximates the carrying amount. The fair value of the bond (fair value hierarchy level 1) is equal to the nominal value multiplied by the quoted price at the end of the reporting period. As of June 30, 2014, the 2010 bond was quoted at € 105.35 (Dec. 31, 2013: € 107.30) which is equal to a market value of € 237,038 thousand (Dec. 31, 2013: € 241,425 thousand). For the same reporting period the 2014 bond was quoted at € 103.29 which is equal to a market value of € 309,870 thousand. The fair value of the Campus loan (fair value hierarchy level 2) is determined by discounting the cash flows from the fixed interest loan with the current market interest rate for a comparable mortgage.

Financial assets which are subject to an enforceable master netting arrangement or a similar agreement

Some derivative financial instruments concluded with credit institutions are subject to certain contractual netting agreements which allow Dürr, in the event of a credit institution filing for insolvency, to offset certain financial assets against certain financial liabilities.

Derivative financial assets subject to netting agreements, enforceable master netting arrangements and similar agreements:

€ k	**June 30, 2014**	December 31, 2013
Gross amounts of financial assets	4,183	3,037
Gross amounts of financial liabilities netted in the statement of financial position	-	-
Net amounts of financial assets reported in the statement of financial position	**4,183**	**3,037**
Associated amounts from financial instruments not netted in the statement of financial position	-1,556	-795
Net amount	**2,627**	**2,242**

Derivative financial liabilities subject to netting agreements, enforceable master netting arrangements and similar agreements:

€ k	**June 30, 2014**	December 31, 2013
Gross amounts of financial liabilities	1,946	1,261
Gross amounts of financial assets netted in the statement of financial position	-	-
Net amounts of financial liabilities reported in the statement of financial position	**1,946**	**1,261**
Associated amounts from financial instruments not netted in the statement of financial position	-1,556	-795
Net amount	**390**	**466**

13. 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 data contained in the consolidated financial statements is presented by division. The presentation of segments 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. As of June 30, 2014, the Dürr Group consisted of the Corporate Center and four divisions differentiated by product and service range, each with global responsibility for their products and results. The Corporate Center comprises Dürr AG, as the management holding company, and Dürr IT Service GmbH, which performs IT services throughout the Group. Transactions between the divisions are carried out at arm's length.

Management monitors the EBIT (earnings before investment income, interest and income taxes) of its four divisions separately for the purpose of making decisions about resource allocation and evaluating operating segment performance as well as the development of the segments. The basis for segment reporting in accordance with IFRS 8 is the same as is used internally (management approach). Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

€ k	Paint and Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	**Total segments**	Reconciliation	**Dürr Group**
				H1 2014			
External sales revenues	477,080	249,197	272,389	61,745	**1,060,411**	9	**1,060,420**
Sales revenues with other divisions	966	5,394	3,993	380	**10,733**	-10,733	**-**
Total sales revenues	**478,046**	**254,591**	**276,382**	**62,125**	**1,071,144**	**-10,724**	**1,060,420**
EBIT	39,377	26,148	25,557	2,287	**93,369**	-4,140	**89,229**
Assets (as of June 30)	447,526	398,469	487,949	83,628	**1,417,572**	-22,949	**1,394,623**
Liabilities (as of June 30)	590,696	238,385	217,989	42,242	**1,089,312**	-6,190	**1,083,122**
Employees (as of June 30)	3,113	1,603	3,018	456	**8,190**	134	**8,324**

€ k	Paint and Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	**Total segments**	Reconciliation	**Dürr Group**
				H1 2013			
External sales revenues	559,206	256,348	273,716	42,385	**1,131,655**	3	**1,131,658**
Sales revenues with other divisions	1,045	1,129	8,152	1,915	**12,241**	-12,241	**-**
Total sales revenues	**560,251**	**257,477**	**281,868**	**44,300**	**1,143,896**	**-12,238**	**1,131,658**
EBIT	43,452	27,299	16,259	1,337	**88,347**	-5,968	**82,379**
Assets (as of Dec. 31)	481,845	379,893	480,942	81,325	**1,424,005**	-22,219	**1,401,786**
Liabilities (as of Dec. 31)	647,659	239,236	212,402	42,986	**1,142,283**	-5,827	**1,136,456**
Employees (as of June 30)	2,983	1,469	3,039	288	**7,779**	120	**7,899**

The number of employees and external sales revenues reported in the reconciliation column relate to the Corporate Center.

Group figures are derived as follows from the segment figures:

€ k	**H1 2014**	H1 2013
EBIT of the segments	93,369	88,347
EBIT of the Corporate Center	-3,418	-4,985
Elimination of consolidation entries	-722	-983
EBIT of the Dürr Group	**89,229**	**82,379**
Profit from entities accounted for using the equity method	411	332
Other investment income	49	-
Interest and similar income	3,566	1,396
Interest and similar expenses	-13,182	-11,909
Earnings before income taxes	**80,073**	**72,198**
Income taxes	-22,155	-19,805
Profit of the Dürr Group	**57,918**	**52,393**

€ k	**June 30, 2014**	December 31, 2013
Segment assets	1,417,572	1,424,005
Assets of the Corporate Center	512,970	494,913
Elimination of consolidation entries	-535,919	-517,132
Cash and cash equivalents	393,528	458,513
Time deposits and other short-term securities	366,440	61,352
Held-to-maturity securities and other loans	29,350	27,806
Sundry financial assets	8,402	-
Investments in entities accounted for using the equity method	12,609	11,699
Income tax receivables	6,521	7,000
Deferred tax assets	21,124	23,687
Total assets of the Dürr Group	**2,232,597**	**1,991,843**

€ k	June 30, 2014	December 31, 2013
Segment liabilities	1,089,312	1,142,283
Liabilities of the Corporate Center	44,216	26,405
Elimination of consolidation entries	-50,406	-32,232
Bonds	521,170	225,200
Liabilities to banks	40,907	41,932
Finance lease liabilities	3,851	3,924
Income tax liabilities	21,185	30,711
Deferred tax liabilities	48,662	42,246
Total liabilities of the Dürr Group*	**1,718,897**	**1,480,469**

* Consolidated total assets less total equity

14. Related party transactions

Related parties comprise the members of the Supervisory Board and the Board of Management. For further information about the remuneration of the members of the Board of Management and the Supervisory Board, please refer to our 2013 annual report.

Some members of the Supervisory Board and the Board of Management of Dürr AG hold high-ranking positions in other entities. Transactions between these entities and Dürr are carried out at arm's length.

Related parties also comprise joint ventures and associates of the Dürr Group.

In the first six months of 2014, there were intercompany transactions between Dürr and its joint ventures and associates of € 1,101 thousand (prior period: € 988 thousand). As of June 30, 2014, outstanding receivables from joint ventures and associates totaled € 80 thousand (Dec. 31, 2013: € 21 thousand), the outstanding liabilities amounted to € 123 thousand (Dec. 31, 2013: € 3 thousand). Both were current.

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

15. Contingent liabilities and other financial obligations

€ k	**June 30, 2014**	December 31, 2013
Contingent liabilities from warranties, guarantees, notes and check guarantees	51	51
Other	10,339	8,444
Contingent liabilities	**10,390**	**8,495**

Other contingent liabilities mainly pertain to contingent liabilities in connection with pending tax proceedings in Brazil. Dürr assumes that these contingent liabilities will not lead to any liabilities or cash outflows.

€ k	**June 30, 2014**	December 31, 2013
Future minimum payments for operating leases	90,202	97,615
Future minimum payments for finance leases	5,078	5,271
Purchase obligations for property, plant and equipment	4,612	1,413
Other financial obligations	**99,892**	**104,299**

In addition, there are purchase commitments stemming from procurement agreements on a customary scale.

16. Subsequent events

On July 15, 2014, Dürr Technologies GmbH announced that it had secured 75.8% of the voting rights and 53.7% of the shares of HOMAG Group AG under contracts signed with various principal shareholders. At the same time, a voluntary public takeover bid for the remaining shares was announced.

No further material events occurred between the reporting date and the publication of the interim report as of June 30, 2014.

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, July 31, 2014

Dürr Aktiengesellschaft

The Board of Management

Ralf W. Dieter
Chief Executive Officer

Ralph Heuwing
Chief Financial Officer

Multi-year overview 2011 - 2014[1]

		H1				Q2			
		2014	2013	2012	2011	**2014**	2013	2012	2011
Order intake	€ m	1,271.5	1,293.5	1,404.3	1,200.4	707.1	613.1	725.2	643.4
Orders on hand (June 30)	€ m	2,351.6	2,457.5	2,386.5	1,746.9	2,351.6	2,457.5	2,386.5	1,746.9
Sales revenues	€ m	1,060.4	1,131.7	1,163.3	783.5	522.2	589.2	600.9	424.9
Gross profit	€ m	233.6	219.9	198.1	140.4	117.9	117.8	105.8	79.1
EBITDA	€ m	102.5	95.9	85.2	43.4	51.7	53.7	49.7	29.0
EBIT	€ m	89.2	82.4	72.3	33.9	45.0	46.4	42.7	24.1
Earnings after tax	€ m	57.9	52.4	44.0	16.0	28.7	29.7	26.8	14.2
Gross margin	%	22.0	19.4	17.0	17.9	22.6	20.0	17.6	18.6
EBIT margin	%	8.4	7.3	6.2	4.3	8.6	7.9	7.1	5.7
Cash flow from operating activities	€ m	24.2	12.1	-64.6	-25.1	-18.4	41.8	-45.9	-9.1
Cash flow from investing activities	€ m	-331.1	-36.7	21.4	-17.1	-316.2	-12.6	-3.7	-13.1
Cash flow from financing activities	€ m	240.9	-54.8	-22.0	-9.4	242.9	-46.1	-21.3	-8.7
Free cash flow	€ m	5.3	-10.3	-81.7	-33.3	-28.4	27.8	-57.2	-12.1
Total assets (June 30)	€ m	2,232.6	1,840.6	1,752.4	1,327.4	2,232.6	1,840.6	1,752.4	1,327.4
Equity (with non-controlling interests) (June 30)	€ m	513.7	438.0	386.6	323.2	513.7	438.0	386.6	323.2
Equity ratio (June 30)	%	23.0	23.8	22.1	24.3	23.0	23.8	22.1	24.3
ROCE[2]	%	49.2	34.7	29.5	16.4	49.7	39.1	34.8	23.3
Net financial status (June 30)	€ m	227.2	43.0	-48.3	-34.9	227.2	43.0	-48.3	-34.9
Net working capital (June 30)	€ m	-4.6	153.2	151.2	63.0	-4.6	153.2	151.2	63.0
Employees (June 30)		8,324	7,899	7,314	6,433	8,324	7,899	7,314	6,433
Dürr share[3] ISIN: DE0005565204									
High[4]	€	68.13	52.75	25.12	14.10	65.98	52.75	25.12	14.10
Low[4]	€	54.50	33.73	16.88	10.34	55.25	38.02	16.88	11.71
Close[4]	€	64.80	46.35	24.30	14.10	64.80	46.35	24.30	14.10
Average daily trading volumes	units	137,700	151,807	249,110	107,169	103,501	175,092	242,441	115,128
Number of shares	thous.	34,601	34,601	34,601	34,601	34,601	34,601	34,601	34,601
Earnings per share (basic / undiluted)	€	1.64	1.51	1.23	0.44	0.81	0.85	0.75	0.39

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

[1] The interest cost from the measurement of pension obligations was reclassified in 2011. The figures for the second quarter and the first half of 2011 have been adjusted.

[2] Annualized

[3] The number of shares doubled due to the issue of bonus shares on May 27, 2013; historical price data, daily trading volumes and earnings per share for 2013 have been adjusted accordingly

[4] XETRA

Financial calendar

September 10, 2014	Commerzbank Conference, Frankfurt/Main
September 22, 2014	Berenberg/Goldman Sachs German Corporate Conference, Munich
November 6, 2014	Interim report for the first nine months of 2014
November 25/26, 2014	Equity Forum, Frankfurt/Main

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), 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.