LEADING IN PRODUCTION EFFICIENCY

INTERIM REPORT

JANUARY 1 TO MARCH 31, 2014

www.durr.com

CONTENTS

COVER PHOTO:
Automatic top coat application with Dürr robots at the Smart plant in Hambach, France

(Photo: Copyright Smart France)

Key figures for the Dürr Group (IFRS)

		Q1 2014	Q1 2013
Incoming orders	€ m	564.4	680.4
Orders on hand (March 31)	€ m	2,160.8	2,476.9
Sales revenues	€ m	538.2	542.5
Gross profit	€ m	115.7	102.1
EBITDA	€ m	50.8	42.2
EBIT	€ m	44.2	36.0
Earnings after tax	€ m	29.2	22.7
Gross margin	%	21.5	18.8
EBIT margin	%	8.2	6.6
Cash flow from operating activities	€ m	42.7	-29.7
Cash flow from investing activities	€ m	-14.9	-24.1
Cash flow from financing activities	€ m	-2.0	-8.7
Free cash flow	€ m	33.8	-38.1
Total assets (March 31)	€ m	2,007.3	1,870.7
Equity (with non-controlling interests) (March 31)	€ m	537.5	455.7
Equity ratio (March 31)	%	26.8	24.4
ROCE[1]	%	61.1	30.6
Net financial status (March 31)	€ m	312.0	58.9
Net working capital (March 31)	€ m	-33.8	176.4
Employees (March 31)		8,259	7,784
Dürr share[2] ISIN: DE0005565204			
High[3]	€	68.13	44.00
Low[3]	€	53.31	33.74
Close[3]	€	56.00	42.51
Average daily trading volumes	units	172,040	164,054
Number of shares (weighted average)	thous.	34,601	34,601
Earnings per share	€	0.83	0.66

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

[1] annualized

[2] 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 have been adjusted accordingly

[3] XETRA

Highlights Q1 2014

- Sales on the previous year´s level, slight project delays
- Order intake down 17% on the previous year as expected; accumulation of contract awards expected in the second half of the year
- Book-to-bill ratio of 1.05
- EBIT: +23%, earnings turnaround in industrial cleaning technology
- Cash flow clearly positive after a negative start in the previous year
- Long-term funding: bond and syndicated loan secured on more favorable terms
- Dürr share: all-time high of € 68.13 in January 2014
- Unchanged upbeat outlook for 2014:
  - ▶ Incoming orders: € 2.3 to 2.5 billion expected
  - ▶ Sales: € 2.4 to 2.5 billion expected
  - ▶ EBIT margin: 8.0% to 8.5% expected

Group management report

Operating environment

ECONOMY

The global economy fell somewhat short of expectations in the first quarter of 2014 due to the icy weather conditions in the United States and slightly slower growth in China. In Russia, the Ukrainian crisis increasingly took its toll on macroeconomic conditions, prompting experts to assume only weak growth. Around the world, the central banks are continuing to pump cheap money into the markets. Interest rates are likely to remain at their current low level for some time to come.

Experts assume that the global economy will grow by 3.4% in 2014 as a whole (previous year: 2.8%). Looking forward to 2015, GDP growth should accelerate to 3.9%, underpinned by greater economic momentum. Within the western industrialized nations, the greatest impetus for growth should come from the United States, although Europe is also set to expand moderately again. Sustained strong economic momentum is projected for China despite the somewhat slower rate of growth.

// ECONOMIC FORECAST

GDP growth, %	2012	2013	2014F	2015F
G7	1.4	1.3	2.3	2.8
United States	2.2	1.9	3.2	3.8
Japan	2.0	1.5	0.4	1.4
Eurozone	-0.6	-0.4	1.1	1.5
Emerging markets	4.7	4.5	6.1	6.1
China	7.8	7.7	7.8	8.0
India	4.1	3.9	5.5	6.0
Russia	3.4	1.3	0.6	2.2
Brazil	2.7	2.3	1.7	1.7
Global	**2.9**	**2.8**	**3.4**	**3.9**

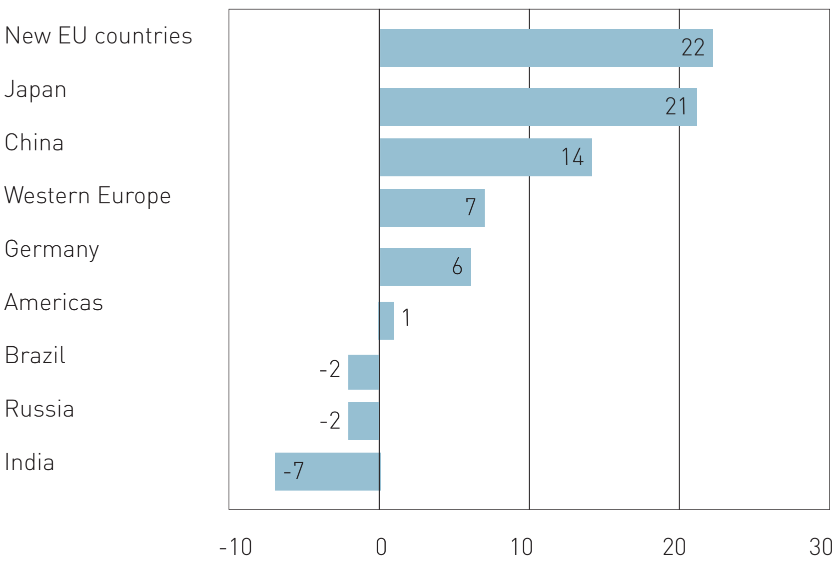
Source: Deutsche Bank Global Markets Research, March 2014
F = Forecast

AUTOMOTIVE INDUSTRY

In the year to date, light vehicle sales have painted a very mixed picture depending on the region. China, the world's largest automotive market, posted double-digit growth again in the first quarter of 2014. In Western Europe, the recovery which had emerged in the second half of 2013 continued, albeit from a low level. The markets in the new EU countries in Eastern Europe were surprisingly dynamic. In the United States, icy weather conditions placed a damper on automotive sales. Sales were also down in Brazil, Russia and India, with at least India and Brazil expected to stabilize as the year progresses.

// PASSENGER VEHICLE SALES JANUARY - MARCH 2014

% year-on-year change



Source: VDA

OTHER SECTORS

Global air traffic widened by 4.2% in the first two months of the year (source: IATA), while freight volumes grew by 3.6%. Experts assume that this favorable trend will continue as the year unfolds. Given high capacity utilization and lower jet fuel prices, most airlines should be able to boost their earnings. The two major aircraft builders Airbus and Boeing recorded brisk order intake in the first quarter, with business in China, among other places, performing well.

The German Mechanical and Plant Engineering Association (VDMA) forecasts more or less flat production output for 2014. Order receipts rose by 1% in January and February after declining by 2% in the same period of the previous year.

Financial flexibility secured thanks to less expensive funding

At the end of March 2014, we secured long-term funding of a total of € 600 million ahead of schedule. In doing so, we were able to benefit from our improved economic situation and the upbeat market conditions to obtain substantially more favorable terms. This funding operation secures and broadens our business flexibility over the next few years.

One element of the funding package is a bond of € 300 million with a 2.875% coupon placed at an issue price of 99.2%. The bond has a term of 7 years and is not callable ahead of maturity. We received the proceeds from the issue at the beginning of April. Prior to the issue, we entered into a new syndicated loan of a total of likewise € 300 million expiring in 2019. This replaces the previous syndicated loan of € 230 million, which was due to expire in 2015. The new syndicated loan is for general corporate financing and comprises a cash facility of € 100 million and a guarantee facility of € 200 million (previous syndicated loan: cash facility of € 50 million, guarantee facility of € 180 million). We are able to extend the new loan agreement by up to two years until 2021 at no extra expense.

A decision on a possible early call of the bond issued in 2010 (7.25% coupon, expiring on September 28, 2015) has not yet been made. 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.

Business performance[1]

INCOMING ORDERS ON PLANNED LEVEL

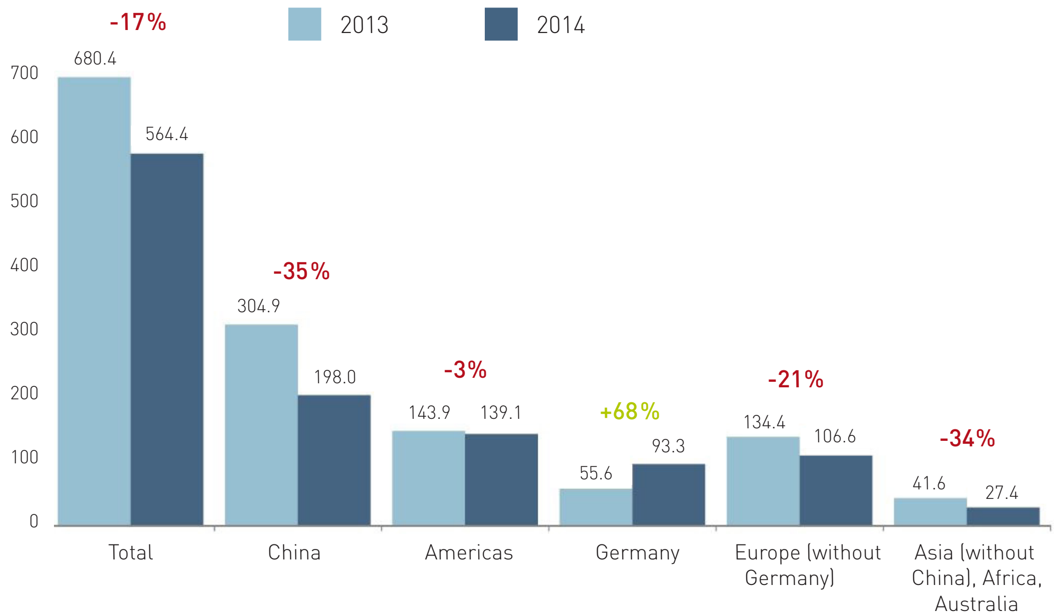
In the first quarter of 2014, we received orders worth € 564.4 million, down 17% on the previous year in line with our budget. Given the projects currently in the pipeline, we expect order intake to accumulate in the second half of the year.

Orders in the Paint and Assembly Systems and Application Technology divisions fell short of the previous year by 21.6% and 25.8%, respectively. Measuring and Process Systems witnessed a 5.1% drop in new orders. On the other hand, orders in the Clean Technology Systems division grew by 30.8%. The price quality of the new orders across all four divisions was more or less consistent with the satisfactory level achieved in prior quarters.

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

Order intake from the emerging markets (Mexico, Brazil, Eastern Europe, Asia excluding Japan) contracted by 30% over the previous year to € 332.2 million in the first quarter primarily due to lower order intake in China. However, it should be noted that in the plant engineering industry an isolated view of individual quarters does not allow any meaningful conclusions to be drawn as our order intake hinges on the timing of individual customers in major contract awards. In the previous year, a large proportion of orders from China was received in the first quarter; by comparison, a number of major contracts are expected to be awarded later on in the year in 2014. Business remained at a low level in India and Russia. Order intake was on a par with the previous year in North and South America. Whereas demand was slightly muted in Brazil, it continued to develop favorably in Mexico. There was a slight improvement in order intake in Europe, underpinned by a 68% increase in orders in Germany, whereas orders from other European countries declined by 21%. At 58.9%, the emerging markets again accounted for a large proportion of the Group's total orders.

// INCOMING ORDERS (€ MILLION) JANUARY - MARCH 2014 //////////////////////



€ m	**Q1 2014**	Q1 2013
Incoming orders	564.4	680.4
Sales revenues	538.2	542.5
Orders on hand (March 31)	2,160.8	2,476.9

SALES IN LINE WITH THE PREVIOUS YEAR

In the first quarter of 2014, consolidated sales came to € 538.2 million (Q1 2013: € 542.5 million) and were affected by a number of project delays on the customer side. We expect sales to rise again over the coming quarters.

Service revenues grew by a very encouraging 10.6%, coming to € 130.0 million and accounting for 24.2% of consolidated sales, up from 21.7% in the same period of the previous year. We expect the positive trend in service business to continue thanks to the sharp growth in our installed base. In addition, the broad-based Customer-Excellence@Dürr optimization program will be generating impetus for growth. Against this backdrop, we are confident of being able to continuously widening the proportion of service business in total revenues.

Regionally, consolidated sales revenues were very balanced. In the first quarter of 2014, 16% came from Germany, 27% from other European countries and 17% from North and South America, with Asia and Africa contributing 40%. The proportion contributed by the emerging markets widened from 53% in the year-ago period to 57%.

The book-to-bill ratio came to 1.05. At € 2,160.8 million, orders on hand remained at a high level and are sufficient to ensure capacity utilization until into 2015. This is equivalent to a decline of € 316.1 million compared with March 31, 2013 but a slight € 10.7 million increase over the end of 2013.

EARNINGS TURNAROUND IN INDUSTRIAL CLEANING TECHNOLOGY

In the first quarter of 2014, the gross margin continued to widen to 21.5%, thus substantially exceeding the previous year's figure (Q1 2013: 18.8%). Material factors driving this growth were moderate costs, the quality of our order execution and the contribution to earnings made by the strong expansion of service business. As well as this, earnings in the Cleaning and Surface Processing business unit turned the corner, improving substantially following the previous year's realignment. The Group's cost of sales declined by 4.1%, making a substantial contribution to the 13.3% increase in gross profit to € 115.7 million. The ratio of the consolidated cost of materials to sales contracted appreciably from 46.0% in the year-ago quarter to 38.7%. In absolute terms, the consolidated cost of materials contracted from € 249.5 to € 208.5 million. This success was largely due to the increase in internally-sourced production, as a result of which we were able to scale back external contracting. At the same time, we benefited from quantity and pooling effects on the procurement side. The cost of materials is fully included in the cost of sales and chiefly comprises the sourcing of parts and production and assembly services.

// INCOME STATEMENT AND PROFITABILITY RATIOS

		Q1 2014	Q1 2013
Sales revenues	€ m	538.2	542.5
Gross profit	€ m	115.7	102.1
Overhead costs*	€ m	-71.6	-66.9
EBITDA	€ m	50.8	42.2
EBIT	€ m	44.2	36.0
Net finance expense	€ m	-3.8	-4.7
EBT	€ m	40.4	31.3
Income taxes	€ m	-11.2	-8.7
Earnings after tax	€ m	29.2	22.7
Earnings per share	€	0.83	0.66
Gross margin	%	21.5	18.8
EBITDA margin	%	9.4	7.8
EBIT margin	%	8.2	6.6
EBT margin	%	7.5	5.8
Return on sales after taxes	%	5.4	4.2
Tax rate	%	27.7	27.7

* Sales and marketing, administration and R&D expenses

SUBSTANTIAL IMPROVEMENT IN EBIT ON CONSTANT SALES

Whereas employee numbers rose by 6.1%, overhead costs (including R&D expense) climbed by 7.0% to € 71.6 million in the first quarter of 2014. Research and development expenses were raised again by 18.4% to € 11.6 million as part of the "Dürr 2017" strategy. Other operating income net of other operating expense came to € 0.1 million (Q1 2013: € 0.8 million) and therefore did not exert any major influence on earnings. The most important individual items were currency translation expenses (€ 2.5 million) and income (€ 2.5 million).

Driven by the strong gross profit, EBIT increased by 22.8% to € 44.2 million on constant sales revenues. This was also accompanied by a substantially wider EBIT margin: At 8.2% (Q1 2013: 6.6%), it reached the target corridor of 8.0 - 8.5% as early as in the first quarter of the year. With depreciation and amortization coming to € 6.6 million, EBITDA was up 20.4%, rising to € 50.8 million.

Net finance expense continued the positive trend of the previous quarters, contracting by € 0.9 million over the previous year to € 3.8 million. This was mainly due to the increase in interest income on the back of our high liquidity as well as lower interest expense on the part of individual foreign companies.

With tax expense standing at € 11.2 million (Q1 2013: € 8.7 million), earnings after tax rose to € 29.2 million in the first quarter of 2014 (Q1 2013: € 22.7 million). The tax rate came to 27.7% and was hence unchanged over the first quarter of 2013. 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.

MATERIAL EVENTS

There were no singular events in the first quarter of 2014 materially impacting the Dürr Group's results of operations, financial condition and net assets. The Ukrainian crisis has so far only left minimal traces on our business. However, moving forward, it could affect us more severely as there are signs of a decline in investing activities in Russia in the wake of the depreciation of the ruble. Over the past few years, Russian business has contributed 2 - 3% of our sales revenues.

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

Business in the first quarter of 2014 was in line with our expectations despite the muted sales revenues and order intake. Against this backdrop, we reaffirm our full-year forecast for 2014, which provides for sales revenues of € 2.4 to 2.5 billion and order intake of € 2.3 to 2.5 billion. At 8.2% in the first quarter, the EBIT margin had already reached our target corridor of 8.0 to 8.5%. Further information on our full-year forecasts can be found in the Outlook section on page 23.

Financial position

POSITIVE CASH FLOW GENERATED IN OPERATING ACTIVITIES

In the first quarter of 2014, **cash flow from operating activities** was a distinctly positive € 42.7 million (Q1 2013: € -29.7 million). This was due to higher income and earnings; moreover, net working capital (NWC) remained stable at € -33.8 million over the end of 2013. By comparison, cash flow from operating activities in the first quarter of 2013 had been influenced by an increase in NWC of € 73.8 million. Looking ahead over the rest of 2014, we expect NWC to widen: At the end of 2013, the prepayments and progress payments received from customers exceeded the normal 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 quarter of 2014 includes the effects of a further offloading of pension obligations of € 13.7 million; this is duly reflected in reduced pension provisions.

// CASH FLOW*

€ m	Q1 2014	Q1 2013
Earnings before taxes	40.4	31.3
Depreciation and amortization	6.6	6.1
Interest result	3.9	4.8
Income tax payments	-10.0	-2.7
Change in provisions	-7.6	6.3
Change in net working capital	0.7	-73.8
Other	8.7	-1.7
Cash flow from operating activities	**42.7**	**-29.7**
Interest payments (net)	-0.6	-0.6
Capital expenditure	-8.3	-7.8
Free cash flow	**33.8**	**-38.1**
Other cash flows (incl. dividend)	-2.3	0.2
Change in net financial status	**+31.5**	**-37.9**

* 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. In the first quarter of 2014, we did not make use of any such funding possibilities. In the first quarter of 2013, the volume of these transactions had risen slightly by € 2.6 million to € 24.5 million.

Cash flow from investing activities came to € -14.9 million in the first quarter of 2014, the main determinants here being investments in term deposits and outflows for capital expenditure on property, plant and equipment and equity interests.

Cash flow from financing activities stood at € -2.0 million in the first quarter of 2014 (Q1 2013: € -8.7 million) mainly as a result of interest payments of € 2.1 million.

Driven by the encouraging cash flow from operating activities, **free cash flow** was also positive at € 33.8 million (Q1 2013: € -38.1 million).

FURTHER IMPROVEMENT IN NET FINANCIAL STATUS

// CURRENT AND NON-CURRENT ASSETS

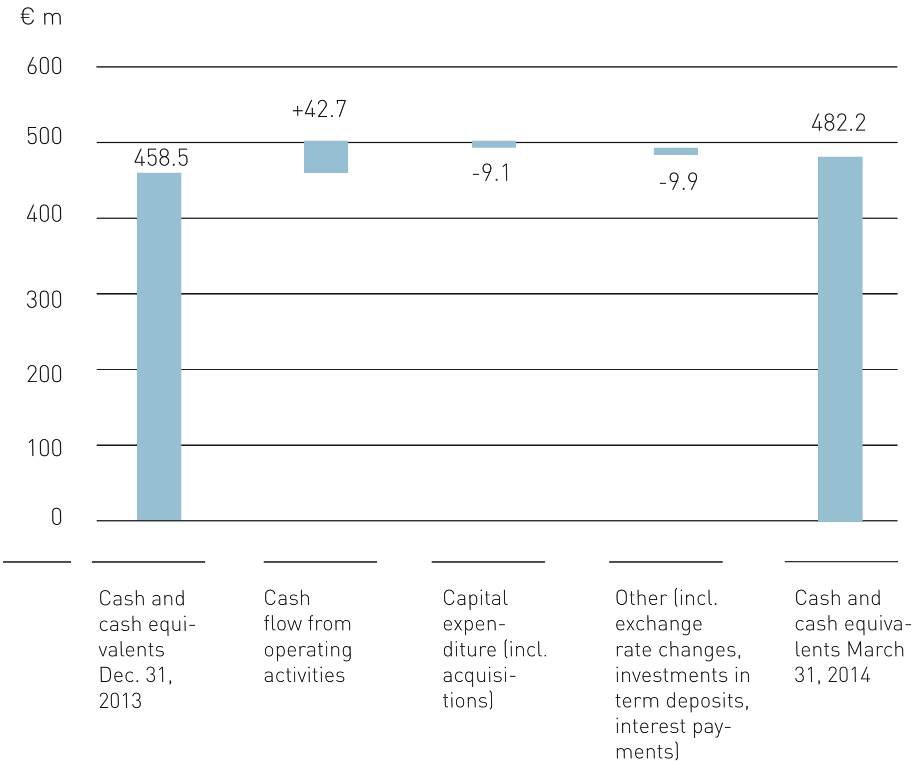
€ m	March 31, 2014	% of total assets	December 31, 2013
Intangible assets	322.5	16.1	322.0
Property, plant and equipment	197.2	9.8	173.8
Other non-current assets	70.2	3.5	95.1
Non-current assets	**589.9**	**29.4**	**590.9**
Inventories	147.9	7.4	148.0
Trade receivables	659.1	32.8	675.7
Cash and cash equivalents	482.2	24.0	458.5
Other current assets	128.2	6.4	118.7
Current assets	**1,417.4**	**70.6**	**1,400.9**
Total assets	**2,007.3**	**100.0**	**1,991.8**

At € 2,007.3 million, total assets were virtually unchanged compared with the end of 2013. On the assets side, trade receivables and inventories dropped by a total of € 16.7 million; on the other side of the balance sheet, trade payables declined by € 15.8 million. Against this backdrop, net working capital fell by € 0.7 million over the end of 2013 to € -33.8 million before currency translation. At € 589.9 million, non-current assets remained largely unchanged over the end of 2013. Cash and cash equivalents climbed by € 23.7 million as a result of the positive free cash flow.

// NET FINANCIAL STATUS

€ m	
March 31, 2014	312.0
December 31, 2013	280.5
March 31, 2013	58.9

// CHANGES IN LIQUIDITY



The net financial status improved by € 31.5 million over the end of 2013, coming to € 312.0 million. This was a more than five-fold increase compared with March 31, 2013 (€ 58.9 million). In the year to date, we have covered our funding requirements via our cash flow in full (further information can be found in the Outlook section on page 23).

SUBSTANTIALLY HIGHER EQUITY AND IMPROVED EQUITY RATIO

// EQUITY

€ m	**March 31, 2014**	% of total assets	December 31, 2013
Subscribed capital	88.6	4.4	88.6
Other equity	441.6	22.0	415.9
Equity attributable to shareholders	530.2	26.4	504.5
Non-controlling interests	7.3	0.4	6.9
Total equity	**537.5**	**26.8**	**511.4**

Equity rose by € 26.1 million over the end of 2013 to € 537.5 million thanks to the strong earnings performance. The equity ratio reached 26.8% at the end of the first quarter, an increase of 1.1 percentage points over December 31, 2013. We expect the equity ratio to continue improving as the year progresses and are striving for a medium-term target of 30%, which we want to achieve by retaining profits.

// CURRENT AND NON-CURRENT LIABILITIES

€ m	**March 31, 2014**	% of total assets	December 31, 2013
Financial liabilities (incl. bond)	270.4	13.5	271.1
Provisions (incl. pensions)	118.9	5.9	122.8
Trade payables	841.0	41.9	856.8
of which prepayments received	589.6	29.4	596.8
Income tax liabilities	26.9	1.3	30.7
Other liabilities (incl. deferred taxes, deferred income)	212.6	10.6	199.0
Total	**1,469.8**	**73.2**	**1,480.4**

There were hardly any changes in current and non-current liabilities compared with December 31, 2013. At € 841.0 million, trade payables remained the largest item on the equity and liabilities side. The prepayments received from customers included in this item dropped by € 7.2 million over the end of 2013 to € 589.6 million. Provisions declined by a net € 3.9 million to € 118.9 million, while pension provisions of € 13.7 million were offloaded in the first quarter of 2014.

DEBT CAPITAL AND FUNDING STRUCTURE

The reorganization of our funding in March 2014 (bond and syndicated loan) as well as the 2010 bond are described in detail on page 7 of this report. A further component of our debt capital resources is the real estate financing of € 45.8 million (carrying amount as of March 31, 2014: € 41.4 million) which we obtained in connection with the purchase of the Dürr campus in Bietigheim-Bissingen at the end of 2011. 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. The loans can be used in different currencies. In addition to money and capital market instruments, we are also able to utilize off-balance-sheet financing instruments such as factoring programs and 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 € 92.8 million as of March 31, 2014 and were thus slightly down 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 quarter of 2014. As of March 31, 2014, we utilized guarantees of € 264.6 million comprising bank guarantees of € 133.3 million and fidelity bonds of € 131.3 million. The guarantees chiefly take the form of credit guarantees and sureties and do not constitute off-balance-sheet finance instruments.

Research and development

We continued on our course of innovation as part of the "Dürr 2017" strategy in the first quarter of 2014, increasing our direct R&D spending by 18.4% over the same period in the previous year to € 11.6 million. With sales revenues remaining roughly steady, the R&D ratio widened from 1.8% to 2.2%. 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. In addition, we recognized development costs of € 0.7 million as intangible assets (Q1 2013: € 1.0 million). As of March 31, 2014, the Group had 263 R&D employees, an increase of 28 over the previous year.

The first quarter was devoted to preparations for our "Open House 2014" innovation show. Held biannually in Bietigheim-Bissingen, this in-house fair is expected to attract some 1,000 customer representatives from all around the world on May 9-16. At the "Open House", all Dürr business units will be presenting new technologies, highlighting the advantages which they offer with respect to production efficiency and unit costs. The event has evolved into an important forum for technology and expert discussions in the industry.

One of the focuses of our innovation work in robot and application technology is the development of "smart products" for the painting process. These are components which are monitored and controlled using intelligence software, allowing their functions to be optimized. By using a smart dosage pump, for example, it is possible to provide the quantity of paint required with a high degree of precision. Smart applications also increase efficiency in the fields of plant diagnostics, wear monitoring and maintenance as well as documentation.

Cleaning and Surface Processing unveiled an innovative application for the **Eco**CBooster, which had been presented at the end of 2013. The **Eco**CBooster is a base product for treating materials with a pulsating high-pressure jet of water. It forms the core element of the new PulseBoreCenter, in which the cylinder surface in automotive crankcases are activated, i.e. roughened, before thermal coating. The **Eco**CBooster achieves this with a water jet pressure of only 600 bar. This results in substantially lower capex and operating costs compared with conventional systems which operate with at least 2,500 bar.

One of Clean Technology Systems' most important innovations is a cost-cutting exhaust air purification system for painting processes in general industry. At the core of the system is the innovative RoCoSORB-Duo adsorber wheel technology developed by environmental technology company Luft- und Thermotechnik Bayreuth (LTB), which we acquired last year. It permits a substantial reduction in the volume of exhaust air which is treated in regenerative-thermal oxidation plants (RTO). This means that a much smaller and more efficient RTO system that does not require any fossil fuels for operation is possible. As a result, operating costs can be cut by up to 50% compared with conventional processes.

Slight increase in capital expenditure

Capital expenditure rose slightly over the first quarter of 2013, coming to € 8.3 million. This primarily reflects 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.

As in the previous year, we spent € 5.6 million on property, plant and equipment. A sum of € 2.7 million was spent on licenses, software and other intangible assets (Q1 2013: € 2.2 million). Corporate Center capital expenditure (€ 2.1 million) mainly comprises the purchases made by the globally active Dürr IT Service GmbH (software and licenses) plus a small volume of capital spending by the holding company Dürr AG.

Spending on equity investments came to € 0.5 million and entailed a part payment in connection with the acquisition of the activities of two small sales companies in Malaysia and Indonesia. The total purchase price will be in the low single-digit millions. We expect to consolidate the two companies in the course of the year as soon as all official permits have been received and the conditions satisfied.

// CAPITAL EXPENDITURE* //

€ m	**Q1 2014**	Q1 2013
Paint and Assembly Systems	1.3	1.6
Application Technology	2.0	2.7
Measuring and Process Systems	2.2	1.6
Clean Technology Systems	0.7	1.0
Corporate Center	2.1	1.0
Total	**8.3**	**7.9**

* on property, plant and equipment and on intangible assets

Employees

INCREASE IN EMPLOYEE NUMBERS

Employee numbers increased by 475 over March 31, 2013 to 8,259 (up 6.1%). With this increase, we adjusted our workforce to accommodate the increased business volumes and enlarged our internal sourcing levels. There were 117 new recruits in the first quarter of 2014, bringing growth in personnel numbers in line with the average for the past few quarters. New recruiting focused on the core markets of China and Germany. The headcount in the emerging markets increased by 8.9% over March 31, 2013, rising to 2,830 employees and equivalent to 34.3% of the Group workforce. In Germany, staff numbers climbed by 9.2% to 3,816 in the same period. This includes 112 employees who joined the Group as a result of the first-time consolidation of Luft- und Thermotechnik Bayreuth GmbH in July 2013. In North America, employee numbers have dropped by 110 since March 2013 to 488 due to reduced business volumes in the Cleaning and Surface Processing business unit.

// EMPLOYEES BY DIVISION

	March 31, 2014	December 31, 2013	March 31, 2013
Paint and Assembly Systems	3,112	3,075	2,906
Application Technology	1,572	1,546	1,428
Measuring and Process Systems	3,007	2,967	3,043
Clean Technology Systems	440	426	286
Corporate Center	128	128	121
Total	**8,259**	**8,142**	**7,784**

// EMPLOYEES BY REGION

	March 31, 2014	December 31, 2013	March 31, 2013
Germany	3,816	3,749	3,496
Other European countries	1,389	1,361	1,304
North / Central America	713	726	807
South America	345	335	304
Asia, Africa, Australia	1,996	1,971	1,873
Total	**8,259**	**8,142**	**7,784**

Segment report

// SALES REVENUES BY DIVISION

€ m	**Q1 2014**	Q1 2013
Paint and Assembly Systems	251.6	268.5
Application Technology	127.4	120.8
Measuring and Process Systems	128.3	134.4
Clean Technology Systems	30.9	18.8
Corporate Center	0.0	0.0
Group	**538.2**	**542.5**

// EBIT BY DIVISION

€ m	**Q1 2014**	Q1 2013
Paint and Assembly Systems	21.0	19.0
Application Technology	12.8	12.9
Measuring and Process Systems	11.7	5.8
Clean Technology Systems	0.9	0.5
Corporate Center	-2.2	-2.2
Group	**44.2**	**36.0**

// PAINT AND ASSEMBLY SYSTEMS

€ m	Q1 2014	Q1 2013
Incoming orders	254.0	324.1
Sales revenues	251.6	268.5
EBITDA	22.6	20.4
EBIT	21.0	19.0
Employees (March 31)	3,112	2,906

Compared with the high level recorded in the first quarter of 2013, order intake in Paint and Assembly Systems contracted by 21.6%. This was mainly due to the fact that customers in the automotive industry postponed a number of substantial project awards. However, there is much to suggest that project awards will pick up in the second half of the year again. Accordingly, we assume that order intake will increase again. In the first quarter, we received major orders from China, Mexico and Brazil. The share contributed by the emerging markets to Paint and Assembly Systems´ order intake came to 77% and thus exceeded the Group average.

Sales revenues dropped slightly in the first quarter due to delays caused by customers in some projects. However, they should pick up again as the year progresses. There was a slight increase in orders on hand compared to the end of the first quarter due to a favorable book-to-bill ratio. Despite the muted sales revenues, EBIT rose to € 21.0 million, with the EBIT margin widening to 8.3%, up from 7.1% in the previous year.

// APPLICATION TECHNOLOGY

€ m	Q1 2014	Q1 2013
Incoming orders	135.3	182.4
Sales revenues	127.4	120.7
EBITDA	14.2	14.0
EBIT	12.8	12.9
Employees (March 31)	1,572	1,428

At € 135.3 million, Application Technology order intake fell visibly short of the previous year's record figure in the first quarter of 2014. However, as with Paint and Assembly Systems, several major projects are expected to be awarded later on in the year. Accordingly, we are still confident that the full-year order intake in this division will be able to match the previous year´s level. Major contracts for the delivery of painting robots and application technology were received from China, the United States and Germany in the first quarter.

As expected, sales revenues in the Application Technology division rose slightly in the first quarter. Despite the decline in order receipts, the book-to-bill ratio came to 1.06. At € 12.8 million, EBIT achieved the previous year's level despite a slight rise in fixed costs; the EBIT margin stood at 10.0%, down from 10.7% in the first quarter of 2013. The headcount increased by 10.0% over March 31, 2013 as a result of the large volume of business, rising to 1,572 employees.

// MEASURING AND PROCESS SYSTEMS

€ m	Q1 2014	Q1 2013
Incoming orders	138.6	146.0
Sales revenues	128.3	134.4
EBITDA	13.9	8.2
EBIT	11.7	5.8
Employees (March 31)	3,007	3,043

The Measuring and Process Systems division recorded a 5.1% drop in new orders in the first quarter of 2014. However, this was partially due to the sale of filtration technology business at the end of 2013. Order intake developed more or less in parallel in the two business units of this division – Balancing and Assembly Products and Cleaning and Surface Processing. Sales revenues for Measuring and Process Systems dropped by 4.5% over the previous year in the first quarter, with the book-to-bill ratio coming to 1.08.

EBIT doubled despite the muted sales revenues as Cleaning and Surface Processing achieved the targeted earnings turnaround. This was due to the successful realignment of this business unit, which is now concentrating solely on cleaning technology product business and has discarded system integration business with its smaller margins. The EBIT margin in Balancing and Assembly Products again reached a good level.

// CLEAN TECHNOLOGY SYSTEMS

€ m	Q1 2014	Q1 2013
Incoming orders	36.5	27.9
Sales revenues	30.9	18.8
EBITDA	1.4	0.8
EBIT	0.9	0.5
Employees (March 31)	440	286

The figures for the Clean Technology Systems division mainly comprise exhaust-air purification technology. In the field of energy efficiency technology, the companies Dürr Cyplan and Thermea are fully consolidated, microgas turbine technology is the third mainstay here.

Order intake and sales in the Clean Technology Systems division rose in the first quarter of 2014, substantially exceeding the previous year's figures. Exhaust-air purification technology business strengthened noticeably. This growth was also underpinned by Luft- und Thermotechnik Bayreuth GmbH (LTB), which was consolidated for the first time in July 2013 and made a positive contribution to earnings.

At 1.18, the book-to-bill ratio was distinctly favorable. EBIT growth outpaced sales revenues. The headcount increased by 54% over March 31, 2013, rising to 440 employees. Most of this growth was due to the LTB acquisition.

CORPORATE CENTER

In the Corporate Center comprising Dürr AG and Dürr IT Service GmbH, a loss of € 2.2 million was again recorded at the EBIT level in the first quarter of 2014. This includes consolidation effects of € -0.3 million (Q1 2013: € 0.1 million). The Corporate Center also includes the Group's IT spending.

Opportunities and risks

RISKS

There is currently no evidence of any risks which either independently or in conjunction with other risks are liable to exert any sustained strain on our results of operations, financial condition and net assets. Nor are any risks to the Group's going-concern status discernible. There has been no material change in the Group's overall risk situation since the end of 2013; it remains readily manageable and appropriate in the light of business volumes. The risks and the risk management system are discussed in detail in our annual report for 2013 (page 127).

Project execution/engineering is the main risk field at Dürr. Given the complexity of large orders and the high business volumes, a situation may, for example, arise in which we are unable to meet deadlines or other commitments made to customers. However, this risk has diminished appreciably since mid-2013 as we have enlarged our capacity to ensure that we can reliably execute a large number of contracts in parallel.

New risks have arisen from the worsening crisis in the Ukraine. Our business would be affected if any economic sanctions would be imposed on Russia in the course of this crisis. What is more, the depreciation of the ruble is having an adverse effect on the capital spending environment. Over the past few years, Russian business has generated 2 - 3% of our sales revenues.

We do not expect the slight slowdown in economic growth in China to have any major impact on our risk profile, especially as GDP growth came to 7.4% in the first quarter and thus exceeded most expectations. Automotive production and sales are continuing to climb. The Chinese government is pursuing a course of sustainable economic development and is willing to accept slower growth as long as this is not at the expense of employment.

OPPORTUNITIES

The opportunities arising from our business and the opportunities management system are also described in the 2013 annual report (page 138). We see particular opportunities in the development of service business. Our prospects for growth are good here as our installed basis has widened sharply over the last four years. This prompted us to implement our comprehensive Customer-Excellence@Dürr program in 2013 to tap this potential. In this way, we are laying the structural and organizational foundations for spurring growth in service business.

The new areas of business which we have entered over the last few years via minor acquisitions also offer opportunities for growth. These include, for example, energy efficiency technology, gluing technology and non-automotive filling technology. We are planning to continue this acquisition policy to enter new growth areas. In this connection, major takeovers valued at over € 100 million are also conceivable.

Market conditions in the automotive industry are also offering opportunities. Experts assume that production output in this industry will rise by an annual average of just under 5% from 2013 through 2018, mainly underpinned by expansion in emerging markets such as China, Brazil and Mexico, where Dürr has an above-average presence.

Transactions with related parties

This information can be found in the notes to the consolidated financial statements on page 50.

Outlook

OPERATING ENVIRONMENT

From today´s perspective, it can be assumed that global economic growth will pick up in the further course of 2014 and continue to accelerate in 2015, spurred by low energy prices, improved consumer confidence and the central banks' accommodative monetary policies. Experts forecast global GDP growth of 3.4% in 2014 and 3.9% in 2015. This is summarized in the table on page 5.

Automotive sales should at least keep pace with GDP growth in the individual regions of the world in 2014. Expansion rates in the single digits are expected in Europe and America. With sales climbing by some 10%, China should remain the driving force behind the global automotive industry, while the markets in India and Russia go through a phase of consolidation. Also looking further down the road, market observers are upbeat about the outlook for sales in the automotive industry. Although PricewaterhouseCoopers (PwC) lowered its production estimate for the sector slightly in April 2014, it continues to forecast solid average production growth of 4.7% p.a. through 2018.

// PRODUCTION OF LIGHT VEHICLES

Million units	2013	2018F	CAGR 2013-2018
North America	16.2	18.3	2.5%
Mercosur	4.5	6.1	6.3%
Western Europe	12.4	15.3	4.3%
Eastern Europe	7.1	8.4	3.4%
Asia	41.0	53.5	5.5%
of which China	19.3	28.2	7.9%
Others	1.6	2.4	8.4%
Total	**82.8**	**104.0**	**4.7%**

Source: PwC, April 2014
F = Forecast

// GROUP OUTLOOK

		2013	**2014 target**
Incoming orders	€ m	2,387.1	2,300 to 2,500
Orders on hand (Dec. 31)	€ m	2,150.1	1,950 to 2,250
Sales	€ m	2,406.9	2,400 to 2,500
EBIT margin	%	8.4	8.0 to 8.5
ROCE	%	66.2	30 to 40
Net finance expense	€ m	-18.4	Slightly higher
Tax rate	%	23.7	27 to 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 (Dec. 31)	€ m	+280.5	+€ 150 to +250 million
Liquidity (Dec. 31)	€ m	458.5	€ 330 to 430 million
Capital expenditure[1]	€ m	51.2	€ 40 to 50 million

[1] in property, plant and equipment as well as intangible assets

SALES REVENUES, INCOMING ORDERS AND EARNINGS

On the strength of our business performance in the first quarter and the project pipeline, we re-affirm our full-year forecast for 2014. The table on page 24 summarizes our targets.

Full-year sales revenues should come to between € 2.4 and 2.5 billion in 2014. At this stage, we assume that we will be able to make up for the shortfall in sales revenues which arose in the first quarter. Order intake is expected to come to € 2.3 to 2.5 billion, meaning that the order backlog should have a value of at least € 1.95 billion by the end of the year. We are seeking an EBIT margin in a target 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.

Due to the reorganization of our funding in March, net finance expense will increase slightly in 2014 before the savings which have been achieved become visible. 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 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 revenues 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 revenues likely to be on a par with the 2013 level.

CASH FLOW, CAPITAL EXPENDITURE, FINANCIAL POSITION

The strong cash flow of 2013 benefited from exceptionally high progress payments and prepayments at the end of the year and is unlikely to be matched in 2014. Adjusted for the non-recurring high and partly early payment receipts in the final quarter of 2013, operating cash flow and free cash flow would likewise reach high levels in 2014. The operating cash flow reported is likely to decline substantially, and free cash flow reported might turn slightly negative. We assume that the cash flow and high volume of cash and cash equivalents will easily cover both the operating finance needs (investments, interest payments, etc.) and the dividend payment in 2014.

Capital expenditure on property, plant and equipment and on intangible assets should come to € 40 - 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.

We plan further technology acquisitions to strengthen our core business, to broaden energy efficiency activities in the Clean Technology Systems division and to supplement the portfolio. It is not yet possible to state the volume of the planned acquisitions, although it should substantially exceed the average amounts of the past few years.

We continue to expect a net financial status of € 150 - 250 million at the end of 2014. This does not take account of possible major acquisitions. Cash and cash equivalents should come to between € 330 million and € 430 million at the end of 2014. Equity is expected to continue rising in 2014 with the result that the equity ratio should climb to over 28% by the end of the year.

We currently do not have any corporate actions planned for 2014. 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. At most, we want to use the syndicated loan to bridge any temporary fluctuations in net working capital or to fund an unusually large acquisition.

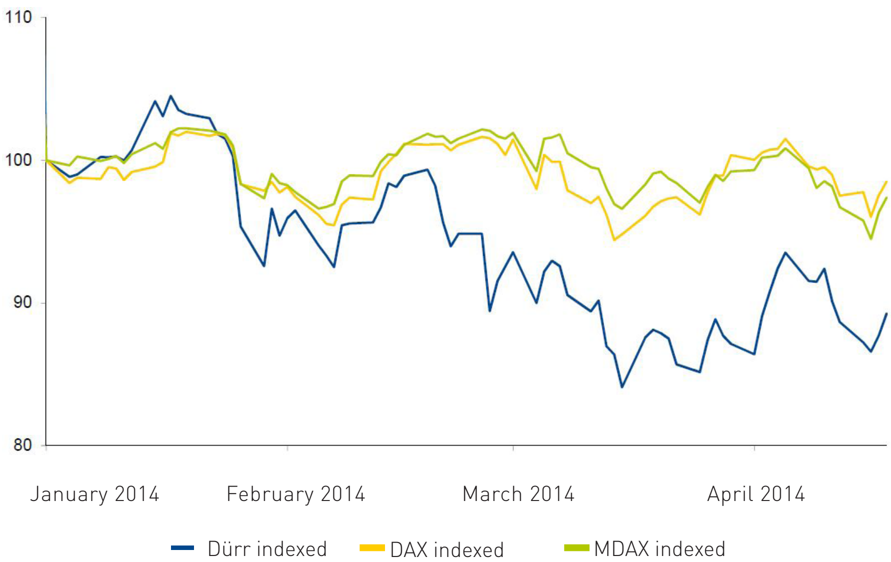
EMPLOYEES

Employee numbers should rise again by around 5% in 2014. This growth will be largely attributable to the emerging markets, which should account for some 35% of the total Group headcount by the end of the year (2013: 34.0%).

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.

Performance of Dürr share



Despite the persistently low interest rates and high investor appetite, equities markets were in a volatile state in the first quarter of 2014 particularly as a result of concerns surrounding an escalation of the Ukrainian crisis. This was accompanied by the macroeconomic fallout from icy weather conditions in the United States and slower economic growth in China. The DAX and MDAX closed the quarter largely unchanged (DAX: 0%; MDAX -0.8%).

After the extraordinarily dynamic business development 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, Dürr stock retreated on profit-taking after the sharp gains of the previous quarters and in view of the valuation reached. On March 31, 2014, our stock was trading at € 56.00, down just under 14% on the beginning of the year.

The € 300 million bond issued at the end of March achieved a bid-to-cover ratio of four, reflecting the great trust that Dürr enjoys with institutional and private investors. The price on April 30, 2014 was € 101.25, i.e. in excess of the issue price.

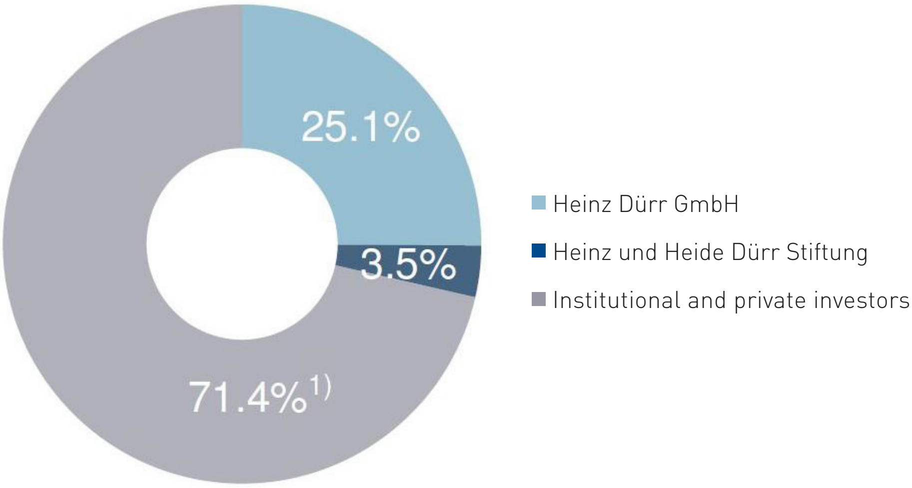
The 2010 bond maturing on September 28, 2015 (7.25% coupon) was trading at 103.50% at the end of the quarter (December 31, 2013: 107.30%). A decision on a possible early call has not yet been made. Calling in the bond at 100% is possible on September 28, 2014 at the earliest, subject to the notice periods provided for in the bond issue terms.

SHAREHOLDER STRUCTURE

With a share of 25.1% of Dürr AG's subscribed capital, Heinz Dürr GmbH remains the anchor shareholder. Together with a further 3.5% held by Heinz und Heide Dürr Stiftung, 28.6% of the stock is attributable to the Dürr family. The family has confirmed its commitment to retaining an interest of over 25% in Dürr AG. The members of the Dürr AG Board of Management hold a total of 0.7% of the subscribed capital. The free float as defined by Deutsche Börse is unchanged at 71,4%.

TRADING VOLUMES

Daily trading in Dürr stock in the German stock exchanges rose to around 172,000 shares (Q1 2013: approx. 164,000 shares). In terms of value, it climbed substantially more quickly due to the increases in the price of the stock, reaching € 10.4 million (Q1 2013: € 6.5 million). At the same time, over-the-counter trading via alternative trading platforms is continuing to increase. Trade via XETRA and the Frankfurt and Stuttgart stock exchanges, which are the main markets for Dürr stock, collectively accounted for less than 45% of actual trading volumes.



1) thereof 0.7% share of Dürr Management Board

Material events after the reporting date

Professor Dr. Holger Hanselka was elected to the Supervisory Board of Dürr AG at the annual general meeting on April 30, 2014. He is the President of the Karlsruhe Institute of Technology (KIT). Professor Dr. Norbert Loos has retired from the Supervisory Board for age-related reasons. The Supervisory Board elected Dr. Herbert Müller as his successor in the position of Chairman of the Audit Committee.

No further events that materially affected, or could materially affect the net assets, financial position and results of operations of the Group occurred between the end of the first quarter and May 6, 2014.

Bietigheim-Bissingen, May 6, 2014

Dürr Aktiengesellschaft

The Board of Management

Consolidated statement of income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

€ k	**Q1 2014**	Q1 2013
Sales revenues	538,205	542,463
Cost of sales	-422,521	-440,380
Gross profit on sales	**115,684**	**102,083**
Selling expenses	-33,781	-31,518
General administrative expenses	-26,219	-25,573
Research and development costs	-11,625	-9,799
Other operating income	3,879	5,456
Other operating expenses	-3,740	-4,612
Earnings before investment income, interest and income taxes	**44,198**	**36,037**
Profit from entities accounted for using the equity method	72	112
Interest and similar income	1,470	902
Interest and similar expenses	-5,377	-5,703
Earnings before income taxes	**40,363**	**31,348**
Income taxes	-11,197	-8,675
Profit of the Dürr Group	**29,166**	**22,673**
Attributable to:		
Non-controlling interests	326	-288
Shareholders of Dürr Aktiengesellschaft	**28,840**	**22,961**
Earnings per share in € (basic and diluted)	0.83	0.66

Consolidated statement of comprehensive income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

€ k	Q1 2014	Q1 2013
Profit of the Dürr Group	**29,166**	**22,673**
Items of other comprehensive income that are not reclassified to profit or loss		
Remeasurement of defined benefit plans and similar obligations	-3,626	16
Associated deferred taxes	1,068	-5
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	176	-4,321
Gains/losses from changes in the fair value of available-for-sale securities	12	-
Currency translation reserve of foreign subsidiaries	-1,259	5,212
Currency translation reserve of foreign entities accounted for using the equity method	165	-743
Associated deferred taxes	-94	805
Other comprehensive income, net of tax	**-3,558**	**964**
Total comprehensive income, net of tax	**25,608**	**23,637**
Attributable to:		
Non-controlling interests	324	-274
Shareholders of Dürr Aktiengesellschaft	**25,284**	**23,911**

Consolidated statement of financial position

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF MARCH 31, 2014

€ k	March 31, 2014	December 31, 2013	March 31, 2013
ASSETS			
Goodwill	286,970	286,971	289,514
Other intangible assets	35,483	35,063	37,683
Property, plant and equipment	175,169	173,849	155,432
Investment property	22,036	22,245	22,957
Investments in entities accounted for using the equity method	11,930	11,699	12,729
Other financial assets	30,770	30,618	20,450
Trade receivables	109	101	1,404
Income tax receivables	418	245	63
Sundry financial assets	3,753	4,004	3,585
Other assets	268	198	75
Deferred taxes	20,860	23,687	14,516
Prepaid expenses	2,085	2,267	4,273
Non-current assets	**589,851**	**590,947**	**562,681**
Inventories and prepayments	147,929	148,014	167,863
Trade receivables	659,140	675,593	772,374
Income tax receivables	5,911	6,755	4,230
Sundry financial assets	80,911	74,197	44,511
Other assets	18,058	18,759	24,451
Cash and cash equivalents	482,199	458,513	288,990
Prepaid expenses	7,508	4,483	5,642
Assets held for sale	15,746	14,582	-
Current assets	**1,417,402**	**1,400,896**	**1,308,061**
Total assets Dürr Group	**2,007,253**	**1,991,843**	**1,870,742**
EQUITY AND LIABILITIES			
Subscribed capital	88,579	88,579	44,289
Capital reserves	155,896	155,896	200,186
Revenue reserves	346,282	317,059	246,205
Other comprehensive income	-60,596	-57,035	-42,775
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	**530,161**	**504,499**	**447,905**
Non-controlling interests	7,301	6,875	7,814
Total equity	**537,462**	**511,374**	**455,719**
Provisions for post-employment benefit obligations	40,111	49,762	53,988
Other provisions	7,060	7,758	6,885
Trade payables	1,553	2,026	891
Bond	225,065	225,200	225,245
Other financial liabilities	42,798	43,396	45,167
Sundry financial liabilities	19,616	19,737	13,924
Income tax liabilities	443	205	251
Other liabilities	9,222	4,344	5,731
Deferred taxes	42,565	42,246	37,909
Deferred income	118	120	166
Non-current liabilities	**388,551**	**394,794**	**390,157**
Other provisions	71,743	65,296	60,295
Trade payables	839,406	854,772	764,314
Financial liabilities	2,512	2,460	9,903
Sundry financial liabilities	22,190	16,254	60,948
Income tax liabilities	26,423	30,506	18,751
Other liabilities	110,267	107,742	110,501
Deferred income	181	390	154
Liabilities held for sale	8,518	8,255	-
Current liabilities	**1,081,240**	**1,085,675**	**1,024,866**
Total equity and liabilities Dürr Group	**2,007,253**	**1,991,843**	**1,870,742**

Consolidated statement of cash flows

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

€ k	Q1 2014	Q1 2013
Earnings before income taxes	40,363	31,348
Income taxes paid	-10,021	-2,728
Net interest	3,907	4,801
Profit from entities accounted for using the equity method	-72	-112
Amortization and depreciation of non-current assets	6,554	6,128
Net gain/loss on the disposal of non-current assets	36	48
Other non-cash income and expenses	-263	4
Changes in operating assets and liabilities		
Inventories	-1,318	-20,895
Trade receivables	12,914	-64,775
Other receivables and assets	1,502	-175
Provisions	-7,649	6,283
Trade payables	-10,967	11,837
Other liabilities (other than bank)	10,821	1,759
Other assets and liabilities	-3,132	-3,206
Cash flow from operating activities	**42,675**	**-29,683**
Purchase of intangible assets	-2,734	-2,230
Purchase of property, plant and equipment	-5,579	-5,568
Purchase of other financial assets	-300	-6,345
Proceeds from the sale of non-current assets	79	49
Acquisitions, net of cash acquired	-450	-
Investments in time deposits	-7,328	-10,554
Interest received	1,453	582
Cash flow from investing activities	**-14,859**	**-24,066**
Change in current bank liabilities and other financing activities	239	-6,823
Repayment of non-current financial liabilities	-573	-550
Payments of finance lease liabilities	-111	-101
Cash received from transactions with non-controlling interests	500	-
Interest paid	-2,053	-1,176
Cash flow from financing activities	**-1,998**	**-8,650**
Effects of exchange rate changes	-2,132	2,045
Changes in cash and cash equivalents related to changes in the consolidated group	-	62
Change in cash and cash equivalents	23,686	-60,292
Cash and cash equivalents		
At the beginning of the period	458,513	349,282
At the end of the period	482,199	288,990

Consolidated statement of changes in equity

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 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/reclassifica-tions	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	-	-	22,961	-	-	-	-	-	-	22,961	-288	22,673
Other comprehensive income	-	-	-	11	-3,516	-	-	4,455	950	950	14	964
Total comprehensive income, net of tax	**-**	**-**	**22,961**	**11**	**-3,516**	**-**	**-**	**4,455**	**950**	**23,911**	**-274**	**23,637**
Put options non-controlling interests	-	-	166	-	-	-	-	-	-	166	-166	-
Other changes	-	-	5	-	-	-	-5	-	-5	-	-	-
March 31, 2013	**44,289**	**200,186**	**246,205**	**-28,503**	**-1,839**	**23**	**732**	**-13,188**	**-42,775**	**447,905**	**7,814**	**455,719**
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	-	-	28,840	-	-	-	-	-	-	28,840	326	29,166
Other comprehensive income	-	-	-	-2,558	85	9	-	-1,092	-3,556	-3,556	-2	-3,558
Total comprehensive income, net of tax	**-**	**-**	**28,840**	**-2,558**	**85**	**9**	**-**	**-1,092**	**-3,556**	**25,284**	**324**	**25,608**
Put options non-controlling interests	-	-	415	-	-	-	-	-	-	415	-435	-20
Other changes	-	-	-32	-	-	-	-5	-	-5	-37	537	500
March 31, 2014	**88,579**	**155,896**	**346,282**	**-29,497**	**962**	**39**	**710**	**-32,810**	**-60,596**	**530,161**	**7,301**	**537,462**

Notes to the consolidated financial statements January 1 to March 31, 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 first quarter 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 first quarter of 2014 and 2013, for the consolidated statements of financial position as of March 31, 2014, December 31, 2013 and March 31, 2013, and also for the consolidated statements of changes in equity for the first three 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 March 31, 2014 are not subject to any review 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 March 31, 2014.

2. Consolidated group

Besides Dürr AG, the consolidated financial statements as of March 31, 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 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 venturers. 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 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

	March 31, 2014	December 31, 2013
Germany	14	14
Other countries	49	48
	63	**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

	March 31, 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.

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

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 three months of 2014 and 2013. The issue of bonus shares on May 27, 2013, doubled the number of shares specified in the previous year. The previous year's figure has been adjusted accordingly.

		Q1 2014	Q1 2013
Profit attributable to the shareholders of Dürr AG	€ k	28,840	22,961
Number of shares issued	thousands	34,601	34,601
Earnings per share (basic and diluted)	€	0.83	0.66

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 quarter of 2014 the amortization of capitalized development costs amounted to € 587 thousand (prior period: € 766 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	**Q1 2014**	Q1 2013
Interest and similar income	1,470	902
Interest and similar expenses	-5,377	-5,703
of which from:		
Nominal interest expenses on the corporate bond from 2010	-4,078	-4,078
Amortization of transaction costs and discount from a bond issue and from a syndicated loan	109	133
Interest expenses from finance leases	-81	-82
Net interest from the measurement of pension obligations	-540	-522
Other interest expenses	-787	-1,154
Net interest	**-3,907**	**-4,801**

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 comprise 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 strengthens 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, yet.

9. Assets held for sale and associated liabilities

Assets and disposal groups held for sale relate to assets that can be sold in their present condition and whose sale is highly probable. Their carrying amounts must mainly be recovered through a sale transaction rather than through continuing use.

The disposal group can also relate to liabilities that are directly connected to the assets. Assets held for sale and disposal groups are recognized as a separate item in the statement of financial position under current assets. The sale must be expected to qualify within one year from the date of classification.

Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", non-current assets held for sale are no longer amortized or depreciated. Instead they are measured at their fair value less costs to sell provided that this is lower than the carrying amount.

As part of concentrating on the core business in industrial cleaning technology, the Board of Management resolved on December 20, 2013, to sell the automation segment of Dürr Ecoclean S.A.S., renamed Dürr Automation S.A.S., located in France. Assets and the related liabilities (disposal group) are classified as held for sale as of this date and accounted for at the lower of their carrying amount and fair value less costs to sell. Sales talks have been initiated, and a sale is expected in the 2014 reporting period.

Assets held for sale also contain 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.

The measurement at fair value of assets and liabilities classified as held for sale gave rise to a reversal of impairment of € 266 thousand in the first quarter of 2014 that was recognized as other operating income.

The assets and liabilities 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	Q1 2014 Before tax	Q1 2014 Tax effect	Q1 2014 Net	Q1 2013 Before tax	Q1 2013 Tax effect	Q1 2013 Net
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit plans and similar obligations	-3,626	1,068	-2,558	16	-5	11
Items that may be reclassified subsequently to profit or loss						
Net gain/loss (-) from derivatives used to hedge cash flows	176	-91	85	-4,321	805	-3,516
Gains from the change in fair value of securities held for sale	12	-3	9	-	-	-
Difference arising from currency translation	-1,259	-	-1,259	5,212	-	5,212
Difference arising from currency translation of entities accounted for using the equity method	165	-	165	-743	-	-743
Change in other comprehensive income	**-4,532**	**974**	**-3,558**	**164**	**800**	**964**

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 decrease in currency-related components of other comprehensive income is essentially attributable to the fluctuation of the euro against the Chinese renminbi, the US dollar and the Korean won. The weakening of the euro against the Brazilian real 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	March 31, 2014	Level 1	Level 2	Level 3
Assets at fair value – not through profit or loss				
Available-for-sale financial assets	368	368	-	-
Derivatives used for hedging	2,612	-	2,612	-
Assets at fair value – through profit or loss				
Derivatives not used for hedging	312	-	312	-
Derivatives used for hedging	461	-	461	-
Held-for-trading financial assets	7,673	7,673	-	-
Liabilities at fair value – not through profit or loss				
Obligations from put options	16,517	-	-	16,517
Derivatives used for hedging	822	-	822	-
Liabilities at fair value – through profit or loss				
Derivatives not used for hedging	325	-	325	-
Derivatives used for hedging	224	-	224	-
Contingent purchase price installments	2,134	-	-	2,134

€ k	December 31, 2013	Fair value hierarchy Level 1	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	46
As of March 31	**18,651**

€ 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 levels in the first three 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, information Dürr receives from credit institutions and insurance companies 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 € 1,548 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 € 106 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 € 107 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).

	March 31, 2014		December 31, 2013	
€ k	**Fair value**	**Carrying amount**	Fair value	Carrying amount
Assets				
Cash and cash equivalents	482,199	482,199	458,513	458,513
Costs and estimated earnings in excess of billings	290,454	290,454	357,129	357,129
Trade receivables due from third parties	368,638	368,638	318,544	318,544
Trade receivables due from entities accounted for using the equity method	157	157	21	21
Other non-derivative financial instruments				
Sundry financial assets	74,057	74,057	65,563	65,563
Held-to-maturity investments	27,840	27,195	26,350	27,355
Liabilities				
Trade payables	251,403	251,403	259,969	259,969
Trade payables due to entities accounted for using the equity method	2	2	3	3
Sundry non-derivative financial liabilities	21,784	21,784	16,125	16,125
Bond	232,875	225,065	241,425	225,200
Liabilities to banks	44,369	41,448	44,931	41,932
Finance lease liabilities	4,937	3,862	5,028	3,924
of which combined by measurement category in accordance with IAS 39				
Loans and receivables	925,051	925,051	842,641	842,641
Held-to-maturity investments	27,840	27,195	26,350	27,355
Financial liabilities measured at amortized cost	555,370	543,564	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 2010 bond 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 March 31, 2014, the bond was quoted at € 103.50 (Dec. 31, 2013: € 107.30) which is equal to a market value of € 232,875 thousand (Dec. 31, 2013: € 241,425 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	**March 31, 2014**	December 31, 2013
Gross amounts of financial assets	3,385	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	**3,385**	**3,037**
Associated amounts from financial instruments not netted in the statement of financial position	-978	-795
Net amount	**2,407**	**2,242**

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

€ k	March 31, 2014	December 31, 2013
Gross amounts of financial liabilities	1,371	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	**1,371**	**1,261**
Associated amounts from financial instruments not netted in the statement of financial position	-978	-795
Net amount	**393**	**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 March 31, 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	**Total Dürr Group**
				Q1 2014			
External sales revenues	251,613	127,390	128,327	30,870	**538,200**	5	**538,205**
Sales revenues with other divisions	455	3,504	1,553	219	**5,731**	-5,731	**-**
Total sales revenues	**252,068**	**130,894**	**129,880**	**31,089**	543,931	**-5,726**	538,205
EBIT	21,036	12,762	11,696	905	**46,399**	-2,201	**44,198**
Assets (as of March 31)	455,926	393,181	479,487	87,194	**1,415,788**	-26,179	**1,389,609**
Liabilities (as of March 31)	631,360	252,204	213,017	50,851	**1,147,432**	-17,447	**1,129,985**
Employees (as of March 31)	3,112	1,572	3,007	440	**8,131**	128	**8,259**

€ k	Paint and Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	**Total segments**	Reconciliation	**Total Dürr Group**
				Q1 2013			
External sales revenues	268,538	120,738	134,425	18,760	**542,461**	2	**542,463**
Sales revenues with other divisions	322	809	4,003	1,081	**6,215**	-6,215	**-**
Total sales revenues	**268,860**	**121,547**	**138,428**	**19,841**	548,676	**-6,213**	542,463
EBIT	19,044	12,928	5,782	530	**38,284**	-2,247	**36,037**
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 March 31)	2,906	1,428	3,043	286	**7,663**	121	**7,784**

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	Q1 2014	Q1 2013
EBIT of the segments	46,399	38,284
EBIT of the Corporate Center	-1,879	-2,297
Elimination of consolidation entries	-322	50
EBIT of the Dürr Group	**44,198**	**36,037**
Profit from entities accounted for using the equity method	72	112
Interest and similar income	1,470	902
Interest and similar expenses	-5,377	-5,703
Earnings before income taxes	**40,363**	**31,348**
Income taxes	-11,197	-8,675
Profit of the Dürr Group	**29,166**	**22,673**

€ k	March 31, 2014	December 31, 2013
Segment assets	1,415,788	1,424,005
Assets of the Corporate Center	507,658	494,913
Elimination of consolidation entries	-533,837	-517,132
Cash and cash equivalents	482,199	458,513
Time deposits and other short-term securities	68,680	61,352
Held-to-maturity securities and other loans	27,646	27,806
Investments in entities accounted for using the equity method	11,930	11,699
Income tax receivables	6,329	7,000
Deferred tax assets	20,860	23,687
Total assets of the Dürr Group	**2,007,253**	**1,991,843**

€ k	March 31, 2014	December 31, 2013
Segment liabilities	1,147,432	1,142,283
Liabilities of the Corporate Center	29,923	26,405
Elimination of consolidation entries	-47,370	-32,232
Bond	225,065	225,200
Liabilities to banks	41,448	41,932
Finance lease liabilities	3,862	3,924
Income tax liabilities	26,866	30,711
Deferred tax liabilities	42,565	42,246
Total liabilities of the Dürr Group*	**1,469,791**	**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 of Dürr AG. 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 three months of 2014, there were intercompany transactions between Dürr and its joint ventures and associates of € 643 thousand (prior period: € 416 thousand). As of March 31, 2014, outstanding receivables from joint ventures and associates totaled € 157 thousand (Dec. 31, 2013: € 21 thousand) and 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	**March 31, 2014**	December 31, 2013
Contingent liabilities from warranties, guarantees, notes and check guarantees	51	51
Other	8,835	8,444
Contingent liabilities	**8,886**	**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	**March 31, 2014**	December 31, 2013
Future minimum payments for operating leases	92,804	97,615
Future minimum payments for finance leases	5,137	5,271
Purchase obligations for property, plant and equipment	4,333	1,413
Other financial obligations	**102,274**	**104,299**

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

16. Subsequent events

Supervisory Board election
Professor Dr. Holger Hanselka was elected to the Supervisory Board of Dürr AG at the annual general meeting on April 30, 2014. He is the President of the Karlsruhe Institute of Technology (KIT). Professor Dr. Norbert Loos has retired from the Supervisory Board for age-related reasons. The Supervisory Board elected Dr. Herbert Müller as his successor in the position of Chairman of the Audit Committee.

No further material events occurred between the reporting date and the publication of the interim report as of March 31, 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, May 6, 2014

Dürr Aktiengesellschaft

The Board of Management

Ralf W. Dieter
Chief Executive Officer

Ralph Heuwing
Chief Financial Officer

Multi-year overview 2010 - 2014[1]

		Q 1				
		2014	2013	2012	2011	2010
Incoming orders	€ m	564.4	680.4	679.1	557.0	362.2
Orders on hand (March 31)	€ m	2,160.8	2,476.9	2,247.9	1,529.3	1,146.5
Sales revenues	€ m	538.2	542.5	562.4	358.6	230.3
Gross profit	€ m	115.7	102.1	92.3	61.3	42.5
EBITDA	€ m	50.8	42.2	35.5	14.5	-1.5
EBIT	€ m	44.2	36.0	29.6	9.8	-6.1
Earnings after tax	€ m	29.2	22.7	17.2	1.8	-10.4
Gross margin	%	21.5	18.8	16.4	17.1	18.4
EBIT margin	%	8.2	6.6	5.3	2.7	-2.6
Cash flow from operating activities	€ m	42.7	-29.7	-18.7	-16.0	16.4
Cash flow from investing activities	€ m	-14.9	-24.1	25.1	-4.0	-4.6
Cash flow from financing activities	€ m	-2.0	-8.7	-0.7	-0.7	-2.3
Free cash flow	€ m	33.8	-38.1	-24.5	-21.2	8.3
Total assets (March 31)	€ m	2,007.3	1,870.7	1,667.8	1,200.7	948.7
Equity (with non-controlling interests) (March 31)	€ m	537.5	455.7	375.4	314.8	298.3
Equity ratio (March 31)	%	26.8	24.4	22.5	26.2	31.4
ROCE[2]	%	61.1	30.6	29.4	10.4	-7.1
Net financial status (March 31)	€ m	312.0	58.9	25.3	-0.4	11.9
Net working capital (March 31)	€ m	-33.8	176.4	59.8	56.9	31.6
Employees (March 31)		8,259	7,784	7,085	6,080	5,721
Dürr share[3] ISIN: DE0005565204						
High[4]	€	68.13	44.00	24.39	13.66	9.34
Low[4]	€	53.31	33.74	16.88	10.34	7.09
Close[4]	€	56.00	42.51	23.87	11.73	8.50
Average daily trading volumes	units	172,040	164,054	255,780	133,358	31,630
Number of shares	thous.	34,601	34,601	34,601	34,601	34,601
Earnings per share	€	0.83	0.66	0.48	0.05	-0.30

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

[4] XETRA

Financial calendar

May 9, 2014	Investors' day, Bietigheim-Bissingen
July 31, 2014	Interim financial report for the first half of 2014
November 6, 2014	Interim report for the first nine months of 2014

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.