LEADING IN PRODUCTION EFFICIENCY

INTERIM REPORT

JANUARY 1 TO SEPTEMBER 30, 2014

www.durr.com

CONTENTS

COVER PHOTO
We acquired HOMAG Group AG in mid-October 2014. With the global leader in wood processing technology, we are broadening our base in mechanical and plant engineering and harnessing additional opportunities for growth.

Key figures for the Dürr Group (IFRS)

		9M 2014	9M 2013	Q3 2014	Q3 2013
Order intake	€ m	1,928.3	1,797.5	656.8	504.0
Orders on hand (September 30)	€ m	2,488.6	2,253.8	2,488.6	2,253.8
Sales revenues	€ m	1,641.7	1,746.1	581.3	614.4
Gross profit	€ m	369.0	340.3	135.4	120.4
EBITDA	€ m	170.0	156.5	67.5	60.6
EBIT	€ m	149.8	134.1	60.6	51.7
Earnings after tax	€ m	100.3	87.6	42.4	35.2
Gross margin	%	22.5	19.5	23.3	19.6
EBIT margin	%	9.1	7.7	10.4	8.4
Cash flow from operating activities	€ m	182.5	45.4	158.3	33.3
Cash flow from investing activities	€ m	-48.4	-69.6	282.6	-33.0
Cash flow from financing activities	€ m	5.9	-74.4	-235.0	-19.6
Free cash flow	€ m	140.8	-4.7	135.5	5.6
Total assets (September 30)	€ m	2,223.2	1,943.3	2,223.2	1,943.3
Equity (with non-controlling interests) (September 30)	€ m	566.2	464.7	566.2	464.7
Equity ratio (September 30)	%	25.5	23.9	25.5	23.9
ROCE[1]	%	75.6	34.9	75.6	40.4
Net financial status (September 30)	€ m	377.7	37.0	377.7	37.0
Net working capital (September 30)	€ m	-90.3	181.8	-90.3	181.8
Employees (September 30)		8,551	8,128	8,551	8,128
Dürr share[2] ISIN: DE0005565204					
High[3]	€	68.13	55.97	66.79	55.97
Low[3]	€	53.31	33.73	54.54	46.30
Close[3]	€	57.83	54.29	57.83	54.29
Average daily trading volumes	units	121,005	149,574	87,474	109,577
Number of shares (weighted average)	thous.	34,601	34,601	34,601	34,601
Earnings per share (basic / undiluted)	€	2.85	2.52	1.21	1.01

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

[1] Annualized

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

[3] XETRA

Highlights
Third quarter / first nine months of 2014

- Incoming orders: Substantial 30% increase over the previous year in Q3, up a good 7% over the previous year in the first nine months
- Book-to-bill ratio of 1.2
- Orders on hand at record level of € 2.5 billion
- Shortfall in sales revenues after project delays in the first half of the year slightly reduced in Q3
- Continued margin growth in Q3
- Cash flow in 9M well in positive territory and up on the previous year
- Outlook for 2014 (excluding HOMAG):
  - ▶ Order intake: upper end of the target range (€ 2.3 - 2.5 billion)
  - ▶ Sales: roughly € 2.3 billion, previous target corridor (€ 2.4 - 2.5 billion) now beyond reach due to project delays
  - ▶ EBIT margin: around 9%; previous target corridor (8.0 - 8.5%) to be substantially exceeded
- Acquisition of a majority interest in HOMAG Group AG completed in mid-October 2014:
  - ▶ 55.9% of the shares purchased for a total of € 228.1 million
  - ▶ Further 22.1% of the voting rights secured by means of pool agreement
  - ▶ Consolidation since the beginning of October 2014
  - ▶ Contribution of a good € 200 million to sales expected for 2014
  - ▶ Substantial contribution to earnings from 2015
  - ▶ Post-consolidation EBIT margin and ROCE initially slightly weaker at the Group level

Group management report

Majority acquisition of HOMAG

TRANSACTION COMPLETED, HOMAG FULLY CONSOLIDATED SINCE OCTOBER 3, 2014

In mid-October 2014, we completed the acquisition announced in July of a majority interest in HOMAG Group AG. Dürr Technologies GmbH, a wholly owned subsidiary of Dürr AG, now holds 55.9% of HOMAG's capital. The world market leader in wood processing machinery, HOMAG has been fully consolidated within the Dürr Group since October 3, 2014 and forms the new Wood Processing Systems division.

Dürr acquired 53.7% of HOMAG's capital from various of the company's principal shareholders, including Deutsche Beteiligungs AG, which relinquished its entire package of shares in HOMAG (39.5%), as well as the Schuler/Klessmann shareholder group, which sold 3.0% of HOMAG's capital to Dürr. A further 2.1% of the company's shares was acquired under a voluntary public takeover bid, which expired on October 7, 2014.

The Schuler/Klessmann shareholder group maintains close links with HOMAG and now holds 22.1% of its capital. The group comprises HOMAG's founding family Gerhard Schuler and the Klessmann Foundation. Dürr has joined the Schuler/Klesser voting pool with 3% of the HOMAG shares, meaning that the pool represents 25.1% of the company's shares.

With a 28% share of the global market, HOMAG reported sales revenues of € 789 million and an EBIT margin of 4.4% (after employee profit participation) in 2013. Its Board of Management expects sales revenues to rise to € 860 - 880 million in 2014. In light of this, we assume that HOMAG will contribute a good € 200 million to the Dürr Group's sales this year from the date of consolidation. We are not yet able to provide any indication of HOMAG's EBIT contribution in the period from first-time consolidation as this depends on consolidation-related measurement matters. However, we expect HOMAG to post a clearly positive EBIT in 2015, with the analyst consensus currently pointing to a figure of € 51 million (after employee profit participation).

CHANGES IN HOMAG'S BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

Following the execution of the acquisition of a majority interest in HOMAG Group AG, the following changes were made to its Board of Management and Supervisory Board:

Supervisory Board: Effective October 13, 2014, five new members representing the shareholders were appointed to the Supervisory Board by the competent court. Dürr is represented by Ralf W. Dieter and Dr. Hans Schumacher. The founding Schuler family is represented by Dr. Anja Schuler and the Klessmann Foundation by Dr. Jochen Berninghaus. In addition, Richard Bauer, the CEO of Körber AG, was appointed to the Supervisory Board. Gerhard Federer, who was already a member prior to these adjustments, retained his seat on the Supervisory Board. At its meeting on October 24, 2014, Mr. Dieter was elected Chairman of the Supervisory Board. There were no changes in the employee representatives on HOMAG's Supervisory Board.

Board of Management: Effective December 1, 2014, HOMAG's Supervisory Board appointed Ralph Heuwing, CFO of Dürr AG, to the position of CEO of HOMAG. Mr. Heuwing takes over from Dr. Markus Flik, who will be leaving HOMAG at his own request and subject to mutual agreement effective November 30, 2014. Mr. Heuwing was appointed to HOMAG's board of management effective October 27, 2014 and will retain his position as CFO of Dürr.

STRATEGIC BACKGROUND

By acquiring HOMAG, we are additionally broadening our mechanical and plant engineering activities. The purpose of the acquisition is to supplement our core business in the automotive industry. After the brisk growth of the past few years, we are encountering organic limits to further expansion in the core business and, looking forward, expect to generate more moderate growth rates of 3 - 5%. Via HOMAG, we will be able to tap a new area of business as a basis for additional growth. By no means does this mean that we are turning our back on automotive business, however.

After successfully restructuring in 2011 and 2012, HOMAG is on an upward trend and has strong potential for continued profitable growth. To this end, it is continuing to enhance its processes and structures. We will step up this course and contribute our expertise in process optimization for mechanical and plant engineering and in efforts to tap business potential in the emerging markets. Looking further down the road, we think that HOMAG has every potential for achieving solid growth and an EBIT margin of 8 - 10%.

Application Technology harnessing a new area of business

Application Technology is also entering new markets alongside the automotive industry. Thus, we are now also offering products for the application of paint and high-viscosity materials in sectors such as plastics, shipbuilding, ceramics, wood and furniture. These products are sold via system integrators, distributions and, in the near future, also online. This new business is being handled by the Industrial Products unit within the Application Technology division. In the medium term, we want to evolve into one of the leading players in industrial business. According to experts, this market has an annual value of around € 3 billion. To achieve our growth plans, we are rolling out a broad product range comprising more than 4,000 articles addressing the target group's requirements. This range is widened by means of buy-ins and new developments. In this connection, the transfer of technology from our core automotive business is playing a key role. Accordingly, the existing range of technologies forms an important basis and has been modified. The range of industrial products includes pumps, paint supply systems and electrostatic atomizers for paint application, for exapmle. We also have a wide range of spray guns. These activities have been reinforced with the acquisition of two specialists – Bersch & Fratscher (Germany) and EST+ (Czech Republic) in June of this year. Further acquisitions are possible as part of our Industrial Products growth strategy. The market entry phase will probably take around two years.

Aircraft business to be pooled under the roof of Broetje-Automation

After analyzing our Group portfolio, we decided to transfer our aircraft assembly systems business to the Broetje-Automation Group, in return for which we will be obtaining an 11% share in that company plus a cash component. Signed in August 2014, the contract is due to be executed in the fourth quarter of 2014. The transaction gives rise to the world's largest vendor of aircraft assembly systems with particular skills in complete production lines. This offers customers advantages, while giving rise to opportunities for growth which would not be available to Dürr and Broetje-Automation on their own. The newly formed company will generate annual sales of around € 150 million. Dürr's aircraft business produced sales of around € 35 million in 2013. It has roughly 130 employees, who will now be transferring to Broetje-Automation. Aircraft business currently still forms part of Dürr's Paint and Assembly Systems division.

Operating environment

ECONOMY

The moderate upward trend of the global economy slowed somewhat in the third quarter of 2014. In the winter months of 2014/2015 only marginal growth, if at all, is likely to arise in a number of European countries as well as Brazil. On the other hand, the US economy has remained resilient, while the Chinese economy also expanded by 7.3% in the third quarter. In Russia, the Ukraine crisis is increasingly taking its toll on the economy, which is expected to grow only minimally in 2014. Central banks are continuing to pursue accommodative monetary policies, with no end in sight to the low interest rates. Consumers are benefiting from low oil prices.

Global GDP is expected to grow by 3.2% in 2014 (previous year: 2.9%), accelerating to 3.9% next year as the economy strengthens. Experts assume that the United States will remain the driving force among the Western industrialized nations. On the other hand, Western Europe – with the exception of the United Kingdom – looks set to expand at only a meager rate. China will presumably continue to grow swiftly.

//ECONOMIC FORECAST

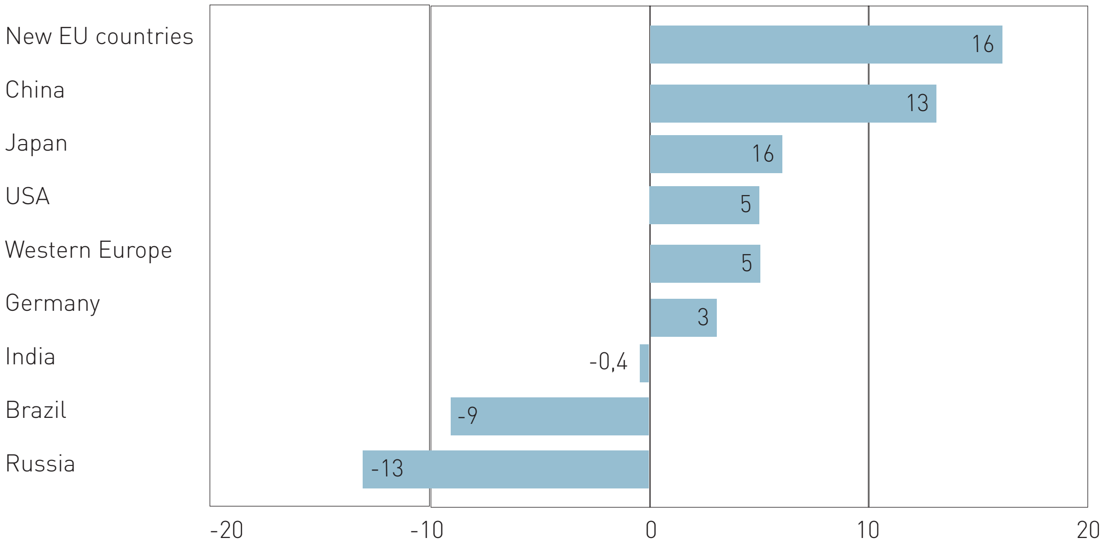
GDP growth, %	2012	2013	2014F	2015F
G7	1.4	1.5	1.8	2.5
United States	2.2	2.2	2.3	3.4
Japan	2.0	1.5	1.1	1.2
Eurozone	-0.6	-0.4	0.7	1.0
Emerging markets	4.7	4.7	4.6	5.3
China	7.8	7.7	7.8	8.0
India	4.1	4.4	5.5	6.5
Russia	3.4	1.3	0.5	1.0
Brazil	2.7	2.5	0.3	1.2
Global	**2.9**	**2.9**	**3.2**	**3.9**

AUTOMOTIVE INDUSTRY

Global automotive sales continue to be characterized by regional disparities. Demand in China, the world's largest automotive market, grew by a sharp 13% in the first nine months of 2014, although momentum has recently been slowing somewhat. Automotive sales in Western Europe rose by 5% from a low level, while the new EU countries achieved a surprising 16% increase in sales. The high-volume US automotive market continued to grow, expanding at a rate of 5%. Sales figures in Brazil and Russia remained weak in the third quarter, while there were preliminary signs of improvement in India.

// PASSENGER VEHICLE SALES JANUARY TO SEPTEMBER 2014

% year-on-year change



Source: VDA

GENERAL MECHANICAL ENGINEERING

In the year to date, demand in the German mechanical and plant engineering sector has been drifting sideways. However, industry association VDMA reports that orders rose by 3% in the period from June through August 2014. The sector projects full-year sales growth of 2% this year and 3% next year. Whereas the depreciation of the euro is having a favorable effect, we assume that weak market conditions will persist in Italy, France and Russia.

Business performance[1]

INCOMING ORDERS IN THE FIRST NINE MONTHS SUBSTANTIALLY UP ON THE PREVIOUS YEAR

Demand for our products and services is remaining at a consistently high level. At € 656.8 million in the third quarter of 2014, order intake was up 30.3% on the previous year. Orders received in the period from January to September were valued at € 1,928.3, up 7.3%.

After a strong third quarter, the Paint and Assembly Systems division recorded a 15.4% increase in order intake in the first nine months of 2014. Application Technology order intake remained at the previous year's high level, with growth of 23.4% recorded in the third quarter. In the first nine months of 2014, order receipts in Measuring and Process Systems dropped by a moderate 3.0% as we had sold fil-

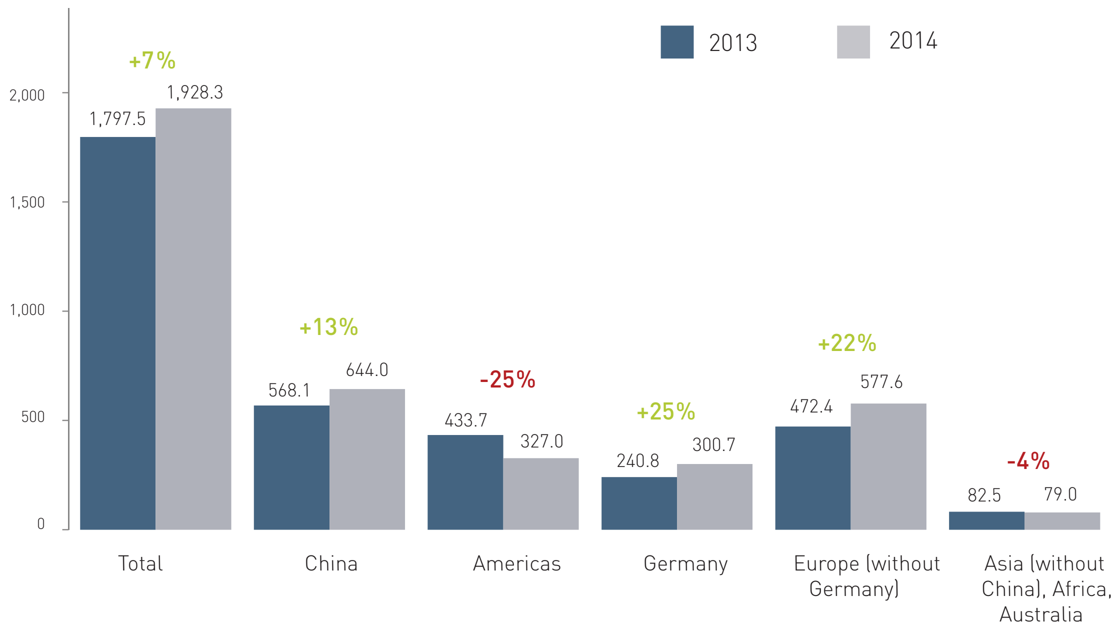
* This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS).

tration technology business, which had been included in the previous year's figures, at the end of 2013. On the other hand, orders for Clean Technology Systems grew by 14.3%. A good part of this was due to the acquisition of LTB GmbH, which was consolidated from July 4, 2013. The price quality of new orders was satisfactory in all four divisions.

Order intake from the emerging markets (Mexico, Brazil, Eastern Europe, Asia excluding Japan) grew by 16.9% over the previous year to € 1,168.7 million in the first nine months of 2014, accounting for a remarkable 60% of total Group order receipts. This growth was underpinned by China and Eastern Europe (excluding Russia). New orders were also up in the previously weak Indian market. In Russia, order intake declined in the wake of the Ukraine crisis, while the Brazilian market also softened after the previous strong years. Order intake exceeded the previous year's high level by 10.9% in North America and also picked up substantially in Europe. In Germany, where, among other things, we were awarded a large conversion contract, orders rose by 25%.

It should be borne in mind that in the plant engineering industry an isolated view of individual quarters does not permit any meaningful conclusions to be drawn as our order intake hinges on the timing of major contract awards by customers.

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



€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Order intake	1,928.3	1,797.5	656.8	504.0
Sales revenues	1,641.7	1,746.1	581.3	614.4
Orders on hand (September 30)	2,488.6	2,253.8	2,488.6	2,253.8

SHORTFALL IN SALES REVENUES REDUCED SLIGHTLY IN THE THIRD QUARTER

In the first nine months of 2014, sales came to € 1,641.7 million, falling short of the previous year's figure by 6.0% primarily as a result of customer-induced project delays. In the third quarter, we registered sales of € 581.3 million, a decline of 5.4% over the same quarter of the previous year. Against this backdrop, we now assume that full-year sales will be slightly down in 2014.

Service business was encouraging, with revenues for the first nine months of 2014 growing by 8.6% to € 415.7 million and accounting for 25.3% of consolidated sales, up from 21.9% 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 and also the broad-based CustomerExcellence@Dürr optimization program. In this way, we are establishing the internal basis for harnessing market potential in service business more systematically and effectively than before. Looking further down the road, we are therefore confident of being able to additionally widen the proportion of service business in total sales.

As order intake substantially exceeded sales, the book-to-bill ratio rose to 1.18 in the first nine months of 2014. Orders on hand climbed by € 338.5 million over the end of 2013, reaching a new record of € 2,488.6 million. This is equivalent to more than one year's worth of sales and will ensure capacity utilization until well into 2015.

As usual, the regional sales breakdown was balanced, with Germany accounting for 15%, other European countries 26%, North and South America 23% and Asia and Africa 36%. At 56%, the emerging markets again made a large contribution to consolidated sales (9M 2013: 56%).

FURTHER IMPROVEMENT IN MARGINS IN THE THIRD QUARTER

The gross margin widened to 22.5% in the first nine months of 2014, up from 19.5% in the same period of the previous year, increasing from 19.6% to 23.3% in the third quarter. This reflected high capacity utilization, the good quality of our order execution and the billing of lucrative orders. What is more, earnings in the Cleaning and Surface Processing business unit turned the corner as planned, while our growing service business made a greater contribution to the bottom line.

The muted sales performance prompted us to pay particular attention to cost management in the first nine months. As a result, we were able to lower the cost of sales (€ 1,272.7 million) by 9.5% and thus more than make up for the decline in sales. Consequently, gross profit increased by 8.4% to € 369.0 million. The greater volume of internally sourced production materially helped us to lower the ratio of consolidated cost of materials to sales to 38.8% (9M 2013: 44.7%). In absolute terms, the consolidated cost of materials, which is fully included in the cost of sales, dropped from € 780.9 million in the previous year to € 637.7 million.

// INCOME STATEMENT AND PROFITABILITY RATIOS

		9M 2014	9M 2013	Q3 2014	Q3 2013
Sales revenues	€ m	1,641.7	1,746.1	581.3	614.4
Gross profit	€ m	369.0	340.3	135.4	120.4
Selling and administrative expenses	€ m	186.5	175.6	63.7	57.6
R&D expenses	€ m	33.0	29.5	10.9	10.1
EBITDA	€ m	170.0	156.5	67.5	60.6
EBIT	€ m	149.8	134.1	60.6	51.7
Net financial expense	€ m	14.4	14.9	5.3	4.7
EBT	€ m	135.4	119.1	55.3	46.9
Income taxes	€ m	-35.1	-31.6	-12.9	-11.8
Earnings after tax	€ m	100.3	87.6	42.4	35.2
Earnings per share	€	2.85	2.52	1.21	1.01
Gross margin	%	22.5	19.5	23.3	19.6
EBITDA margin	%	10.4	9.0	11.6	9.9
EBIT margin	%	9.1	7.7	10.4	8.4
EBT margin	%	8.2	6.8	9.5	7.6
Return on sales after taxes	%	6.1	5.0	7.3	5.7
Interest coverage		10.0	8.9	11.1	11.3
Tax rate	%	26.0	26.5	23.5	25.1

SUBSTANTIAL IMPROVEMENT IN EBIT DESPITE LOWER SALES

The increase in internally-sourced production, new recruiting in China as well as acquisitions (primarily in Germany) materially contributed to an increase in the Group headcount to 8,551, up 5.2% over September 30, 2013. Research and development expenses rose again by 11.9% to € 33.0 million as part of the "Dürr 2017" strategy. Part of this increase was due to the fact that individual product developments were sped up ahead of the Open House innovation show in May. Selling and administrative expenses, which climbed by 6.2% in the period from January to September 2014, were also influenced by the Open House and other fair activities.

Other operating income net of other operating expense came to a small € 0.2 million. The most important individual items were currency translation expenses (€ 14.7 million) and income (€ 15.5 million).

In the first nine months of 2014, EBIT climbed by 11.7% to € 149.8 million. Despite the lower sales revenues, the EBIT margin widened from 7.7% in the year-ago period to 9.1%. In the third quarter, EBIT came to € 60.6 million (up 17.2%), yielding an EBIT margin of 10.4% (Q3 2013: 8.4%). With depreciation and amortization amounting to € 20.2 million, EBITDA climbed by 8.6% to € 170.0 million in the first nine months of 2014.

Net financial expense dropped by € 0.5 million to € 14.4 million in the first nine months in 2014. In the second and third quarter, additional interest expense arose in connection with the new corporate bond issued at the beginning of April 2014. The corporate bond issued in 2010 was called in on September 28, 2014, one year ahead of maturity. Although this did not have any effect in the period under review, it will reduce net financial expense from the fourth quarter of 2014. Increased interest income on cash investments was accompanied by higher interest expense on the two bonds. The improved terms agreed upon for the new syndicated loan in March 2014 had a positive effect. Investment income rose by € 0.5 million to € 0.6 million.

With tax expense coming to € 35.1 million (9M 2013: € 31.6 million), earnings after tax rose to € 100.3 million in the first nine months of 2014 (9M 2013: € 87.6 million). Of this, the third quarter accounted for € 42.4 million, an improvement of 20.5%. The tax rate stood at 26.0% in the first nine months of 2014 and at only 23.5% in the third quarter. It should come to a good 25% for the year as a whole and thus be lower than originally expected. One reason for this is that we are able to capitalize unused tax-loss carry-forwards in the United States, where our earnings grew more quickly than expected.

ACTUAL PERFORMANCE VS. FORECAST: MARGINS EXCEEDING EXPECTATIONS

Our business performance in the first nine months of 2014 was generally favorable. We are adjusting our full-year guidance (excluding HOMAG) as follows: The full-year sales target of € 2.4 - 2.5 billion can no longer be achieved. Accordingly, we are now expecting a figure of around € 2.3 million in 2014. Even so, we are confident of being able to report an EBIT margin of around 9%, which will exceed our previous target (8.0 - 8.5%). Order intake is expected to reach the upper end of the target corridor of € 2.3 - 2.5 billion, thus forming a good basis for 2015. We have not published any guidance for the first three quarters of 2014 as quarterly or half-yearly forecasts do not do justice to the medium to long-term nature of our business. Further information on our full-year forecasts can be found in the Outlook section on page 28.

Financial position

SHARP IMPROVEMENT IN CASH FLOW AND NET WORKING CAPITAL

The positive cash flow trend recorded in the second quarter of the year strengthened in the third quarter. We generated cash flow from operating activities of € 158.3 million in the period from July to September 2014, translating into € 182.5 million for the period from January to September 2014 (9M 2013: € 45.4 million). The good cash flow reflects high revenues and earnings as well as a substantial € 62.1 million decrease in net working capital (NWC) since the beginning of the year. By contrast, NWC had increased by € 83.5 million in the first nine months of 2013. The sharp reduction in NWC in the first nine months of 2014 is due to extraordinarily high prepayments and progress payments, which exceeded normal levels by around € 200 million. As this liquidity will now be successively channeled into order execution, NWC is likely to increase again between now and the end of 2014 and in the first few quarters of 2015. The cash flow from operating activities in the first nine months of 2014 also includes the effects of further external funding of pension provisions of € 13.7 million. This is duly reflected in the decline in pension provisions and lower current pension expense.

// CASH FLOW*

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Earnings before taxes	135.4	119.1	55.3	46.9
Depreciation and amortization	20.2	22.5	6.9	9.0
Net interest expense	15.1	15.1	5.5	4.6
Income tax payments	-27.5	-25.5	-7.8	-9.2
Change in provisions	-10.0	14.0	1.3	4.4
Change in net working capital	62.1	-83.5	88.1	-29.9
Other items	-12.8	-16.3	9.0	7.5
Cash flow from operating activities	**182.5**	**45.4**	**158.3**	**33.3**
Interest payments (net)	-15.9	-16.1	-14.8	-15.4
Capital expenditure	-25.8	-34.0	-8.0	-12.3
Free cash flow	**140.8**	**-4.7**	**135.5**	**5.6**
Other cash flows (incl. dividend)	-43.6	-55.0	15.0	-11.6
Change in net financial status	**+97.2**	**-59.7**	**+150.5**	**-6.0**

* 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.

In line with customary practice, forfaiting, factoring and negotiation transactions must be taken into account when comparing cash flow over different reporting periods. There were no such transactions in the first nine months of 2014; in the previous year, the volume of these transactions had dropped by € 19.3 million to € 2.6 million.

Cash flow from investing activities came to € -48.5 million in the first nine months of 2014 (9M 2013: € -69.6 million). Material determinants were investments in term deposits, other financial assets and property, plant and equipment as well as company takeovers. In the same period of the previous year, we had canceled term deposits. The cash outflow for the acquisition of HOMAG will be recorded in the fourth quarter of 2014.

At € -5.9 million (9M 2013: € -74.4 million), **cash flow from financing activities** was dominated by the dividend distribution and interest payments. The early call-in of the 2010 legacy bond and the issue of a new bond in April 2014 generated a net inflow of € 70.6 million.

Driven by the high cash flow from operating activities, f**ree cash flow** was also a positive € 140.8 million (9M 2013: € -4.7 million). Accordingly, the net financial status improved by almost € 100 million compared with the beginning of 2014, coming to € 377.7 million.

FURTHER REINFORCEMENT OF EQUITY

// CURRENT AND NON-CURRENT ASSETS

€ m	**September 30, 2014**	% of total assets	December 31, 2013	September 30, 2013
Intangible assets	330.5	14.9	322.0	327.7
Property, plant and equipment	184.3	8.3	173.8	168.2
Other non-current assets	97.1	4.3	95.1	85.5
Non-current assets	**611.9**	**27.5**	**590.9**	**581.4**
Inventories	198.0	8.9	148.0	181.8
Trade receivables	652.0	29.3	675.7	851.0
Cash and cash equivalents	608.9	27.4	458.5	246.7
Other current assets	152.4	6.9	118.7	82.4
Current assets	**1,611.3**	**72.5**	**1,400.9**	**1,361.9**
Total assets	**2,223.2**	**100.0**	**1,991.8**	**1,943.3**

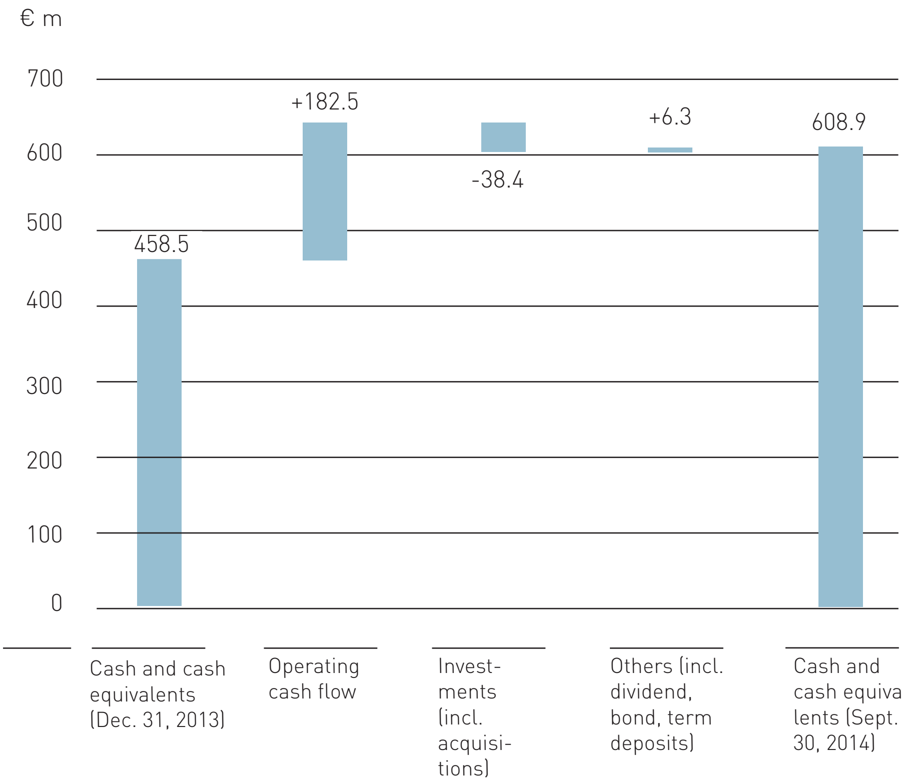
Total assets increased by 11.6% compared with the end of 2013 to € 2,223.2 million, materially underpinned by the growth in equity as a result of retained profits and a sharp increase in liquidity.

On the assets side, trade receivables and inventories rose by a total of € 26.3 million. At the same time, trade payables climbed by € 84.8 million. Consequently, net working capital (NWC) dropped by € 57.2 million over the end of 2013 to € -90.3 million before currency conversion. There was only a small increase to € 611.9 million in non-current assets. Compared with the end of 2013, cash and cash equivalents rose by € 150.4 million to € 608.9 million. Including short-term deposits and other investments such as bonds, total liquidity amounted to € 715.2 million as of September 30, 2014 (December 31, 2013: € 547.2 million).

// NET FINANCIAL STATUS

€ m	
September 30, 2014	377.7
December 31, 2013	280.5
September 30, 2013	37.0

// CHANGES IN LIQUIDITY



The net financial status improved from € 280.5 million to € 377.7 million compared with the end of 2013, increasing by € 340.7 million compared with September 30, 2013 (€ 37.0 million). This favorable performance was due to the substantially positive free cash flow (€ 140.8 million). The dividend distribution of € 50.2 million to Dürr shareholders had an opposite effect. 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 28).

// EQUITY

€ m	**September 30, 2014**	% of total assets	December 31, 2013	September 30, 2013
Subscribed capital	88.6	4.0	88.6	88.6
Other equity	470.9	21.2	415.9	369.3
Equity attributable to shareholders	559.5	25.2	504.5	457.9
Non-controlling interests	6.7	0.3	6.9	6.8
Total equity	**566.2**	**25.5**	**511.4**	**464.7**

Driven by the strong earnings performance, equity rose by € 54.8 million over December 31, 2013 to € 566.2 million despite the dividend distribution of € 50.2 million. In view of the increase in total assets, the equity ratio remained virtually unchanged over the end of 2013 at 25.5% but rose compared with September 30, 2013 (23.9%). We expect equity to continue improving in the fourth quarter. However, the consolidation of HOMAG will result in a substantial increase in total assets and, hence, a decline in the equity ratio. Looking further down the road, we are targeting a figure of 30%.

// CURRENT AND NON-CURRENT LIABILITIES

€ m	**September 30, 2014**	% of total assets	December 31, 2013	September 30, 2013
Financial liabilities (incl. bonds)	341.7	15.4	271.1	272.2
Provisions (incl. pensions)	126.8	5.7	122.8	128.7
Trade payables	941.6	42.3	856.8	850.9
of which prepayments received	682.2	30.7	596.8	558.5
Income tax liabilities	24.3	1.1	30.7	19.2
Other liabilities (incl. deferred taxes, deferred income)	222.6	10.0	199.0	207.6
Total	**1,657.0**	**74.5**	**1,480.4**	**1,478.6**

Current and non-current liabilities climbed by 11.9% over December 31, 2013 to € 1,657.0 million. At € 941.6 million, trade payables remained the largest item on the liabilities side, increasing by € 84.8 million as of the end of the third quarter. The prepayments received from customers included in this item temporarily rose by a further € 85.4 million over the end of 2013 to € 682.2 million. The second largest item comprised financial liabilities, which rose from € 271.1 million at the end of 2013 to € 341.7 million mainly due to the fact that the volume of the new bond issued in April exceeds by € 70.6 million the old one called in during September. Financial liabilities are covered by total liquidity of € 715.2 million (cash and cash equivalents, term deposits and other investments such as bonds).

DEBT CAPITAL AND FUNDING STRUCTURE

As of September 30, 2014, our debt capital financing comprised three main elements:

- Issued in April 2014 with an effective coupon of 3.085%, our corporate bond for € 300 million matures in 2021. There is no early call option for this bond.
- In March 2014, we agreed on the terms of a new syndicated loan with our banks. It comprises a cash facility of € 100 million and a guarantee facility of € 200 million. It runs until April 2019 but may be renewed at Dürr's request until April 2021 at no added expense.
- In connection with the purchase of the Dürr campus in Bietigheim-Bissingen at the end of 2011, we assumed the related financing of € 45.8 million (carrying amount as of September 30, 2014: € 40.4 million). The corresponding fixed-rate and annuity loans will be running until September 30, 2024, with the fixed-rate period expiring in 2017, but may be discharged at an earlier date subject to payment of early repayment fees.

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

OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND OBLIGATIONS

There was virtually no change in the volume of off-balance-sheet financing instruments and obligations over the end of 2013. Future minimum payments under operating leases amounted to € 99.1 million as of September 30, 2014 and were thus slightly up on December 31, 2013 (€ 97.6 million). Operating leases constitute the most important source of off-balance-sheet finance for Dürr. There were no forfeiting, factoring or negotiation operations in the first nine months of 2014. As of September 30, 2014, we utilized guarantees of € 249.7 million (September 30, 2014: € 326.2 million) comprising bank guarantees of € 120.8 million (€ 192.2 million) and fidelity bonds of € 128.9 million (€ 134.0 million). The guarantees chiefly take the form of credit guarantees and sureties and do not constitute off-balance-sheet finance instruments.

R&D and capital expenditure

RESEARCH AND DEVELOPMENT

We stepped up our development activities to fortify our position as a leading innovator, spending € 33.0 million on research and development (R&D) in the first three quarters, up 11.9% on the same period in the previous year (€ 29.5 million). With consolidated sales revenues slightly down, the R&D ratio widened to 2.0% (9M 2013: 1.7%). At € 10.9 million, R&D spending in the third quarter also exceeded the previous year (€ 10.1 million), causing the R&D ratio to expand by 0.3 percentage points to 1.9%. Further R&D expenses arising in connection with the execution of individual contracts were recognized within the cost of sales. Capitalized development costs came to € 2.3 million in the first nine months of 2014 (9M 2013: € 2.7 million) and € 0.8 million in the third quarter (Q3 2013: € 1.1 million). Employee numbers in our R&D departments were up by 39 compared with September 30, 2013, bringing the global total to 277 (September 30, 2013: 238).

In the third quarter, Paint and Assembly Systems unveiled an economical system for cooling and conditioning paint booth air. This latent cooling storage technology generates and stores cold during night, making it particularly suitable for sites in hot climate zones. During the day, when temperatures are at their highest, the stored cold can be used, reducing the amount of refrigeration required. This means that operators no longer need to install a maximum-output cooling system as a lower and, hence, less expensive output class is now sufficient.

An important result of R&D activities in Application Technology is the **Eco**Bell3 Ci paint atomizer, which has been specially developed for efficient painting of vehicle interiors. The goals were very high efficiency, a compact structure and low atomizer pollution. **Eco**Bell3 Ci reduces non-productive cleaning times as well as paint and solvent requirements. At the same time, VOC emissions and paint loss are lowered.

Produced by Schenck RoTec (Measuring and Process Systems), BARIO, the new fully automatic balancing machine for crankshafts, lowers retooling times between different crankshaft types thanks to standardized retooling kits and improved component access, among other things. In this way, our customers benefit from heightened flexibility. At the same time, our analysis tool facilitates maintenance activities; on top of this, the machine requires less energy and has a roughly 15% smaller footprint on the production line.

The Cleaning and Surface Processing business unit unveiled **Eco**CFlex3, an innovative new cleaning system. In addition to offering substantially reduced operating costs, this robot-based system with integrated high-pressure cleaning and deburring requires substantially less space than its predecessor and can help to significantly improve our customers' production efficiency. With its modular design, we are able to develop an entire **Eco**CFlex3 product family with many identical components.

The Clean Technology Systems division has developed honeycomb blocks with hexagonal cell geometry. They are used for the incineration of solvent-laden exhaust air in RTO systems and provide a 15% higher thermal efficiency than previously used honeycomb blocks. In addition, the new hexagonal shape minimizes air resistance in the honeycomb and allows the use of smaller fans. This results in lower electricity and gas consumption, which in turn reduces CO_2 emissions. The innovation also leads to fewer deposits, thus extending service life. The honeycomb blocks can be easily replaced during maintenance.

Capital expenditure

In the first nine months of 2014, capital expenditure on property, plant and equipment and intangible assets was valued at € 25.8 million, i.e. € 8.3 million down on the previous year. Spending on property, plant and equipment came to € 20.4 million (9M 2013: € 27.9 million), while a sum of € 5.4 million (9M 2013: € 6.2 million) was spent on licenses, software and other intangible assets. A large part of capital expenditure was earmarked for trailing spending in connection with our program for optimizing our network of facilities. Most of the capex spending for the program was recognized in 2013; the bulk of the construction measures was completed in 2014. In addition to this, however, we are planning two further major plant projects: In the United States and China, we will be pooling different activities, which have hitherto been spread across various facilities, in new central campuses. In this way, we will be creating shorter paths and improving internal processes and interdepartmental communications. Both projects are modeled on the Dürr campus in Bietigheim-Bissingen, which was opened in 2009. As a result of these projects, capital expenditure will again exceed depreciation and amortization expense over the coming two years.

Equity investments of € 11.5 million mainly entailed purchase price payments for the two companies Bersch & Fratscher GmbH (Karlstein/Main, Germany) and EST+ a.s. (Ledeč nad Sázavou, Czech Republic), which were acquired in June 2014. Both companies offer paint application products and services, supplying customers in general industry such as wood, plastic and metal processing companies. With 74 employees, Bersch & Fratscher has since been renamed Dürr Systems Karlstein GmbH. EST+ has been renamed Dürr Systems Czech Republic a.s. and has 57 employees. The two companies generated combined sales revenues of just under € 10 million in 2013.

Corporate Center capital expenditure (€ 2.5 million) mainly comprises sourcing by Dürr IT Service GmbH with its Group-wide responsibilities (software and licenses).

All told, capital expenditure (including acquisitions) was valued at € 37.3 million in the first three quarters of 2014 (9M 2013: € 43.5 million). Of this, the third quarter accounted for € 8.3 million.

// CAPITAL EXPENDITURE*

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Paint and Assembly Systems	6.1	7.2	2.2	2.3
Application Technology	6.8	10.5	1.7	3.6
Measuring and Process Systems	7.8	9.9	2.6	5.0
Clean Technology Systems	2.6	4.0	1.3	1.2
Corporate Center	2.5	2.5	0.2	0.3
Total	**25.8**	**34.1**	**8.0**	**12.3**

* on property, plant and equipment and on intangible assets

Employees

INCREASED HEADCOUNT DUE TO GREATER VOLUME OF INTERNALLY SOURCED PRODUCTION

Dürr Group employee numbers have increased by 423 over the past twelve months to 8,551 (up 5.2%). This particularly reflects the greater volume of internally sourced production as well as the first-time consolidation of the recently acquired companies (151 employees). The acquisitions were particularly noticeable in Europe and Germany, where staff numbers rose by 7.0%. In China, new recruiting continued, resulting in a 5.6% increase in headcount. Employee numbers rose by 8.6% in the emerging markets, which now account for 2,956 or 34.6% of the Group headcount. In North America, employee numbers dropped by 100 compared with September 2013 to 482 due to reduced business volumes in industrial cleaning systems and the sale of filtration technology business (Cleaning and Surface Processing business unit).

// EMPLOYEES BY DIVISION

	September 30, 2014	December 31, 2013	September 30, 2013
Paint and Assembly Systems	3,154	3,075	3,024
Application Technology	1,755	1,546	1,511
Measuring and Process Systems	3,050	2,967	3,057
Clean Technology Systems	455	426	414
Corporate Center	137	128	122
Total	**8,551**	**8,142**	**8,128**

// EMPLOYEES BY REGION

	September 30, 2014	December 31, 2013	September 30, 2013
Germany	3,972	3,749	3,711
Other European countries	1,456	1,361	1,327
North / Central America	718	726	795
South America	337	335	335
Asia, Africa, Australia	2,068	1,971	1,960
Total	**8,551**	**8,142**	**8,128**

Personnel changes

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

Segment report

The following table breaks down sales revenues and EBIT by division in the year to date.

// SALES REVENUES BY DIVISION

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Paint and Assembly Systems	747.1	863.5	270.0	304.3
Application Technology	380.7	390.0	131.5	133.6
Measuring and Process Systems	418.8	420.9	146.4	147.2
Clean Technology Systems	95.1	71.7	33.4	29.3
Corporate Center / consolidation	0.0	0.0	0.0	0.0
Group	**1,641.7**	**1,746.1**	**581.3**	**614.4**

// EBIT BY DIVISION

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Paint and Assembly Systems	68.8	67.7	29.4	24.2
Application Technology	39.4	43.4	13.3	16.1
Measuring and Process Systems	45.4	27.0	19.8	10.7
Clean Technology Systems	4.2	3.1	1.9	1.8
Corporate Center / consolidation	-8.1	-7.1	-3.8	-1.1
Group	**149.8**	**134.1**	**60.6**	**51.7**

// PAINT AND ASSEMBLY SYSTEMS

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Order intake	965.4	836.6	356.5	210.8
Sales revenues	747.1	863.5	270.0	304.3
EBITDA	74.0	71.9	31.2	25.7
EBIT	68.8	67.7	29.4	24.2
Employees (September 30)	3,154	3,024	3,154	3,024

Order intake in the Paint and Assembly Systems division rose by 15.4% in the first nine months of 2014. After a muted start to the year, the division achieved a considerable increase in new orders in the second and third quarters (17.6% and 69.1%, respectively). However, it should be borne in mind that order intake was relatively low in the third quarter of the previous year. In the year to date, we have been awarded major contracts in China, the United States, Mexico, Brazil, Poland and Germany. No less than 72% of order intake arose in the emerging markets.

Sales in the Paint and Assembly Systems division dropped by 13.5% to € 747.1 million in the first nine months of 2014. The shortfall in sales over the same period of the previous year shrank to 11.3% in the third quarter. This shortfall had mainly arisen as a result of customer-induced delays in several projects. We expect a sales acceleration in the fourth quarter, although this will not be sufficient to fully eliminate the gap which arose in the first three quarters. Orders on hand rose as of September 30, 2014 due to the higher order intake.

Despite the lower sales revenues, EBIT in the Paint and Assembly Systems division climbed by 1.6% to € 68.8 million in the first nine months of 2014, rising by 21.5% in the third quarter as a number of contracts characterized by outstanding execution quality entered the final phase of completion. In the third quarter, earnings reached an extraordinarily high level which will not be repeated.

// APPLICATION TECHNOLOGY

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Order intake	423.0	421.0	117.4	95.1
Sales revenues	380.7	390.0	131.5	133.6
EBITDA	44.1	47.0	15.0	17.4
EBIT	39.4	43.4	13.3	16.1
Employees (September 30)	1,755	1,511	1,755	1,511

Order intake has also risen in the Application Technology division recently. After dropping by 25.8% in the first quarter, it surged by 18.7% in the second quarter and by 23.4% in the third quarter. New orders for the entire first nine months of 2014 were up slightly on the previous year. Full-year order intake is expected to match, if not better, the previous year. Major contracts for the delivery of painting robots and application technology have been received from China, the United States, Poland and Germany since the beginning of the year.

Sales in the Application Technology division contracted marginally by 2.4% in the first nine months of 2014 and by 1.6% in the third quarter. The book-to-bill ratio for the first nine months came to 1.1, indicating an increase in order backlog. At € 39.4 million, EBIT was 9.2% down on the previous year. In the third quarter, it came under pressure from start-up costs in the low single-digit millions in connection with the establishment of industrial business (see page 7). Despite this, the EBIT margin for the first nine months came to 10.4%.

// MEASURING AND PROCESS SYSTEMS

€ m	9M 2014	9M 2013	Q3 2014	Q3 2013
Order intake	432.5	445.9	147.0	161.5
Sales revenues	418.8	420.9	146.4	147.2
EBITDA	52.0	36.3	22.0	15.1
EBIT	45.4	27.0	19.8	10.7
Employees (September 30)	3,050	3,057	3,050	3,057

Order intake in the Measuring and Process Systems division was down 3.0% on the previous year in the first nine months and down 9.0% in the third quarter. Whereas orders for the Balancing and Assembly Products business unit were up, Cleaning and Surface Processing registered lower order intake due to the sale of filtration technology business at the end of 2013. This business had still been included in the first nine months of 2013.

The book-to-bill ratio for Measuring and Process Systems stood at 1.03 in the first nine months of 2014. With sales holding steady, EBIT rose by 68.1% in the first nine months and by 85.0% in the third quarter mainly as a result of the turnaround in earnings from Cleaning and Surface Processing. This was due to the successful realignment of this business, which is now concentrating solely on cleaning technology product business after discarding system integration business with its smaller margins. In absolute terms, EBIT for Cleaning and Surface Processing climbed by more than € 10 million in the first nine months. Spurred by higher earnings, Balancing and Assembly Products also achieved a very respectable EBIT margin.

// CLEAN TECHNOLOGY SYSTEMS

€ m	**9M 2014**	9M 2013	Q3 2014	Q3 2013
Order intake	107.4	94.0	35.8	36.6
Sales revenues	95.1	71.7	33.4	29.3
EBITDA	5.7	4.6	2.5	2.6
EBIT	4.2	3.1	1.9	1.8
Employees (September 30)	455	414	455	414

Clean Technology Systems business primarily entails exhaust-air purification technology. In addition, energy efficiency technology business, which includes the consolidated companies Dürr Cyplan and Thermea as well a microgas turbine technology business, is being extended.

Order intake for Clean Technology Systems rose by 14.3% between January and September but contracted by a small 2.2% in the third quarter. The consolidation of environmental technology specialist LTB, which was acquired in July 2013, also contributed to the growth registered since the beginning of the year. Sales revenues for Clean Technology Systems rose by 32.6% in the first nine months and by 14.0% in the third quarter. At 1.13, the book-to-bill ratio was substantially over 1 despite the sharp increase in sales. As EBIT climbed slightly more quickly than sales, the EBIT margin widened from 4.3% in the previous year to 4.4%. The new activities in energy efficiency technology still made a negative contribution to earnings.

CORPORATE CENTER

The Corporate Center (Dürr AG and Dürr IT Service GmbH) recorded a loss of € 8.1 million at the EBIT level in the first nine months of 2014 (9M 2013: loss of € 7.1 million). This figure includes consolidation effects of € -0.5 million (9M 2013: € -0.6 million). In the third quarter, the loss at the EBIT level widened by € 2.7 million to € 3.8 million due to expenses in connection with the acquisition of a majority interest in HOMAG.

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. Details of the typical risks to which our business is exposed as well as Dürr's risk management system can be found in the 2013 annual report (from page 127).

All told, we consider the Group's current risk situation to be readily manageable. However, a number of risks have recently deteriorated in view of the numerous international crises. In Europe, the currently muted economic conditions have resulted in further cuts in forecasts for growth in Germany and other countries. This could trigger spending restraint and exert pressure on our mechanical engineering business in particular. However, we have not seen any evidence of this in the order intake of the past few weeks. What is more, automotive sales in Western Europe were encouraging in September despite the economic concerns.

The Ukraine crisis put a strain on investments in Russia. However, business with Russia has only played a subordinate role in the past few years with contributions of between 2% and 3% to Group sales. This year, we expect Russia to account for 1% of the Group's order intake.

With GDP growth averaging 7.4%, the Chinese economy has proved to be more robust since the beginning of the year than originally expected. Automotive sales have also risen substantially. Currently, no real slowdown is expected for the Chinese economy. However, if it were to weaken, this would leave substantial traces on Dürr's sales and earnings.

The most important risks to which our operating business is exposed concern project execution/engineering. Given the size and complexity of many contracts, it is not always possible to exclude the risk of a failure to meet schedules and commitments, resulting in added expense. However, this risk has been mitigated over the past few quarters as we have assigned additional resources to order execution and enhanced our project management capabilities.

Despite extensive due-diligence activities ahead of acquisitions, sales, earnings and synergistic effects may fall short of the defined targets. This risk is also present with the HOMAG transaction especially as this is our largest acquisition since 2000. The decision to go ahead with the acquisition of HOMAG was preceded by careful examinations and analyses. The company is being integrated within the Dürr Group under a detailed roadmap subject to the close supervision of Dürr's Board of Management.

OPPORTUNITIES

The opportunities arising from our business and the opportunities management system are also described in the 2013 annual report (page 138). This section now proceeds to describe a number of material opportunities.

The acquisition of HOMAG offers numerous opportunities. By optimizing its business processes, IT structures and presence in the emerging markets, HOMAG has potential for additionally widening its market share (currently 28%) and generating further top and bottom-line contributions. Looking further down the road, we assume that HOMAG can achieve an EBIT margin of between 8 and 10%. The consensus estimate for HOMAG is EBIT (after employee profit participation) of € 51 million in 2015. With HOMAG, Dürr will evolve into a more broadly based mechanical and plant engineering company, thus reducing its exposure to fluctuations in conditions in the automotive industry. The acquisition of HOMAG will reduce the proportion of automotive business in consolidated sales from a good 80% to some 65%. That said, it must again be stressed that the acquisition of HOMAG does not mean that Dürr has any plans to withdraw from the automotive industry, which will continue to form the main focus of its activities.

We also see good opportunities for expansion in our service business. Since the 2008/2009 global economic crisis, we have started up an above-average number of new machinery and production facilities for our customers. This has caused our installed base in the market to widen significantly. Against this backdrop, we are expanding our service business via the CustomerExcellence@Dürr optimization program with the aim of boosting the share of service business in consolidated sales revenues from 22% (2013) towards 30% (excluding HOMAG). The HOMAG Group's service business, which accounted for 17% of sales revenues in 2013, also harbors considerable potential.

By addressing new sectors, our application technology business will also be able to harness new opportunities for growth. The newly established "Industrial Products" unit is targeting industries as plastics, wagon and shipbuilding, ceramics, wood and furniture. In the medium term, the Application Technology division wants to establish itself as one of the leading operators in the industrial segment.

In our core automotive business, we are fortifying our position in South-East Asia, a market which offers great potential for the future. The automotive industry projects significant volume growth in this region and is establishing additional plants there. Alongside Thailand, we have additionally incorporated local subsidiaries in Malaysia and Indonesia since mid-2014.

Transactions with related parties

This information can be found in the notes to the consolidated financial statements on page 61.

Outlook

OPERATING ENVIRONMENT

The global economy is expected to grow by 3.2% in 2014 and, hence, slightly more quickly than in the previous year. Momentum should pick up in 2015, with global GDP set to expand by 3.9%, spurred by lower energy prices, improving consumer confidence, progress in reducing public-sector debt and the central banks' accommodative monetary policies. Whereas the outlook for Latin America and Russia remains muted, the forecast for China and North America is optimistic. This is summarized in the table on page 8.

Once again, automotive sales should keep pace with, if not exceed, GDP growth in the individual regions of the world in 2014. Industry experts forecast growth rates in the mid single digits in Europe and America. In China, the world's largest automotive market, volume sales should widen by around 10%. Brazil and Russia are currently in a phase of consolidation, while there are mounting signs in India of a recovery of the weak automotive market. A study published by Pricewaterhouse-Coopers (PwC) at the end of October 2014 expects global automotive production to grow at an annual rate of 5.0% through 2018.

According to experts, general industrial production will more or less track growth in gross domestic product. Industry association VDMA expects sales revenues in the German mechanical and plant engineering sector to rise by just under 3% in 2015.

// PRODUCTION OF LIGHT VEHICLES

Million units	2013	2018F	CAGR 2013-2018
North America	16.2	18.8	3.0%
Mercosur	4.6	6.1	5.8%
Western Europe	12.4	15.6	4.7%
Eastern Europe	7.1	8.3	3.2%
Asia	40.8	54.2	5.8%
thereof China	19.3	29.0	8.5%
Others	1.5	2.5	10.8%
Total	**82.6**	**105.5**	**5.0%**

Source: PwC, October 2014
F=forecast

// GROUP OUTLOOK (BEFORE CONSOLIDATION OF HOMAG GROUP) //////////////////

		2013 act.	Original forecast for 2014	Current forecast for 2014
Order intake	€ m	2,387.1	2,300 - 2,500	Top end of the target range of 2,300 - 2,500
Orders on hand (December 31)	€ m	2,150.1	1,950 - 2,250	2,400 - 2,500
Sales revenues	€ m	2,406.9	2,400 - 2,500	Approx. 2,300
EBIT margin	%	8.4	8.0 - 8.5	Approx. 9
ROCE	%	66.2	30 - 40	30 - 40
Net financial expense	€ m	18.4	Slightly weaker	Slightly weaker
Tax rate	%	23.7	27 - 28	Approx. 25
Earnings after tax	€ m	140.9	Stable	Slightly higher
Cash flow from operating activities	€ m	329.1	Substantially weaker	Substantially weaker
Free cash flow	€ m	261.9	Slightly negative	Substantially weaker
Net financial status (December 31)	€ m	+280.5	+150 - +250	0 - +100
Liquidity (December 31)	€ m	458.5	330 - 430	200 - 300
Capital expenditure[1]	€ m	51.2	40 - 50	Approx. 40
Employees (December 31)		8,142	8,500	8,600

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

After the first three of the four quarters of the year, we largely reaffirm the forecast for 2014 issued at the beginning of the year. However, we have made a number of small adjustments to some of the targets. These can be seen in the table above.

The majority takeover of HOMAG is not yet factored into the guidance for 2014. After being consolidated for the first time at the beginning of October 2014, HOMAG should contribute a good € 200 million to Dürr's consolidated sales in the current year. It is not yet possible to specify an earnings component due to the still ongoing consolidation activities. Following the execution of the transaction, we are currently performing a more detailed analysis of HOMAG's business situation, which will take another few weeks to complete. As a result of the acquisition, Dürr's headcount has risen to around 13,700. Consolidation will cause a slight dilution of the EBIT margin and ROCE. As total assets will rise significantly, the equity ratio will temporarily dip below 20%.

SALES, INCOMING ORDERS AND EARNINGS

We now assume that we will not be able to recoup the shortfall in sales revenues arising in the first nine months by the end of 2014. Accordingly, we now expect full-year sales of around € 2.3 billion, down from our previous target corridor of € 2.4 - 2.5 billion. Order intake is expected to reach the upper end of the target corridor of € 2.3 - 2.5 billion in 2014, resulting in an expected order backlog of € 2.4 - 2.5 billion. We have raised our EBIT margin target to around 9% on the strength of the figure of 9.1% recorded in the third quarter of 2014. We had originally projected a full-year EBIT margin of 8.0% to 8.5% for 2014. Earnings are likely to be burdened in the fourth quarter of 2014 by costs of around € 5 million for structural adjustments in France.

Net financial expense is likely to widen slightly in the year under review on account of the interest expense on two bonds in the second and third quarter. After prematurely calling in the legacy bond on September 28, 2014, the only expense now arises from the bond issued in April on more favorable terms, thus reducing net financial expense from the fourth quarter of 2014 onwards. We now expect a tax rate of around 25% for 2014 as we are able to make greater use of our tax-loss carry-forwards in the United States. Previously, we had assumed a tax rate of 27 - 28%. As a result of the lower tax rate, post-tax earnings are likely to be slightly higher in 2014 in contrast to our original forecast of a stable figure. In accordance with our dividend policy, the distribution for 2014 should be between 30 and 40% of consolidated net profit.

DIVISIONS

The Measuring and Process Systems and Clean Technology Systems divisions still expect increases in sales and earnings for 2014. Paint and Assembly Systems had hitherto been targeting an EBIT margin at the previous year's level but now expects a higher figure thanks to the good quality of its order execution. Sales revenues in this division are unlikely to reach the previous year's level. Application Technology should just barely achieve sales revenues on a par with the previous year. However, earnings will come under pressure from start-up costs for the newly established Industrial Products unit. We had previously been expecting slight growth in sales revenues and earnings.

CASH FLOW, CAPITAL EXPENDITURE, FINANCIAL POSITION

The strong cash flow in 2013 and in the first nine months of 2014 was underpinned by high operating revenues and earnings as well as extraordinarily large progress payments and prepayments. However, the large volume of progress payments and prepayments is unlikely to continue in the fourth quarter of 2014. At this stage, we assume that cash flow from operating activities and free cash flow will decline over 2014 as a whole. However, contrary to our original forecast, we no longer expect free cash flow to dip into negative territory. We assume that cash flow and the high cash and cash equivalents will be sufficient to cover operating funding requirements (capital expenditure, interest payments etc.) and the dividend distribution in 2014.

Capital expenditure on property, plant and equipment and on intangible assets should come to € 40 million in 2014, i.e. at the lower end of the target corridor of € 40 - 50 million. Of this, replacement spending is set to account for a good 50%, with the balance earmarked 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 internal production capacities.

There will be an outflow of € 228.1 million in the fourth quarter of 2014 for the majority acquisition of HOMAG Group. This will reduce our net financial status, pushing it down to between zero and € 100 million (before consolidation of HOMAG's financial liabilities) by the end of the year. Equity will continue to grow in 2014. No corporate actions are planned for the current year.

EMPLOYEES

Compared with December 31, 2013, staff numbers are likely to rise by around 6% to more than 8,600 by the end of 2014. This growth will be underpinned evenly by Europe (including Germany) and the emerging markets.

OUTLOOK FOR 2015

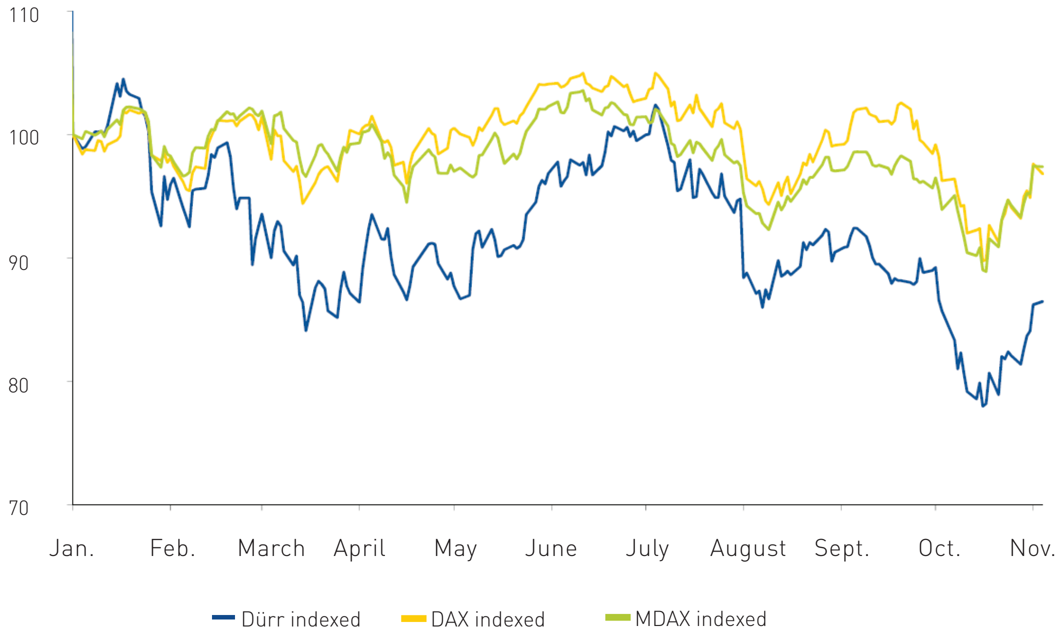
We will be publishing preliminary guidance for 2015 when we announce our provisional figures at the beginning of March 2015. From today´s perspective, we expect to see considerable growth in order intake, sales and earnings (including HOMAG Group AG).

Treasury stock and capital changes

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

Dürr on the capital market

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



CONDITIONS IN THE CAPITAL MARKET AND DÜRR SHARE

After an upbeat start to the year, the German stock market embarked on a roller coaster ride. Prospects of a continuation of the ECB's extremely accommodative monetary policy initially spurred equities, causing the DAX to reach a new all-time high of 10,051 points on June 20, 2014. Following a substantial correction, it retreated to 8,903 points on August 8, hitting a low for the first three quarters in the wake of the repeated uncertainty caused by the conflicts in Ukraine, Iraq and Syria. In the second half of the year, signs of a possible economic slowdown triggered restraint on the part of market participants. In particular, declining commodity prices stoked fears of a recession. The DAX closed at 9,474 points on September 30, 2014, up 0.9% on the beginning of the year. The MDAX entered the third quarter at just under 17,000 points but closed lower at 15,995 points on September 30, 2014.

After reaching an all-time high of € 68.13 in mid-January 2014, the Dürr share retreated to € 53.31 in mid-March, thus hitting a low for the period under review. Some investors made use of the high prices for profit-taking. In the third quarter, the share price reflected a certain degree of uncertainty in investors' appraisal of the acquisition of HOMAG announced in July. Although we had previously signaled our interest in an acquisition and spelled out the criteria which had to be satisfied, also indicating the possibility of buying a company outside our core business, the announcement of plans to acquire HOMAG initially took some market participants by surprise; mainly the size and strategic logic of the transaction were discussed in many talks with investors. Ultimately, the acquisition will be appraised in the light of HOMAG's future business success. After spiking, the share closed the third quarter at € 57.83 in XETRA trading.

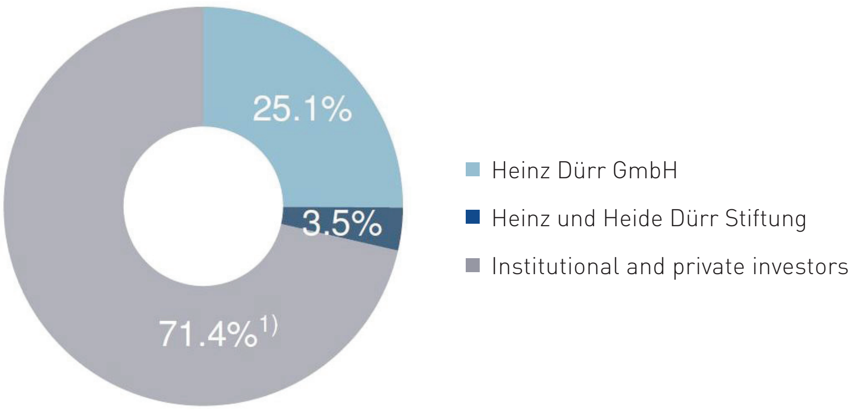
2010 BOND PREMATURELY CALLED IN

The bond which we had issued in 2010 with a coupon of 7.25% was trading at 105.35% in Stuttgart at the middle of the year (June 30, 2013: 108,60%). Given favorable refinancing conditions, we decided to call in the bond one year ahead of maturity on September 28, 2014 in accordance with the issue terms. It was repaid at 100%.

Issued at the beginning of April 2014, the bond for € 300 million (ISIN XS 1048589458) rose steadily, reaching 104.46% on September 30, 2014 in Stuttgart. It has a nominal coupon of 2,875% p.a. and matures in 2021. The yield currently stands at 2.1%; an early call is excluded.

SHAREHOLDER STRUCTURE

The Dürr family as the anchor shareholder hold a total of 28.6% of Dürr AG's stock. 25.1% is held by Heinz Dürr GmbH and a further 3.5% by Heinz und Heide Dürr Stiftung. Looking forward, the family plans to retain an interest of over 25% in Dürr AG. A combined total of 0.7% of the stock is held by the members of the Board of Management Ralf W. Dieter (CEO) and Ralph Heuwing (CFO). The free float as defined by Deutsche Börse is unchanged at 71.4%. In the first nine months of 2014, around 121,000 shares were traded per stock market day on German stock exchanges (9M 2013: approx. 150,000 shares). This decline is particularly due to the growth in over-the-counter trading.



[1] thereof 0.7% share of Dürr Management Board

Events after the reporting period

In mid-October 2014, we completed the acquisition announced on July 15, 2014 of a majority interest in HOMAG Group AG. Dürr Technologies GmbH, a wholly owned subsidiary of Dürr AG, now holds 55.9% of HOMAG's capital. A sum of € 228.1 million was paid for the acquisition. HOMAG has been fully consolidated within the Dürr Group since October 3, 2014. On October 27, 2014, the Supervisory Board of HOMAG Group AG appointed Ralph Heuwing, CFO of Dürr AG, to its Board of Management and to the position of CEO effective December 1, 2014. He takes over as CEO from Dr. Markus Flik, who is leaving HOMAG's Board of Management at his own request effective November 30, 2014. Ralph Heuwing will be retaining his position as CFO of Dürr AG. On October 24, 2014, Ralf W. Dieter, CEO of Dürr AG, was elected Chairman of HOMAG's Supervisory Board following the substantial change in shareholder representatives. Further information on the acquisition of HOMAG can be found in the section "Majority acquisition of HOMAG" on page 5.

Bietigheim-Bissingen, November 6, 2014

Dürr Aktiengesellschaft

The Board of Management

Consolidated statement of income

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

€ k	**9M 2014**	9M 2013	Q3 2014	Q3 2013
Sales revenues	1,641,721	1,746,121	581,301	614,463
Cost of sales	-1,272,674	-1,405,843	-445,831	-494,040
Gross profit on sales	**369,047**	**340,278**	**135,470**	**120,423**
Selling expenses	-103,056	-96,306	-33,432	-31,438
General administrative expenses	-83,400	-79,260	-30,178	-26,102
Research and development costs	-32,986	-29,527	-10,890	-10,158
Other operating income	20,238	16,415	11,287	3,930
Other operating expenses	-20,022	-17,536	-11,665	-4,970
Earnings before investment income, interest and income taxes	**149,821**	**134,064**	**60,592**	**51,685**
Profit from entities accounted for using the equity method	641	97	230	-235
Other investment income	49	36	-	36
Interest and similar income	5,618	2,615	2,052	1,219
Interest and similar expenses	-20,708	-17,685	-7,526	-5,776
Earnings before income taxes	**135,421**	**119,127**	**55,348**	**46,929**
Income taxes	-35,147	-31,572	-12,992	-11,767
Profit of the Dürr Group	**100,274**	**87,555**	**42,356**	**35,162**
Attributable to:				
Non-controlling interests	1,708	458	608	302
Shareholders of Dürr Aktiengesellschaft	**98,566**	**87,097**	**41,748**	**34,860**
Earnings per share in € (basic and diluted)	2.85	2.52	1.21	1.01

Consolidated statement of comprehensive income

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

€ k	9M 2014	9M 2013	Q3 2014	Q3 2013
Profit of the Dürr Group	**100,274**	**87,555**	**42,356**	**35,162**
Items that will not be reclassified to profit or loss				
Actuarial gains/losses from defined benefit plans and similar obligations	-9,596	16	-1,491	-801
Associated deferred taxes	2,480	-5	352	174
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of financial instruments used for hedging purposes recognized in equity	-8,123	-2,076	-8,278	2,088
Gains/losses from changes in the fair value of available-for-sale securities	21	12	-	3
Reclassifications from currency translation through profit or loss	-4	-	-	-
Currency translation reserve of foreign subsidiaries	20,814	-7,260	18,099	-5,889
Currency translation reserve of foreign entities accounted for using the equity method	514	-1,750	17	-213
Associated deferred taxes	2,378	578	2,497	-491
Other comprehensive income, net of tax	**8,484**	**-10,485**	**11,196**	**-5,129**
Total comprehensive income, net of tax	**108,758**	**77,070**	**53,552**	**30,033**
Attributable to:				
Non-controlling interests	1,703	433	607	284
Shareholders of Dürr Aktiengesellschaft	**107,055**	**76,637**	**52,945**	**29,749**

Consolidated statement of financial position

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

€ k	September 30, 2014	December 31, 2013	September 30, 2013
ASSETS			
Goodwill	295,376	286,971	288,787
Other intangible assets	35,086	35,063	38,908
Property, plant and equipment	184,288	173,849	168,154
Investment property	21,716	22,245	22,619
Investments in entities accounted for using the equity method	12,892	11,699	11,804
Other financial assets	32,331	30,618	28,991
Trade receivables	1,313	101	23
Income tax receivables	331	245	88
Sundry financial assets	5,109	4,004	4,817
Other assets	225	198	84
Deferred taxes	21,496	23,687	15,603
Prepaid expenses	1,793	2,267	1,557
Non-current assets	**611,956**	**590,947**	**581,435**
Inventories and prepayments	197,981	148,014	181,752
Trade receivables	652,041	675,593	850,955
Income tax receivables	6,763	6,755	7,127
Sundry financial assets	90,432	74,197	46,209
Other assets	24,851	18,759	23,809
Cash and cash equivalents	608,944	458,513	246,729
Prepaid expenses	5,853	4,483	4,224
Assets held for sale	24,402	14,582	1,037
Current assets	**1,611,267**	**1,400,896**	**1,361,842**
Total assets Dürr Group	**2,223,223**	**1,991,843**	**1,943,277**
EQUITY AND LIABILITIES			
Subscribed capital	88,579	88,579	88,579
Capital reserves	155,896	155,896	155,896
Revenue reserves	363,630	317,059	267,654
Other comprehensive income	-48,562	-57,035	-54,196
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	**559,543**	**504,499**	**457,933**
Non-controlling interests	6,683	6,875	6,779
Total equity	**566,226**	**511,374**	**464,712**
Provisions for post-employment benefit obligations	46,758	49,762	54,619
Other provisions	6,639	7,758	7,224
Trade payables	821	2,026	447
Bonds	296,261	225,200	225,316
Other financial liabilities	41,667	43,396	43,878
Sundry financial liabilities	5,531	19,737	16,419
Income tax liabilities	471	205	207
Other liabilities	9,260	4,344	7,677
Deferred taxes	48,427	42,246	42,645
Deferred income	127	120	136
Non-current liabilities	**455,962**	**394,794**	**398,568**
Other provisions	73,431	65,296	66,845
Trade payables	940,795	854,772	850,477
Financial liabilities	3,782	2,460	2,971
Sundry financial liabilities	44,372	16,254	39,484
Income tax liabilities	23,823	30,506	19,017
Other liabilities	93,344	107,742	100,931
Deferred income	614	390	272
Liabilities held for sale	20,874	8,255	-
Current liabilities	**1,201,035**	**1,085,675**	**1,079,997**
Total equity and liabilities Dürr Group	**2,223,223**	**1,991,843**	**1,943,277**

Consolidated statement of cash flows

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

€ k	9M 2014	9M 2013	Q3 2014	Q3 2013
Earnings before income taxes	135,421	119,127	55,348	46,929
Income taxes paid	-27,467	-25,538	-7,770	-9,221
Net interest	15,090	15,070	5,474	4,557
Profit/loss from entities accounted for using the equity method	-641	-97	-230	235
Amortization and depreciation of non-current assets	20,178	22,475	6,860	8,970
Net gain/loss on the disposal of non-current assets	191	-371	138	-280
Other non-cash income and expenses	-178	-447	114	-453
Changes in operating assets and liabilities				
Inventories	-42,145	-39,103	-14,844	-6,084
Trade receivables	33,340	-166,207	-20,058	-108,395
Other receivables and assets	-5,983	347	2,830	-8,956
Provisions	-10,034	14,042	1,261	4,453
Trade payables	70,904	121,852	122,998	84,593
Other liabilities (other than bank)	-5,674	-16,607	4,936	13,359
Other assets and liabilities	-498	833	1,198	3,547
Cash flow from operating activities	**182,504**	**45,376**	**158,255**	**33,254**
Purchase of intangible assets	-5,372	-6,193	-1,436	-2,300
Purchase of property, plant and equipment	-20,416	-27,771	-6,574	-9,956
Purchase of other financial assets	-4,313	-18,049	-2	-6,440
Proceeds from the sale of non-current assets	2,673	3,659	250	3,394
Acquisitions, net of cash acquired	-11,679	-9,779	-827	-8,463
Investments in time deposits	-16,122	-14,504	288,966	-10,657
Proceeds from the sale of assets and liabilities classified as held for sale	1,171	-	-105	-
Interest received	5,612	3,004	2,340	1,466
Cash flow from investing activities	**-48,446**	**-69,633**	**282,612**	**-32,956**
Change in current bank liabilities and other financing activities	9,546	-12,684	7,789	-2,023
Repayment of non-current financial liabilities	-1,723	-1,563	-576	-551
Redemption of the 2010 corporate bond	-225,000	-	-225,000	-
Bond issue	296,025	-	-6	-
Payments of finance lease liabilities	-316	-305	-106	-126
Change in financial receivables due from entities accounted for using the equity method	-	-98	-	-2
Cash received from transactions with non-controlling interests	500	-	-	-
Dividends paid to the shareholders of Dürr Aktiengesellschaft	-50,172	-38,926	-	-
Dividends paid to non-controlling interests	-1,463	-1,692	-	-
Interest paid	-21,523	-19,126	-17,079	-16,897
Cash flow from financing activities	**5,874**	**-74,394**	**-234,978**	**-19,599**
Effects of exchange rate changes	10,499	-3,975	9,527	-3,592
Changes in cash and cash equivalents related to changes in the consolidated group	-	73	-	11
Change in cash and cash equivalents	150,431	-102,553	215,416	-22,882
Cash and cash equivalents				
At the beginning of the period	458,513	349,282	393,528	269,611
At the end of the period	608,944	246,729	608,944	246,729

Consolidated statement of changes in equity

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

				Other comprehensive income								
				Items that will not be reclassified to profit or loss	Items that may be reclassified subsequently to profit or loss							
€ k	Subscribed capital	Capital reserve	Revenue reserves	Unrealized actuarial gains/losses	Unrealized gains/losses from cash flow hedges	Unrealized gains/losses from available-for-sale securities	Changes related to the consolidated group/reclassifications	Currency translation	Other comprehensive income	Total equity attributable to the shareholders of Dürr Aktiengesellschaft	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	-	-	87,097	-	-	-	-	-	-	87,097	458	87,555
Other comprehensive income	-	-	-	11	-1,496	10	-	-8,985	-10,460	-10,460	-25	-10,485
Total comprehensive income, net of tax	**-**	**-**	**87,097**	**11**	**-1,496**	**10**	**-**	**-8,985**	**-10,460**	**76,637**	**433**	**77,070**
Capital increase Dürr Aktiengesellschaft from company funds	44,290	-44,290	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-38,926	-	-	-	-	-	-	-38,926	-1,692	-40,618
Put options non-controlling interests	-	-	-3,606	-	-	-	-	-	-	-3,606	-629	-4,235
Other changes	-	-	16	-	-	-	-16	-	-16	-	413	413
September 30, 2013	**88,579**	**155,896**	**267,654**	**-28,503**	**181**	**33**	**721**	**-26,628**	**-54,196**	**457,933**	**6,779**	**464,712**
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	-	-	98,566	-	-	-	-	-	-	98,566	1,708	100,274
Other comprehensive income	-	-	-	-7,116	-5,740	16	-	21,329	8,489	8,489	-5	8,484
Total comprehensive income, net of tax	**-**	**-**	**98,566**	**-7,116**	**-5,740**	**16**	**-**	**21,329**	**8,489**	**107,055**	**1,703**	**108,758**
Dividends	-	-	-50,172	-	-	-	-	-	-	-50,172	-1,463	-51,635
Put options non-controlling interests	-	-	-1,802	-	-	-	-	-	-	-1,802	-969	-2,771
Other changes	-	-	-21	-	-	-	-16	-	-16	-37	537	500
September 30, 2014	**88,579**	**155,896**	**363,630**	**-34,055**	**-4,863**	**46**	**699**	**-10,389**	**-48,562**	**559,543**	**6,683**	**566,226**

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

1. Summary of significant accounting policies

The Company

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") has its registered offices in Stuttgart, Germany. Its headquarters for operations are located at Carl-Benz-Strasse 34 in 74321 Bietigheim-Bissingen, Germany. The Dürr Group ("Dürr" or the "Group") consists of Dürr AG and its subsidiaries. The Dürr Group specializes in mechanical and plant engineering and is one of the global market leaders in almost all of its fields of business. As of September 30, 2014 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. As of September 30, 2014 Dürr served 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 third quarter of 2014 and 2013 and the first nine months of 2014 and 2013 have been prepared for interim financial information. The same applies to the consolidated statements of comprehensive income and the consolidated statements of cash flows for the third quarter and the first nine months of 2014 and 2013, for the consolidated statements of financial position as of September 30, 2014, December 31, 2013 and September 30, 2013, and also for the consolidated statements of changes in equity for the first nine 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 September 30, 2014, are not subject to any 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 September 30, 2014.

2. Consolidated Group

Besides Dürr AG, the consolidated financial statements as of September 30, 2014, contain all German and foreign entities which Dürr AG can control directly or indirectly. According to IFRS 10 an investor is able to control an investee when it is exposed, or has rights, to positive or negative returns from its involvement with the investee. Moreover, the investor has the ability to use its power over the investee to affect the amount of its variable returns by directing the relevant activities. Control can be exercised through voting rights or rights arising from the current ability to direct the relevant activities, amongst other contractual arrangements.

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. As to three entities Dürr has the power to control them on the basis of contractual arrangements. An entity will be excluded from the consolidated financial statements if Dürr loses its control over the entity.

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

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

// NUMBER OF FULLY CONSOLIDATED ENTITIES

	September 30, 2014	December 31, 2013
Germany	15	14
Other countries	50	48
	65	**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

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

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

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.

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

On June 17, 2014, Dürr took over 100% of the shares in Bersch & Fratscher GmbH based in Karlstein am Main, Germany. After acquisition the entity was renamed into Dürr Systems Karlstein GmbH.

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

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

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

As of July 14, 2014, 100% of the shares in PT Anugerah based in Jakarta, Indonesia, were acquired. After acquisition the entity was renamed into PT Durr Systems Indonesia.

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 nine months of 2014 and 2013.

		9M 2014	9M 2013
Profit attributable to the shareholders of Dürr AG	€ k	98,566	87,097
Number of shares issued	thousands	34,601	34,601
Earnings per share (basic and diluted)	€	2.85	2.52

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 nine months of 2014 the amortization of capitalized development costs amounted to € 1,853 thousand (prior period: € 2,239 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	**9M 2014**	9M 2013
Interest and similar income	5,618	2,615
Interest and similar expenses	-20,708	-17,685
of which from:		
Nominal interest expenses on the corporate bonds	-16,339	-12,234
Amortization and impairment of transaction costs as well as premiums and discounts on bonds issued and a syndicated loan obtained	-208	63
Interest expenses from finance leases	-240	-251
Net interest from the measurement of pension obligations	-1,653	-1,716
Other interest expenses	-2,268	-3,547
Net interest	**-15,090**	**-15,070**

7. Financing of the Group

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

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

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

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

On September 28, 2014, the corporate bond issued in 2010 with a volume of € 225,000 thousand was fully redeemed at par prior to maturity.

8. Acquisitions

Dürr reinforced its presence in the growth market of Southeast Asia by taking over the activities of two companies in Malaysia and in Indonesia. As part of an asset deal assets were transferred into the company Durr Systems (Malaysia) Sdn. Bhd., based in Kualu Lumpur, Malasia, which was founded on March 10, 2014. As of July 14, 2014, Dürr acquired 100% of shares in PT Anugerah based in Jakarta, Indonesia (renamed into PT Durr Systems Indonesia).

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

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

First-time full consolidation of the acquired companies was performed pursuant to IFRS 3 "Business Combinations" using the purchased goodwill method as the acquisition method of accounting. The profits or losses of the acquired entities were included in the consolidated financial statements as of the dates of first-time consolidation.

The purchase price for the acquisitions totaled € 12,322 thousand of which € 11,422 thousand were settled in cash. At the amount of € 900 thousand a contingent purchase price installment was recognized as financial liability. The contingent purchase price installment is based on the continuance of certain persons within the companies. As of September 30, 2014, the acquisition-related costs amounted to € 373 thousand and were recorded as expense in the 2014 reporting period.

The preliminary goodwill from first-time full consolidation of the acquired companies and the acquired net assets are as follows:

// GOODWILL FROM ACQUISITIONS 2014 (PRELIMINARY) //////////////////////////

€ k	
Purchase price	12,322
Fair value of net assets	-8,161
Goodwill	**4,161**

The preliminary goodwill of € 1,032 thousand reflects synergies in the areas of sales and the earnings prospects in the growth market Southeast Asia and has been allocated to the Paint and Final Assembly Systems business unit. At the amount of € 3,129 thousand the goodwill reflects synergies in the fields of research and development, procurement and sales in the segment of paint and high-viscosity materials. It also reflects the earnings prospects of Dürr Systems Karlstein GmbH and Dürr Czech Republic a.s. and has been allocated to the Application Technology business unit. The goodwill is not tax deductible.

The purchase prices were allocated to the assets acquired and liabilities assumed as follows:

// ALLOCATION OF THE PURCHASE PRICES FOR THE ACQUISITIONS 2014 (PRELIMINARY)

€ k	Carrying amount before acquisitions	Adjustment	Carrying amount after acquisitions
Intangible assets	13	1,781	1,794
Property, plant and equipment	738	3,437	4,175
Deferred tax assets	-	397	397
Inventories and prepayments	2,493	-50	2,443
Receivables and other assets	1,107	-270	837
Cash and cash equivalents	643	-	643
Deferred tax liabilities	-8	-674	-682
Current liabilities	-1,055	-391	-1,446
Net assets	**3,931**	**4,230**	**8,161**

The carrying amounts after acquisition correspond to fair value as of the date of first-time consolidation. The gross contractual value of the acquired receivables and other assets approximates their fair value. The adjustments mainly related to intangible assets, specifically technological know-how, patents and customer relationships that had been capitalized in the purchase price allocation process. Additionally, two properties were recorded with their market value. No contingent liabilities were recognized in the purchase accounting.

The useful lives of the intangible assets acquired break down as follows:

// USEFUL LIVES OF THE INTANGIBLE ASSETS ACQUIRED FROM THE ACQUISITIONS 2014

	Fair value (€ k)	Useful life (years)
Technological know-how	250	8
Patents	230	2
Customer relationships	1,295	8
Other intangible asstes	19	2 to 14
	1,794	

The fair value of technological know-how was measured using the relief from royalty method, the fair value of customer relationships was measured using the multiperiod excess earnings method. The fair value of the acquired patents was accounted for using an external appraisal.

The earnings contributed by the first-time consolidated companies as of the date of first-time consolidation until September 30, 2014, are summarized as follows:

// EARNINGS CONTRIBUTION FROM FIRST-TIME CONSOLIDATION FROM ACQUISITIONS 2014

€ k	
Sales revenues	2,579
Earnings after taxes	-219

If the acquired companies had been included in the consolidated group as of January 1, 2014, group sales revenues for the first nine months in the 2014 reporting period would have amounted to € 1,645,603 thousand and the Group's profit for the period would have been € 100,403 thousand.

A comparison of the statement of financial position and the statement of income was not performed as the change in the consolidated group is not material. As of September 30, 2014, the share of the entities consolidated for the first time in total assets and sales revenues amounted to only 0.15% and 0.16%, respectively.

9. Assets held for sale and associated liabilities

On August 1, 2014, the board of management decided to integrate the aircraft assembly technology business in Germany and the US into the Broetje-Automation Group with Dürr, in turn, acquiring a stake in the Broetje-Automation Group. This will open up growth opportunities which Dürr on itself would not have if operating independently. Dürr assumes that the transaction will be finalized by the end of reporting period 2014. The assets and associated liabilities will be classified as held for sales and and accounted for at the lower of their carrying amount or fair value less costs to sell. The assets held for sale and associated liabilities are allocated to the Paint and Assembly Systems division.

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

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

// ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

€ k	September 30, 2014	December 31, 2013
Intangible Assets	477	-
Property, plant and equipment	5,847	3,078
Inventories and prepayments	1,092	709
Receivables and other assets	16,986	10,795
Cash and cash equivalents	-	-
Non-current liabilities	-1,659	-1,886
Current liabilities	-19,215	-6,369
Net assets	**3,528**	**6,327**

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".

	9M 2014			9M 2013		
€ k	**Before tax**	**Tax effect**	**Net**	Before tax	Tax effect	Net
Items that are not reclassified to profit or loss						
Remeasurement of defined benefit plans and similar obligations	-9,596	2,480	-7,116	16	-5	11
Items that may be reclassified subsequently to profit or loss						
Net gain/loss (-) from derivatives used to hedge cash flows	-8,123	2,383	-5,740	-2,076	580	-1,496
Gains from the change in fair value of securities held for sale	21	-5	16	12	-2	10
Reclassifications from currency translation through profit or loss	-4	-	-4	-	-	-
Difference arising from currency translation	20,814	-	20,814	-7,260	-	-7,260
Difference arising from currency translation of entities accounted for using the equity method	514	-	514	-1,750	-	-1,750
Change in other comprehensive income	**3,626**	**4,858**	**8,484**	**-11,058**	**573**	**-10,485**

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

The increase in currency-related components of other comprehensive income is essentially attributable to the fluctuation of the euro against the US dollar and the Chinese renminbi.

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	**September 30, 2014**	Level 1	Level 2	Level 2
Assets at fair value – not through profit or loss				
Available-for-sale financial assets	377	377	-	-
Derivatives used for hedging	1,423	-	1,423	-
Assets at fair value – through profit or loss				
Derivatives not used for hedging	1,304	-	1,304	-
Derivatives used for hedging	531	-	531	-
Held-for-trading financial assets	5,311	5,311	-	-
Liabilities at fair value – not through profit or loss				
Obligations from put options	19,268	-	-	19,268
Derivatives used for hedging	8,767	-	8,767	-
Liabilities at fair value – through profit or loss				
Derivatives not used for hedging	295	-	295	-
Derivatives used for hedging	638	-	638	-
Contingent purchase price installments	3,288	-	-	3,288

€ 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 the consolidated group	900
Changes in fair value	3,051
As of September 30	**22,556**

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

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

Valuation techniques

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

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

Sensitivity level 3

Assuming that the parameters (equity and accumulated earnings before income tax or EBIT) had been 10% higher (lower) on the earliest possible exercise date, the value of the put options for CPM S.p.A. and Luft- und Thermotechnik Bayreuth GmbH, classified to level 3 of the fair value hierarchy, would have been € 1,826 thousand (Dec. 31, 2013: € 1,548 thousand) higher (lower). However, the put option for Luft- und Thermotechnik Bayreuth GmbH was exercised on October 28, 2014.

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 € 45 thousand (Dec. 31, 2013: € 112 thousand) higher if the terms of the contract were met one year earlier than expected. Furthermore, this would involve a cash outflow of € 500 thousand. If the terms of the contract were completed one year later than expected, the contingent purchase price installments would be reduced by € 55 thousand (Dec. 31, 2013: € 105 thousand).

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

The level 3 contingent purchase price installments resulting from the takeover of activities in Malaysia and Indonesia are based on the continuance of certain persons. Depending on the leaving of those persons at defined dates a reduction of the purchase price installments from € 100 thousand up to € 900 thousand is possible.

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

€ k	September 30, 2014 Fair value	Carrying amount	December 31, 2013 Fair value	Carrying amount
Assets				
Cash and cash equivalents	608,944	608,944	458,513	458,513
Costs and estimated earnings in excess of billings	320,720	320,720	357,129	357,129
Trade receivables due from third parties	332,520	332,520	318,544	318,544
Trade receivables due from entities accounted for using the equity method	114	114	21	21
Other non-derivative financial instruments				
Sundry financial assets	87,423	87,423	65,563	65,563
Held-to-maturity investments	29,560	28,747	26,350	27,355
Liabilities				
Trade payables	259,249	259,249	259,969	259,969
Trade payables due to entities accounted for using the equity method	137	137	3	3
Sundry non-derivative financial liabilities	17,647	17,647	16,125	16,125
Bonds	313,380	296,261	241,425	225,200
Liabilities to banks	44,669	41,631	44,931	41,932
Finance lease liabilities	4,889	3,818	5,028	3,924
of which combined by measurement category in accordance with IAS 39				
Loans and receivables	1,029,001	1,029,001	842,641	842,641
Held-to-maturity investments	29,560	28,747	26,350	27,355
Financial liabilities measured at amortized cost	639,971	618,743	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 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. The 2014 bond was quoted at € 104.46 as of September 30, 2014, which is equal to a market value of € 313,380 thousand. On December 31, 2013, the 2010 bond was quoted at € 107.30 which was equal to a market value of € 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.

The table below shows derivative financial assets subject to netting agreements, enforceable master netting arrangements and similar agreements:

€ k	**September 30, 2014**	December 31, 2013
Gross amounts of financial assets	3,259	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	**3,259**	**3,037**
Associated amounts from financial instruments not netted in the statement of financial position	-1,935	-795
Net amount	**1,324**	**2,242**

The table below shows derivative financial liabilities subject to netting agreements, enforceable master netting arrangements and similar agreements:

€ k	**September 30, 2014**	December 31, 2013
Gross amounts of financial liabilities	10,188	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	**10,188**	**1,261**
Associated amounts from financial instruments not netted in the statement of financial position	-1,935	-795
Net amount	**8,253**	**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 September 30, 2014, the Dürr Group consisted of the Corporate Center and four divisions differentiated by product and service range, each with global responsibility for their products and results. The Corporate Center comprised Dürr AG, as the management holding company, and Dürr IT Service GmbH, which performs IT services throughout the Group. Transactions between the divisions are carried out at arm's length.

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

€ k	Paint and Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	**Total segments**	Reconciliation	**Dürr Group**
				9M 2014			
External sales revenues	747,050	380,740	418,809	95,108	**1,641,707**	14	**1,641,721**
Sales revenues with other divisions	5,253	8,519	7,104	1,461	**22,337**	-22,337	**-**
Total sales revenues	**752,303**	**389,259**	**425,913**	**96,569**	**1,664,044**	**-22,323**	**1,641,721**
EBIT	68,825	39,448	45,414	4,218	**157,905**	-8,084	**149,821**
Assets (as of Sept. 30)	478,594	430,819	485,798	93,927	**1,489,138**	-23,013	**1,466,125**
Liabilities (as of Sept. 30)	714,825	276,654	216,506	50,962	**1,258,947**	-16,381	**1,242,566**
Employees (as of Sept. 30)	3,154	1,755	3,050	455	**8,414**	137	**8,551**

€ k	Paint and Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	**Total segments**	Reconciliation	**Dürr Group**
				9M 2013			
External sales revenues	863,540	390,049	420,876	71,651	**1,746,116**	5	**1,746,121**
Sales revenues with other divisions	2,141	2,137	11,755	2,548	**18,581**	-18,581	**-**
Total sales revenues	**865,681**	**392,186**	**432,631**	**74,199**	**1,764,697**	**-18,576**	**1,746,121**
EBIT	67,686	43,391	27,038	3,140	**141,255**	-7,191	**134,064**
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 Sept. 30)	3,024	1,511	3,057	414	**8,006**	122	**8,128**

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	**9M 2014**	9M 2013
EBIT of the segments	157,905	141,255
EBIT of the Corporate Center	-7,593	-6,587
Elimination of consolidation entries	-491	-604
EBIT of the Dürr Group	**149,821**	**134,064**
Profit from entities accounted for using the equity method	641	97
Other investment income	49	36
Interest and similar income	5,618	2,615
Interest and similar expenses	-20,708	-17,685
Earnings before income taxes	**135,421**	**119,127**
Income taxes	-35,147	-31,572
Profit of the Dürr Group	**100,274**	**87,555**

€ k	**September 30, 2014**	December 31, 2013
Segment assets	1,489,138	1,424,005
Assets of the Corporate Center	518,685	494,913
Elimination of consolidation entries	-541,698	-517,132
Cash and cash equivalents	608,944	458,513
Time deposits and other short-term securities	77,474	61,352
Held-to-maturity securities and other loans	29,198	27,806
Sundry financial assets	-	-
Investments in entities accounted for using the equity method	12,892	11,699
Income tax receivables	7,094	7,000
Deferred tax assets	21,496	23,687
Total assets of the Dürr Group	**2,223,223**	**1,991,843**

€ k	September 30, 2014	December 31, 2013
Segment liabilities	1,258,947	1,142,283
Liabilities of the Corporate Center	40,157	26,405
Elimination of consolidation entries	-56,538	-32,232
Bonds	296,261	225,200
Liabilities to banks	41,631	41,932
Finance lease liabilities	3,818	3,924
Income tax liabilities	24,294	30,711
Deferred tax liabilities	48,427	42,246
Total liabilities of the Dürr Group*	**1,656,997**	**1,480,469**

* Consolidated total assets less total equity

14. Related party transactions

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

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

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

In the first nine months of 2014, there were intercompany transactions between Dürr and its joint ventures and associates of € 1,590 thousand (prior period: € 1,067 thousand). As of September 30, 2014, outstanding receivables from joint ventures and associates totaled € 114 thousand (Dec. 31, 2013: € 21 thousand), the outstanding liabilities amounted to € 137 thousand (Dec. 31, 2013: € 3 thousand). Both were current.

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

15. Contingent liabilities and other financial obligations

€ k	**September 30, 2014**	December 31, 2013
Contingent liabilities from warranties, guarantees, notes and check guarantees	26	51
Other	9,214	8,444
Contingent liabilities	**9,240**	**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	**September 30, 2014**	December 31, 2013
Future minimum payments for operating leases	99,121	97,615
Future minimum payments for finance leases	4,986	5,271
Purchase obligations for property, plant and equipment	3,981	1,413
Other financial obligations	**108,088**	**104,299**

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

16. Subsequent events

In mid-October Dürr has completed the majority acquisition of HOMAG Group AG, which had been announced on July 15, 2014. Dürr Technologies GmbH, a wholly owned subsidiary of Dürr AG, now holds 55.9% of HOMAG's capital. A sum of around € 228,055 thousand was paid for the acquisition. The allocation of the purchase price to the assets acquired and liabilities assumed has not been finalized, yet.

On October 27, 2014, the Supervisory Board of HOMAG Group AG has appointed Dürr's CFO Ralph Heuwing as HOMAG's CEO. He takes over this position from Dr. Markus Flik, who will be leaving HOMAG's Management Board of his own accord on November 30, 2014. Ralph Heuwing was appointed a member of HOMAG's Management Board effective October 27, 2014, and will become CEO on December 1, 2014. He will continue his activities as CFO of Dürr AG in tandem with his position as CEO of HOMAG.

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

Responsibility statement by management

To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, these interim consolidated financial statements give a true and fair view of the assets, liabilities, financial, and income position of the Group and the consolidated interim management report includes a fair review of the Group's business development, performance, and position together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bietigheim-Bissingen, November 6, 2014

Dürr Aktiengesellschaft

The Board of Management

Ralf W. Dieter Chief Executive Officer	Ralph Heuwing Chief Financial Officer

Multi-year overview 2011 - 2014[1]

		9M				Q3			
		2014	2013	2012	2011	**2014**	2013	2012	2011
Order intake	€ m	1,928.3	1,797.5	1,954.3	2,066.5	656.8	504.0	550.0	866.0
Orders on hand (September 30)	€ m	2,488.6	2,253.8	2,332.1	2,122.2	2,488.6	2,253.8	2,332.1	2,122.2
Sales revenues	€ m	1,641.7	1,746.1	1,757.5	1,307.3	581.3	614.4	594.2	523.8
Gross profit	€ m	369.0	340.3	311.0	228.8	135.4	120.4	112.9	88.4
EBITDA	€ m	170.0	156.5	138.6	78.4	67.5	60.6	53.5	35.0
EBIT	€ m	149.8	134.1	118.9	63.5	60.6	51.7	46.5	29.6
Earnings after tax	€ m	100.3	87.6	71.3	34.6	42.4	35.2	27.3	18.6
Gross margin	%	22.5	19.5	17.7	17.5	23.3	19.6	19.0	16.9
EBIT margin	%	9.1	7.7	6.8	4.9	10.4	8.4	7.8	5.7
Cash flow from operating activities	€ m	182.5	45.4	-18.4	28.2	158.3	33.3	46.3	53.3
Cash flow from investing activities	€ m	-48.4	-69.6	13.1	-21.1	282.6	-33.0	-8.3	-4.0
Cash flow from financing activities	€ m	5.9	-74.4	-45.1	-24.4	-235.0	-19.6	-23.1	-15.1
Free cash flow	€ m	140.8	-4.7	-59.2	-4.7	135.5	5.6	22.7	28.6
Total assets (September 30)	€ m	2,223.2	1,943.3	1,752.7	1,504.7	2,223.2	1,943.3	1,752.7	1,504.7
Equity (with non-controlling interests) (September 30)	€ m	566.2	464.7	411.3	341.0	566.2	464.7	411.3	341.0
Equity ratio (September 30)	%	25.5	23.9	23.5	22.7	25.5	23.9	23.5	22.7
ROCE [2]	%	75.6	34.9	32.1	21.3	91.7	40.4	37.7	29.9
Net financial status (September 30)	€ m	377.7	37.0	-25.8	0.9	377.7	37.0	-25.8	0.9
Net working capital (September 30)	€ m	-90.3	181.8	177.7	77.3	-90.3	181.8	177.7	77.3
Employees (September 30)		8,551	8,128	7,511	6,672	8,551	8,128	7,511	6,672
Dürr share[3] ISIN: DE0005565204									
High[4]	€	68.13	55.97	29.00	32.58	66.79	55.97	29.00	32.58
Low [4]	€	55.31	33.73	16.88	20.68	54.54	46.30	24.26	22.20
Close[4]	€	57.83	54.29	25.92	24.31	57.83	54.29	25.92	24.31
Average daily trading volumes	units	121,005	149,574	223,652	61,092	87,474	109,577	172,736	76,107
Number of shares	thous.	34,601	34,601	34,601	34,601	34,601	34,601	34,601	34,601
Earnings per share (basic / undiluted)	€	2.85	2.52	2.00	1.92	1.21	1.01	0.76	1.04

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

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

[2] Annualized

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

[4] XETRA

Financial calendar

November 12, 2014	UBS European Conference, London
November 13, 2014	LBBW German Day, London
November 18, 2014	3rd MainFirst Paris Conference, Paris
November 25, 2014	German Equity Forum, Frankfurt/Main
November 26, 2014	UBS German Senior Investor Conference, Munich
December 1, 2014	Goldman Sachs Small & Mid Cap Symposium, London
December 9, 2014	CBS Small & Mid Cap Conference 2014, Geneva
January 9, 2015	18th Oddo Midcap Forum, Lyon
January 12, 2015	Commerzbank German Investment Seminar, New York
January 19, 2015	UniCredit/Kepler Cheuvreux German Corporate Conference, Frankfurt/Main

Contact

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This interim report is the English translation of the German original. The em,German version shall prevail.