LEADING IN PRODUCTION EFFICIENCY

FINANCIAL REPORT

JANUARY 1 TO JUNE 30, 2016

www.durr.de

CONTENTS

COVER PHOTO
Service business: We instruct our customers' employees on the use of our machinery and facilities at especially equipped training centers. Most recently, we opened a modern training center at our new US site in Southfield.

Key figures for the Dürr Group (IFRS)

		H1 2016	H1 2015	Q2 2016	Q2 2015
Order intake	€ m	1,989.3	1,795.5	940.7	900.0
Orders on hand (June 30)	€ m	2,698.9	2,828.0	2,698.9	2,828.0
Sales revenues	€ m	1,706.9	1,773.5	881.7	924.4
Gross profit	€ m	408.0	380.0	212.9	198.5
EBITDA	€ m	157.3	146.7	79.3	75.9
EBIT	€ m	119.0	108.0	60.3	60.5
Earnings after tax	€ m	77.8	53.5	39.2	36.5
Earnings per share	€	2.21	1.49	1.11	1.01
Gross margin	%	23.9	21.4	24.1	21.5
EBIT margin	%	7.0	6.1	6.8	6.5
Cash flow from operating activities	€ m	-84.6	10.9	-82.0	-28.6
Cash flow from investing activities	€ m	-139.2	-10.7	-142.6	-2.5
Cash flow from financing activities	€ m	207.8	-148.3	217.4	-144.4
Free cash flow	€ m	-138.4	-36.2	-116.3	-58.5
Capital expenditure	€ m	38.6	36.2	18.9	18.8
Total assets (June 30)	€ m	3,107.0	2,952.4	3,107.0	2,952.4
Equity (with non-controlling interests) (June 30)	€ m	711.5	604.2	711.5	604.2
Equity ratio (June 30)	%	22.9	20.5	22.9	20.5
ROCE[1]	%	29.2	40.9	29.6	45.8
Net financial status (June 30)	€ m	-90.2	88.7	-90.2	88.7
Net working capital (June 30)	€ m	372.1	176.1	372.1	176.1
Employees (June 30)		15,051	14,448	15,051	14,448
Dürr share ISIN: DE0005565204					
High[2]	€	72.65	109.80	72.65	109.80
Low[2]	€	49.52	71.35	60.30	78.66
Close[2]	€	67.99	83.65	67.99	83.65
Average daily trading volumes	Units	220,200	141,100	281,600	155,200
Number of shares	Thous.	34,601	34,601	34,601	34,601

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

[1] Annualized
[2] Xetra

Highlights H1 2016

- Dynamic order intake: up 11%, temporary weakness in Chinese business more than offset by strong demand in North America and Europe
- Order backlog: € 2.7 billion, roughly € 230 million up on the end of 2015
- Sales: down 4% primarily due to exchange-rate effects (down 3%), high sales revenues in the previous year driven by catch-up effects
- Positive earnings trend in H1:
  - EBIT: up 10%
  - Earnings after tax: up 45%
  - Record gross margin of 23.9%
  - Declining extraordinary expenses from acquisition of HOMAG
- EBIT in Q2 at previous year´s level despite slight 4.6% decline in sales
- Cash flow and net financial status lower:
  - Further increase in NWC
  - Customer payments slightly delayed
  - H2: improved cash flow expected, NWC accumulation completed
- Outlook for 2016:
  - Order intake: forecast raised to € 3.5 to 3.7 billion after strong H1 (previously € 3.3 to 3.6 billion)
  - Sales: € 3.4 to 3.6 billion confirmed
  - EBIT margin: 7.0 to 7.5% confirmed

GROUP MANAGEMENT REPORT

"Dürr 2020" strategy

With the "Dürr 2020" strategy, we are driving our company forward and creating the basis for further profitable growth. The following targets have been defined for "Dürr 2020":

- **Sales:** We want to increase sales revenues to as much as € 5 billion by 2020. This is to be achieved by means of organic growth as well as further acquisitions.
- **EBIT margin:** The EBIT margin is to be widened to 8 to 10 % by 2020.
- **ROCE:** Over 30 % by 2020 on a sustained basis.

NEW AREAS OF GROWTH

Via "Dürr 2020", we will be tapping new growth areas in mechanical and plant engineering. The rationale behind this is the fact that, given the high share of the market that we have achieved, our core business with the automotive industry will no longer grow as quickly as in previous years. Looking ahead over the next few years, we expect our automotive business to expand at roughly the same rate as the market as a whole, i.e. an average of around 3%. The acquisition of the HOMAG Group in October 2014 marked a milestone in our efforts to broaden our range of mechanical engineering activities. With sales revenues of over € 1 billion, the HOMAG Group is the largest supplier of woodworking machinery and equipment and a leader in Industry 4.0 applications for furniture production. Under the broad-based FOCUS optimization program, the HOMAG Group is enhancing its processes and structures. On this basis, it is to achieve sales revenues of around € 1.25 billion and an EBIT margin of 8 to 10% by 2020.

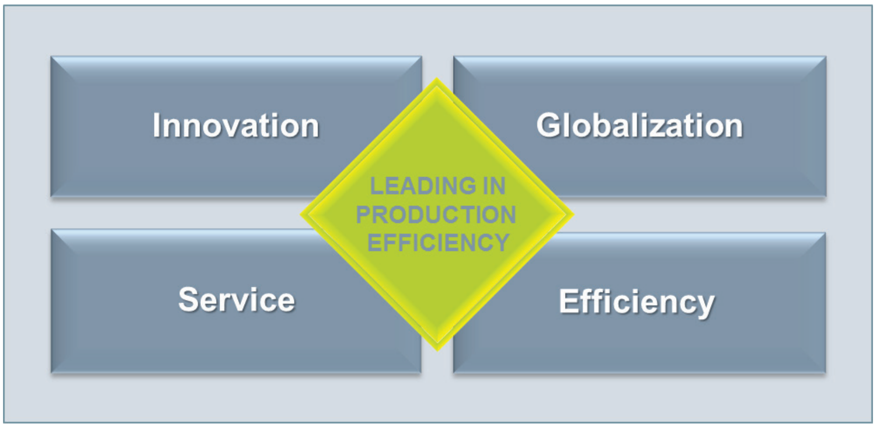
Moving forward, we want to acquire further companies in order to grow profitably. The criteria for the acquisition of potential targets are:

- Mechanical and plant engineering
- Industry 4.0 expertise
- Leading market and technological position
- Niche market operator not competing with any major companies
- Not in need of restructuring but offering potential for improving earnings
- A corporate culture which is a good fit for Dürr

Our goal is to turn Dürr into a more broadly based automation group with a strong focus on Industry 4.0 by means of acquisitions.

FURTHER STRATEGIC FIELDS

// "DÜRR 2020" STRATEGIC FIELDS



In addition to broadening our position in mechanical and plant engineering, our strategy addresses a further four fields: innovation, globalization, service and efficiency. They all relate to our "Leading in Production Efficiency" mission statement, which embodies the promise to our customers of enhancing the efficiency of their production processes. The main thrusts of these four strategic fields are:

Strategic field: innovation

- Automation
- digital@Dürr with a focus on smart products, smart services, smart factories and smart processes

Strategic field: globalization

- Expansion of the network of facilities, further localization of value added in the emerging markets
- Expansion in Industrial Products business (application technology for general industry)

Strategic field: service

- Growth in service business via targeted leverage of our broad installed basis
- Utilization of the growing market potential offered by modernization business

Strategic field: efficiency

- Leveraging of earnings potential through internal structure and process optimization
- Continuation of the digital transformation of our value creation processes

Operating environment

ECONOMY

In the first half of 2016, the global economy remained stable, with the main regions (North America, China, Europe) exhibiting moderate growth. Commodity prices recovered again after hitting lows in the first quarter. The Baltic Dry Index, an important leading indicator for global trade, bounced off the all-time low of under 300 points reached in February, coming to around 750 points in July, and thus on a par with the level seen at the beginning of 2015.

At this stage, full-year global GDP growth of 3.0% is expected in 2016. Economic risks are arising from the persistent threat of terror attacks and the "Brexit" decision plus the central banks' accommodative monetary policies, which are exerting pressure on the European banking system in particular. Despite this, experts assume that the global economy will expand more quickly in 2017 compared with 2016. Russia and Brazil are likely to have bottomed out, while China and India should continue to report steady growth.

// ECONOMIC FORECAST

GDP growth, %	2014	2015	**2016F**	2017F
G7	1.7	1.8	1.3	1.3
United States	2.4	2.4	1.5	1.7
Japan	-0.1	0.6	0.2	1.1
Eurozone	0.9	1.6	1.6	1.1
Emerging markets	4.6	4.0	4.1	4.7
China	7.3	6.9	6.6	6.5
India	7.0	7.2	7.5	7.6
Brazil	0.1	-3.8	-3.2	1.0
Global	3.4	3.1	3.0	3.4

Source: Deutsche Bank Global Economic Perspectives, July 2016
F = forecast

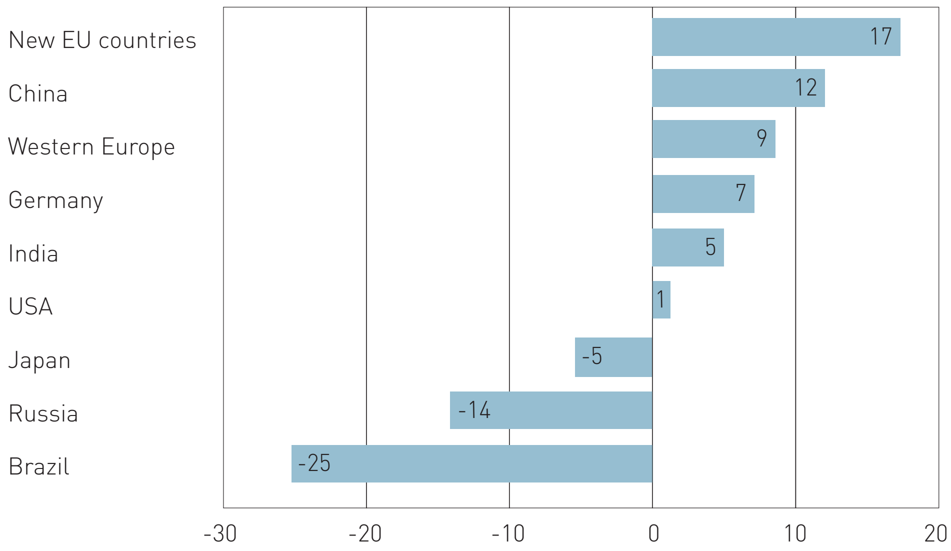
AUTOMOTIVE INDUSTRY

Global automotive sales generally developed positively in the first half of 2016. The main markets continued to post growth, with passenger vehicle sales in China rising by 12% and thus substantially outperforming expectations. This was also aided by the tax allowances on purchases of small cars which are expiring at the end of 2016. The 17% increase in sales in the new EU countries of Eastern Europe was underpinned by low fuel prices and cheap finance. In Western Europe as well, automotive sales continued to grow at an encouraging rate. After a record year in 2015, passenger vehicle sales in the United States expanded by only 1%. The Indian automotive market posted further growth of 5%, while sales figures in Brazil, Russia and Japan were down.

// CAR SALES JANUARY TO JUNE 2016

% year-on-year change

Source: VDA, 07/2016



GENERAL MECHANICAL ENGINEERING

The German Mechanical and Plant Engineering Association (VDMA) confirmed its full-year production forecast for 2016 in June under which it expects production to remain flat again as it did last year. Hopes are being pinned to intake of mechanical engineering orders, which rose by 4% in May compared with the same month of the previous year; orders increased by an average of 6% in the period from March to May 2016.

The relevant VDMA section reported a pronounced increase of 10% in new orders in secondary wood processing in the period from January to May 2016 (not including price adjustments). Production output of the woodworking machinery sector is expected to widen by up to 5% in 2016.

Business performance*

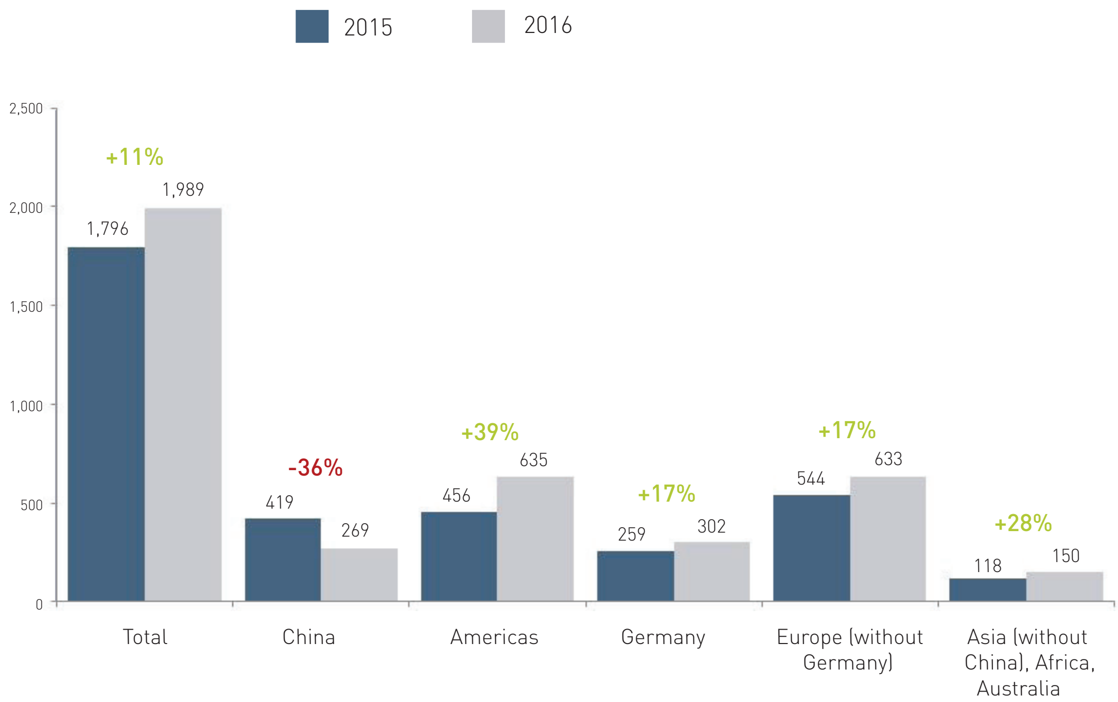
ORDER INTAKE WELL UP ON THE PREVIOUS YEAR

In the first half of 2016, order intake came to just under € 2 billion (€ 1,989.3 million), thus exceeding the previous year's record (€ 1,795.5 million) by 10.8%. After the very strong first quarter (€ 1,048.5 million), new orders were valued at € 940.7 million in the second quarter, also well up on the previous year (up 4.5%). In four of the five divisions, we achieved significant growth in the first half of the year: 15% in Paint and Final Assembly Systems and in Application Technology, 18% in Measuring and Process Systems and 25% in Clean Technology Systems. With new orders down 1%, the Woodworking Machinery and Systems division (HOMAG Group) fell slightly short of the previous year's record volume.

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

Order intake from the emerging markets (Asia excluding Japan, South and Central America, Africa, Eastern Europe) dropped slightly to € 844.5 million (down 3.7%), accounting for 42.5% of total new orders within the Group. Order receipts in China fell short of the first half of 2015 by 36%, reflecting muted investment in the automotive industry after the wave of expansion in 2014/2015 as well as weak sales figures in summer 2015. However, with automotive sales recovering significantly in China in the first half of 2016, several investment projects are likely to be awarded in the second half of the year. In this connection, Chinese automotive OEMs, which are currently enjoying great success with their inexpensive SUVs, will also play an important role. New orders in North America exceeded the previous year by 51%. A large part of this was due to a major contract awarded by a US OEM for the construction of a vehicle final assembly plant. We also registered brisk demand in Europe and a number of Asian countries with growth of 17% and 28%, respectively.

// INCOMING ORDERS (€ MILLION) JANUARY – JUNE 2016



€ m	**H1 2016**	H1 2015	Q2 2016	Q2 2015
Order intake	1,989.3	1,795.5	940.7	900.0
Sales revenues	1,706.9	1,773.5	881.7	924.4
Orders on hand (June 30)	2,698.9	2,828.0	2,698.9	2,828.0

SLIGHT DECLINE IN SALES REVENUES

In the first half of 2016, sales revenues fell slightly by 3.8% over the previous year to € 1,706.9 million. In the second quarter, a decline of 4.6% to € 881.7 million was recorded. However, sales revenues in the previous year had been extraordinarily high as Paint and Final Assembly Systems was able to execute projects which had been delayed by customers in 2014. Adjusted for exchange-rate effects (down 3%), sales revenues came close to matching the previous year in the first half of 2016.

Service business continued to expand in the first half of the year with top-line growth of 8.6%. The service revenues of € 461.9 million accounted for 27.1% of consolidated sales revenues. As things currently stand, the second half of the year should see further growth in service business.

The regional distribution of sales revenues was very balanced in the first half of 2016, with Germany accounting for 15%, the rest of Europe for 28% and North and South America for 24%. Asia, Africa and Australia contributed 33%, while the proportion attributable to the emerging markets was largely unchanged at 50%.

The book-to-bill ratio reached a high 1.2. Orders on hand were valued at € 2,698.9 million as of June 30, 2016, equivalent to an increase of € 233.1 million over the end of 2015 and an increase of € 57.0 million over March 31, 2016.

SUBSTANTIAL INCREASE IN GROSS PROFIT, GROSS MARGIN WITH A NEW HIGH OF 24.1% IN Q2

Driven by the growth in service business with its wider margins, gross profit rose by 7.4% to € 408.0 million despite the decline in consolidated sales. The gross margin widened from 21.4% to 23.9% in the first half of 2016, reaching a new high of 24.1% in the second quarter.

Selling and administrative expenses climbed by 6.0 % to € 244.3 million in the first half of the year. Strategically important R&D spending rose by 5.3% to € 48.6 million. Other operating income net of other operating expense came to € 3.9 million (H1 2015: € 4.7 million). This includes non-recurring income of € 5.0 million from the sale of real estate in the United States in the first quarter.

Driven by the strong gross profit, EBIT increased by 10.2% to € 119.0 million compared with the first half of 2015. The EBIT margin widened from 6.1% to 7.0%. At € 60.3 million, EBIT was virtually unchanged in the second quarter despite the 4.6% decline in sales revenues. As a result, the EBIT margin increased to 6.8% (Q2 2015: 6.5%).

EBIT benefited from the fact that the extraordinary expenses arising from purchase price allocation for the HOMAG Group dropped to the normal level also expected for the future of € 4.4 million in the first half of 2016. In the same period of the previous year, extraordinary expense of € 18.2 million had arisen in connection with HOMAG (€ 13.8 million for purchase price allocation, € 4.4 million for the termination of the employee capital participation program). Operating EBIT (adjusted for purchase price allocation effects and the proceeds from the sale of the US real estate) came to € 118.4 million in the first half of 2016 (H1 2015: € 126.2 million), resulting in an operating EBIT margin of 6.9%, compared with 7.1% in the year-ago period. In the second quarter, the operating EBIT margin came to 7.1% (Q2 2015: 7.3%). With depreciation and amortization expense equaling € 38.2 million, EBITDA was up 7.2% in the first half of 2016, rising to € 157.3 million.

Net finance expense contracted by € 10.0 million to € 7.1 million in the first half of 2016. The main reason for this was the substantial reduction in extraordinary expenses in connection with the domination and profit transfer agreement entered into with HOMAG Group AG. In addition, savings were achieved through the inclusion of the HOMAG Group in the less expensive Dürr Group funding operations.

45.4% INCREASE IN EARNINGS AFTER TAX

As expected, the tax rate and tax expense returned to normal levels in the first half of 2016 (30.4% and € 34.1 million, respectively; H1 2015: 41.1% and € 37.3 million, respectively). This was due to the absence of the non-recurring effects which had arisen in the same period of the previous year as a consequence of the domination and profit transfer agreement entered into with HOMAG Group AG. Accordingly, earnings after tax rose significantly by 45.4% to € 77.8 million. This translates into earnings per share of € 2.21 for the first half of the year (H1 2015: € 1.49). In the second quarter, earnings after tax climbed by 7.3% to € 39.2 million, with earnings per share coming to € 1.11, up from € 1.01 in the same period of the previous year.

// INCOME STATEMENT AND PROFITABILITY RATIOS

		H1 2016	H1 2015	Q2 2016	Q2 2015
Sales revenues	€ m	1,706.9	1,773.5	881.7	924.4
Gross profit	€ m	408.0	380.0	212.9	198.5
Selling and administrative expenses	€ m	244.3	230.5	125.7	116.0
R&D expenses	€ m	48.6	46.2	24.8	25.0
EBITDA	€ m	157.3	146.7	79.3	75.9
EBIT	€ m	119.0	108.0	60.3	60.5
Net finance expense	€ m	-7.1	-17.2	-4.1	-5.6
EBT	€ m	111.9	90.8	56.2	54.9
Income taxes	€ m	-34.1	-37.3	-17.0	-18.4
Earnings after tax	€ m	77.8	53.5	39.2	36.5
Earnings per share	€	2.21	1.49	1.11	1.01
Gross margin	%	23.9	21.4	24.1	21.5
EBITDA margin	%	9.2	8.3	9.0	8.2
EBIT margin	%	7.0	6.1	6.8	6.5
EBT margin	%	6.6	5.1	6.4	5.9
Return on sales after taxes	%	4.6	3.0	4.4	4.0
Interest coverage		13.8	5.9	12.3	9.0
Tax rate	%	30.4	41.1	30.2	33.4

MATERIAL EVENTS

There were no individual events in the first half of 2016 materially impacting the Dürr Group's results of operations, financial condition and net assets. We were able to more than make up for the temporary investment restraint in China with high order receipts in North America and Europe.

Financial position

CASH FLOW INFLUENCED BY RISING NET WORKING CAPITAL

Cash flow from operating activities dropped to € -84.6 million in the first half of 2016 (H1 2015: € 10.9 million). Outflows arose from changes in provisions and payments made for the HOMAG Group's employee capital participation program, which had been terminated in 2015. Moreover, net working capital (NWC) rose by € 136.2 million compared with the beginning of the year. Among other things, this was due to a normalization of the previously above-average level of prepayments and some delays in payment receipts in the second quarter of 2016. However, this did not have any impact on our earnings situation; moreover, we do not expect a further increase in NWC through to the end of the year. Against this backdrop, we assume that the cash flow will improve significantly in the second half of 2016.

// CASHFLOW*

€ m	**H1 2016**	H1 2015	Q2 2016	Q2 2015
Earnings before taxes	111.9	90.8	56.2	54.9
Depreciation and amortization	38.2	38.7	19.0	15.3
Interest result	8.7	18.7	5.0	6.8
Income tax payments	-38.4	-39.6	-19.3	-20.9
Change in provisions	-12.3	20.8	2.0	7.5
Change in net working capital	-136.2	-86.5	-113.9	-62.1
Other items	-56.5	-32.0	-31.0	-30.2
Cash flow from operating activities	**-84.6**	**10.9**	**-82.0**	**-28.7**
Interest payments (net)	-15.5	-11.1	-15.5	-11.1
Capital expenditure	-38.4	-36.0	-18.8	-18.7
Free cash flow	**-138.4**	**-36.2**	**-116.3**	**-58.5**
Other cash flows (incl. dividend)	-81.2	-42.9	-63.0	-73.0
Change in net financial status	**-219.6**	**-79.1**	**-179.3**	**-131.5**

* Currency translation effects have been eliminated from the cash flow statement. Accordingly, the cash flow statement does not fully reflect all changes in balance sheet positions as shown in the statement of financial position.

Cash flow from investing activities came to € -139.2 million in the first half of 2016 (H1 2015: € -10.7 million). One decisive factor in this connection was the fact that we invested proceeds from the issue of the bonded loan in April 2016 (nominal € 300 million) in time deposits. In addition, we recorded proceeds from the sale of assets and outflows of € 38.4 million for capital expenditure on property, plant and equipment and intangible assets.

The **cash flow from financing activities** of € 207.8 million (H1 2015: € -148.3 million) reflects the issue of the bonded loan as well as the dividend payment and interest payments made.

As a result of the negative operating cash flow, **free cash flow** was likewise negative in the first half of 2016, standing at € -138.4 million, compared with € -36.2 million in the same period of the previous year. Mainly due to the negative free cash flow and the dividend distribution the net financial status dropped by € 219.6 million, as a result of which it stood at € -90.2 million at the middle of the year. It is expected to improve substantially in the second half of the year.

// NET FINANCIAL STATUS

€ m	
June 30, 2016	-90.2
December 31, 2015	129.4
June 30, 2015	88.7

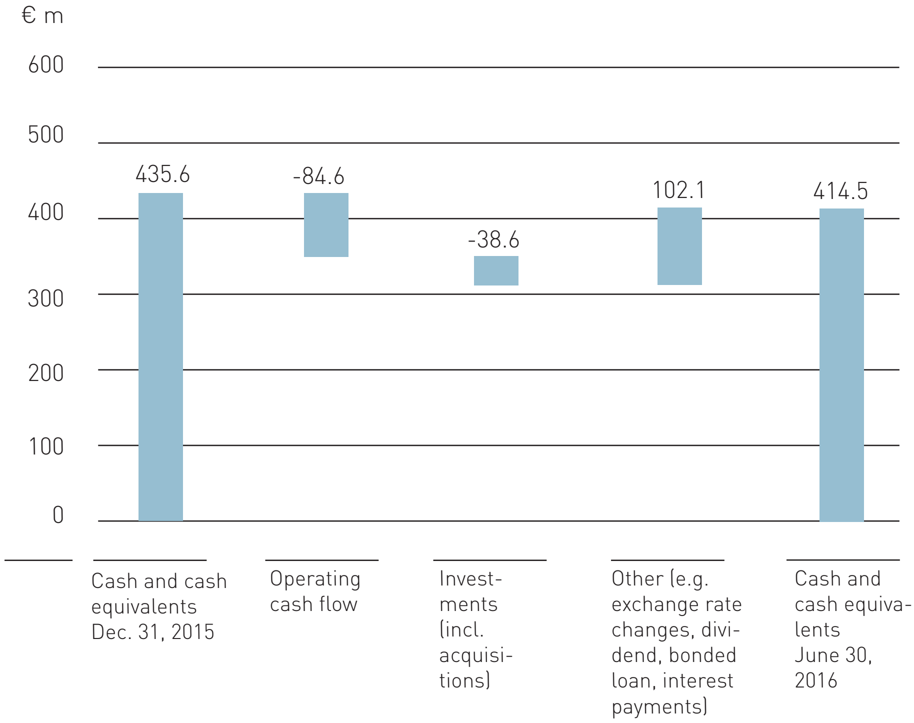
INCREASE IN TOTAL ASSETS DUE TO ISSUE OF BONDED LOAN

// CURRENT AND NON-CURRENT ASSETS

€ m	**June 30, 2016**	Percentage of total assets	December 31, 2015	June 30, 2015
Intangible assets	640.2	20.6	648.9	613.1
Property, plant and equipment	401.8	12.9	394.7	373.1
Other non-current assets	131.9	4.2	138.4	141.1
Non-current assets	**1,173.9**	**37.8**	**1,182.0**	**1,127.3**
Inventories	414.3	13.3	386.7	435.7
Trade receivables	880.7	28.3	895.8	884.2
Cash and cash equivalents	414.5	13.3	435.6	391.6
Other current assets	223.6	7.2	86.4	113.6
Current assets	**1,933.1**	**62.2**	**1,804.6**	**1,825.1**
Total assets	**3,107.0**	**100.0**	**2,986.7**	**2,952.4**

With virtually no consolidation changes, total assets increased by 4.0% over December 31, 2015. This was primarily due to the issue of the bonded loan of a nominal € 300 million. On the assets side, it caused an increase in other current assets, which, among other things, include foreign-currency time deposits. As we did not acquire any companies in the first half of 2016, there were no acquisition-related changes to the balance sheet. Cash and cash equivalents dropped by 4.8% over the end of 2015. Adjusted for the issue of the bonded loan, the decline would have been stronger as the net working capital adjusted for exchange-rate changes rose by € 136.2 million to € 372.1 million. At 39.2 days working capital was temporarily elevated over the normal level. Non-current assets were valued at € 1,173.9 million and thus virtually unchanged over December 31, 2015.

// CHANGES IN LIQUIDITY



18% INCREASE IN EQUITY SINCE MID 2015

// EQUITY

€ m	**June 30, 2016**	Percentage of total assets	December 31, 2015	June 30, 2015
Subscribed capital	88.6	2.9	88.6	88.6
Other equity	605.4	19.5	608.5	500.0
Equity attributable to shareholders	694.0	22.3	697.1	588.6
Non-controlling interests	17.5	0.6	17.3	15.7
Total equity	**711.5**	**22.9**	**714.4**	**604.2**

Equity climbed by 18% over the middle of 2015 to € 711.5 million but was largely unchanged compared with the end of 2015 as the positive effects from the high earnings after tax were neutralized by three factors: the dividend payment, the re-measurement of the pension provisions due to the low interest rates and exchange-rate effects. The equity ratio widened from 20.5% in mid 2015 to 22.9%. We expect a further improvement by the end of the year and, looking further down the road, have defined a target of up to 30%.

// CURRENT AND NON-CURRENT LIABILITIES

€ m	June 30, 2016	Percentage of total assets	December 31, 2015	June 30, 2015
Financial liabilities (incl. bond)	665.3	21.4	350.9	352.2
Provisions (incl. pensions)	181.5	5.8	185.7	191.2
Trade payables	925.4	29.8	1,046.1	1,144.6
Of which prepayments received	551.8	17.8	647.0	726.0
Income tax liabilities	39.5	1.3	41.7	31.7
Other liabilities (incl. deferred taxes, deferred income)	583.8	18.8	647.8	628.5
Total	**2,395.5**	**77.1**	**2,272.2**	**2,348.2**

Current and non-current liabilities rose by € 123.2 million compared with December 31, 2015 to € 2,395.5 million. This was primarily due to the bonded loan issue. On the other hand, there was a reduction in trade payables primarily as a result of the decline of € 95.2 million in prepayments received. Other liabilities were also down due, among other things, to the termination of the employee capital participation program at the HOMAG Group in Germany. Pension provisions rose only marginally to € 59.3 million despite the reduction in the discount factor from 2.4% to 1.4% for calculating pension benefits in Germany.

ACTUAL PERFORMANCE VS. FORECAST

Business in the first half of 2016 lived up to our expectations. Earnings rose significantly against the backdrop of lower extraordinary expense in connection with the acquisition of HOMAG. Sales revenues were in line with expectations. On the other hand, order receipts were higher than budgeted in the first half of 2016. For this reason and in view of the still amply filled project pipeline, we are raising our full-year guidance for order receipts in 2016. We are now expecting new orders of € 3.5 to 3.7 billion; previously, we had been looking for a range of € 3.3 to 3.6 billion.

Cash flow and net financial status fell short of the planned levels at the middle of the year, reflecting payment delays and lower prepayments. However, this is not causing significant added expense. We expect a year-end net financial status of € +50 to +100 million. Further information on our full-year forecasts can be found in the Outlook section on page 25.

DEBT CAPITAL AND FUNDING STRUCTURE

At the end of March 2016, we issued a bonded loan for € 300 million with an average coupon of around 1.6% as a source of long-term finance and to heighten the scope for the Group's further strategic development by means of capital expenditure and acquisitions. The proceeds of the issue were received on April 6, 2016.

In addition, our funding structure comprised the following elements as of June 30, 2016:

- Corporate bond issued by Dürr AG for € 300 million
- Syndicated loan held by Dürr AG for € 465 million
- Real estate loans for the purchase of the Dürr campus in Bietigheim-Bissingen (2011) with a carrying amount of € 36.6 million as of June 30, 2016.
- Bilateral credit facilities of a smaller volume and liabilities from finance leases.

OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND OBLIGATIONS

There has largely been no change in the volume of off-balance-sheet financing instruments and obligations since the end of 2015. Future minimum payments under operating leases amounted to € 108.2 million as of June 30, 2016 (December 31, 2015: € 122.1 million). Operating leases constitute the most important source of off-balance-sheet finance for Dürr. Only a small volume of forfaiting, factoring or negotiation operations (€ 16.4 million) was transacted in the first half of 2016, declining by € 1.0 million over the end of 2015.

As of June 30, 2016, the loan and guarantee facilities had a combined value of € 1,049.2 million (December 31, 2015: € 1,034.9 million). Total drawdowns on all available loan and guarantee facilities stood at € 336.8 million (December 31, 2015: € 359.9 million). The guarantees do not constitute off-balance-sheet finance instruments.

R&D and capital expenditure

RESEARCH AND DEVELOPMENT

Under the "Dürr 2020" strategy, we increased our direct R&D expense by 5.3% to € 48.6 million in the first half of 2016. The R&D ratio stood at 2.8% in the first half as well as in the second quarter of 2016 (H1 2015: 2.6% / Q2 2015: 2.7%). In addition to direct R&D spending other development costs arising in connection with customer orders were reported within the cost of sales. Capitalized development costs came to € 6.6 million in the first half of 2016 (H1 2015: € 5.7 million), of which the second quarter accounted for € 3.3 million. At the middle of the year, the Group had 688 R&D employees (June 30, 2015: 622).

Digital transformation / Industry 4.0 forms a key part of our innovation management across the entire Group. In addition, all divisions presented numerous new developments:

- **Paint and Final Assembly Systems** presented new LED illumination for paint booths. The system reduces energy consumption by around 40% compared with the predecessor models.
- **Application Technology** developed the **Eco**Bell3 Cx, an atomizer especially designed for plastic painting. With its flexible spray jet widths, it is suitable for both large surfaces and narrow details.

- One important innovation presented by **Clean Technology Systems** was the Hotcom gas burner. It was developed in conjunction with Paint and Final Assembly Systems for heating car body drying ovens in paint shops.
- **Measuring and Process Systems** developed a modular portal system for its measuring and setting stands for driver assistance systems. Driver assistance systems (e.g. distance warners) help to avoid accidents and are growing in importance with the advent of autonomous driving. The new solution offered by Measuring and Process Systems is flexible and permits highly accurate measurements.
- **Woodworking Machinery and Systems** unveiled the flexible Venture 115 processing center featuring 5-axis technology. It is suitable for drilling, sawing and milling panels, windows, doors and massive wood parts.

CAPITAL EXPENDITURE

Capital expenditure on property, plant, and equipment and intangible assets rose by 6.7% to € 38.6 million in the first half of 2016. Of this, intangible assets accounted for € 10.7 million (H1 2015: € 10.8 million). No new equity interests were acquired in the first half of 2016 (H1 2015: € 8.2 million).

Spending on property, plant and equipment climbed by 9.8% to € 27.9 million. The two most important projects were the construction of new campuses in China and the United States. The new US campus in Southfield, Michigan, was inaugurated in June, while the buildings currently under construction in Shanghai are to be ready by the beginning of 2017. The HOMAG Group particularly invested in its global IT structure in the first half of 2016

CAPITAL EXPENDITURE*

€ m	H1 2016	H1 2015	Q2 2016	Q2 2015
Paint and Final Assembly Systems	11.5	7.8	3.9	4.6
Application Technology	8.1	8.5	4.2	3.9
Measuring and Process Systems	4.2	3.3	2.9	1.9
Clean Technology Systems	2.6	2.4	0.8	1.5
Woodworking Machinery and Systems	10.8	13.2	6.2	6.7
Corporate Center	1.3	0.9	0.8	0.3
Total	**38.6**	**36.2**	**18.9**	**18.8**

* on property, plant and equipment and on intangible assets

Employees

SLIGHT INCREASE IN HEADCOUNT

Dürr had 15,051 employees at the middle of 2016. This marks an increase of 1.4% since the end of 2015 and of 4.2% since June 30, 2015. The growth was greater in the emerging markets, where the headcount increased by 5.9% over the middle of 2015 to 4,489 employees. The headcount in Germany rose by 3.4% in the same period of time to 8,110 employees.

EMPLOYEES BY DIVISION

	June 30, 2016	December 31, 2015	June 30, 2015
Paint and Final Assembly Systems	3,385	3,374	3,212
Application Technology	1,930	1,858	1,843
Measuring and Process Systems	3,034	2,992	2,925
Clean Technology Systems	528	499	480
Woodworking Machinery and Systems	5,983	5,906	5,780
Corporate Center	191	221	208
Total	**15,051**	**14,850**	**14,448**

EMPLOYEES BY REGION

	June 30, 2016	December 31, 2015	June 30, 2015
Germany	8,110	8,026	7,841
Other European countries	2,230	2,165	2,106
North / Central America	1,309	1,256	1,244
South America	352	382	395
Asia, Africa, Australia	3,050	3,021	2,862
Total	**15,051**	**14,850**	**14,448**

Segment report

// SALES BY DIVISION

€ m	H1 2016	H1 2015	Q2 2016	Q2 2015
Paint and Final Assembly Systems	567.2	637.9	276.8	340.0
Application Technology	263.0	279.0	143.8	148.9
Measuring and Process Systems	274.8	283.9	151.6	147.3
Clean Technology Systems	75.4	68.0	42.5	38.1
Woodworking Machinery and Systems	526.6	504.1	267.0	249.8
Corporate Center / consolidation	0.0	0.6	0.0	0.2
Group	**1,706.9**	**1,773.5**	**881.7**	**924.4**

// EBIT BY DIVISION

€ m	H1 2016	H1 2015	Q2 2016	Q2 2015
Paint and Final Assembly Systems	38.0	48.0	18.7	24.9
Application Technology	32.1	28.9	14.9	15.9
Measuring and Process Systems	27.3	26.6	17.7	14.1
Clean Technology Systems	2.4	0.2	2.1	-0.3
Woodworking Machinery and Systems	27.5	9.1	13.2	8.1
Corporate Center / consolidation	-8.3	-4.7	-6.1	-2.1
Group	**119.0**	**108.0**	**60.3**	**60.5**

// PAINT AND FINAL ASSEMBLY SYSTEMS

		H1 2016	H1 2015	Q2 2016	Q2 2015
Order intake	€ m	676.0	588.1	340.2	309.2
Sales revenues	€ m	567.2	637.9	276.8	340.0
EBITDA	€ m	44.6	52.0	22.0	27.0
EBIT	€ m	38.0	48.0	18.7	24.9
EBIT margin	%	6.7	7.5	6.7	7.3
ROCE[1]	%	>100	>100	>100	>100
Employees (June 30)		3,385	3,212	3,385	3,212

[1] annualized

Order intake in the Paint and Final Assembly Systems division climbed by 15.0% to € 676.0 million in the first half of 2016, with the largest orders obtained in North America, Eastern Europe and China. This also included a major project awarded in the second quarter for the construction of a final assembly plant for a US automotive OEM. The lower sales revenues did not come as any surprise as the previous year's figure had included revenues which had been budgeted for 2014 but did not arise until 2015 due to customer-induced project delays. Reflecting the lower sales revenues, EBIT dropped by € 10.0 million to € 38.0 million. The EBIT margin came to 6.7% in the first half of the year as well as in the second quarter. We expect it to increase in the second half of the year. Accordingly, Paint and Final Assembly Systems should achieve a full-year EBIT margin at the previous year's level of around 7% in 2016.

// APPLICATION TECHNOLOGY

		H1 2016	H1 2015	Q2 2016	Q2 2015
Order intake	€ m	308.7	268.7	138.4	135.2
Sales revenues	€ m	263.0	279.0	143.8	148.9
EBITDA	€ m	36.2	32.8	16.9	17.9
EBIT	€ m	32.1	28.9	14.9	15.9
EBIT margin	%	12.2	10.4	10.3	10.7
ROCE[1]	%	28.6	36.1	26.5	39.8
Employees (June 30)		1,930	1,843	1,930	1,843

[1] annualized

Application Technology likewise recorded a substantial 14.9% increase in new orders in the first half of the year. As with Paint and Final Assembly Systems, this was primarily underpinned by large projects in China, Europe and the United States. Established in 2014, the Industrial Products segment made only a small contribution as planned. Given the 5.8% drop in sales revenues, the book-to-bill ratio climbed to 1.2. Division EBIT increased by 11.2% to € 32.1 million. Of this, a sum of € 5.0 million arose from the sale of real estate in the United States in the first quarter. The EBIT margin came to 12.2%. At the operating level – i.e. excluding the non-recurring income from the real estate sale – it reached 10.3% and was thus unchanged over the previous year despite the lower sales.

// MEASURING AND PROCESS SYSTEMS

		H1 2016	H1 2015	Q2 2016	Q2 2015
Order intake	€ m	363.0	308.5	168.6	146.6
Sales revenues	€ m	274.8	283.9	151.6	147.3
EBITDA	€ m	31.8	31.2	19.9	16.4
EBIT	€ m	27.3	26.6	17.7	14.1
EBIT margin	%	9.9	9.4	11.7	9.6
ROCE[1]	%	18.0	20.2	23.3	21.4
Employees (June 30)		3,034	2,925	3,034	2,925

[1] annualized

Order intake in the Measuring and Process Systems division rose by 17.7% in the first half of 2016. This growth was driven by the two segments within the division: Balancing and Assembly Products as well as Cleaning and Surface Processing. In connection with the slight decline in sales (down 3.2%), the high order intake caused the book-to-bill ratio to rise to a sizeable 1.3. With an increase of 2.9%, topline performance in the second quarter was substantially improved over the first quarter (9.8% decline). The same thing applies to earnings: in the second quarter, EBIT rose by 25.7% to € 17.7 million. Consequently, EBIT for the first six months of 2016 was also up by a slight 2.8% despite the lower sales. The EBIT margin came to 9.9% in the first half; we project a full-year figure of 10 to 11% for 2016.

In an ad-hoc release published on April 12, 2016, we announced that we are exploring various strategic options for the future orientation of Cleaning and Surface Processing. This segment comprises the Dürr Ecoclean Group, the market and technology leader in cleaning and surfacing processing technology. Possibilities include a strategic partnership with another company, a minority interest by Dürr or a sale. Talks are currently ongoing with several interested parties. The negotiations could be completed in the third quarter. In 2015, Cleaning and Surface Processing posted sales of around € 200 million and an EBIT margin of around 6%.

// CLEAN TECHNOLOGY SYSTEMS

		H1 2016	H1 2015	Q2 2016	Q2 2015
Order intake	€ m	90.1	72.2	47.7	38.6
Sales revenues	€ m	75.4	68.0	42.5	38.1
EBITDA	€ m	3.5	1.3	2.6	0.2
EBIT	€ m	2.4	0.2	2.1	-0.3
EBIT margin	%	3.2	0.3	4.8	-0.8
ROCE[1]	%	9.0	0.8	15.6	-2.7
Employees (June 30)		528	480	528	480

[1] annualized

Clean Technology Systems was able to continue on its expansion trajectory in the first half of 2016, with order intake rising by 24.8% and sales exceeding the previous year's level by 10.8%. Although EBIT improved substantially over the previous year's weak figure (€ 0.2 million), the figure of € 2.4 million achieved in the first half of 2016 is still far from satisfactory. Whereas the larger exhaust-air purification technology segment performed solidly, the more recently added energy efficiency technology segment continued to fall short of expectations due to low energy prices. Measures have been taken to intensify marketing activities and to optimize production costs.

// WOODWORKING MACHINERY AND SYSTEMS

		H1 2016	H1 2015	Q2 2016	Q2 2015
Order intake	€ m	551.5	557.4	245.9	270.3
Sales revenues	€ m	526.6	504.1	267.0	249.8
EBITDA	€ m	47.7	32.8	23.2	18.2
EBIT	€ m	27.5	9.1	13.2	8.1
EBIT margin	%	5.2	1.8	4.9	3.3
ROCE[1]	%	12.3	4.0	11.8	7.1
Employees (June 30)		5,983	5,780	5,983	5,780

[1] annualized

Woodworking Machinery and Systems (HOMAG Group) almost reached the record order intake achieved in the first half of 2015 (down 1.1%) despite negative currency effects. EBIT rose by € 18.4 million to € 27.5 million on a 4.5% increase in sales. This reflected a substantial reduction in extraordinary expense and improvements in operations. Whereas € 18.2 million had arisen in the same period of the previous year for purchase price allocation and the termination of the HOMAG employee capital participation program, EBIT for the first half of 2016 contained extraordinary purchase price allocation expense of only € 4.4 million. Operating improvements were valued at € 4.6 million in the period under review. The operating EBIT margin (before extraordinary expense) widened to 6.1% in the first half of 2016 (H1 2015: 5.4%); the EBIT margin after extraordinary expense came to 5.2% (H1 2015: 1.8%). At € 13.2 million, EBIT was somewhat lower in the second quarter compared to the first quarter of 2016 (€ 14.3 million) despite higher sales. In addition to order mix effects, this was due to additional costs arising from the FOCUS optimization program. In 2016 and 2017, FOCUS will primarily be aiming to create the basis for future earnings improvements. Measures include, for example, product standardization, process optimization and improvements in systems business with end-to-end production lines. This basic phase has been given the motto "fix the house". From 2017/2018, we want to use this basis to step up the pace of the HOMAG Group's profitable growth. This expansion process will be flanked by further FOCUS measures particularly in the areas of innovation and internationalization. Moveover, the HOMAG Group's entire product range is to be modernized from 2018 to 2020.

HOMAG GROUP: FOCUS OPTIMIZATION PROGRAM

„Fix the house"	Innovation push Internationalization	Sustainable profitable growth
2016/2017	2017/2018	2018/2019
Portfolio optimization Standardization Efficiency improvements in functions and processes Develop systems business ONE HOMAG	Cross-business-unit innovation program Global footprint in production and engineering Localization of sales & service	Profitable systems business Profitable, standardized product portfolio Service excellence New markets

CORPORATE CENTER

The Corporate Center (Dürr AG, Dürr IT Service GmbH, Dürr Technologies GmbH) recorded a loss of € 8.3 million at the EBIT level in the first half of 2016 (previous year: loss of € 4.7 million). This resulted form higher personnel and consulting costs as well as consolidation effects (€ -1.8 million; H1 2015: € -0.1 million). The Corporate Center also includes the Group's IT spending.

Opportunities and risks

RISKS

A detailed description of the customary risks of our business and the risk management system installed by Dürr can be found in the 2015 annual report (from page 81), which was published in March 2016. There are currently no discernible risks which either individually or in conjunction with other risks are liable to pose any threat to the Group's going-concern status. We consider our overall risk situation to be readily manageable. There have been no material changes in it since the publication of the annual report.

We expect the "Brexit" vote in the United Kingdom to hardly have direct material effects on our business as only just under 4% of our sales are invoiced in pound sterling. Our assets in the United Kingdom account for only around 1% of the Group's total assets. However, an indirect risk may arise if "Brexit" exerts strain on the European economy, prompting our customers to scale back their investment.

In China, sales of cars with a small displacement have been subject to tax allowances since October 2015. With this incentive program due to expire at the end of 2016, demand for small cars could weaken in the coming year. However, we assume that the Chinese government will implement further incentives to avert the effects of any substantial reduction in demand.

OPPORTUNITIES

A detailed description of the opportunities arising from our business and the opportunities management system installed at Dürr can be found in the 2015 annual report (starting on page 90).

E-mobility as a secular trend is currently growing appreciably in momentum. Many established automotive OEMs plan to commence volume production of electric vehicles and therefore require additional production capacities such as paint shops and final assembly lines. In addition, new companies that plan to build electrical vehicles or have already commenced production are emerging in China and the United States in particular. This may potentially cause our customer base to widen and unleash heightened investment pressure in the automotive industry. Over the last few months, we have received several contracts and project inquiries for the construction of e-mobility production facilities. We expect to see a substantial increase in our customers' investments in this sector.

The digital transformation of industrial production processes offers Dürr an opportunity. We have many years of experience in the digital networking of paint shops and other production systems. At the end of 2015, we acquired iTAC Software AG, the leading provider of manufacturing execution systems (MES) for controlling production and analyzing "big data" in production processes. Further Industry 4.0 trends such as human-robot collaboration, batch-size 1 production, smart products and services and additive production form part of our digital@Dürr digital strategy. With our financial strength, we have sufficient funds to step up the digital transformation of our machinery, systems and services

Personnel changes

Ralph Heuwing, CFO of Dürr AG, informed the Supervisory Board on June 30, 2016 that he will not be renewing his contract. As he will continue to perform his current contract until it expires in May 2017, the Supervisory Board will have sufficient time to find a suitable replacement. After nine years on Dürr AG's Board of Management then, Mr. Heuwing wishes to pursue new business challenges and enter a new phase of his career.

Transactions with related parties

This information can be found in the notes to the consolidated financial statements on page 44.

Outlook

OPERATING ENVIRONMENT

According to current estimates, the global economy will grow by 3.0% in 2016, spurred by low energy prices, growing consumer confidence and the central banks' accommodative monetary policies with ultra-low interest rates. Economic risks could particularly arise from the persistent threat of terror attacks, the "Brexit" decision and the frailty of the European banking system. Global economic growth is expected to accelerate slightly to 3.4% in 2017. This assumes that the economies of Russia and Brazil gradually start to recover and that GDP in China continues to expand at 6 to 7%.

Industry experts remain upbeat about the long-term sales outlook for the automotive industry. Although PwC scaled back its global production forecast for 2016 to 91.5 million units (previously 92.7 million units) in April, the current July forecast assumes that growth in China will pick up again slightly. On this basis, Chinese automotive production should expand by an annual average of 6.1% through 2020, up from a previously expected growth rate of 5.8%. PwC projects global average production growth of 4.0% p.a. between now and 2020.

GLOBAL LIGHT VEHICLE PRODUCTION FORECAST

Million units	2016F	2020F	CAGR 2016-2020F
North America	17.8	19.6	2.3%
Mercosur	2.8	3.8	4.2%
Western Europe	15.1	16.4	2.5%
Eastern Europe	6.7	7.8	2.6%
Asia	46.9	56.6	5.0%
Of which China	25.2	31.3	6.1%
Others	2.2	2.9	6.7%
Total	91.5	107.1	4.0%

Source: PwC 07/2016
F = forecast

GROUP OUTLOOK

		Actual 2015	Original forecast for 2016	Current forecast for 2016
Order intake	€ m	3,467.5	3,300 - 3,600	3,500 - 3,700
Orders on hand (December 31)	€ m	2,465.7	2,200 - 2,600	2,400 - 2,700
Sales revenues	€ m	3,767.1	3,400 - 3,600	3,400 - 3,600
EBIT margin	%	7.1	7.0 - 7.5	7.0 - 7.5
ROCE	%	45.3	30 - 40	30 - 40
Net finance expense	€ m	-23.3	improved	improved
Tax rate	%	31.9	approx. 30	approx. 30
Earnings after tax	€ m	166.6	slightly higher	slightly higher
Cash flow from operating activities	€ m	173.0	higher	lower
Free cash flow	€ m	62.8	higher	lower
Net financial status (December 31)	€ m	129.4	130 - 230	50 - 100
Liquidity (December 31)	€ m	435.6	440 - 540	640 - 700
Capital expenditure[1]	€ m	102.3	90 - 100	90 - 100

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

SALES, INCOMING ORDERS AND EARNINGS

On the strength of our favorable business performance in the first half of 2016, we confirm our full-year forecast of sales and earnings. We are confident of achieving our earnings targets for 2016 securely. We are seeking an EBIT margin in a target corridor of between 7.0 and 7.5%. EBIT should remain more or less on a par with 2015 (€ 267.8 million). Sales revenues should come to € 3,400 to 3,600 million. Order intake in the first half of the year was higher than planned, while our customers have well filled pipelines with future capital spending projects. Accordingly, we are raising our order intake goal for 2016 to € 3,500 to 3,700 million (previously € 3,300 to 3,600 million).

Net finance expense will drop substantially in 2016 thanks to the considerable reduction in extraordinary expense as a consequence of the domination and profit transfer agreement entered into with HOMAG Group AG and the savings achieved through the integration of HOMAG in the Dürr Group's funding structure. At this stage, a tax rate of around 30% is expected. Earnings after tax should therefore rise visibly. In accordance with our long-term dividend policy, the distribution for 2016 should be between 30 and 40% of consolidated net profit. The table on page 26 summarizes our targets. A detailed forecast can be found on page 92 of the 2015 annual report.

CASH FLOW, CAPITAL EXPENDITURE, FINANCIAL POSITION

The high cash flows achieved in 2014 and 2013 were characterized by unusually large prepayments, some of which had been brought forward. As expected, prepayment practices returned to normal in 2015 and 2016; in some cases, we noted more restrictive payment practices and delays on the part of customers in the second quarter of 2016. For this reason, we currently expect to see declines in cash flow from operating activities and free cash flow in 2016 as a whole. We had originally been anticipating slight increases in both parameters for 2016. The delay in incoming payments is not causing any notable additional costs for us. We continue to assume that the cash flow from operating activities and the high cash and cash equivalents will be sufficient to cover funding requirements at the operating level (capital expenditure, interest payments etc.) and the dividend distribution in 2016.

We project total capital expenditure of € 90 to 100 million in 2016, i.e. slightly down on the previous year's record amount. Around 55% of capital expenditure will be for replacement purchasing and around 45% for business location projects, particularly the construction of new campuses in China and the United States. We are planning to return capital expenditure to normal levels in 2017. Under the "Dürr 2020" strategy we want to engage in further acquisitions. We will be able to fund these activities with our high cash position and the cash flow.

The target range for liquidity has been raised to reflect the proceeds from the bonded loan issued in March. We now expect to have liquidity of € 640 to 700 million at the end of 2016. As things currently stand, we assume that the reduced cash flow forecast will result in a net financial status of € 50 to 100 million at the end of the year. We had previously projected a figure of € 130 to 230 million. Equity should increase substantially in the further course of 2016, resulting in a year-end equity ratio of around 25% again. We are not planning any corporate actions this year. The syndicated facilities will be drawn on only in individual cases, particularly to finance net working capital.

DIVISIONS

There are no changes to the outlook for the divisions. We expect all divisions – with the exception of Woodworking Machinery and Systems – to achieve order intake at the top end of the forecast ranges.

	Sales (€ million)		Order intake (€ million)		EBIT margin (%)		ROCE (%)	
	2015	2016 target	2015	2016 target	2015	2016 target	2015	2016 target
Paint and Final Assembly Systems	1,364.6	1,100 - 1,200	1,125.5	950 - 1,150	7.3	6.75 - 7.25	> 100[1]	> 100[1]
Application Technology	599.7	530 - 600	538.3	530 - 600	10.1	9.5 - 10.5	32.3	25 - 30
Measuring and Process Systems	603.7	550 - 600	578.2	525 - 575	11.6	10 - 11	24.6	20 - 25
Clean Technology Systems	159.2	180 to 200	166.3	180 to 200	3.6	3.5 - 4.5	11.7	15 - 20
Woodworking Machinery and Systems	1,039.3	1,000 - 1,100	1,058.4	1,000 - 1,100	3.5	5.0 - 6.0	8.9	10 - 15

[1] negative capital employed

EMPLOYEES

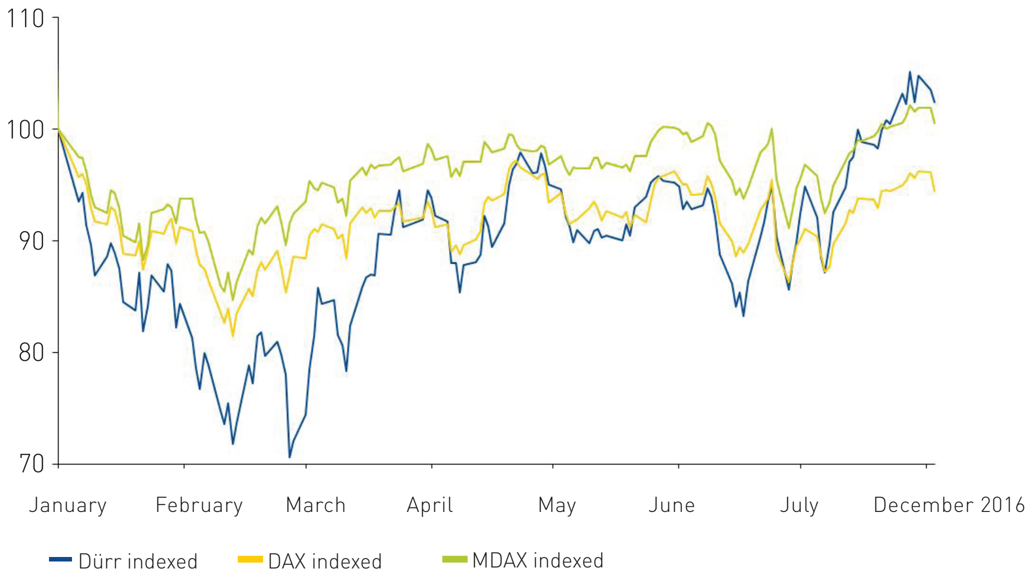
There should be a slight increase in employee numbers in 2016 particularly in the emerging markets and North America.

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

PERFORMANCE OF DÜRR SHARE, DAX AND MDAX SINCE THE BEGINNING OF 2016



DÜRR SHARE AND INDICES VOLATILE IN THE FIRST HALF OF THE YEAR

Signs of economic weakness in North America and Asia also exerted pressure on the international commodity markets in the first two months of the year. Together with geopolitical developments in the Middle East and terrorist attacks in Europe, these factors left traces on the markets. In response to this, the ECB lowered its key rates again to 0% and expanded the scope of its bond-purchasing program to € 80 billion a month.

The "Brexit" vote in the United Kingdom took the financial markets by surprise, triggering heavy losses. Towards, the end of the first-half, however, the markets were a little firmer again.

In a volatile market, the DAX hit a high for the period of 10,435 points in April up from its February low of 8,752 points. In the wake of the sharp decline following the "Brexit" decision, it closed the first half of the year at 9,680 points and hence 2.9% down on the beginning of the year. The MDAX performed similarly in the same period, ceding 3.5%.

After entering the year at € 73.26, the Dürr share (ISIN: DE0005565204) initially underperformed the market in view of economic concerns in China. On February 25, we published guidance for 2016 which, while positive, was somewhat more cautious in view of the heightened risks. In a nervous market, this caused the share to decline to a low of € 49.52. After a number of days, however, investors' confidence came to the fore again, causing our share to largely track the DAX from the end of March. The Dürr share closed the period under review at € 67.99, down 4.7% (including the dividend of € 1.85). Most of its peers and automotive OEMs exhibited weaker performance in the first six months. The Dürr share continued to climb to € 77.13 at the end of July.

ANALYSTS: COVERAGE COMMENCED BY US RESEARCH COMPANY

In the first half of the year Bank of America Merrill Lynch marked the addition of a further renowned research company covering Dürr AG. Coverage by US research companies is a key investment criterion for the US capital market in particular. All told, 22 analysts are covering the Dürr share, 21 of whom have given it a "buy" or a "hold" rating. The average target price for the Dürr share currently stands at € 81.62.

BOND TRADING AT 1.3%

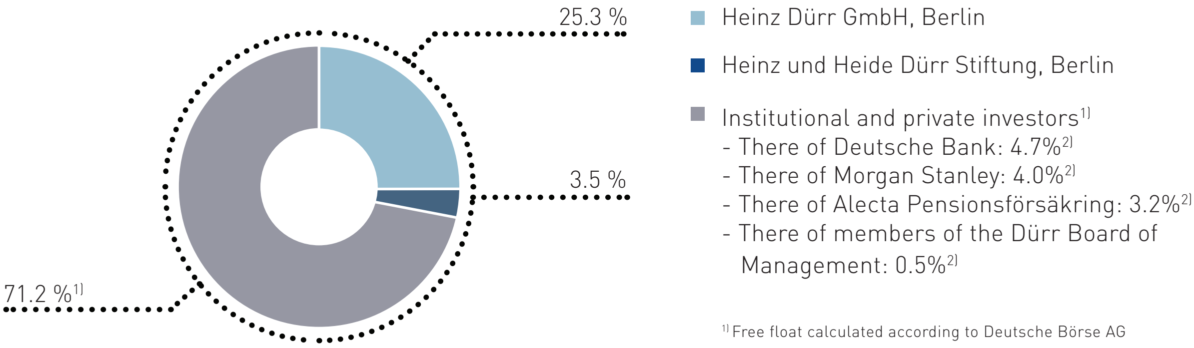
The price of our bond of € 300 million (ISIN XS1048589458) with a coupon on 2.875% rose from 104.5% at the beginning of the year to 107.5% at the end of the first half, translating into a yield of 1.3%. The bond matures in 2021.

SHAREHOLDER STRUCTURE: NO MATERIAL CHANGE

The Dürr family continues to hold 28.8% of our company's shares and is committed to maintaining a quota of over 25%. Both members of the Board of Management made use of the lower share price to buy further shares worth a total of around € 1 million on February 25, 2016. At the end the first half they thus jointly held around 0.5% of Dürr AG's capital. The free float in accordance with the Deutsche Börse definition was unchanged at 71.2%.

Average XETRA trading volumes grew substantially to around 220,000 shares a day in the first half of the year amidst heavy volatility. In the first half of 2015, aggregate trading volumes via XETRA and in Frankfurt and Stuttgart had stood at around 141,000 shares a day.

// SHAREHOLDER STRUCTURE DÜRR AG* (13.05.2016)



[1] Free float calculated according to Deutsche Börse AG

[2] According to the German Securities Trading Act (WpHG)

* figures rounded

Events after the reporting period

No exceptional or reportable events occurred between the end of the reporting period and the date on which this report was published.

Bietigheim-Bissingen, August 4, 2016

Dürr Aktiengesellschaft

Ralf W. Dieter CEO	Ralph Heuwing CFO

Consolidated statement of income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2016

€ k	H1 2016	H1 2015	Q2 2016	Q2 2015
Sales revenues	1,706,901	1,773,543	881,669	924,380
Cost of sales	-1,298,884	-1,393,549	-668,781	-725,924
Gross profit on sales	**408,017**	**379,994**	**212,888**	**198,456**
Selling expenses	-151,779	-139,864	-77,480	-76,488
General administrative expenses	-92,472	-90,617	-48,229	-39,466
Research and development costs	-48,645	-46,209	-24,770	-24,998
Other operating income	41,213	38,746	14,363	12,273
Other operating expenses	-37,318	-34,060	-16,468	-9,231
Earnings before investment income, interest and income taxes	**119,016**	**107,990**	**60,304**	**60,546**
Profit from entities accounted for using the equity method	1,266	1,095	499	1,115
Other investment income	331	417	331	66
Interest and similar income	3,013	3,816	1,457	2,115
Interest and similar expenses	-11,734	-22,494	-6,429	-8,938
Earnings before income taxes	**111,892**	**90,824**	**56,162**	**54,904**
Income taxes	-34,060	-37,308	-16,960	-18,363
Profit of the Dürr Group	**77,832**	**53,516**	**39,202**	**36,541**
Attributable to:				
Non-controlling interests	1,526	2,017	772	1,559
Shareholders of Dürr Aktiengesellschaft	**76,306**	**51,499**	**38,430**	**34,982**
Number of shares issued in thousands	34,601.04	34,601.04	34,601.04	34,601.04
Earnings per share in € (basic and diluted)	2.21	1.49	1.11	1.01

Consolidated statement of comprehensive income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2016

€ k	H1 2016	H1 2015	Q2 2016	Q2 2015
Profit of the Dürr Group	**77,832**	**53,516**	**39,202**	**36,541**
Items of other comprehensive income that are not reclassified to profit or loss				
Remeasurement of defined benefit plans and similar obligations	-9,259	-90	-4,630	4,546
Associated deferred taxes	3,298	61	1,649	-1,258
Items of other comprehensive income that may be reclassified subsequently to profit or loss				
Changes in fair value of financial instruments used for hedging purposes recognized in equity	3,002	-7,114	-4,537	5,881
Currency translation reserve of foreign subsidiaries	-10,576	32,537	4,650	-16,138
Currency translation reserve of foreign entities accounted for using the equity method	2,341	1,344	2,169	-1,095
Associated deferred taxes	-460	1,998	1,429	-1,642
Other comprehensive income, net of tax	**-11,654**	**28,736**	**730**	**-9,706**
Total comprehensive income, net of tax	**66,178**	**82,252**	**39,932**	**26,835**
Attributable to:				
Non-controlling interests	1,330	1,153	775	1,357
Shareholders of Dürr Aktiengesellschaft	**64,848**	**81,099**	**39,157**	**25,478**

Consolidated statement of financial position

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF JUNE 30, 2016

€ k	June 30, 2016	December 31, 2015	June 30, 2015
ASSETS			
Goodwill	414,247	415,162	401,966
Other intangible assets	225,963	233,744	211,147
Property, plant and equipment	401,780	394,716	373,110
Investment property	20,892	21,261	21,204
Investments in entities accounted for using the equity method	31,824	28,222	26,216
Other financial assets	36,482	41,407	41,940
Trade receivables	2,758	560	1,000
Income tax receivables	589	573	1,117
Sundry financial assets	6,021	7,910	7,247
Other assets	680	555	2,355
Deferred taxes	30,504	35,535	37,552
Prepaid expenses	2,136	2,391	2,444
Non-current assets	**1,173,876**	**1,182,036**	**1,127,298**
Inventories and prepayments	414,324	386,740	435,650
Trade receivables	880,663	895,752	884,220
Income tax receivables	21,601	20,981	14,291
Sundry financial assets	149,120	24,600	33,320
Other assets	38,096	29,144	50,628
Cash and cash equivalents	414,524	435,633	391,645
Prepaid expenses	14,750	5,461	14,134
Assets held for sale	-	6,315	1,245
Current assets	**1,933,078**	**1,804,626**	**1,825,133**
Total assets Dürr Group	**3,106,954**	**2,986,662**	**2,952,431**
EQUITY AND LIABILITIES			
Subscribed capital	88,579	88,579	88,579
Capital reserves	155,896	155,896	155,896
Revenue reserves	482,047	473,662	358,202
Other comprehensive income	-32,523	-21,054	-14,109
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	**693,999**	**697,083**	**588,568**
Non-controlling interests	17,476	17,335	15,653
Total equity	**711,475**	**714,418**	**604,221**
Provisions for post-employment benefit obligations	59,312	49,677	54,778
Other provisions	16,720	16,035	15,652
Trade payables	4,537	4,437	4,364
Bond and bonded loan	596,271	296,910	296,611
Other financial liabilities	56,643	47,210	48,408
Sundry financial liabilities	34,497	37,776	10,723
Income tax liabilities	8,819	8,821	8,460
Other liabilities	7,627	5,988	7,595
Deferred taxes	109,228	118,133	128,955
Deferred income	40	44	78
Non-current liabilities	**893,694**	**585,031**	**575,624**
Other provisions	105,440	119,949	120,819
Trade payables	920,856	1,041,626	1,140,186
Financial liabilities	12,401	6,782	7,179
Sundry financial liabilities	248,100	266,491	282,266
Income tax liabilities	30,651	32,907	23,238
Other liabilities	180,899	217,655	195,934
Deferred income	3,438	1,803	2,964
Current liabilities	**1,501,785**	**1,687,213**	**1,772,586**
Total equity and liabilities Dürr Group	**3,106,954**	**2,986,662**	**2,952,431**

Consolidated statement of cash flows

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2016

€ k	H1 2016	H1 2015	Q2 2016	Q2 2015
Earnings before income taxes	111,892	90,824	56,162	54,904
Income taxes paid	-38,432	-39,596	-19,366	-20,905
Net interest	8,721	18,678	4,972	6,823
Profit from entities accounted for using the equity method	-1,266	-1,095	-499	-1,115
Amortization and depreciation of non-current assets	38,248	38,747	19,039	15,348
Net gain/loss on the disposal of non-current assets	-447	120	-380	128
Other non-cash income and expenses	-5,726	-4	-519	-1
Changes in operating assets and liabilities				
Inventories	-34,702	-56,595	-12,992	-27,723
Trade receivables	-1,992	-9,126	-56,196	-49,100
Other receivables and assets	-10,005	-13,594	3,826	-6,349
Provisions	-12,280	20,835	2,042	7,523
Trade payables	-99,522	-20,842	-44,707	14,749
Other liabilities (other than bank)	-31,450	-9,721	-27,804	-21,941
Other assets and liabilities	-7,591	-7,726	-5,614	-989
Cash flow from operating activities	**-84,552**	**10,905**	**-82,036**	**-28,648**
Purchase of intangible assets	-10,704	-10,764	-6,044	-4,758
Purchase of property, plant and equipment	-27,686	-25,274	-12,762	-14,010
Purchase of other financial assets	-3	-4	-2	-2
Proceeds from the sale of non-current assets	6,863	1,687	4,074	382
Acquisitions, net of cash acquired	-	-400	-	-400
Investments in time deposits	-121,409	21,190	-130,091	14,427
Proceeds from the sale of assets and liabilities classified as held for sale	11,505	-455	997	-1
Interest received	2,193	3,305	1,236	1,894
Cash flow from investing activities	**-139,241**	**-10,715**	**-142,592**	**-2,468**
Change in current bank liabilities and other financing activities	-465	9,300	6,535	-15,805
Repayment of non-current financial liabilities	-6,089	-73,278	-4,903	-56,091
Bonded loan issue	299,079	-	299,079	-
Payments of finance lease liabilities	-910	-2,405	-470	-611
Cash paid for transactions with non-controlling interests	-	-8,234	-	-
Dividends paid to the shareholders of Dürr Aktiengesellschaft	-64,012	-57,092	-64,012	-57,092
Dividends paid to non-controlling interests	-2,117	-2,169	-2,117	-1,781
Interest paid	-17,686	-14,374	-16,752	-13,012
Cash flow from financing activities	**207,800**	**-148,252**	**217,360**	**-144,392**
Effects of exchange rate changes	-5,411	17,750	1,131	-9,732
Change in cash and cash equivalents related to changes in the consolidated group	295	-	295	-
Change in cash and cash equivalents	-21,109	-130,312	-5,842	-185,240
Cash and cash equivalents				
At the beginning of the period	435,633	521,957	420,366	576,885
At the end of the period	414,524	391,645	414,524	391,645

Consolidated statement of changes in equity

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2016

				Other comprehensive income								
				Items that are not reclassified to profit or loss	**Items that may be reclassified subsequently to profit or loss**							
€ k	Subscribed capital	Capital reserve	Revenue reserves	Remeasurement of defined benefit plans	Unrealized gains/losses from cash flow hedges	Unrealized gains/losses from available-for-sale securities	Changes related to the consolidated group/ reclassifications	Currency translation	Other comprehensive income	Total equity attributable to the shareholders of Dürr Aktiengesellschaft	Non-controlling interests	**Total equity**
January 1, 2015	**88,579**	**155,896**	**414,567**	**-37,778**	**-4,676**	**52**	**694**	**-1,991**	**-43,699**	**615,343**	**110,425**	**725,768**
Profit for the period	-	-	51,499	-	-	-	-	-	-	51,499	2,017	53,516
Other comprehensive income	-	-	-	-29	-5,116	-	-	34,745	29,600	29,600	-864	28,736
Total comprehensive income, net of tax	**-**	**-**	**51,499**	**-29**	**-5,116**	**-**	**-**	**34,745**	**29,600**	**81,099**	**1,153**	**82,252**
Dividends	-	-	-57,092	-	-	-	-	-	-	-57,092	-2,169	-59,261
Options of non-controlling interests	-	-	-9,265	-	-	-	-	-	-	-9,265	-500	-9,765
Other changes	-	-	-41,507	-	-	-	-10	-	-10	-41,517	-93,256	-134,773
June 30, 2015	**88,579**	**155,896**	**358,202**	**-37,807**	**-9,792**	**52**	**684**	**32,754**	**-14,109**	**588,568**	**15,653**	**604,221**
January 1, 2016	**88,579**	**155,896**	**473,662**	**-35,433**	**-6,231**	**47**	**673**	**19,890**	**-21,054**	**697,083**	**17,335**	**714,418**
Profit for the period	-	-	76,306	-	-	-	-	-	-	76,306	1,526	77,832
Other comprehensive income	-	-	-	-5,961	2,542	-	-	-8,039	-11,458	-11,458	-196	-11,654
Total comprehensive income, net of tax	**-**	**-**	**76,306**	**-5,961**	**2,542**	**-**	**-**	**-8,039**	**-11,458**	**64,848**	**1,330**	**66,178**
Dividends	-	-	-64,012	-	-	-	-	-	-	-64,012	-2,117	-66,129
Options of non-controlling interests	-	-	-3,920	-	-	-	-	-	-	-3,920	928	-2,992
Other changes	-	-	11	-	-	-	-11	-	-11	-	-	-
June 30, 2016	**88,579**	**155,896**	**482,047**	**-41,394**	**-3,689**	**47**	**662**	**11,851**	**-32,523**	**693,999**	**17,476**	**711,475**

Notes to the consolidated financial statements January 1 to June 30, 2016

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"), consisting of Dürr AG and its subsidiaries, is a mechanical and plant engineering firm with outstanding automation expertise. Dürr is a world market leader in almost all of its fields of activity. It supplies production technology not only to the automotive industry but also to other industries such as the mechanical engineering, energy, chemical and pharmaceutical as well as woodworking industries. Dürr serves the market with five divisions: Paint and Final Assembly Systems offers assembly and paint finishing technology, mainly for the automotive industry. 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 offers technology for purifying exhaust gases and products to increase the energy efficiency of industrial processes. Woodworking Machinery and Systems develops and manufactures woodprocessing technology.

Accounting policies

The interim consolidated financial statements for the period between January 1 and June 30, 2016, are condensed and prepared in compliance with International Accounting Standard (IAS) 34 „Interim Financial Reporting". The interim consolidated financial statements are based on the consolidated financial statements of December 31, 2015, and must be read in conjunction with them.

The interim 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 interim consolidated financial statements as of June 30, 2016, are not subject to any review or 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, 2015; please refer to our 2015 annual report. The changes in accounting policies resulting from the adoption of new or revised standards in the 2016 reporting period are without any material effects on the consolidated financial statements of Dürr.

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, 2015. Expenses that incurred irregularly during the reporting period have been deferred in those cases where they would also be deferred at year-end. Dürr's operations are not subject to material seasonal influences. Income tax expenditure in the interim financial statements is deferred on the basis of the expected income tax rate for the individual entities for the year as a whole. In the reporting period no unusual events occurred that had a material effect on the interim report as of June 30, 2016.

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

2. Consolidated group

Besides Dürr AG, the consolidated financial statements as of June 30, 2016, contain all German and foreign entities which Dürr AG can control directly or indirectly. For most of the group companies, control is based on holding the majority of voting rights. Pursuant to the contractual arrangements, Dürr has the power to exercise control over two entities. The entities are included in the consolidated financial statements from the date on which the possibility of control was obtained. Consolidation of an entity included in the consolidated financial statements ceases when Dürr loses control over the entity. Entities over which Dürr exercises significant influence pursuant to IAS 28 (associates) and joint ventures as defined by IFRS 11 are accounted for using the equity method. Significant influence is assumed with a share of voting rights ranging from 20 % to 50 %.

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

// NUMBER OF ENTITIES

	June 30, 2016	December 31, 2015
Fully consolidated entities		
Germany	29	29
Other countries	80	78
	109	**107**
Entities accounted for using the equity method		
Germany	2	2
Other countries	2	2
	4	**4**
Other investments		
Germany	2	2
Other countries	2	2
	4	**4**

The consolidated financial statements contain 13 entities (Dec. 31, 2015: 13) which have non-controlling interests. There are six entities that are included in the consolidated financial statement at cost on grounds of immateriality.

Changes in the consolidated group

// **ADDITION OF FULLY CONSOLIDATED ENTITIES**

Entity	Interest	Effective as of	Interest acquired by	Note
HOMAG Group Trading SEE EOOD, Plovdiv / Bulgaria	100 %	January 1, 2016	-	Formerly not consolidated entity
Dürr Systems spol. s r.o., Bratislava / Slowakia	100 %	June 30, 2016	Foundation	-

3. Other operating income and expenses

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

4. Net interest

// **NET INTEREST**

€ k	**H1 2016**	H1 2015
Interest and similar income	3,013	3,816
Interest and similar expenses	-11,734	-22,494
of which from:		
Nominal interest expenses on the corporate bond	-4,313	-4,313
Interest expenses caused by the bonded loan	-994	-
Interest expenses caused by the domination and profit transfer agreement with HOMAG Group AG	-3,128	-8,324
Amortization of transaction costs, premium from a bond issue and from syndicated loans	-282	-3,984
Net interest expenses from the measurement of post-employment benefit obligations	-635	-759
Interest expenses from employee profit participation	-	-2,013
Interest expenses from finance leases	-186	-206
Other interest expenses	-2,196	-2,895
Net interest	**-8,721**	**-18,678**

5. Non-current assets held for sale and related liabilities

In connection with the relocation to the Dürr campus in Southfield, Michigan, USA, the building in Auburn Hills, also in Michigan, USA, that is no longer needed, and further technical equipment and office equipment at this location had been classified as held for sale. As of March 31, 2016, the building and furniture and fixtures have been sold. The gain from the sale amounted to € 5,018 thousand and is contained in the statement of income as other operating income. The assets were measured at the carrying amount at the date of reclassification. As of December 31, 2015, these assets classified as held for sale were allocated to the Application Technology division.

In addition, a plot of developed land as well as various other items of property, plant and equipment in Germany were sold as of April 4, 2016. The gain from the sale amounted to € 297 thousand. The assets were measured at fair value. As of December 31, 2015, these assets classified as held for sale were allocated to the Woodworking Machinery and Systems division.

As of December 31, 2015, fixed assets of € 6,315 thousand were classified as held for sale.

6. Provisions for post-employment benefit obligations

The discount rate used for calculating pension obligations in Germany was reduced as of June 30, 2016. This leads to an increase in provisions for post-employment benefit obligations of € 9,259 thousand as part of a remeasurement, without effect on profit or loss.

7. Financing of the Group

A bonded loan for € 300,000 thousand was placed on March 24, 2016. The cash inflow took place on April 6, 2016. The total volume is distributed across three tranches with maturities of five, seven and ten years, respectively and will further enhance the spread of Dürr's maturity profile. The average interest paid amounts to approx. 1.6 % per annum. The bonded loan was arranged by Commerzbank, Landesbank Baden-Württemberg and Unicredit and subscribed to by numerous banks in Germany and abroad. The proceeds are intended for general corporate funding purposes and will reinforce the Group's strategic liquidity.

8. Other notes on financial instruments

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

// ALLOCATION TO THE FAIR VALUE HIERARCHY LEVELS

		Fair value hierarchy		
€ k	June 30, 2016	Level 1	Level 2	Level 3
Assets at fair value – not through profit or loss				
Available-for-sale financial assets	379	379	-	-
Derivatives used for hedging	3,602	-	3,602	-
Assets at fair value – through profit or loss				
Held-for-trading financial assets	2	2	-	-
Derivatives not used for hedging	567	-	567	-
Derivatives used for hedging	849	-	849	-
Liabilities at fair value – not through profit or loss				
Obligations from options	33,174	-	-	33,174
Derivatives used for hedging	8,906	-	8,906	-
Liabilities at fair value – through profit or loss				
Liabilities from contingent purchase price installments	1,540	-	-	1,540
Derivatives not used for hedging	438	-	438	-
Derivatives used for hedging	2,261	-	2,261	-

		Fair value hierarchy		
€ k	December 31, 2015	Level 1	Level 2	Level 3
Assets at fair value – not through profit or loss				
Available-for-sale financial assets	379	379	-	-
Derivatives used for hedging	2,349	-	2,349	-
Assets at fair value – through profit or loss				
Held-for-trading financial assets	2	2	-	-
Derivatives not used for hedging	1,100	-	1,100	-
Derivatives used for hedging	1,022	-	1,022	-
Liabilities at fair value – not through profit or loss				
Obligations from options	30,327	-	-	30,327
Derivatives used for hedging	16,992	-	16,992	-
Liabilities at fair value – through profit or loss				
Liabilities from contingent purchase price installments	1,720	-	-	1,720
Derivatives not used for hedging	452	-	452	-
Derivatives used for hedging	5,389	-	5,389	-

No reclassifications were made between the fair value hierarchy levels in the first six months of 2016.

Sensitivity level 3

Assuming that the parameters (equity and accumulated earnings before income taxes) had been 10 % higher (lower) on the earliest possible exercise date, the value of the put options for CPM S.p.A. allocated to level 3 of the fair value hierarchy, would have been € 3,047 thousand higher (lower) (prior period: no sensitivity).

Fair values of financial instruments carried at amortized cost

// FAIR VALUES OF FINANCIAL INSTRUMENTS RECOGNIZED

	June 30, 2016		December 31, 2015	
€ k	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Assets				
Cash and cash equivalents	414,524	414,524	435,633	435,633
Costs and estimated earnings in excess of billings	384,481	384,481	353,617	353,617
Trade receivables due from third parties	491,066	491,066	536,732	536,732
Trade receivables due from entities accounted for using the equity method	7,874	7,874	5,963	5,963
Other non-derivative financial instruments				
Sundry financial assets	150,426	150,426	28,342	28,342
Held-to-maturity investments	20,790	20,400	25,420	24,878
Liabilities				
Trade payables	373,187	373,187	398,559	398,559
Trade payables due to entities accounted for using the equity method	390	390	516	516
Sundry non-derivative financial liabilities	38,955	38,955	38,509	38,509
Bond	322,500	297,166	313,500	296,910
Bonded loan	306,477	299,105	-	-
Liabilities to banks	45,780	44,429	45,366	43,177
Finance lease liabilities	10,896	9,759	12,105	10,815
Obligations from options	212,481	207,154	210,878	210,878
of which combined by measurement category in accordance with IAS 39				
Loans and receivables	1,063,890	1,063,890	1,006,670	1,006,670
Held-to-maturity investments	20,790	20,400	25,420	24,878
Financial liabilities measured at amortized cost	1,310,666	1,270,145	1,019,433	999,364

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.

It was not possible to determine the fair values of equity interests measured at cost of € 15,398 thousand because market prices were not available as no active markets exist.

The fair value of the bonded loan is determined by discounting the cash flows to the measurement date using discount rates with equivalent terms.

9. Segment reporting

The presentation of segments is designed to provide details on the results of operations, net assets and financial position of individual activities. Based on the internal reporting and organizational structure of the Group, the data contained in the consolidated financial statements is presented by division. Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

// SEGMENT REPORTING

	H1 2016							
€ k	Paint and Final Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	Woodworking Machinery and Systems*	**Total segments**	Reconciliation	**Dürr Group**
External sales revenues	567,218	262,966	274,762	75,365	526,575	**1,706,886**	15	**1,706,901**
Sales revenues with other divisions	4,345	1,862	5,606	339	4	**12,156**	-12,156	**-**
Total sales revenues	**571,563**	**264,828**	**280,368**	**75,704**	**526,579**	**1,719,042**	**-12,141**	**1,706,901**
EBIT	37,994	32,132	27,307	2,374	27,483	**127,290**	-8,274	**119,016**
Assets (as of June 30)	522,962	492,835	500,817	119,985	822,086	**2,458,685**	-1,571	**2,457,114**
Liabilities (as of June 30)	522,757	279,002	199,785	64,270	318,252	**1,384,066**	197,400	**1,581,466**
Employees (as of June 30)	3,385	1,930	3,034	528	5,983	**14,860**	191	**15,051**

€ k	Paint and Final Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	Woodworking Machinery and Systems*	**Total segments**	Reconciliation	**Dürr Group**
	H1 2015							
External sales revenues	637,920	279,026	283,908	68,022	504,095	**1,772,971**	572	**1,773,543**
Sales revenues with other divisions	3,773	2,193	5,132	1,885	2	**12,985**	-12,985	**-**
Total sales revenues	**641,693**	**281,219**	**289,040**	**69,907**	**504,097**	**1,785,956**	**-12,413**	**1,773,543**
EBIT	47,992	28,896	26,575	185	9,058	**112,706**	-4,716	**107,990**
Assets (as of December 31)	551,282	480,638	490,812	114,292	795,410	**2,432,434**	-583	**2,431,851**
Liabilities (as of December 31)	665,068	298,238	201,416	61,491	321,470	**1,547,683**	213,798	**1,761,481**
Employees (as of June 30)	3,212	1,843	2,925	480	5,780	**14,240**	208	**14,448**

* Including effects from the subsequent measurement of the hidden reserves in the course of the purchase price allocation

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

// RECONCILIATION OF SEGMENT FIGURES TO THE FIGURES OF THE DÜRR GROUP //////

€ k	**H1 2016**	H1 2015
EBIT of the segments	127,290	112,706
EBIT of the Corporate Center	-6,507	-4,646
Elimination of consolidation entries	-1,767	-70
EBIT of the Dürr Group	**119,016**	**107,990**
Profit from entities accounted for using the equity method	1,266	1,095
Other investment income	331	417
Interest and similar income	3,013	3,816
Interest and similar expenses	-11,734	-22,494
Earnings before income taxes	**111,892**	**90,824**
Income taxes	-34,060	-37,308
Profit of the Dürr Group	**77,832**	**53,516**

€ k	June 30, 2016	December 31, 2015
Segment assets	2,458,685	2,432,434
Assets of the Corporate Center	1,002,202	986,137
Elimination of consolidation entries	-1,003,773	-986,720
Cash and cash equivalents	414,524	435,633
Time deposits and other short-term securities	130,093	8,684
Held-to-maturity securities and other loans	20,705	25,183
Investments in entities accounted for using the equity method	31,824	28,222
Income tax receivables	22,190	21,554
Deferred tax assets	30,504	35,535
Total assets of the Dürr Group	**3,106,954**	**2,986,662**

€ k	June 30, 2016	December 31, 2015
Segment liabilities	1,384,066	1,547,683
Liabilities of the Corporate Center	255,067	253,373
Elimination of consolidation entries	-57,667	-39,575
Bond and bonded loan	596,271	296,910
Liabilities to banks and other financial liabilities	59,285	43,177
Finance lease liabilities	9,759	10,815
Income tax liabilities	39,470	41,728
Deferred tax liabilities	109,228	118,133
Total liabilities of the Dürr Group*	**2,395,479**	**2,272,244**

* Consolidated total assets less total equity

10. Related party transactions

Related parties comprise members of the Supervisory Board and the Board of Management.

Some members of the Supervisory Board of Dürr AG hold high-ranking positions in other entities. Transactions between these entities and Dürr are carried out at arm's length. For further information about members of the Board of Management and the Supervisory Board of Dürr AG, please refer to our 2015 annual report.

Related parties also include associates, joint ventures and non-consolidated subsidiaries of the Dürr Group.

In the first six months of 2016, there were intercompany transactions between Dürr and its related parties of € 48,405 thousand (prior period: € 45,257 thousand). As of June 30, 2016, outstanding receivables from related parties totaled € 9,478 thousand (Dec. 31, 2015: € 7,140 thousand), while payables to related parties amounted to € 1,604 thousand (Dec. 31, 2015: € 2,129 thousand). Both the receivables and liabilities are current. In addition prepayments received from related parties of € 23,480 thousand (Dec. 31, 2015: € 14,379 thousand) were included in the consolidated statement of financial position.

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

11. Contingent liabilities and other financial obligations

// CONTINGENT LIABILITIES

€ k	**June 30, 2016**	December 31, 2015
Contingent liabilities from warranties, guarantees, notes and check guarantees	13,408	11,662
Collateral pledged for third-party liabilities	-	10,552
Other	2,270	24,479
	15,678	**46,693**

Dürr assumes that these contingent liabilities will not lead to any liabilities or cash outflows.

// OTHER FINANCIAL OBLIGATIONS

€ k	**June 30, 2016**	December 31, 2015
Future minimum payments for operating leases	108,221	122,059
Future minimum payments for finance leases	10,884	12,245
Purchase obligation for property, plant and equipment	3,398	6,467
	122,503	**140,771**

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

12. Subsequent events

No material events occurred between the reporting date and the publication of the interim report.

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, August 4, 2016

Dürr Aktiengesellschaft

The Board of Management

Ralf W. Dieter
CEO

Ralph Heuwing
CFO

Multi-year overview 2013 - 2016[1]

		H1				Q2			
		2016	2015	2014	2013	**2016**	2015	2014	2013
Order intake	€ m	1,989.3	1,795.5	1,271.5	1,293.5	940.7	900.0	707.1	613.1
Orders on hand (June 30)	€ m	2,698.9	2,828.0	2,351.6	2,457.5	2,698.9	2,828.0	2,351.6	2,457.5
Sales revenues	€ m	1,706.9	1,773.5	1,060.4	1,131.7	881.7	924.4	522.2	589.2
Gross profit	€ m	408.0	380.0	233.6	219.9	212.9	198.5	117.9	117.8
EBITDA	€ m	157.3	146.7	102.5	95.9	79.3	75.9	51.7	53.7
EBIT	€ m	119.0	108.0	89.2	82.4	60.3	60.5	45.0	46.4
Earnings after tax	€ m	77.8	53.5	57.9	52.4	39.2	36.5	28.7	29.7
Gross margin	%	23.9	21.4	22.0	19.4	24.1	21.5	22.6	20.0
EBIT margin	%	7.0	6.1	8.4	7.3	6.8	6.5	8.6	7.9
Cash flow from operating activities	€ m	-84.6	10.9	24.2	12.1	-82.0	-28.6	-18.4	41.8
Free cash flow	€ m	-138.4	-36.2	5.3	-10.3	-116.3	-58.5	-28.4	27.8
Capital expenditure	€ m	38.6	36.2	17.8	21.8	18.9	18.8	9.5	13.9
Total assets (June 30)	€ m	3,107.0	2,952.4	2,232.6	1,840.6	3,107.0	2,952.4	2,232.6	1,840.6
Equity (with non-controlling interests) (June 30)	€ m	711.5	604.2	513.7	438.0	711.5	604.2	513.7	438.0
Equity ratio (June 30)	%	22.9	20.5	23.0	23.8	22.9	20.5	23.0	23.8
ROCE[2]	%	29.2	40.9	58.0	39.6	29.6	45.8	58.6	42.8
Net financial status (June 30)	€ m	-90.2	88.7	227.2	43.0	-90.2	88.7	227.2	43.0
Net working capital (June 30)	€ m	372.1	176.1	-4.6	153.2	372.1	176.1	-4.6	153.2
Employees (June 30)		15,051	14,448	8,324	7,899	15,051	14,448	8,324	7,899
Dürr share[3] ISIN: DE0005565204									
High[4]	€	72.65	109.80	68.13	52.75	72.65	109.80	65.98	52.75
Low[4]	€	49.52	71.35	54.50	33.73	60.30	78.66	55.25	38.02
Close[4]	€	67.99	83.65	64.80	46.35	67.99	83.65	64.80	46.35
Average daily trading volume (number of shares)	Units	220,200	141,100	137,700	151,807	281,600	155,200	103,501	175,092
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)	€	2.21	1.49	1.64	1.51	1.11	1.01	0.81	0.85

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

[1] HOMAG Group AG consolidated from October 3, 2014
[2] Annualized
[3] Number of shares doubled due to the issue of bonus shares on May 27, 2013; historical price data, daily trading volumes and earnings per share have been adjusted accordingly
[4] Xetra

Financial calendar

August 31, 2016	Commerzbank Sector Conference, Frankfurt
September 8, 2016	Morgan Stanley Industrials and Natural Resources Summit, London
September 13, 2016	UBS Best of Germany, New York
September 20, 2016	Berenberg German Corporate Conference, Munich
September 21, 2016	Baader Conference, Munich
September 22, 2016	Bernstein 13th Annual Strategic Decisions Conference, London
November 10, 2016	Interim statement for the first nine months of 2016

Contact

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This interim statement is the English translation of the German original.
The German version shall prevail.