Report on the first half of 2007

DÜRR

Technologies · Systems · Solutions

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Cover photo:

The air-purification system at a furniture factory first concentrates several large air streams of low contamination levels. This produces a smaller air flow with a high contaminant concentration, which is then cleaned in an incineration unit (thermal oxidation). The concentration stage has the advantage that less energy is required to burn off the solvent-containing contaminants.

Key figures for the Dürr Group (IFRS)

(continuing operations)

		Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Incoming orders	€ m	912.4	845.3
Orders on hand (June 30)	€ m	1,070.6	929.9
Sales revenues	€ m	650.3	626.3
EBITDA before one-time expenses	€ m	20.4	20.1
Operating earnings (EBIT before one-time expenses)	€ m	11.4	9.7
Earnings after taxes	€ m	0.0	-3.3
Cash flow from operating activities	€ m	-23.3	-51.8
Cash flow from investing activities	€ m	-6.8	17.8
Cash flow from financing activities	€ m	-14.1	-9.7
Balance sheet total (June 30)	€ m	1,069.1	1,046.9
Equity (with minority interests) (June 30)	€ m	245.2	240.4
Net financial debt (June 30)	€ m	145.5	122.2
Net working capital (June 30)	€ m	155.8	182.6
Employees (June 30)		5,836	5,755
Dürr stock ISIN: DE0005565204			
High[1)]	€	34.00	26.90
Low[1)]	€	20.20	17.14
Close[1)]	€	31.04	20.65
Number of shares (June 30)	k	15,728	15,728
Earnings per share (diluted / basic)	€	0.02	-0.22

[1)] XETRA

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

Highlights

- Incoming orders well above high H1 2006 level
- Sales revenues up 9.2% in Q2 2007
- Earnings and cash flow improved
- Earnings after tax slightly positive
- Positive outlook for the full year 2007 confirmed

Management report
Economic environment

The positive development of the world economy continued in the first half of 2007. However, the growth of the US economy slowed, a key factor being the problems in the property market. In Europe, and especially in Germany, economic growth was stronger than expected, which also led to a decline in the unemployment figures. The growth in Asia remained dynamic, with China acquiring increasing importance for the global economy. Rising raw material and producer prices are feeding through in higher inflation figures and interest rates. In addition, currency developments are a cause of growing concern in view of the weakness of the US dollar and the yen.

Global demand in the automobile markets has picked up compared with a year earlier. While unit sales in the United States, Western Europe and Japan were little changed overall, the emerging markets witnessed, in part, strong growth. Above all, India and Eastern Europe including Russia are acquiring growing importance. These markets have attained an attractive size for automobile manufacturers in terms of absolute volumes. In the Western countries environmental issues such as carbon dioxide emissions are acquiring ever greater importance.

We expect capital spending in the automobile industry to rise in the coming years. The demand for new plant, such as paint shops and assembly lines, is mainly centred in Asia and Eastern Europe, but there are a number of projects in the pipeline in Western Europe and North America, too. Demand in the modernization business is continuously growing, as many manufacturers are investing in their existing facilities to modernize and make them more flexible.

Business developments*

Further improvement in incoming orders

The Dürr Group's incoming orders in the first six months of 2007 were up 7.9% to € 912.4 million (H1 2006: € 845.3 million) after we had already achieved growth of 16% in the first half of 2006. At € 404.1 million, new orders in the second quarter of 2007 almost matched the very high level in the same quarter last year (€ 415.4 million).

* Unless indicated otherwise, all figures and statements in this interim report refer to the continuing operations of the Dürr Group. These interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Orders in the Paint and Assembly Systems division were up 10.4%. Order intake in the Factory Assembly Systems business unit was very high. Environmental and Energy Systems witnessed continued steady growth in new orders, while order intake at the Paint Systems and Application Technology business units was roughly level with the year-earlier period.

Orders in the Measuring and Process Systems division were down 2.1% year on year, whereby Cleaning and Filtration Systems had booked an exceptionally large order in the second quarter of 2006. Balancing and Diagnostic Systems showed a dynamic development.

Order intake in Germany picked up significantly. In the other EU countries new orders were down, but only because we had booked a high volume of orders from Italy in the first half of last year. The Russian market stood out in Eastern Europe. Incoming orders in Asia were lower in the first six months but this was only due to a temporary lull in China. In India we posted strong growth of 43.6%.

Growth in sales revenues and orders on hand in the second quarter

Consolidated sales in the first half of 2007 were up 3.8% to € 650.3 million (H1 2006: € 626.3 million); in the second quarter sales were up 9.2% year on year. By mid-year the Cleaning and Filtration Systems and Factory Assembly Systems business units managed to reduce their year-on-year sales shortfall from the first quarter. Gratifying growth was achieved at Environmental and Energy Systems and at Balancing and Diagnostic Systems.

The weaker US dollar compared with the end of 2006 impacted sales revenues negatively by almost 1%. 58.5% of our sales revenues came from Europe, 22.4% from Asia and 19.1% from North and South America. At 1.4, the book-to-bill ratio, that is the ratio of new orders to sales revenues, was above the year-earlier figure (1.3) also at the end of the second quarter. Orders on hand amounted to € 1,070.6 million at June 30, 2007 (June 30, 2006: € 929.9 million), an increase of € 265.4 million versus the end of 2006. Our reach of orders has therefore further improved.

The cost of sales rose by 4.9% in the first half of 2007, and thus more than proportionally relative to sales revenues. The gross margin therefore sank to 16.1% versus 17.0% in the first half of 2006. The rise in the cost of sales was due to delays on projects in India, especially on a large order. We put together a package of measures including, among other things, a broadening of the supplier base in India. We have also strengthened the local management.

Administrative and selling expenses reduced
Despite the market successes, selling expenses were 4.8% lower in the first half of 2007 thanks to increased sales efficiency. Administrative expenses were held steady. Research and development (R&D) expenses rose strongly by 24.7%. This was also due to the fact that some research projects are to be completed faster than originally planned. Other operating expenses and income shows a positive net balance of € 8.0 million at the end of the first half of 2007 (H1 2006: € +4.7 million). In addition to book gains on asset disposals and the release of provisions, this was due above all to lower expenses recognized under this item. At € 0.4 million, the one-time expenses still incurred were small (H1 2006: € 3.7 million).

Operating result increased, earnings after tax just positive
EBITDA before one-time expenses amounted to € 20.4 million in the first half of 2007 (H1 2006: € 20.1 million), while the operating result (EBIT before one-time expenses) came to € 11.4 million as compared with € 9.7 million in the same period last year. The net interest position deteriorated by € 1.1 million to € -11.4 million. This was mostly due to lower investable funds. Earnings after tax of the continuing operations improved to € 45 thousand, up from € -3.3 million in the first half of 2006.

Financial position

Cash flow from operating activities improved*
In the first six months of 2007 **cash flow from operating activities** improved substantially to € -23.3 million (H1 2006: € -51.8 million). The development was damped by the still weak revenue situation but this will probably improve significantly in the further course of the year. Additionally, cash outflows for taxes and FOCUS measures (FOCUS: € 5.9 million) as well as the use of provisions had an impact in the first half of the year. Prepayments received developed nicely: driven by the growing volume of orders, they rose to € 133.2 million at June 30, 2007 from € 126.2 million at the end of 2006. Despite the growth in business volume, net working capital was € 3.9 million lower than at December 31, 2006 on a currency-adjusted basis.

Cash flow from investing activities for the first half of 2007 amounted to € -6.8 million (H1 2006: € 17.8 million). As planned, investment in intangible assets rose substantially to € 7.7 million (H1 2006: € 2.2 million); this was largely attributable to the project for Group-wide IT standardization (among other things, software licenses, capitalized project costs). The higher capital expenditure was partly offset by proceeds from the disposal of non-current assets. The cash inflow posted in the first half of 2006 had resulted in the main from an out-of-court arbitration settlement.

* Exchange rate effects have been eliminated in the cash flow statement. For this reason, the changes shown here can only be seen in the balance sheet to a limited extent.

Cash flow from financing activities amounted to € -14.1 million (H1 2006: € -9.7 million) and was largely influenced by interest paid. We ran down short-term bank liabilities in the first half of 2007.

Balance sheet and financial ratios little changed

Net financial debt at June 30 amounted to € 145.5 million as compared with € 96.5 million at the end of 2006. Our financing requirements were met mostly from cash and cash equivalents. Cash and cash equivalents decreased by € 42.9 million versus December 31, 2006 to € 58.6 million. Financing requirements at Dürr are typically higher during the year than at the end of the year.

At € 1,069.1 million, the balance sheet total was slightly higher than at December 31, 2006 (€ 1,040.1 million). Owing to the higher volume of business, both trade receivables and inventories rose substantially. Conspicuous is the growth in other receivables and other assets, which is mainly due to higher turnover taxes (VAT) receivable.

At 22.9%, the equity ratio at June 30, 2007 was slightly lower than at the end of 2006 (23.6%). The biggest change on the capital and liabilities side was the increase in trade payables to € 359.1 million (December 31, 2006: € 303.6 million) due to the larger volume of business.

Current and non-current liabilities

Amounts in € m	June 30, 2007	June 30, 2006	Dec. 31, 2006
Financial liabilities	20.3	31.0	20.5
Corporate bond	191.0	189.0	189.8
Trade payables	359.1	263.4	303.6
of which prepayments received	133.2	107.5	126.2
Income tax liabilities	24.1	22.0	25.7
Other liabilities	83.9	112.0	90.8
Total	**678.4**	**617.4**	**630.4**

R&D and capital expenditure

Direct expenses for research and development (R&D) recognized in the income statement for the first half of 2007 amounted to € 11.6 million (H1 2006: € 9.3 million). The R&D ratio, that is the ratio of R&D expenses to sales revenues, was 1.8% (H1 2006: 1.5%). If project-related development expenses which arise in connection with customer orders are included, both R&D spending and the ratio were much higher.

Among other projects, we pressed ahead with the development of a new process for the UV curing of clear coats which increases scratch resistance and durability. With the new robot type *Eco*RP L, which was specially designed for the interior painting of car bodies, we completed the product family of our second generation of painting robots. We will be presenting the new robot, together with the related handling robots for opening the doors and bonnet of the vehicle bodies during the painting process, at our in-house exhibition in September in Bietigheim-Bissingen, Germany. In our assembly systems technology we presented a new end-of-line test stand system for testing advanced driver assistance systems. In air-purification technology the focus was on further developing our systems for new applications, for instance in the chemicals, pharmaceuticals, printing and woodworking industries.

The Measuring and Process Systems division also worked on important innovation projects. In balancing and diagnostic systems technology we have developed the VIRIO vertical balancing machine with which we aim to follow up the successes achieved with the predecessor model. One of the top themes at present in cleaning technology is the new VOC Regulation, which limits emissions of volatile organic compounds EU-wide. To help our customers meet the new limits we have developed new types of system as well as concepts for upgrading existing solvent cleaning systems.

Capital expenditure
€ 12.3 million was invested in property, plant and equipment and intangible assets, which was € 6.3 million more than in the same period last year. A main emphasis was our FOCUS project for global IT harmonization. As a result, we invested considerably more in intangible assets (€ 7.7 million, up from € 2.2 million a year ago) than in property, plant and equipment.

Capital expenditure*

Amounts in € m	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Paint and Assembly Systems	10.1	5.0
Measuring and Process Systems	2.0	1.0
Corporate Center	0.2	0.0
Total	**12.3**	**6.0**

* in property, plant, and equipment, and intangible assets

Employees

New hirings due to high order backlog
Owing to the good order book situation we have increased the number of employees within the Group to 5,836 at June 30, 2007. This is 3.3% more than at the end of 2006 (5,650). Much of the increase was in the growth region of Asia, where the number of employees was increased by 16.0% to 697 (December 31, 2006: 601). Additional personnel were hired in all Asian countries where we have companies. A special focus was India, where we have expanded our capacities by 31.5% since the beginning of the year to 221 employees so as to be able to cope reliably with the growing volume of business. We have also sent a number of experienced employees from Germany to India. In response to the good level of capacity utilization, we recruited 42 new employees, mainly young engineers, in Germany in the first half of the year. This is an increase of 1.4% compared to the end of 2006. The first-time consolidation of the Italian company CPM S.p.A. from May 1 added 40 employees at June 30, 2007. The strategic expansion of the service business has also had an impact on our headcount. At June 30, 2006 the service business had employed 475 people. This rose to 498 by the end of 2006 and there has been a further strong increase to 644 in the first six months of this year. The growth here, too, is focused on the emerging markets.

Employees

	June 30, 2007	June 30, 2006	Dec. 31, 2006
Paint and Assembly Systems	3,939	3,840	3,786
Measuring and Process Systems	1,854	1,877	1,821
Corporate Center	43	38	43
Total	**5,836**	**5,755**	**5,650**

Management changes

Ralph Heuwing took up his position on the Board of Management of Dürr AG, as announced, on May 14. As CFO, he is responsible for Business Administration and the corporate functions Information Technology, Investor Relations, Legal Affairs/Patents and Risk Management. He succeeds Martin Hollenhorst, who left the company at his own wish.

Overview of the divisions

Paint and Assembly Systems

		Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Incoming orders	€ m	750.7	680.2
Sales revenues	€ m	512.6	498.2
EBITDA	€ m	12.0	16.8
EBIT	€ m	6.4	10.9
Employees (June 30)		3,939	3,840

Incoming orders at Paint and Assembly Systems rose strongly again in the first six months of 2007 to € 750.7 million (H1 2006: € 680.2 million), to which large paint systems orders from the Czech Republic, Russia and India contributed. Investment activity in the United States stabilized at a low level. However, the three big US automobile manufacturers invested outside the United States. The large orders ensure a good level of capacity utilization at Paint Systems and Environmental and Energy Systems, especially in Germany and Asia. Factory Assembly Systems also booked significantly more orders.

EBIT was adversely affected in the second quarter of 2007 by the problems in India discussed earlier. An added factor was the settlement of projects at Paint Systems which had been taken on in spring 2006 at poorer margins.

Measuring and Process Systems

		Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Incoming orders	€ m	161.7	165.1
Sales revenues	€ m	137.6	128.1
EBITDA	€ m	7.5	-1.9
EBIT	€ m	4.5	-4.4
Employees (June 30)		1,854	1,877

Incoming orders at Measuring and Process Systems were slightly down (-2.1%) in the first six months of 2007. However, it needs to be borne in mind that in the year-earlier period the Cleaning and Filtration Systems business unit booked a large order which had accounted for about one-third of its total order intake in the first half of 2006. There has been a good market acceptance for the new EcoLution and EcoBase product lines launched in spring 2007. Order intake at the Balancing and Diagnostic Systems business unit was very encouraging.

By the six-month mark Cleaning and Filtration Systems almost caught up the year-on-year sales shortfall from the first quarter. Balancing and Diagnostic Systems increased its sales revenues strongly in the first half but new orders still comfortably exceed sales revenues in absolute terms. The two business units contributed more or less equally to the improvement in earnings, with both business units generating positive EBIT in the first six months of 2007. This was mainly due to improved internal processes and the optimized product mix.

Corporate Center

Corporate Center (Dürr AG) EBIT for the first six months of 2007 came to € 0.1 million as compared with € -0.5 million in the same period last year. The Corporate Center felt the benefits of the organizational improvements achieved through FOCUS and lower material costs.

Opportunities and risks

In the first half of 2007 we were exposed to the risks which are typical of our business. This includes pricing pressure in the automobile industry, differing regional demand trends and risks in order execution. A detailed description of these and other risks can be found in our Annual Report for 2006.

In the second quarter there were delays on projects in India as a result of troubles and delivery postponements at local suppliers. Among other measures, we have therefore broadened our supplier base and strengthened the local management. We are well equipped for the future, having substantially strengthened our organization in India by expanding capacities and sending experienced employees from Germany, especially in the areas of sourcing and site management.

The US dollar’s weakness against the euro continues to have an adverse impact on our sales figures. However, owing to our cost structure, this has little effect on earnings.

The opportunities we see for our business are largely as we discussed in our Annual Report for 2006. Above all, there is the growing demand in Eastern Europe and the expansion of our services and revamp business, where we see good potential as our systems technology is in widespread use. Further opportunities for us are presented by the growing model diversity in the automobile industry since this is increasing the demand among our customers for highly flexible solutions so as to be able to produce the ever wider range of models and variants cost efficiently. Additionally, we are profiting from the rising demand for environmentally compatible production processes and the closer integration of suppliers into the value chain in the automobile industry. We also expect an additional boost to demand from the presentation of a number of new products, especially in painting robotics, at our in-house exhibition in Bietigheim-Bissingen in September.

Outlook

We maintain our forecasts for 2007, especially as higher-margin orders are due to be executed in the second half.

From today’s vantage point, consolidated sales in 2007 should be 5% to 10% above the 2006 level. We expect significant earnings growth in 2007, with much of the improvement coming in the fourth quarter. This is based on higher sales revenues, an improved gross margin in the second half thanks to the successes with FOCUS and more or less stable administrative and selling expenses. Our net interest position will not improve in 2007 since this had benefited from extraordinary income in 2006. We remain confident that the turn-around will be achieved at the Cleaning and Filtration Systems and Factory Assembly Systems business units and in US business.

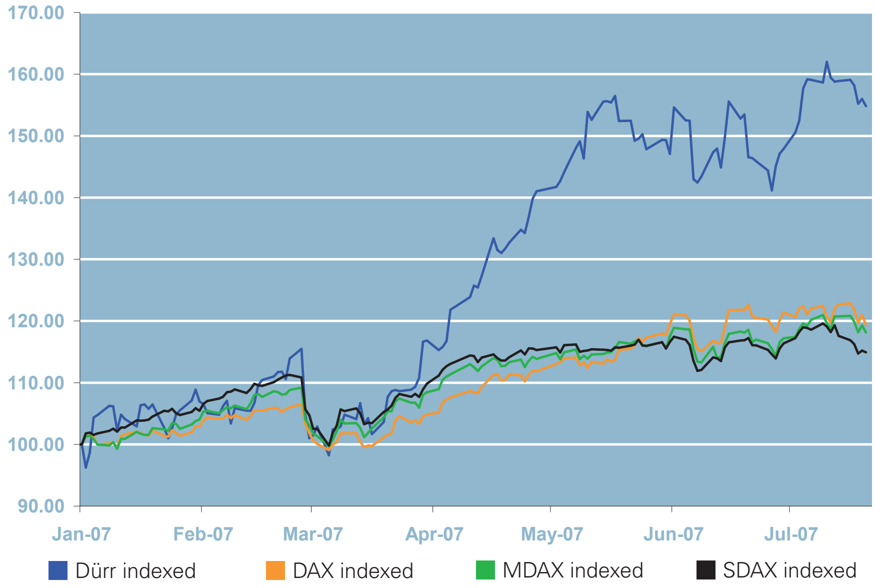
We expect a positive cash flow from operating activities in 2007. Net working capital should decline slightly despite rising sales. We will continue to keep a close focus on improving net working capital management.

We expect a further earnings improvement in 2008. Our target return for 2008 is an unchanged at least 5% at the operating level.

Capital stock and capital changes

Dürr AG owns no treasury stock. There was no change in the company's share capital in the reporting period.

Development of Dürr stock



The equity markets were very buoyant in the first half of 2007. The Dürr stock did particularly well against this cheerful backdrop. While the SDAX rose 16.4%, our shares gained 47.9%. There were a number of driving factors. Firstly, the Dürr stock had lagged the general market trend in 2006. Secondly, it received a fillip from its inclusion in the SDAX in January. This led to stronger interest in the media and among investors. Thirdly, we achieved the targets we had announced for 2006, and even exceeded market expectations in some cases. The market honored the high level of new orders and the benefits feeding through from the company's refocusing.

Changes in the shareholder structure

The Dürr family increased its position as the largest shareholder of Dürr AG in April 2007. Heinz Dürr GmbH, Berlin, and the foundation Heinz und Heide Dürr Stiftung, Berlin, together now hold 44.2% of the capital of Dürr AG. Further, the pool agreement, which had existed since 2001 between Heinz Dürr GmbH, Heinz und Heide Dürr Stiftung, BWK GmbH Unternehmensbeteiligungsgesellschaft and Süd-Kapitalbeteiligungs-Gesellschaft mbH, was annulled by mutual agreement.

Aton GmbH, Fulda, Germany, acquired 10.1% of the shares of Dürr AG in June 2007. It acquired the shares from Süd-Kapitalbeteiligungs-Gesellschaft mbH (5%) and Kreissparkasse Biberach (5.1%). Süd-Kapitalbeteiligungs-Gesellschaft mbH intends to retain a 5% ownership interest in Dürr AG in future.

Events subsequent to the reporting date

On August 1, 2007 Mirko Becker replaced Bernhard Ackermann as employee representative on the Supervisory Board of Dürr AG. Mirko Becker is Deputy Chairman of the Works Council of Dürr Systems GmbH in Bietigheim-Bissingen, Germany.

Effective August 1, 2007, OOO Dürr Systems RUS was established in Moscow. With the new company we are aiming to expand our market position in Russia.

Stuttgart, August 9, 2007

Dürr Aktiengesellschaft

The Board of Management

Consolidated income statement

of Dürr Aktiengesellschaft, Stuttgart, for the period January 1 to June 30, 2007

Amounts in € k	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006	April 1 - June 30, 2007	April 1 - June 30, 2006
Sales revenues	650,273	626,342	346,208	317,057
Cost of sales	-545,551	-519,879	-291,986	-261,851
Gross profit on sales	**104,722**	**106,463**	**54,222**	**55,206**
Selling expenses	-47,057	-49,405	-24,113	-24,826
General and administrative expenses	-42,619	-42,722	-21,307	-19,843
Research and development costs	-11,640	-9,337	-6,010	-4,275
Other operating income and expenses	7,961	4,690	5,500	4,321
	11,367	**9,689**	**8,292**	**10,583**
Restructuring expenses / onerous contracts	-393	-3,676	-287	-3,075
Earnings before investment income, other interest and similar income, interest and similar expenses, and income taxes	**10,974**	**6,013**	**8,005**	**7,508**
Result of associates	552	-447	228	-353
Other interest and similar income	1,533	2,750	877	1,899
Interest and similar expenses	-12,972	-13,080	-6,642	-6,665
Earnings before taxes of continuing operations	**87**	**-4,764**	**2,468**	**2,389**
Income taxes	-42	1,446	-360	-1,107
Earnings from continuing operations	**45**	**-3,318**	**2,108**	**1,282**
Earnings from discontinued operations	**218**	**30**	**137**	**-132**
Consolidated profit/loss for the period	**263**	**-3,288**	**2,245**	**1,150**
Profit/loss share of minority interests				
Continuing operations	-321	64	-325	75
Discontinued operations	-	3	-	-
Dürr Group	-321	67	-325	75
Profit/loss share of shareholders of Dürr Aktiengesellschaft				
Continuing operations	366	-3,382	2,433	1,207
Discontinued operations	218	27	137	-132
Dürr Group	584	-3,355	2,570	1,075
Earnings per share in € (basic and diluted)				
Continuing operations	0.02	-0.22	0.15	0.08
Discontinued operations	0.01	0.00	0.01	-0.01
Dürr Group	0.03	-0.22	0.16	0.07

Consolidated balance sheet

of Dürr Aktiengesellschaft, Stuttgart, as of June 30, 2007

Amounts in € k	June 30, 2007	June 30, 2006	Dec. 31, 2006
Assets			
Goodwill	263,798	263,991	262,296
Other intangible assets	27,081	19,067	22,367
Property, plant and equipment	104,265	116,146	106,539
Investment property	13,648	12,147	13,269
Investment in associates	10,310	11,883	12,981
Other financial assets	445	5,478	5,221
Trade receivables	1,779	-	1,701
Income tax receivables	64	-	319
Other receivables and other assets	6,057	-	2,727
Deferred taxes	18,130	46,818	19,151
Prepaid expenses	514	783	573
Non-current assets	**446,091**	**476,313**	**447,144**
Inventories and prepayments	59,914	52,619	50,664
Trade receivables	454,731	396,110	408,646
Income tax receivables	8,034	5,747	7,370
Other receivables and other assets	38,348	24,326	21,707
Cash and cash equivalents	58,606	85,970	101,482
Prepaid expenses	3,351	5,833	1,924
	622,984	**570,605**	**591,793**
Assets of a disposal group classified as held for sale	-	-	1,129
Current assets	**622,984**	**570,605**	**592,922**
Total assets Dürr Group	**1,069,075**	**1,046,918**	**1,040,066**
Equity and liabilities			
Subscribed capital	40,264	40,264	40,264
Capital reserve	160,459	160,459	160,459
Revenue reserves	73,585	62,612	73,021
Other comprehensive income	-30,538	-24,245	-29,257
Amounts recorded directly in equity from assets of a disposal group classified as held for sale	-	-	-495
Equity without minority interests	**243,770**	**239,090**	**243,992**
Minority interests	1,432	1,358	1,708
Equity with minority interests	**245,202**	**240,448**	**245,700**
Provisions for pension obligations	59,941	67,961	60,739
Other provisions	7,986	9,951	7,319
Bond	190,982	188,953	189,840
Other financial liabilities	8,868	11,500	10,639
Income tax liabilities	12,619	12,701	12,585
Other liabilities	13,369	-	13,343
Deferred taxes	23,452	46,522	25,725
Deferred income	1,371	1,631	1,485
Non-current liabilities	**318,588**	**339,219**	**321,675**
Other provisions	51,301	62,302	66,197
Trade payables	359,082	263,398	303,575
Financial liabilities	11,468	19,487	9,869
Income tax liabilities	11,512	9,270	13,070
Other liabilities	70,493	112,015	77,460
Deferred income	1,429	779	2,520
Current liabilities	**505,285**	**467,251**	**472,691**
Total equity and liabilities Dürr Group	**1,069,075**	**1,046,918**	**1,040,066**

Consolidated statement of changes in shareholders´ equity

of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2007

Amounts in € k	Subscribed capital	Capital reserve	Revenue reserves	Accumulated other comprehensive income	Amounts resulting from assets held for sale	Equity without minority interests	Minority interests	Equity with minority interests
January 1, 2006	**40,264**	**160,459**	**65,967**	**-20,140**	**-**	**246,550**	**1,517**	**248,067**
Profit/loss from continuing operations	-	-	-3,382	-	-	-3,382	64	-3,318
Profit/loss from discontinued operations	-	-	27	-	-	27	3	30
Accumulated other comprehensive income	-	-	-	-4,105	-	-4,105	-2	-4,107
Other changes	-	-	-	-	-	-	-224	-224
June 30, 2006	**40,264**	**160,459**	**62,612**	**-24,245**	**-**	**239,090**	**1,358**	**240,448**
January 1, 2007	**40,264**	**160,459**	**73,021**	**-29,257**	**-495**	**243,992**	**1,708**	**245,700**
Profit/loss from continuing operations	-	-	366	-	-	366	-321	45
Profit/loss from discontinued operations	-	-	218	-	-	218	-	218
Accumulated other comprehensive income	-	-	-	-1,281	495	-786	45	-741
Other changes	-	-	-20	-	-	-20	-	-20
June 30, 2007	**40,264**	**160,459**	**73,585**	**-30,538**	**-**	**243,770**	**1,432**	**245,202**

Statement of recognized income and expense

in the consolidated financial statements of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2007

Amounts in € k	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Changes in fair value of financial instruments used for hedging purposes recorded in equity	965	1,635
Adjustment item for currency translation of foreign subsidiaries	-1,855	-5,098
Amounts recorded directly in equity from assets of a disposal group classified as held for sale	495	-
Actuarial gains/losses from defined benefit obligations and similar obligations	-5	-
Deferred taxes on revaluations recognized directly in equity	-386	-644
Revaluations recognized directly in equity	**-786**	**-4,107**
of which attributable to minority interests	-	-2
Profit/loss after tax	**263**	**-3,288**
of which attributable to minority interests	-321	67
Total profit/loss for the period and revaluations recognized directly in equity in the period	**-523**	**-7,395**
of which attributable to minority interests	-321	65

Consolidated cash flow statement

of Dürr Aktiengesellschaft, Stuttgart, for the period from January 1 to June 30, 2007

Amounts in € k	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Earnings before interest and taxes	11,526	5,566
Income taxes paid	-3,651	-5,296
Result of associates	-552	447
Dividends from associates	155	155
Amortization and depreciation of non-current assets	9,040	10,386
Net gain on the disposal of non-current assets	-4,535	-502
Non-cash expenses and income	201	-635
Changes in operating assets and liabilities		
Inventories	-8,973	-10,275
Trade receivables	-34,223	71,857
Other receivables and assets	-13,896	-1,498
Provisions	-13,919	-17,514
Trade payables	47,084	-78,407
Other liabilities (other than bank)	-10,101	-23,875
Other assets and liabilities	-1,429	-2,199
Cash flow from operating activities of continuing operations	**-23,273**	**-51,790**
Cash flow from operating activities of discontinued operations	-	1,365
Cash flow from operating activities	-23,273	-50,425
Purchase of intangible assets	-7,650	-2,223
Purchase of property, plant and equipment	-4,570	-3,794
Purchase of other financial assets	-8	-608
Cash received from out-of-court agreement	-	20,000
Proceeds from the sale of non-current assets	6,496	937
Acquisitions, net of cash acquired	300	-
Disposal of discontinued operations, net of cash disposed of	-2,800	1,873
Interest received	1,433	1,631
Cash flow from investing activities of continuing operations	**-6,799**	**17,816**
Cash flow from investing activities of discontinued operations	-	-3
Cash flow from investing activities	-6,799	17,813
Change in bank liabilities	-1,541	1,726
Payment of finance lease liabilities	-415	-467
Change in financial liabilities to associates	-732	-49
Internal financing	-	1,212
Interest paid	-11,368	-12,131
Cash flow from financing activities of continuing operations	**-14,056**	**-9,709**
Cash flow from financing activities of discontinued operations	-	-1,229
Cash flow from financing activities	-14,056	-10,938
Effects of exchange rate changes	1.252	4,663
Changes in cash and cash equivalents	-42,876	-38,887
Cash and cash equivalents		
At the beginning of the period	101,482	124,857
At the end of the period	58,606	85,970

Notes to the consolidated financial statements January 1 to June 30, 2007

1. Summary of significant accounting policies

The Company

Dürr Aktiengesellschaft („Dürr AG" or the „Company") is headquartered at Otto-Dürr-Strasse 8 in 70435 Stuttgart, Germany. Dürr AG and its subsidiaries („Dürr" or the „Group") are a worldwide leading supplier of systems, machines and services for automobile production. The offering covers all the main production and assembly stages of a vehicle. As a system supplier, Dürr designs and constructs paint shops and final assembly plants. Dürr also supplies cleaning systems, filtration systems and balancing machines for the manufacture of engines, transmission and vehicle components. Dürr´s main customers include automotive manufacturers and suppliers around the world.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as of the balance sheet date, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB („Handelsgesetzbuch": German Commercial Code). The consolidated financial statements are in line with all IFRSs that have to be adopted by the balance sheet date.

The consolidated financial statements as of June 30, 2007 are not subject to any audit or review.

With regard to the preparation of consolidated financial statements for interim reporting in accordance with IAS 34 „Interim Financial Reporting" the Management Board has to make estimates and judgements, which influence the application of accounting policies within the Company and the reporting of assets and liabilities as well as income and expenses. The actual amounts can differ from these estimates.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2006; we refer to our 2006 annual report.

Income that is recorded during the reporting period for seasonal reasons, due to cyclical developments, or only occasionally is not cut off in the consolidated interim financial statements. Expenses that are incurred irregularly during the reporting period have been cut off in those cases where they would also be cut off at year-end.

The income taxes were determined on the basis of an estimated average annual effective income tax rate.

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

2. Consolidated group

Besides Dürr AG, the consolidated financial statements as of June 30, 2007, contain all domestic and foreign entities which Dürr AG can control, directly or indirectly (control concept). The entities are included in the consolidated financial statements from the date on which the possibility of control was obtained.

Besides Dürr AG as parent company, the consolidated group contains the entities listed below:

	June 30, 2007	Dec. 31, 2006
Number of fully consolidated entities		
Germany	11	11
Other countries	40	39
	51	**50**

	June 30, 2007	Dec. 31, 2006
Number of entities accounted for at equity		
Other countries	2	4
	2	**4**

The consolidated financial statements contain two entities (December 31, 2006: one) in which minority shareholders hold interests. An associated entity was reclassified during fiscal year 2006 and has since then been reported in the position „Assets held for sale“. This entity was sold during the second quarter of fiscal year 2007.

As of April 30, 2007 Dürr acquired a further percent of the shares of CPM S.p.A., Beinasco, Italy, so that as of June 30, 2007, Dürr holds 51% of the shares of CPM S.p.A. Therewith, CPM S.p.A. was fully consolidated in the consolidated financial statements of Dürr AG for the first time effective May 1, 2007. Until April 30, 2007, CPM S.p.A. was accounted for at equity as an associated company.

Furthermore, Polisistem S.r.l., Torino, Italy, was dissolved as of May 2, 2007. The company was also accounted for at equity as an associated company.

As of January 31, 2007, Dürr Systems Limited Şirketi in Istanbul, Turkey, was founded.

As of June 8, 2007, Schenck Vaegt- og Maskinfabrik ApS., Copenhagen, Denmark, was dissolved.

3. Discontinued operations

Effective March 10, 2006, SRH Systems Ltd., Worcester, Great Britain - which was part of the Development Test Systems (DTS) business unit - was sold to Horiba Ltd., Kyoto, Japan. DTS formed part of the discontinued operations. Furthermore, subsequent effects of the divestments of the DTS, Services, and Measuring and Process Technologies (MPT) business units in 2005 were included in the consolidated financial statements for the first six months of 2006. The consolidated financial statements for the first six months of fiscal year 2007 also include subsequent effects of the sold business units, which had a positive impact on net income of € 218 thousand.

4. Earnings per share

Earnings per share are determined pursuant to IAS 33 „Earnings per Share".

If there are dilutive effects present, two different ratios for earnings per share must be disclosed. The ratio "Earnings per share (basic)" does not take account of dilutive effects; the earnings share of the shareholders of Dürr Aktiengesellschaft are divided by the weighted average number of shares outstanding. The ratio "Earnings per share (diluted)" accounts not only for the shares outstanding, but also for shares potentially available on the basis of options.

The calculation is presented below. In the periods to June 30, 2007 and 2006 there were no dilutive effects as no new option rights were issued and all existing option rights have expired.

		Jan. 1 – June 30, 2007	Jan. 1 - June 30, 2006
Profit/loss attributable to shareholders of Dürr Aktiengesellschaft	€ k	584	-3,355
of which continuing operations	€ k	366	-3,382
of which discontinued operations	€ k	218	27
Number of shares outstanding (weighted average)	k	15,728.0	15,728.0
Earnings per share (basic and diluted)	€	0.03	-0.22
of which continuing operations	€	0.02	-0.22
of which discontinued operations	€	0.01	0.00

5. Liabilities from restructuring measures

Liabilities from restructuring measures have decreased by € 5,225 thousand to € 14,151 thousand compared to December 31, 2006. The decrease is mainly due to utilization of liabilities formed in prior periods.

Expenses from restructuring measures amounted to € 393 thousand as of June 30, 2007 (June 30, 2006: € 3,676 thousand).

6. Segment reporting

The segment reporting was prepared according to IAS 14 „Segment Reporting". Based on the internal reporting and organizational structure of the Group, the consolidated financial statement data is presented by division. The segmentation aims to make the earnings power and the net assets and financial situation and the regional spread of the activities more transparent.

The primary reporting is based on the divisions of the Group. The Dürr Group is comprised of a management holding and two divisions differentiated by product and service spectrum that each have global responsibility for their products and results.

The Corporate Center mainly consists of Dürr AG.

January 1 to June 30, 2007		**Paint and Assembly Systems**	**Measuring and Process Systems**	**Corporate Center**	**Consolidation**	**Continuing operations**	**Discontinued operations**	**Total divisions**
External sales revenues	€ k	512,634	137,639	-	-	**650,273**	-	650,273
Sales revenues with other divisions	€ k	145	1,345	-	-1,490	**-**	-	-
Total sales revenues	**€ k**	**512,779**	**138,984**	**-**	**-1,490**	**650,273**	**-**	**650,273**
Earnings before investment income, interest, and taxes	€ k	6,412	4,496	51	15	**10,974**	218	11,192
Employees (as of June 30)		3,939	1,854	43	-	**5,836**	-	5,836

January 1 to June 30, 2006		Paint and Assembly Systems	Measu-ring and Process Systems	Corporate Center	Consoli-dation	Conti-nuing opera-tions	Discon-tinued opera-tions	Total divisions
External sales revenues	€ k	498,219	128,123	-	-	**626,342**	143	626,485
Sales revenues with other divisions	€ k	172	1,080	-	-1,252	**-**	-	-
Total sales revenues	**€ k**	**498,391**	**129,203**	**-**	**-1,252**	**626,342**	**143**	**626,485**
Earnings before investment income, interest, and taxes	€ k	10,867	-4,389	-495	30	**6,013**	-605	5,408
Employees (as of June 30)		3,840	1,877	38	-	**5,755**	-	5,755

7. Related-party transactions

Dr.-Ing. E. h. Heinz Dürr is Chairman of the Supervisory Board of Dürr AG. Dr.-Ing. E. h. Heinz Dürr is also a member of the Administrative Board of Landesbank Baden-Württemberg. In the first six months of 2007, expenses of € 180 thousand were payable to Heinz Dürr GmbH, Berlin, of which Dr.-Ing. E. h. Heinz Dürr is general manager, for the reimbursement of office and travel expenses relating to supervisory board activities and for cost reimbursements for the Dürr office in the German capital, Berlin. For his former activity as managing director, Dr.-Ing. E.h. Heinz Dürr also received benefits from the pension pledge of April 2, 1978 (supplemented December 21, 1988) of € 182 thousand.

Mr. Joachim Schielke is a Supervisory Board member of Dürr AG, a member of the Board of Management of Landesbank Baden-Württemberg and Chairman of the Board of Management of Baden-Württembergische Bank. From the current business relationship, there was a balance at Baden-Württembergische Bank of € 16,345 thousand as of June 30, 2006. From transactions with Baden-Württembergische Bank there were interest expenses in the first six months of 2007 of € 163 thousand. The warranties and guarantees issued by Baden-Württembergische Bank on behalf of Dürr amounted to € 21,461 thousand as of June 30, 2006.

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

8. Contingent liabilities and other financial obligations

As of June 30, 2007, there were no material changes in other financial obligations and contingent liabilities since December 31, 2006, except for corporate guarantees issued in favour of banks.

The increase of corporate guarantees issued in favour of banks is related to remaining contractual obligations from contracts of subsidiaries concerning the sale of several trade receivables to banks on a without recourse basis (forfaiting). Forfaiting is part of the net working capital management of Dürr. The contingent liability taken over by Dürr exists until the fulfilment of the contractual payment obligations through the debtor. The obligations are due end of July 2007 and end of August 2007, respectively.

9. Subsequent events

On July 6, 2007, the Federal Council of Germany (Bundesrat) approved the Business Taxation Reform Act 2008 which, however, has not been reflected in the present consolidated financial statements since the legislative procedure had not been completed at June 30, 2007.

Responsibility statement by management

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, 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.

Stuttgart, August 9, 2007

Dürr Aktiengesellschaft

Ralf Dieter Chairman of the Board of Management	Ralph Heuwing Member of the Board of Management

Financial calendar

August 30, 2007	Mechanical Engineering Conference of Commerzbank, Frankfurt/Main
September 19-21, 2007	Mechanical Engineering and Steel Industry Conference of BHF-Bank, Frankfurt/Main
November 12-14, 2007	German Equity Forum, Frankfurt/Main
November 15, 2007	Interim report on the first nine months of 2007

Contact

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This interim report is the English translation of the German original.