



Interim Report

January 1 to September 30, 2004

Technologies · Systems · Solutions



Cover picture

The automatic guided vehicle (AGV) system allows for greater flexibility when the body and the drive train are joined during final automobile assembly.

Contents

Key figures	2
Letter from the CEO	3
Management report	5
Consolidated statements of income	16
Consolidated balance sheets	17
Consolidated statements of equity	18
Consolidated statements of cash flow	19
Segment information	20
Financial calendar for 2005	21
Contact	22

Key figures for the Dürr Group

		Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003
Consolidated sales	in € millions	1,529.8	1,529.6
Consolidated incoming orders	in € millions	1,310.7	1,918.8
Consolidated orders on hand (as of September 30)	in € millions	1,187.0	1,735.2
Employees (as of September 30)		13,298	12,830
Employees excluding Services		7,959	8,378
EBITDA (earnings before interest expense, taxes, depreciation and amortization)	in € millions	47.7	40.3
EBIT (earnings before interest expense and taxes)	in € millions	27.1	17.4
EBT (earnings before taxes)	in € millions	9.1	-1.6
EBT before restructuring expenses	in € millions	11.1	0.1
Net income (loss)	in € millions	0.7	-1.4
Earnings (loss) per share	in €	0.05	-0.10
Net financial debt (as of September 30)	in € millions	-253.7	-252.0
Net working capital (as of September 30)	in € millions	173.4	195.9
Equity (as of September 30)	in € millions	222.6	241.1
Equity ratio (as of September 30)	in %	14.1	14.0
Dürr stock			
ISIN: DE0005565204			
High	in €	21.10	19.00
Low	in €	15.40	13.15
Close	in €	17.30	17.50
No. of shares (as of September 30)	in thousands	14,298	14,298

Ladies and gentlemen,

In the first nine months of 2004, Dürr increased earnings before taxes by €10.7 million compared with the same period a year earlier, with sales unchanged and despite a continuing difficult market environment. We benefited in that connection particularly from the successful implementation of our *sprint²* earnings enhancement program, which is substantially boosting our competitiveness. Under the *sprint²* program, we have, for example raised the gross profit margin to 16.5 %, reduced administrative expenses by 6 %, and lowered net working capital by 9 %.

At the beginning of the third quarter, the group's financing structure was put on a new basis with a corporate bond and a syndicated loan. That gives us long-term financing security and greater financial maneuvering room. By means of a successful squeeze-out at Carl Schenck AG, we have also set the stage for further organizational streamlining and cost-effective elimination of redundant structures.

Despite these successes, a severe damper has been put on our efforts lately. Executions problems in the Ecoclean and Measuring Systems business units have caused unplanned expenses, forcing us to lower our earnings guidance for the full year to €8-12 million before taxes. I wish to emphasize, however, that this is not a matter of weaker earning performance across the board, on the part of the entire group. The Paint Systems, Services, and Measuring Systems business units continue to be well on track.

We view the very recent problems at Ecoclean and Final Assembly Systems above all as a challenge and an obligation to consistently push ahead with risk reduction under our *sprint²* earnings enhancement program to avoid weak points in the execution of future orders. Under the *sprint²* program, measures are also being taken in the Final Assembly Systems and Ecoclean business units to bundle competencies and improve operating processes. Within the Final Assembly Systems unit, the business of Dürr Production Systems, a North American company at which some of the unplanned expenses were incurred, is being integrated into an affiliated firm, Acco Systems. Not only are structural cost advantages thus being realized, but responsibilities are also being centralized, which is expected to increase project mastery and reduce the margin of error. The same applies to the Ecoclean business unit, where the control of all product lines is concentrated. These two measures will enable tighter management across all process levels and significant efficiency gains. By bundling competencies in the Final Assembly Systems and Ecoclean business units, we are taking up a central point of the *sprint²* program, which we are implementing in various individual measures throughout the group. By systematically bundling decision-making capacities with experienced managers, we will improve business processes and minimize business risk.

The brand names Dürr and Schenck stand for innovating power and quality. Particularly for that reason, we take the recent problems of order execution very seriously, even though they are by no means representative of the group's ability to perform. Despite consistent focusing of costs, we will continue not to make cuts in research and development or in the quality of our concepts and solutions. With long-term innovation management and by strengthening our competitiveness through the *sprint²* program, we are laying the foundation for progress on the path to more earning power. We therefore consider ourselves well equipped to deal with future challenges.

Sincerely yours,

A handwritten signature in black ink that reads "Stephan Rojahn". The signature is written in a cursive style with a large, prominent 'S' at the beginning.

Stephan Rojahn

Management Report

Economic environment

The upswing of the world economy has slowed in the past weeks. Above all, the latest increases of commodity prices and particularly of oil prices have contributed to that. In the United States, rising interest rates and expiring tax relief measures have also dampened growth. In Europe, weak domestic demand and heavy government borrowing have continued to impair economic development. Even Asia has registered a decline of its high growth rates. In China, in particular, demand has muted by more restrictive economic policy and restrained lending.

The situation of the automotive industry in Europe and the United States is still shaped by generally unsatisfactory sales figures, strong competitive pressure, and high rebates. As a result, manufacturers and component suppliers are dependent on cutting costs and improving the productivity of their plants. Against that background, there is need of Dürr's modern production technologies, which offer more quality, flexibility, and environmental compatibility. In its established markets, however, the automotive industry is currently invested more heavily in rebuilding and modernizing existing plants than in building new ones. In the emerging markets of Eastern Europe and Asia, on the other hand, the construction of additional automotive plants presents Dürr with good business opportunities. Although new passenger vehicle registrations have fallen lately in China due to expectations of further price reductions, international automobile manufacturers and their suppliers have continued to establish themselves in the country at a rapid pace, since it has the world's greatest growth potential.


Dürr Group's business trend

Incoming orders, orders on hand, and sales

In the first nine months of 2004, the Dürr's consolidated incoming orders reached €1,310.7 million. Orders on hand amounted to €1,187.0 million as of September 30, 2004. As expected, both these figures were below the high previous year's levels (incoming orders: €1,918.8 million, orders on hand: €1,735.2 million), which were greatly influenced by a major paint systems order from General Motors. Consolidated sales amounted to €1,529.8 million and thus remained at the previous year's level (€1,529.6 million). Adjusted for exchange rate effects, i.e., calculated at the previous year's rates, sales would have amounted to €1,582.9 million (+3.5 %), incoming orders to €1,340.7 million (+2.3 %), and orders on hand to €1,211.6 million (+2.1 %).

Earnings

Earnings before taxes for the first nine months of 2004 amounted to €9.1 million, which represents an improvement of €10.7 million on the previous year's result. In the third quarter of 2004, Dürr achieved earnings before taxes of €0.8 million, after finishing the previous two quarters at €4.3 million and €4.0 million. However, that decline is not due to weaker earning performance on the part of the entire group, but rather to unplanned expenses arising from problems in executing particular orders in the Ecoclean and Final Assembly Systems business units (see pages 13 and 14 for more information). Altogether, these unplanned expenses amount to €12-14 million. The earnings figure as of September 30, 2004 includes €10.8 million of that, while the remaining expenses will be booked in the fourth quarter. Consolidated earnings for the first nine months of 2004 were additionally burdened by restructuring expenses of €2.0 million (previous year: €1.6 million). Those expenses were mainly incurred in the third quarter for capacity adjustments at Ecoclean (€0.9 million), Measuring Systems (€0.7 million), and Paint Systems (€0.4 million).

Despite higher raw material prices, the gross profit margin increased in the first nine months of 2004 to 16.5 % (previous year: 16.3 %). Selling, administrative, and other operating expenses decreased on the previous year's period by 5.0 % to €218.4 million (previous year: €229.9 million) – proof of the effectiveness of the group-wide  earnings enhancement program.

The consolidated financial statements of Dürr AG and its affiliates as of September 30, 2004 have been prepared according to US GAAP (United States Generally Accepted Accounting Principles). In the process, Dürr has applied the same accounting regulations as it did in the case of its 2003 annual financial statements. Regarding the accounting and valuation methods, we refer to the consolidated financial statements in our 2003 Annual Report. All amounts are given in euros. Unless indicated otherwise, "previous year" and similar expressions refer to the period from January 1 to September 30, 2003.

In the course of an internal review, Dürr determined that order-specific receivables had been overvalued, and accruals undervalued, in the financial statements for the first quarter of 2003. To correct that and provide for comparability, the relevant items in the statements of income, balance sheets, and statements of cash flows have been adjusted in the present report. This has the following effects on results for the first nine months of 2003. At €-1.6 million, earnings before taxes are lower compared with the originally released figure (€5.3 million). The adjustment reduces consolidated net income from €2.7 million to €-1.4 million, and lowers earnings per share from €0.19 to €-0.10. Within the group, the adjustment affects the figures for the Final Assembly Systems business unit and the Corporate Center. It has no effects on the consolidated financial statements of December 31, 2003, since the listed effects were reversed in the fourth quarter. For earnings in the third quarter of 2003, the following changes result: earnings before taxes remain the same (€10.2 million), while consolidated net income rises to €5.3 million (originally: €5.2 million), and earnings per share to €0.37 (originally: €0.36).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) rose in the first nine months of 2004 to €47.7 million (previous year: €40.3 million). Interest expense amounted to €18.0 million and was hence €1.0 million below the previous year's figure of €19.0 million. That is primarily due to the decline of average gross debt to €323.0 million (previous year: €354.2 million). Interest income fell from €3.1 million to €2.0 million. That reflected the reduction of average credit balances with banks in the framework of group-wide cash management to €89.0 million (previous year: €137.0 million). Depreciations on property, plant and equipment declined to €20.6 million (previous year: €22.9 million) due to a lower volume of capital expenditures.

The financial result stood at €-16.1 million as of September 30, 2004 and was hence €0.5 million below the previous year's figure (€-15.6 million). The main factor responsible for that was a decline of the investment result by €0.4 million to €-0.1 million (previous year: €0.3 million). Net financial debt amounted to €-253.7 million as of September 30 and was thus near the previous year's level (€-252.0 million).

Consolidated net income for the first nine months of 2004 amounted to €0.7 million (previous year: €1.4 million net loss). The tax expense figure includes a supplementary charge arising from a completed audit, in addition to the expected tax obligation. Earnings per share amount to €0.05 (previous year: €-0.10).



Implementation of the group-wide **sprint 2** earnings enhancement program is proceeding according to plan. All the measures defined at the project's beginning in 2003 have started and are in various stages of implementation. About half of the €170 million in savings that we planned to achieve by the end of 2005 has already been realized. We have consequently been able to maintain our competitiveness in a difficult market environment and raise our margins.

Long-term financing secured

Dürr put its financing on a new foundation at the beginning of the third quarter. A corporate bond in the nominal amount of €200 million and a syndicated loan in the amount of €400 million now give the group long-term financial security and greater financial maneuvering room. The fixed-rate bond has a term to maturity of seven years and an interest coupon of 9.75%. The syndicated loan is composed of a credit line in the amount of €200 million and a guarantee facility of the same size.

Dürr has used the two interlinked transactions to retire a very large part of its short-term liabilities to banks and proactively diversify its financing structure. The corporate bond is subordinated in relation to the syndicated loan and thus has the character of equity in that respect. That explains, among other things, the higher rate of interest compared with a bank loan.

Financial position

Balance sheet

Both fixed and non-fixed assets have decreased since December 31, 2003. Total assets have therefore shrunk by 5.0 % to €1,583.1 million (December 31, 2003: €1,665.8 million).

Fixed assets amounted to €565.3 million as of September 30, 2004 (December 31, 2003: €569.1 million), which represents 35.7 % of total assets (December 31, 2003: 34.2 %). Capital expenditures fell to €8.6 million (previous year: €11.9 million). Together with depreciation, that led to a decline of property, plant, and equipment to €158.9 million (December 31, 2003: €169.2 million). Intangible assets accounted for 24.2 % of total assets, or €383.8 million (December 31, 2003: €379.1 million, or 22.8 %). The goodwill included in that increased from €346.1 million to €353.4 million. This increase was due mainly to foreign exchange effects and to Dürr's decision to raise our stake in Carl Schenck AG to 100% (Information on the squeeze-out at Schenck on page 12).

Non-current assets have decreased by 10.6 % since December 31, 2003 to €927.1 million (December 31, 2003: €1,037.3 million). At the same time, their share of total assets fell from 62.3 % to 58.6 %. The main reason for the decline of non-fixed assets is the reduction of credit balances with banks in the framework of group-wide cash pooling. Thus, cash and cash equivalents amounted to €80.5 million as of September 30, 2004, compared with €199.9 million at the end of 2003.

On the liabilities side, shareholders' equity increased by €7.4 million to €222.6 million (December 31, 2003: €215.2 million). That yields an equity ratio of 14.1 %, compared with 12.9 % as of December 31, 2003.

Accruals decreased in comparison with December 31, 2003 by €51.7 million, or 15.9 %, to €273.9 million. That resulted mainly from a reduction of restructuring accruals (€15.8 million) and accruals for outstanding supplier invoices (€24.8 million). Of total accruals, order-specific accruals for post-contract costs, warranties, and anticipated losses on pending transactions account for €86.8 million (December 31, 2003: €95.7 million), tax accru-

als for €10.1 million (December 31, 2003: €10.0 million), and pension accruals for €54.0 million (previous year: €53.6 million).

The restructuring of the liabilities side completed at the beginning of July has led to the first reporting of a corporate bond, amounting to €200 million. At the same time, liabilities to banks decreased by €162.6 million compared with December 31, 2003. The group's total liabilities were down by 5.8 % to €994.8 million (December 31, 2003: €1,055.7 million). The decline is mainly a result of lower liabilities from operating business. Billings in excess of cost and estimated earnings, which are shown on the liabilities side, dropped only moderately and could be kept at a high level.

Liabilities of the Dürr Group in €millions	Sept. 30, 2004	Sept. 30, 2003	Dec. 31, 2003
Liabilities to banks	134.2	387.4	296.8
Corporate bond	200.0	-	-
Billings in excess of cost and estimate earnings	329.7	364.0	356.9
Accounts payable	243.7	253.0	279.8
Other liabilities and liabilities payable to associated companies	87.2	109.5	122.2
Total	994.8	1,133.9	1,055.7

Cash flow

Net cash provided by operating activities amounted to €-144.8 million in the first nine months of the current year, after €-105.4 million in the previous year's period. Besides the reduction of accruals (€-50.6 million), lower liabilities (not to banks) (€-104.5 million) in comparison with December 31, 2003 were primarily responsible for the outflow of funds. They were due, on the one hand, to a decline of billings in excess of cost and estimated earnings and, on the other, to reduced liabilities from operating business. Inventories rose moderately, which led to an outflow of €9.0 million. Receivables decreased slightly, resulting in an inflow of €5.7 million.

Net cash used in investing activities amounted to €-9.6 million (previous year: €-16.2 million). That was mainly a result of capitalizing intangible assets (€2.8 million; previous year: €2.3 million), which mainly included technical software. Altogether, Dürr acquired property, plant, and equipment worth €8.6 million (previous year: €11.9 million). The proceeds from selling property, plant, and equipment amounted to €4.9 million (previous year: €2.3 million). They mainly derived from the sale of assets involved in closing the pre-manufacturing operation in Darmstadt (Germany).

Net cash used in financing activities (€35.4 million; previous year: €30.9 million) reflects the financial flows from the restructuring of the liabilities side completed at the beginning of July. Besides the nominal €200 million from the corporate bond, €84.6 million flowed to Dürr as a result of the new syndicated loan. The sums were used to retire short-term liabilities to banks. That also includes the previous syndicated loan, which was repaid in full.

Capital expenditures

The Dürr Group's capital expenditures in the first nine months of 2004 amounted to €8.6 million and were thus below the previous year's level (€11.9 million).

Capital expenditures in €millions	Jan. 1 - Sept. 30, 2004	Jan. 1 - Sept. 30, 2003
Paint Systems	2.0	4.3
Final Assembly Systems	1.7	2.2
Services	1.8	1.6
Ecoclean	0.6	1.1
Measuring Systems	2.5	2.7
Dürr Group	8.6	11.9

Research and development

Direct expenditures for research and development (R&D) in the first nine months of 2004 amounted to €25.2 million (previous year: €27.9 million). That is equivalent to 1.6 % of consolidated sales (previous year: 1.8 %). However, the cost of sales includes significantly higher expenditures for development work that were incurred in the framework of customer orders. Despite the systematic focusing of costs under the *sprint*² program, Dürr has thus kept expenditures for innovative projects at a consistently high level.

Employees

The Dürr Group had 13,298 employees as of September 30, 2004 and hence 3.6% more than on the same date a year earlier (12,830). The increase is solely due to the personnel-intensive Services business unit, which increased its workforce in the year since September 30, 2003 because of orders by 19.9 % to 5,339 (previous year: 4,452). On the other

hand, the number of employees decreased in the four engineering business units (Paint Systems, Final Assembly Systems, Ecoclean, and Measuring Systems) under the **sprint²** program by 5.0 % to 7,959 employees (previous year: 8,378). These changes affected mainly the Measuring Systems business unit, where 356 jobs were lost as a result of our closing the pre-manufacturing operation in Darmstadt. The number of employees in the engineering units declined in Europe by 566. On the other hand, it was nearly unchanged in North and South America, while 166 jobs were added in the engineering units in Asia, with 158 of those in China.

Number of employees	Sept. 30, 2004	Sept. 30, 2003	Dec. 31, 2003
Paint Systems	2,735	2,792	2,808
Final Assembly Systems	1,555	1,603	1,539
Services	5,399	4,452	4,499
Ecoclean	917	963	932
Measuring Systems	2,701	2,965	2,861
Corporate Center	51	55	54
Dürr Group	13,298	12,830	12,747
Dürr Group without Services	7,959	8,378	8,248

Personnel changes

Dr. Reinhold Grau has left Dürr AG's Board of Management at his own request effective as of October 31, 2004. The Paint Systems business unit, of which he was the head, will be managed temporarily by CEO Stephan Rojahn until a successor is named.

Squeeze-out of Carl Schenk AG

In the framework of a squeeze-out at Darmstadt-based Carl Schenk AG, Dürr has increased its stake in the company to 100 %. The resolution to exclude minority shareholders required for that purpose and adopted at the annual meeting of Schenk shareholders on July 9, 2004 was entered into the commercial registry on September 15, 2004 and is thus legally valid. The stock of Carl Schenk AG has meanwhile been delisted, and trading in it discontinued. Dürr has paid the departing Schenk shareholders a cash settlement of €157 per share. At present, legal actions regarding the appropriateness of the settlement amount are pending. However, the legal validity of the squeeze-out resolution adopted at the shareholders' annual meeting can no longer be contested.

Treasury shares and subscription rights

Dürr AG does not own any of its own shares. No subscription rights have been granted to members of its corporate bodies or employees under the Dürr International Stock Option Plan (DISOP).

Outlook

The Board of Management expects for 2004 as a whole consolidated sales of slightly more than €2 billion. Because of unplanned expenses in the Ecoclean and Final Assembly Systems business units, the target for earnings before taxes has now been set at €8-12 million, after a previous forecast of more than €18.7 million.

Business units at a glance

Paint Systems

Paint Systems		Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003
Total sales	€ m	841.5	841.2
Total incoming orders	€ m	575.4	1,188.5
EBT	€ m	22.4	13.8
EBT before restructuring	€ m	22.8	14.5
Employees as of Sept. 30		2,735	2,792

In the first nine months of 2004, the Paint Systems business unit managed to acquire relatively large orders in Germany, China, Spain, Russia, and Portugal as well as in the United States. On the whole, however, the automotive industry's capital investment in paint systems was below the level of the past few years, particularly in Europe, the USA, and South America. As expected, total incoming orders were, at € 575.4 million, below the previous year's figure, which was heavily shaped, however, by a major order from General Motors. While total sales, at € 841.5 million, remained at the previous year's high level, earnings before taxes increased by € 8.6 million to € 22.4 million. The increase of ROI is mainly a result of successful product standardization in the framework of the *sprint*² program. The number of employees fell to 2,735 due to capacity adjustments in France and Brazil.

Final Assembly Systems

Final Assembly Systems		Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003
Total sales	€ m	253.8	262.9
Total incoming orders	€ m	221.6	351.2
EBT	€ m	2.6	2.0
Employees as of Sept. 30		1,555	1,603

Business developed sluggishly in Final Assembly Systems in the first three quarters of 2004. Capital spending in the industry was appreciably muted, especially in North America and France. Against that background, total incoming orders fell to € 221.6 million from € 351.2 million in the same period a year earlier mainly due to a major order from General Motors. Total sales came to € 253.8 million and thus fell short of the previous year's figure. Nevertheless, earnings before taxes increased slightly on the previous year's period to € 2.6 million. In addition to the *sprint*² program, capacity adjustments in the United States also contributed to that. Earnings development was impaired in the first nine months by unplanned expenses in the amount of € 5.5 million at US subsidiary Dürr Production Systems. They are the result of unexpected implementation problems involved in the launch of final assembly products on the North American market. Despite additional hiring for the expansion of business in China, the number of employees in the Final Assembly Systems business unit declined to 1,555.

Services

Services		Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003
Total sales	€m	114.1	106.2
Total incoming orders	€m	114.1	106.2
EBT	€m	4.1	5.0
Employees as of Sept. 30		5,339	4,452

In services business, Dürr managed to increase total incoming orders and sales by about 7 % in the first nine months of 2004. Adjusted for exchange rate effects, i.e., calculated at the previous year's exchange rates, the plus would have amounted to 14 %. The newly developed business area of

transportation equipment management in the United States made the largest contribution to growth, followed by new projects in Great Britain. Earnings before taxes declined from €5.0 million to €4.1 million. Besides exchange rate effects, advance outlays for the entry into transportation equipment management were primarily responsible for that. The Services business unit significantly increased personnel capacity in Brazil, Poland, Great Britain, and the United States. Altogether, it had 887 more employees on September 30, 2004 than it did a year earlier.

Ecoclean

Ecoclean		Jan 1 – Sept 30, 2004	Jan 1 – Sept 30, 2003
Total sales	€m	131.1	150.0
Total incoming orders	€m	147.1	131.8
EBT	€m	-3.5	3.0
EBT before restructuring	€m	-2.6	3.8
Employees as of Sept. 30		917	963

Against the background of an improved market situation in North America and focused selling activities, the Ecoclean business unit managed to increase total incoming orders by 11.6 % to €147.1 million. On the other hand, total sales decreased from €150.0 million to €131.1 million, primarily due to weak

order intake in 2003 and the first quarter of 2004. Earnings before taxes for the first nine months of 2004 amounted to €-3.5 million and thus fell short of the previous year's figure by €6.5 million. Above all, unplanned expenses in the amount of €5.3 million in the Coolant Filtration product line contributed to that significant decline. The number of employees decreased by 4.8 % to 917.

Measuring Systems

Measuring Systems		Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003
Total sales	€ m	269.8	253.8
Total incoming orders	€ m	304.1	279.2
EBT	€ m	-5.4	-13.0
EBT before restructuring	€ m	-4.7	-12.8
Employees as of Sept. 30		2,701	2,965

In the Measuring Systems business unit, total incoming orders rose in the first nine months of 2004 by 8.9 % to €304.1 million. The growth was supported by the continuing positive trend in Asia, and especially in China, and a market upturn in North America. At € 269.8 million, total sales were also above the previous

year's level, with all three product lines contributing to the increase. In respect to earnings, Measuring Systems is well on its way after successful restructuring. Earnings before taxes were still negative in the amount of € -5.4 million, but they improved by € 7.6 million compared with the previous year's period. In the third quarter, they were positive in the amount of € 0.1 million (previous year: € -1.2 million), and in 2004 as a whole, Measuring Systems will improve its earnings significantly and reach the break-even point. The number of employees fell by 8.9 % to 2,701 as of September 30, 2004, in particular because the pre-manufacturing operation in Darmstadt (Germany) was closed, as planned.

Corporate Center

The earnings before taxes of the Corporate Center segment for the first nine months of 2004 amounted to € -11.1 million (previous year: € -12.4 million). That figure includes primarily interest expense for strategic acquisitions of previous years in addition to the costs of our headquarters and special projects.

Stuttgart, November 12, 2004

Dürr Aktiengesellschaft

Board of Management

Consolidated statements of income

for Dürr Aktiengesellschaft, Stuttgart, for the periods January 1 to September 30, 2004, 2003 and July 1 to September 30, 2004, 2003

Amounts in € thousands	Jan. 1 - Sept. 30 2004	Jan. 1 - Sept. 30 2003	3rd quarter 2004	3rd quarter 2003
Net sales	1,529,811	1,529,628	528,903	608,960
Cost of sales	-1,277,717	-1,280,858	-445,637	-515,278
Gross margin	252,094	248,770	83,266	93,682
Gross profit margin	16.5 %	16.3 %	15.7 %	15.4 %
Selling, administrative and other operating expenses	-218,369	-229,891	-70,929	-75,037
Research and development expenses	-25,247	-27,906	-9,308	-9,201
Other operating income	18,659	24,729	5,842	6,656
Restructuring expenses	-1,961	-1,642	-1,492	-1,325
Income before financial income, income taxes and minority interests	25,176	14,060	7,379	14,775
Financial income (expenses), net	-16,077	-15,636	-6,569	-4,559
Income before income taxes and minority interests	9,099	-1,576	810	10,216
Income taxes	-8,307	-44	-4,482	-4,806
Income before minority interests	792	-1,620	-3,672	5,410
Minority interests	-64	186	-164	-141
Net income (loss)	728	-1,434	-3,836	5,269
Basic and diluted earnings (loss) per share in €	0.05	-0.10	-0.27	0.37

Due to subsequent adjustments to the report for the quarter to March 31, 2003 some of the figures shown in the consolidated statements of income vary from those published in the interim report for the period ended on September 30, 2003 (see also page 6 of this report).

Consolidated balance sheets

for Dürr Aktiengesellschaft, Stuttgart, as of September 30, 2004, 2003 and December 31, 2003

Amounts in €thousands	Sept. 30, 2004	Sept. 30, 2003	Dec. 31, 2003
Assets			
Fixed assets			
Goodwill	353,363	345,929	346,091
Other intangible assets, net	30,401	32,932	33,042
Property, plant and equipment, net	158,860	176,851	169,234
Investments	22,707	21,630	20,743
	565,331	577,342	569,110
Non-fixed assets			
Inventory, net	74,914	112,653	65,135
Receivables and other assets, net	771,659	820,320	772,351
Short-term investments	-	9	-
Cash and cash equivalents	80,524	135,376	199,859
	927,097	1,068,358	1,037,345
Deferred taxes	63,793	68,023	53,670
Prepaid expenses	26,891	7,126	5,696
Total assets	1,583,112	1,720,849	1,665,821
Liabilities and shareholders' equity			
Capital stock	36,603	36,603	36,603
Additional paid-in capital	159,000	159,000	159,000
Retained earnings	13,605	42,713	12,877
Accumulated other comprehensive income	13,374	2,765	6,731
	222,582	241,081	215,211
Minority interests	4,901	5,825	5,163
Accruals	273,883	305,330	325,633
Liabilities	994,756	1,113,928	1,055,657
Deferred taxes	71,036	48,968	57,810
Deferred income	15,954	5,717	6,347
Total liabilities and shareholders' equity	1,583,112	1,720,849	1,665,821

Due to subsequent adjustments to the report for the quarter to March 31, 2003 some of the figures shown in the consolidated balance sheets as of September 30, 2003 vary from those published in the interim report for the period ended on September 30, 2003 (see also page 6 of this report)

The book value of buildings no longer in use, as a result of combining US subsidiaries at joint locations, and now proposed for sale amounting to €5,112 thousand (September 30, 2003: €5,508 thousand) are disclosed in non-fixed assets, within the category other receivables and assets. The amount to September 30, 2003 was reclassified accordingly from fixed assets / property, plant and equipment to other assets.

Consolidated statements of equity

for Dürr Aktiengesellschaft, Stuttgart, for the periods January 1 to September 30, 2004 and 2003

Amounts in €thousands	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Total
Balance at January 1, 2003	36,603	159,000	55,586	11,107	262,296
Net loss for the period January 1 to September 30, 2003	-	-	-1,434	-	-1,434
Other comprehensive income	-	-	-	-8,342	-8,342
Dividends	-	-	-11,439	-	-11,439
Balance at September 30, 2003	36,603	159,000	42,713	2,765	241,081
Balance at January 1, 2004	36,603	159,000	12,877	6,731	215,211
Net income for the period January 1 to September 30, 2004	-	-	728	-	728
Other comprehensive income	-	-	-	6,643	6,643
Dividends	-	-	-	-	-
Balance at September 30, 2004	36,603	159,000	13,605	13,374	222,582

Consolidated statements of cash flows

for Dürr Aktiengesellschaft, Stuttgart, for the periods January 1 to September 30, 2004 and 2003

Amounts in € thousands	Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003
Net income (loss)	728	-1,434
Minority interests	64	-186
Dividends paid to minority shareholders	-	-418
Depreciation and amortization	20,576	22,868
Net gain on disposal of property, plant and equipment	-807	-38
Deferred income taxes	3,747	-1,672
Non-cash loss from associated companies	-140	-280
Changes in operating assets and liabilities:		
Inventory	-9,046	-10,544
Receivables	5,745	-70,538
Short-term investments	-	-6
Accruals	-50,557	5,857
Liabilities (other than bank)	-104,469	-46,142
Other assets and liabilities	-10,594	-2,892
Net cash used in operating activities	-144,753	-105,425
Acquisitions of intangible assets	-2,834	-2,347
Purchases of property, plant and equipment	-8,639	-11,913
Purchases of other investments	95	-278
Acquisitions, net of cash acquired	-3,122	-3,935
Proceeds from disposals of fixed assets	4,866	2,317
Net cash used in investing activities	-9,634	-16,156
Net change in short-term debt	-111,019	42,366
Proceeds from long-term debt to banks	284,582	-
Redemption of long-term debt to banks	-138,124	-
Dividends paid	-	-11,439
Net cash used in financing activities	35,439	30,927
Effect of exchange rates on cash and cash equivalents	-387	-4,677
Decrease in cash and cash equivalents	-119,335	-95,331
Cash and cash equivalents		
At the beginning of the period	199,859	230,707
At the end of the period	80,524	135,376

Due to subsequent adjustments to the report for the quarter to March 31, 2003 some of the figures shown in the consolidated statements of cash flows vary from those published in the interim report for the period ended on September 30, 2003 (see also page 6 of this report).

Segment information

of Dürr Aktiengesellschaft, Stuttgart, as for September 30, 2004, 2003 and January 1 to September 30, 2004, 2003

Amounts in € thousands	Paint Systems	Final Assembly Systems	Services	Ecoclean	Measuring Systems	Corporate Center	Dürr Group
September 30, 2004							
Revenues with external customers	836,025	184,008	114,047	128,824	266,907	-	1,529,811
Revenues with other business units*	5,520	69,801	27	2,239	2,882	-	80,469
Total revenues	841,545	253,809	114,074	131,063	269,789	-	1,610,280
EBITDA	31,334	5,669	6,127	-1,097	2,777	2,911	47,721
EBT	22,358	2,599	4,115	-3,527	-5,373	-11,073	9,099
Business unit assets	612,174	290,447	102,961	148,346	361,880	67,304	1,583,112
Capital expenditures	2,057	1,673	1,789	583	2,531	6	8,639
Depreciation and amortization	7,449	2,522	1,995	1,853	5,906	851	20,576
Employees	2,735	1,555	5,339	917	2,701	51	13,298

Amounts in € thousands	Paint Systems	Final Assembly Systems	Services	Ecoclean	Measuring Systems	Corporate Center	Dürr Group
September 30, 2003							
Revenues with external customers	838,199	189,931	105,918	146,516	249,064	-	1,529,628
Revenues with other business units*	3,011	72,920	233	3,498	4,686	-	84,348
Total revenues	841,210	262,851	106,151	150,014	253,750	-	1,613,976
EBITDA	23,499	5,681	7,390	5,765	-2,778	746	40,303
EBT	13,805	1,954	4,967	3,006	-12,952	-12,356	-1,576
Business unit assets	733,064	332,790	98,715	146,568	371,627	38,085	1,720,849
Capital expenditures	4,307	2,178	1,651	1,077	2,695	5	11,913
Depreciation and amortization	8,027	3,175	2,047	2,054	6,893	672	22,868
Employees	2,792	1,603	4,452	963	2,965	55	12,830

* These sales were eliminated in the group.

Financial calendar for 2005

- § Financial press conference,
April 21, 2005, Stuttgart
- § DVFA analysts conference,
April 21, 2005, Frankfurt/Main
- § Interim report on the first quarter of 2005 and
conference call,
May 12, 2005
- § Annual shareholders' meeting,
June 22, 2005, Stuttgart
- § Interim report on the first half of 2005,
August 11, 2005
- § Interim report on the first nine months of 2005,
November 10, 2005

Contact

Dürr AG
Susanne E. Langer
Public & Investor Relations
Fon: +49 711 136-1785
Fax: +49 711 136-1034
corpcom@durr.com
investor.relations@durr.com

Otto-Dürr-Strasse 8
D-70435 Stuttgart

www.durr.com

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

This interim report includes forward-looking statements about future developments. As is the case for any business activity conducted in a global environment, such forward-looking statements are always subject to uncertainty. Our information is based on the conviction and assumptions of the Board of Management of Dürr AG, as developed from the information currently available. However, the following factors may affect the success of our strategic and operating measures: geopolitical risks, changes in general economic conditions (especially a prolonged recession in Europe or North America), exchange rate fluctuations and changes in interest rates, new products launched by competitors, and a lack of customer acceptance for new Dürr products or services, including growing competitive pressure. Should any of these factors or other imponderable circumstances arise, or should the assumptions underlying the forward-looking statements prove incorrect, actual results may differ from those projected. Dürr AG undertakes no obligation to provide continuous updates of forward-looking statements and information. Such statements and information are based upon the circumstances as of the date of their publication.