



Ralf Dieter
Chairman of the Board of Management
Dürr AG

18th Annual Shareholders' Meeting
of Dürr Aktiengesellschaft

Stuttgart, May 18, 2007

Check against delivery.



Dear Chairman,

Dear Shareholders, Shareholders Representatives and Members of the Press,

Dear Guests and Friends of Our Company,

On behalf of the Board of Management and our entire staff, I welcome you to the 18th annual shareholders' meeting of Dürr AG, held here for the first time "under our own roof." In my comments today, I would like to inform you about our business development in 2006 and the first quarter of 2007 and about our medium-term goals.

I would like to emphasize one thing at the outset. We have met all the targets for 2006 that we announced at the last annual meeting. Those included:

- First, significantly improving operating earnings as the most urgent task. We have done that. We increased operating earnings from €3.5 million in 2005 to €39.1 million.
- Second, net income for the year in the range of single-digit millions of euros. With €8.2 million, we reached the upper end of our target range.
- Third, we sought a clear improvement of cash flow. We also managed to achieve that. Operating cash flow increased by just under €140 million.
- Our fourth goal was to increase new orders. We succeeded with a plus of 20%. That is especially important because the rise of new orders shows we have regained our customers' confidence after the difficult year of 2005 and have expanded our significant position on the market!
- Fifth, we furthermore resolved to consistently implement the Group's FOCUS program. And we did that. As planned, 28 of 47 individual projects had been completed by the end of 2006. We are continuing all other projects now in an ongoing improvement process. More about that later.
- Sixth, we set our sights on expanding our high-margin service business. Accounting for 26% of sales, compared with around 20% in 2005, this business area has developed right in line with our expectations.

As you can see, we have significantly improved the most important key figures and



are on track in realigning the Group with the FOCUS program. The credit for that goes to all the dedicated staff members who have worked on implementing the FOCUS program in addition to day-to-day business. I am especially grateful to the Dürr team for this exceptional effort.

Stock chart

The capital market has rewarded our realignment efforts. The development of Dürr stock is clearly pointed upward. Its price (blue in the chart) has advanced more than 140% since October 2005 and has thus outperformed the market.

At the last annual meeting, I described the goal of paying a dividend for 2006 as very ambitious. Because our operating cash flow was still slightly negative and Dürr AG only showed a small amount of unappropriated profit, the Supervisory Board and the Board of Management have decided to propose no dividend for 2006. However, it is our declared goal to make a suitable distribution for the current year.

What analysts say about Dürr

We returned to the SDAX selection index at the end of January as a result of increasing our stock's trading volume, market capitalization, and free float. Getting back on the SDAX ensures increased attention from analysts, investors, and the press and is important to achieving a higher valuation.

Apropos attention. Talk about our stock on the capital market has become very positive again. You can see some instances of that on the transparency. Things sounded a lot different a year and a half ago.

Shareholder structure

A shift in our shareholder structure occurred in mid-April. BWK Unternehmensbeteiligungsgesellschaft sold its 6.4% stake. As a result, the amount of Dürr stock in free float has risen to just under 50%, which is also an advantage for the stock's liquidity.

With the sale of BWK's stake, the pool agreement in existence since 2001 between

Heinz Dürr GmbH, Heinz und Heide Dürr-Stiftung, BWK, and Süd-Kapitalbeteiligungs-Gesellschaft has also been ended. That agreement gave each party a right of first refusal for stock sales by the others and thus kept stock in the pool from being easily sold to outsiders. However, even after its cancellation, the majority situation at Dürr is clear. Heinz Dürr GmbH and Heinz und Heide Dürr Stiftung have increased their stake to just under 45% - an expression of the Dürr family's commitment to the company that we appreciate. Together, the Dürr family and Süd-Kapitalbeteiligungs-Gesellschaft continue to have about 50% of the stock.

Let us now look at some of the key figures for 2006.

Key figures

I have already mentioned the strong improvement of incoming orders. After the crisis of 2005, we are again one of the top firms in the market – in paint systems and application, balancing, and industrial cleaning systems, where we are the world market leaders, as well as in final assembly and environmental systems, where we are among the top three worldwide.

The high incoming orders are due to three factors:

1. The regained confidence of our customers,
2. A highly motivated sales and management team, and
3. Strong demand in the growth markets of Asia and Eastern Europe.

New orders rose in Asia by 75%. China contributed to that with large orders for paint systems from Dongfeng Peugeot Citroën, Kia, Hyundai, and domestic manufacturers Chery and JAC. We also won several large projects in India, including one from Tata. In Europe, two large contracts from Fiat stand out, one in Italy and one in Turkey. Business in North America was marked by capital spending restraint.

Weak order intake in 2005 found expression in unsatisfactory sales revenue in the first half of 2006, for which we could not fully compensate in the second half. That resulted in a small decline of sales revenue in 2006 by just under 3% compared

with 2005.

As I said, though, we did manage to improve our operating profit, defined as EBIT before one-off expenses, to €39 million. That is still not sufficient, but an important first step. More would have been possible if the weakness of the US market had not intensified in the second half of the year.

The important thing is that we not only became more profitable in operating terms, but also considerably reduced our interest burden. At last year's annual meeting, I told you how we sharply lowered our net financial debt by divesting non-core business operations. That contributed to improving our net interest position by €14 million in 2006.

Altogether, operating improvements and reduced interest expense led to net income for the year of €8.2 million. In the previous year, a loss of over €100 million was posted in continuing operations because of weaker operating performance and high one-off expenses.

I already mentioned that operating cash flow improved by almost €140 million. Development in the fourth quarter was especially encouraging with positive cash flow of €70 million. That reflects higher advance payments, improved management of net working capital, and the final billing of several projects. We also expect positive cash flow for 2007. That means we intend to generate free funds for capital investments, dividends, interest payments and debt retirement.

At 5,650 employees, the Group's workforce was 5.7% smaller at the end of 2006. That was due to personnel cuts in North America and Western Europe under the FOCUS program, which adapted capacities in those regions to reduced market volume. If you consider 2005 and 2006 together, the FOCUS program has eliminated 811 jobs, as announced. At the same time, we have hired 221 additional employees in growth regions, with emphasis on Asia.

Balance sheet

Regarding the balance sheet: The equity ratio improved from 20.9% to 23.6%. With net financial debt of € 96.5 million, our financial situation is solid again after the shift of focus to core business and after the operating improvements.

FOCUS

The FOCUS program and the related realignment of the Group are the foundation for Dürr's successfully coping with the crisis in 2005 and returning to its winning ways. I would like to show you what we have accomplished with the FOCUS program by giving a few examples.

The service business is an important example. While we previously were known mainly for executing large projects, we have used the FOCUS program to direct more attention to higher-margin business involving smaller retooling, modernization, and service jobs. We have built up a new service organization and defined about 200 new service products. This also involves strongly expanding our consulting business in all aspects of factory and production planning. With about 100 employees, we are one of the most efficient service providers to the automotive industry in this segment. Expanding our international service network is also important. We want to establish three to four service bases per year in the immediate vicinity of our customers. That will contribute to realizing our goal of raising the share of high-margin service business in sales revenue from 26% now to 30% by 2008.

We have also optimized processes and structures on a broad front. For example, we have further rationalized painting robot production, moved ahead with product standardization, and introduced a new Group-wide innovation process. Our most costly project now is the Group-wide introduction of integrated SAP and CAD systems. That will make commercial and engineering processes more efficient, and international project execution will improve.

We completed FOCUS as a Group program at the end of 2006 and transferred the remaining individual projects to a continuous improvement process at the beginning

of this year. It is very important to me that our employees have understood that process optimization measures and organizational changes are not merely temporary projects, but are rather permanent adjuncts to our day-to-day business. When that happens, Group programs are no longer needed.

Growth markets

We have laid the groundwork for more operating earning power. Now, we intend to utilize our opportunities with projects in growth markets and move ahead with expanding service business in established markets.

In the growth market of India, for example, we are now looking for about 70 new employees. We are also building up in Eastern Europe. In the last few months, we have received large orders for the construction of complete paint shops from Hyundai in the Czech city of Ostrava and from VW, General Motors, and Nissan in Russia. We are also building an assembly plant in Tatarstan for Russian manufacturer Severstal. With a view to the growing potential in these markets, we have set up new companies in Turkey, Slovakia, and Russia in recent months.

We expect the dynamic development of the growth markets to continue. For example, General Motors has announced its intention to build a second factory in India with the aim of doubling production. In China, Japanese automakers Nissan, Honda, and Toyota are planning to expand production by 20% to 30%.

Gaining new customers

In view of such growth plans, our focus is also shifting increasingly to the Japanese. Our strategy is first to become active in the Japanese automakers' foreign plants. At present, the volume of our business with Toyota, the No. 1 automaker, is low. We have had our first successes with Honda, for which we are outfitting a plant in Swindon, England with a paint shop for vehicle trim. We are also headed in the right direction with Nissan. For example, Michel Tremet, head of Renault-Nissan's purchasing organization, makes the following statement in our annual report: "Dürr has long been a partner of Renault and is now becoming a partner of Nissan through the Renault-Nissan purchasing organization."

Besides optimizing our processes and expanding our distribution activities, the development of innovative solutions is crucial for growth and profitability. I would like to give you a few examples in that regard.

Green Paint Shop

Everyone is talking about climate change these days. But we took up the issue already some time ago. Our customers need paint shops that emit less pollution and consume less energy because more efficient painting systems contribute importantly to lowering unit costs in production. Dürr was the first company to get involved systematically with painting concepts that save energy and resources. We thus developed what is known as the green paint shop. We have developed over 20 optimization measures for these “model paint shop,” including multiple use of hot oven exhaust-air, shorter dip tanks that use less paint, and software for controlling temperature and humidity in spray booths. The potential savings are impressive: 60% less gas, 44% less fresh water, 32% less CO₂ emissions, and 11% less power consumption are possible. Our customers can save €16 per painted car body in this example. The green paint shop is a solution with considerable potential for the future, because the topic of energy and the environment is playing an ever greater role for our customers.

Environmental technology

We are also benefiting in Environmental and Energy Systems, where we offer energy consulting and exhaust-air purification equipment. This business developed very well in 2006. Because the automotive, pharmaceutical, and chemical industries are switching to clean production processes, our systems are in demand. For example, we are now realizing for Opel in Spain the largest exhaust-air purification system ever built in a paint shop. We are talking here about 14 Ecopure systems on a space the size of a football field.

Sealing

Automatic sealing of welded seams on car bodies is another example of how we are expanding our market position with new products. This process is technically

related to robot painting, where we already have a market share of over 50%. We now intend to achieve something similar in sealing. The basis for that is continuous product development. For example, we recently introduced a new feeding device for the application of sealing material.

LeanLine

We are improving our competitiveness in the low-priced segment by means of the LeanLine program. It is a low-priced painting system equipped with basic features. In comparison with a conventional painting system, LeanLine reduces capital investment costs by up to 30% and nevertheless meets the basic quality standards. That puts us in a good position in competition for contracts decided solely based on price. Demand for such a simpler technology at low prices is especially high in Asia. For example, we recently sold a complete LeanLine paint shop in India for the first time.

FAStplant

In the area of final assembly, we made a breakthrough last year with the modular and highly flexible FAStplant concept. It consists of standard modules with conveyor technology and interfaces allowing easy linking to assembly instruments. That makes it possible to set up and retool the system within a few weeks. After trials for Toyota and DaimlerChrysler, Audi has ordered the system for small-batch production. At the end of 2006, General Motors decided to use FAStplant in large-batch production. Incidentally, the cover of our annual report displays a picture of FAStplant.

Balancing technology

Innovation is also an essential basis for our world market leadership in the area of balancing technology. In 2006, for example, we introduced the new generation of PASIO universal balancing machines. The successful reduction of residual imbalances in turbochargers is another emphasis of product development. Balancing systems for power plant turbines – you see an example of such a system in this picture – is an especially interesting business area. We are enjoying strong demand in this area thanks to booming power plant construction in Asia. In this

technically very sophisticated business, our subsidiary Schenck RoTec has numerous USPs and a large world market share.

Cleaning technology

We also worked successfully on innovations in Cleaning and Filtration Systems. The two new product lines, EcoBase and EcoLution, are examples of that. EcoBase addresses the middle and low price segments with complete standardization and limited accessories. EcoLution is designed for customers with complex requirements and detailed specifications. The market launch in March 2007 and positive customer response have shown that we are on the right track.

RoDip

If you would like to learn more about our innovativeness, please visit our technology center for a brief presentation after the annual meeting. What awaits you there is the latest generation of our RoDip painting system, another one of our development projects now ready for market. Please sign up at the information counter right after the meeting. The round tour will take 30 minutes.

Relocation plans

Now we come to a topic reported by the press at the beginning of the year: Our planned move from Stuttgart to Bietigheim-Bissingen and the combination of our activities in the Paint and Assembly Systems division at one location. The contracts with our neighbor Porsche, which wants to buy our property in Zuffenhausen, have not been signed yet. So, I hope you will understand that I cannot provide any details. But this much I can say: The negotiations are quite advanced, and we have begun planning a modern Dürr campus for about 1,500 employees in Bietigheim. The combination would bring us considerable advantages, including, for example, short distances and improved cooperation among business units. Moreover, we could appear as one company and present our products better. I would also like to emphasize that the automaking city of Stuttgart will remain our company's official base. That formal aspect is important especially for our image with foreign customers.

Before I get to the first quarter of 2007, let me say something about item 6 on the agenda. That has to do with authorizing contingent capital that will enable the Board of Management to conduct a capital increase by up to around €20.1 million. Perhaps you are wondering why we are proposing this even though the annual meeting only last year made such a resolution with a term of five years. The reason lies in recent legal rulings that suggest we should renew the resolution. It is thus a formality that is meant to prevent possible uncertainties concerning the validity of the existing contingent capital. This is, by the way, merely an anticipatory resolution like item 5, which concerns the company's purchase of its own shares.

Q1

In the first quarter of 2007, incoming orders continued their dynamic development of 2006. We registered new orders worth over half a billion euros and thus again exceeded the good €430 million achieved in the first three months of 2006. At €304 million, sales revenue remained near last year's level, because of exchange rate effects and because Cleaning and Filtration Systems and Factory Assembly Systems were still lagging behind. However, sales revenue will strengthen in both those business units in the further course of the year, since their order situation improved significantly in the second half of 2006. Our earnings increased in the first quarter of 2007. After a minus of €0.9 million in the year-earlier period, we achieved operative earnings of €3.1 million. Earnings will continue to increase in the further course of the year. We expect the focus of earnings realization to be in the third and fourth quarters. Operating cash flow was still slightly negative in the first quarter at €-9 million, but significantly better than in the year-earlier period. We will also see further improvements by the end of the year.

We now come to the outlook for 2007. We expect that incoming orders will at least match the high level of 2006. The good start in 2007 and capital investment plans announced by many automakers argue in favor of that. The automotive industry will continue to increase production in the future, and we expect annual growth of 3%. Besides building new plants, especially in Asia and Eastern Europe, retooling existing plants is becoming ever more important for manufacturing flexibility and productivity. Against that background, we also expect increases in modernization

and service business.

Given the high level of orders on hand at the beginning of the year, Group sales revenue is set to increase by 5% to 10%. We also expect another significant improvement of earnings. Analysts' estimates of operating earnings, or EBIT, amount to €55 million on average, and most analysts can calculate quite well. On that basis, we could achieve our declared goal, as I emphasized at the outset, and start paying dividends again.

We expect a positive result for the Cleaning and Filtration Systems and Factory Assembly Systems business units, which still showed losses in 2006. The improvement measures taken and rising business volumes support that view. We adjusted capacities in the United States to demand volume in 2006. Altogether, potential for earnings improvement in Cleaning and Filtration Systems, Factory Assembly Systems, and US business in 2007 is in the low tens of millions of euros. All business units should show a positive result in fiscal 2007.

As for operating cash flow, we expect, as I said, an appreciable increase. Moreover, we are planning on positive free cash flow. That means that we will be able to reduce net financial debt and improve liquidity.

Summary

So much for the outlook. Let me summarize the essential points again in conclusion:

- We achieved or even exceeded our goals for 2006. Operating profit has increased sharply, as have incoming orders. Dürr has regained the confidence of its customers.
- The basis for our generally positive development was the Group-wide FOCUS program, which has made Dürr leaner and better adapted to market requirements.
- On the market, we are benefiting from lively demand. Automobile production will also continue to grow in the years ahead.
- With high incoming orders in the first quarter, we made a very good start



into 2007. The result will improve further and appears likely to surpass last year's figure to a significant extent.

- Finally, we intend to generate surplus funds that will enable us, on the one hand, to invest in securing our future and continue on the path of innovation, and on the other, to resume paying dividends to you, our shareholders.

Thank you very much for your confidence in us and your attention.