Analyst Conference
Dürr Aktiengesellschaft

Fiscal Year 2007

Ralf Dieter, CEO
Ralph Heuwing, CFO

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Disclaimer

This presentation has been prepared independently by Dürr AG (“Dürr”).

The presentation contains statements which address such key issues as Dürr´s strategy, future financial results, market positions and product development. Such statements should be carefully considered, and it should be understood that many factors could cause forecast and actual results to differ from these statements. These factors include, but are not limited to price fluctuations, currency fluctuations, developments in raw material and personnel costs, physical and environmental risks, legal and legislative issues, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

Agenda

1. Our results at a glance

2. Figures/Analysis

3. Strategy „Dürr 2010“

4. Market outlook

5. Summary

1. Our results at a glance: All performance targets delivered

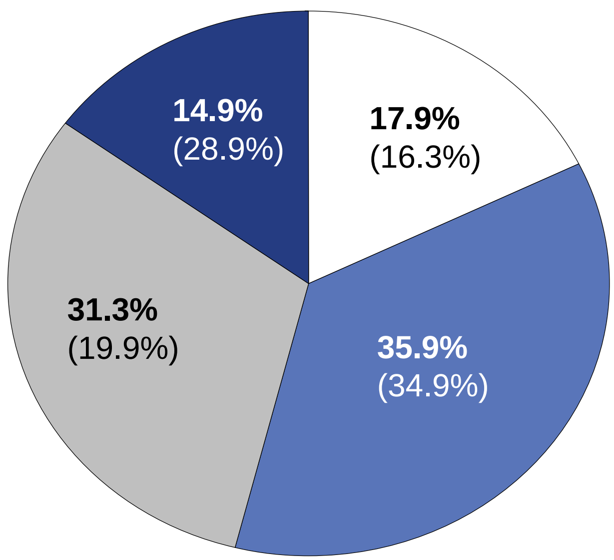
in € m	2007	2006	Δ in %
Incoming orders	**1,781.5**	1,459.8	22.0
Orders on hand (December 31)	**1,082.0**	805.2	34.4
Sales revenues	**1,476.6**	1,361.2	8.5
EBIT	**55.7**	33.1	68.3
Net income	**21.2**	8.2	158.5
Earnings per share	**1.33**	0.50	166.0
Cashflow from operating activities	**85.9**	-9.8	-

§ Strong earnings and cash flow improvement in 2007

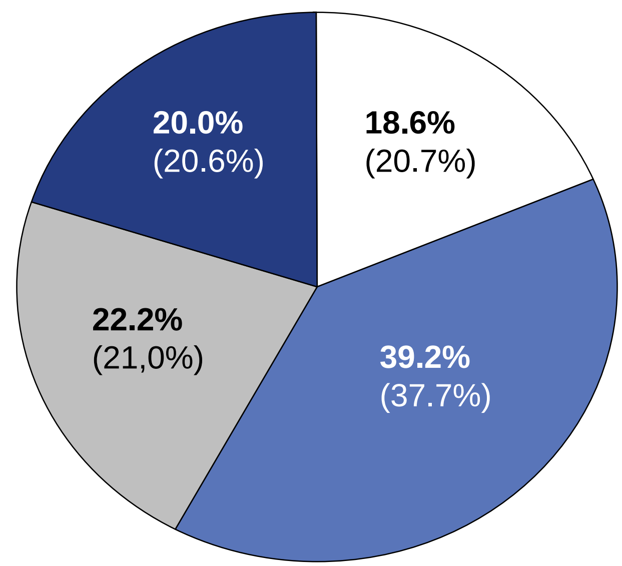
1. Our results at a glance

2007 (2006) incoming orders and sales: Well balanced structure

Incoming orders



Sales revenues



Germany | Europe excluding Germany | North & South America | Asia, Africa, Australia

- US & Mexico received several major orders
- Declining order intake in China only temporary; further orders expected in 2008

2. Figures/Analysis

Income statement

in € m	2007	2006	Δ in %
Sales revenues	**1,476.6**	1,361.2	8.5
Gross profit on sales	**240.0**	220.2	9.0
Gross margin in %	**16.3**	16.2	-
SG&A	**182.8**	177.8	2.8
Other operating profit/loss	**18.0**	17.8	1.1
One-time expenses	**1.0**	-5.9	-
EBIT	**55.7**	33.1	68.3
Financial result	**-20.9**	-18.3	-14.2
EBT	**34.8**	14.8	135.1
Income taxes	**-13.6**	-6.6	106.1
Earnings of continuing operations	**21.2**	8.2	158.5
Earnings of discontinued operations	**1.0**	-0.7	-
Net income Dürr Group	**22.2**	7.5	196.0

2. Figures/Analysis

Income statement: EBIT +68%

Gross margin improved to 16.3% in 2007 (2006: 16.2%)

- Positive impact: efficiency gains and returns from service/revamp strategy
- Negative impact: remaining low margin orders at Paint and Assembly Systems and execution problems in India

Good progress on turnaround programs

- US business with positive EBIT
- Cleaning and Filtration business unit with positive EBIT, stronger than planned
- Final assembly turnaround not yet achieved

Cost containment in SG&A: cost increase below revenue growth

2. Figures/Analysis

Cash flow/Free Cash flow

in € m	**2007**	2006	2005	2004
EBT	**34.8**	14.8	-106.6	4.5
Income taxes	**-5.8**	-5.6	-4.6	0.8
Interest result	**22.9**	21.0	35.1	24.5
Amortization and depreciation	**17.8**	19.1	54.2	21.3
Changes				
- **NWC**	**37.0**	8.8	-82.1	-110.8
- **Provisions**	**-4.1**	-20.2	-25.1	-21.8
- **Other assets/liabilities**	**-16.7**	-47.7	-18.5	-34.0
Cash flow from operating activities	**85.9**	-9.8	-147.6	-115.5
Capital expenditures	**-25.9**	-18.0	-25.7	-21.4
Interest payments	**-19.4**	-18.7	-32.8	-14.0
Free cash flow	**40.6**	-46.5	-206.1	-150.9

§ Strong operating cash flow

§ First positive free cash flow since 2003

2. Figures/Analysis

in € m	12/31/2007	12/31/2006	12/31/2005
Equity	**257.1**	245.7	248.1
Equity ratio	**23.9%**	23.6%	20.9%
Net financial debt	**60.7**	96.5	84.9
Cash	**147.5**	101.5	124.7
Net working capital	**119.9**	154.7	171.5
ROCE	**15.0%**	7.6%	-

- Net financial debt significantly reduced, healthy cash position
- Strong improvements in NWC despite increasing business volume
- ROCE exceeds costs of capital (10.5%) by 450 bps

2. Figures/Analysis

NWC: Significant progress

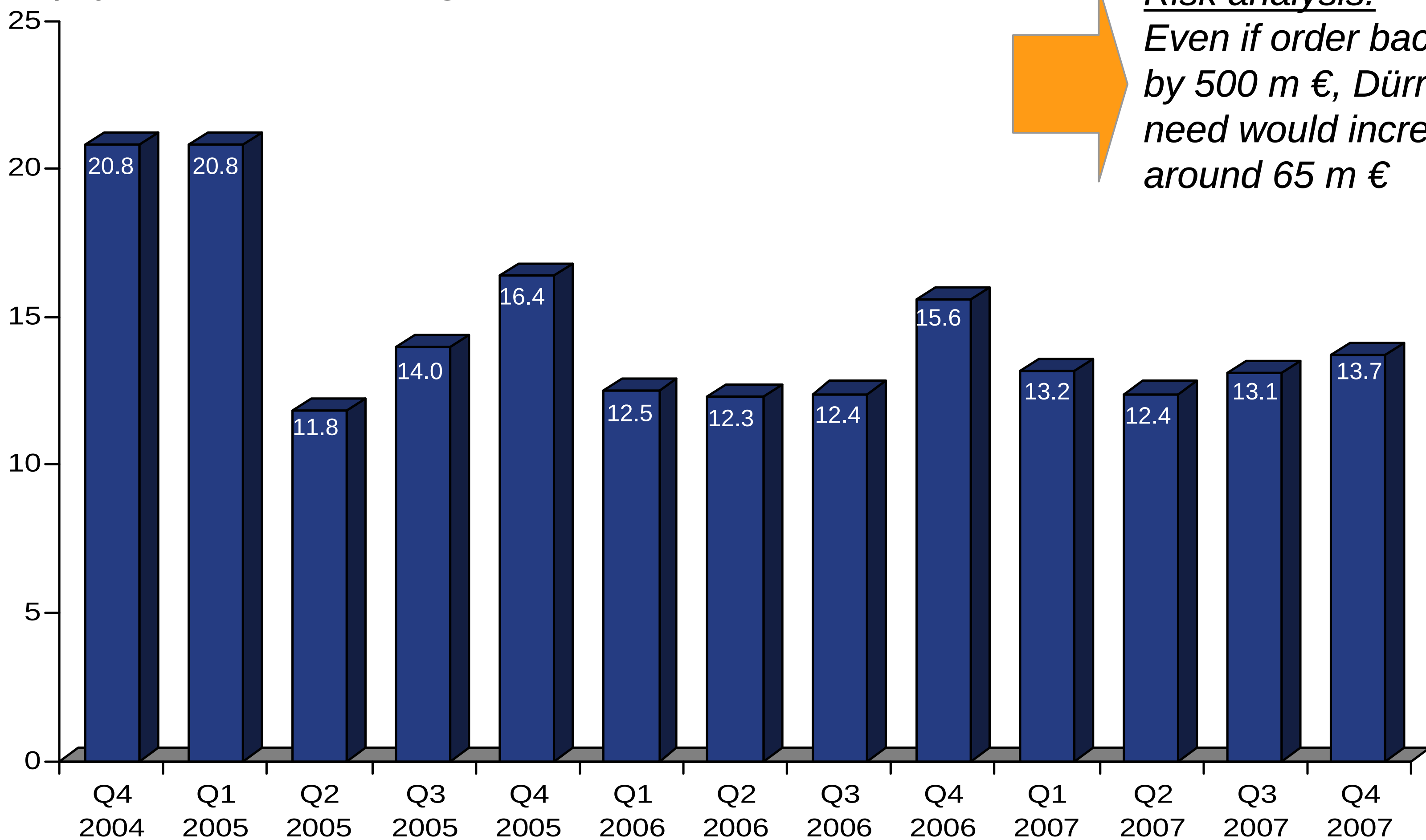
	12/31/2007	12/31/2006	12/31/2005
NWC in € m	**119.9**	154.7	171.5
DWC (Days Working Capital)	**29.2**	40.9	44.1
DSO (Days Sales Outstanding)	**98.8**	108.1	123.3

- DWC and DSO significantly improved
- Compared to plant engineering and machinery peers already good performance levels
- Further progress planned

2. Figures/Analysis

Prepayments from customers stabilized

Prepayments/order backlog in %



Risk analysis:
Even if order backlog declined by 500 m €, Dürr's finance need would increase only by around 65 m €

3. Strategy “Dürr 2010”

2005 - 2007:
<u>Restructuring</u>

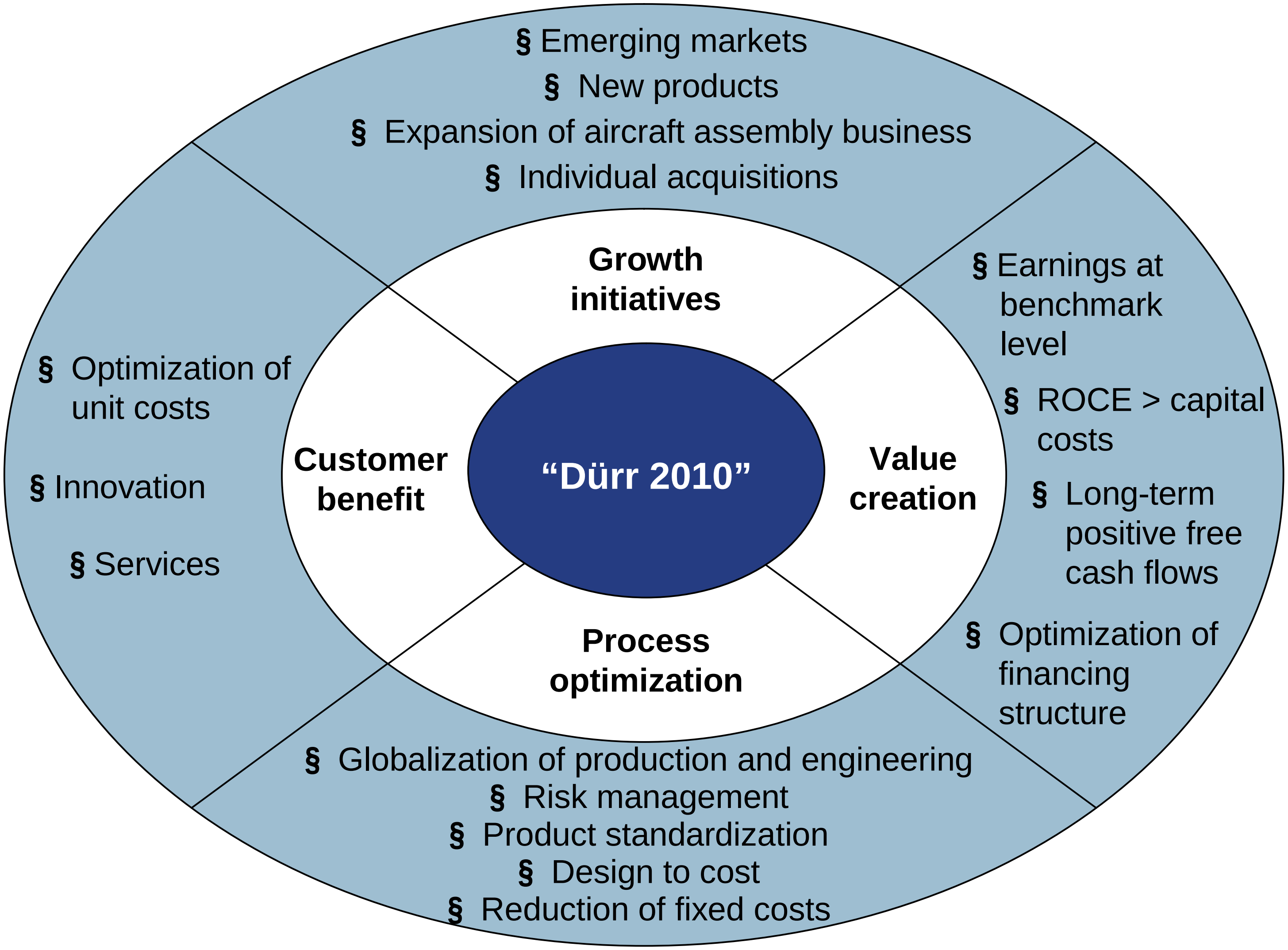
- Focus on profitable business
- Leaner organizational structure
- Higher efficiency
- Reduced capacities and costs
- Improved planning and controlling systems

“Dürr 2010”

2008 - 2010:
<u>Profitable growth</u>

- Customer benefit
- Growth initiatives
- Process optimization
- Value creation

3. Strategy “Dürr 2010”



3. Strategy “Dürr 2010”: Customer benefit

Dürr will leverage its leading technology and market position

Cost-per-unit as value proposition (e.g. RoDip IV)

- Ensure competitive operating costs for our customers
- Provide ROI for investments into Dürr equipment

Innovative solutions (e.g. LeanLine for small cars)

- New approaches for new market needs
- Innovative technologies for energy and environmental benefits

Service

- Further expansion of service business, target 30% of sales
- New service products, customer proximity, value pricing

3. Strategy “Dürr 2010”: Customer benefit

Example Cost-per-unit: New rotational painting system RoDip IV

Dürr‘s value proposition

- 36% less energy
- 18% less chemicals
- 8% lower capex

➡ *16% lower cost-per-unit for pretreatment and anti-corrosion process*

3. Strategy "Dürr 2010": Customer benefit

Example Innovative solutions: Addressing the mega trend „low cost cars"

Dürr´s value proposition: LeanLine concept

§ Reduced capex by upto 30%

§ Standardized products and plant layouts

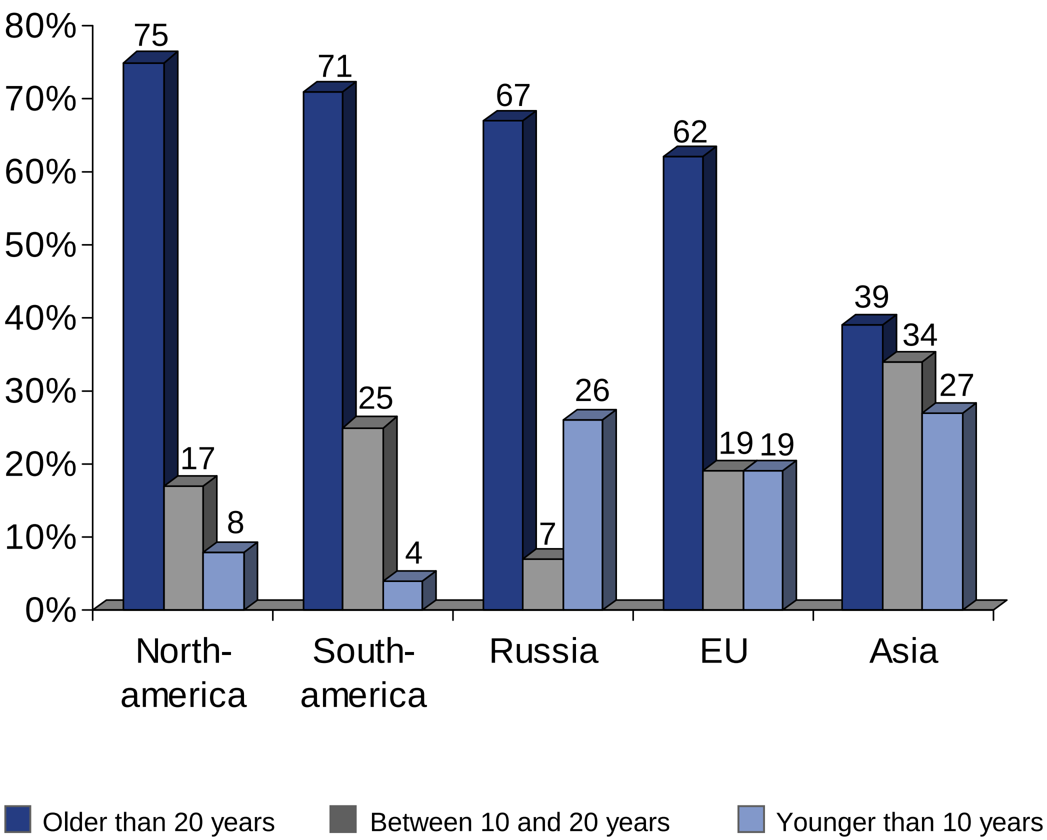
§ Localization approaches

Dürr equipment for Tata Nano plant:
Paint shop, robots & application technology, balancing machines for crankshafts

3. Strategy “Dürr 2010”: Customer benefit

Service: Future potential

Age of paint shops*



- 60% of all paint shops worldwide are older than 20 years
- Average lifetime in US/Europe up to 30 years, in Asia up to 20 years

→ *Huge modernization and revamp potential!*

* based on own calculations

3. Strategy “Dürr 2010”: Growth initiatives

Dürr will grow above market average by explicit growth initiatives

- Further expansion into emerging markets
- Aircraft and Technology Systems as new business unit with explicit growth agenda
- New products in existing business fields (e.g. consulting, sealing)
- Selective smaller acquisitions (e.g. “bolt-on” acquisition in balancing)
- Gaining market share with Japanese OEM’s, leveraging initial successes

3. Strategy “Dürr 2010”: Growth initiatives

Example emerging markets: Leveraging our global footprint

Share of sales:

≤ 1% ● ≥ 1 und ≤ 10 ● ≥ 10 ●

Further building our revenue share from emerging markets, e.g.

§ Paint Systems in Russia, Turkey, Romania and others

§ Assembly products in Asia

§ Environmental and Energy Systems across all emerging markets

§ Cleaning and Filtration Systems in Asia

3. Strategy “Dürr 2010”: Growth initiatives

Example Aircraft and Technology Systems: New business unit

Creating a new platform for growth

- § Providing focus for sales and engineering resources
- § Bringing together paint and assembly competence
- § Joint venture with EDAG

3. Strategy “Dürr 2010”: Growth initiatives

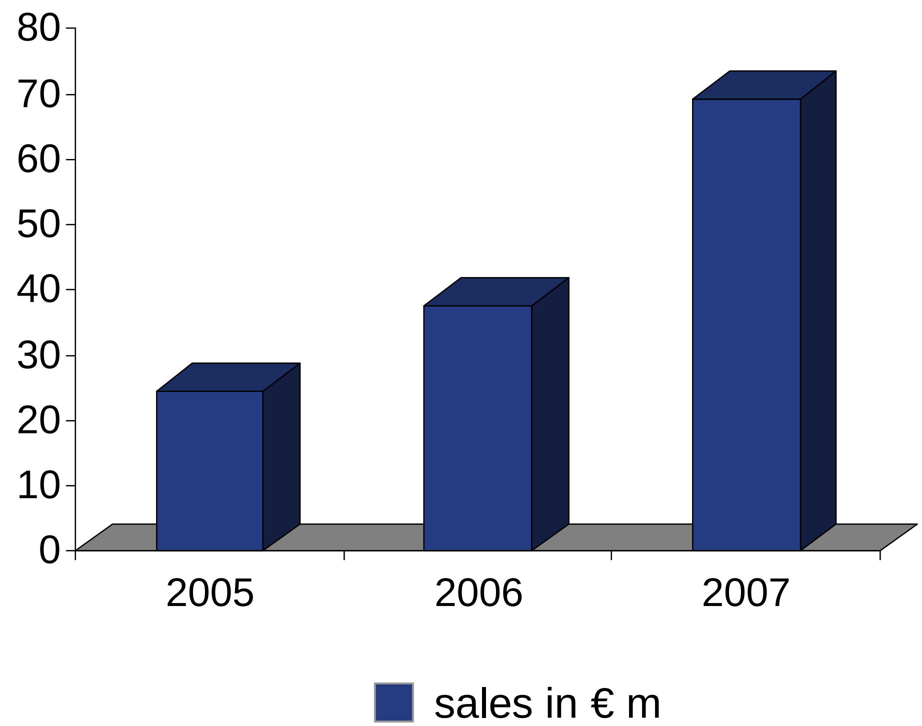
Increasing success with Japanese OEM´s: Gaining market share

TOYOTA

NISSAN

HONDA

MITSUBISHI MOTORS



3. Strategy “Dürr 2010”: Process optimization

Continuous improvements in operating performance by eight point program

1. **Product standardization:** reduce engineering hours
2. **Design-to-cost:** simplify product design
3. **Global production:** increase share of low cost country manufacturing
4. **Global sourcing:** build global procurement offices in emerging markets
5. **Global engineering:** grow engineering centers in India and Poland
6. **Workflow management:** integrated processes from engineering through order execution to financial processes (global CAD-ERP platforms)
7. **Risk management:** rigorous project selection, early-warning reporting and intervention
8. **Cost containment in overheads:** keep cost increase below revenue growth

3. Strategy “Dürr 2010”: Process optimization

Group structure changes by 03/01/2008

DÜRR AG

Paint and Assembly Systems
share of sales ~ 80%

- Paint and Final Assembly Systems
- Application Technology
- Environmental and Energy Systems
- ~~Factory Assembly Systems~~
- NEW! Aircraft and Technology Systems

Measuring and Process Systems
share of sales ~ 20%

- Balancing and Assembly Products
- Cleaning and Filtration Systems

3. Strategy “Dürr 2010”: Process optimization

New group structure as of 03/01/2008

DÜRR AG

Paint and Assembly Systems share of sales ~ 70%	Measuring and Process Systems share of sales ~ 30%
	
§ Paint and Final Assembly Systems § Application Technology § Environmental and Energy Systems § Aircraft and Technology Systems	§ Balancing and Assembly Products § Cleaning and Filtration Systems

3. Strategy “Dürr 2010”: Operational excellence

Rationale for new group structure

1. **Shifting assembly products business to <u>Balancing and Assembly Products</u>**
    - § Similar business model (products logic) as balancing
    - § Acceleration of global expansion (sales network, production facilities)

2. **Shifting assembly systems business to <u>Paint and Final Assembly Systems</u>**
    - § Similar business model (systems logic) as paint
    - § Synergies in engineering, project management and operations (conveyor technology, resource pooling)

3. **Creating new business unit <u>Aircraft and Technology Systems</u>**
    - § Growth platform with clear focus
    - § Includes Dürr Consulting

3. Strategy “Dürr 2010”: Value creation

Sustained value creation by managing key financial value drivers

Achieve returns at benchmark levels

- Plant engineering business: 4 - 6% EBIT margin
- Machinery business: 8 - 10% EBIT margin

Drive ROCE and FCF generation

- Focus on asset utilisation, NWC management and de-leveraging
- Comprehensive implementation of metrics at business unit and country level
- Specific initiatives, performance tracking and incentive compensation

Optimise balance sheet efficiency

- Assess opportunities for early bond redemption
- Implement reliable, efficient and flexible refinancing package

3. Strategy “Dürr 2010”: Value creation

GOALS for 2010	
Sales revenues	≥ € 1.7 bn
EBIT margin	approx. 6%
ROCE	approx. 22%
Equity ratio	30-35%

4. Market outlook

The macro-economic environment clearly holds risks for the future

But…

- Global automotive market is expected to remain a growth industry and to grow by 4% p.a. from 2009 onwards, especially driven by strong emerging market demand
- Pipeline includes greenfield projects in India, China and Eastern Europe worth more than € 1 bn
- Large number of installed paint shops and assembly plants need modernization and revamps to improve productivity and flexibility (e.g. energy costs)
- US market still challenging, but providing sufficient order flow

5. Summary: Profitable growth

- 2007: Performance targets delivered

- 2008: Sales growth between 5 and 10%

- 2008: Strong earnings growth to achieve 5% EBIT margin (up from 3.8% in 2007)
  - Healthy order book with good visibility and margin quality
  - Improved execution processes
  - Turnaround in final assembly business

- Requests for quotation remain strong, automobile market expected to see steady growth in the next years

- **2010 targets: EBIT margin around 6% and ROCE around 22%**

Financial calendar

05/02/2008	Annual general meeting
05/08/2008	Interim report January - March 2008
08/07/2008	Interim report half year 2008
11/06/2008	Interim report January - September 2008

Contact: **Dürr Aktiengesellschaft**
Günter Dielmann
Corporate Communications & Investor Relations
Otto-Dürr-Strasse 8
70435 Stuttgart
Germany

Phone: +49 (0)711 136-1785
E-mail: investor.relations@durr.com

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