

DEUTZ AG, Cologne

Invitation to the Annual General Meeting

ISIN: DE 000 630500 6
WKN: 630 500

ISIN: DE 000 A0STYR 4
WKN: A0S TYR



Invitation to the Annual General Meeting

Notice is hereby given that our company's

Annual General Meeting

will be held

at 10am on Wednesday, 21 May 2008

in the Congress-Centrum Ost at Koelnmesse exhibition centre

(main entrance on the eastern side),

Deutz-Mülheimer Strasse, Cologne-Deutz, Germany.

Agenda

- 1. Presentation of the adopted annual financial statements for the year ended 31 December 2007 and the management report for DEUTZ AG, the approved consolidated financial statements for the year ended 31 December 2007 and the group management report, the report of the Supervisory Board for the 2007 financial year, and the explanatory report of the Management Board concerning the disclosures pursuant to sections 289 (4) and 315 (4) HGB.**
- 2. Proposed appropriation of the accumulated income reported for 2007**

The Management Board and the Supervisory Board propose that the following resolution be adopted: The accumulated income of DEUTZ AG for the 2007 financial year amounts to €82,246,611.50, of which

 - €24,017,006 is to be appropriated to pay the shareholders a dividend of €0.20 per dividend-bearing share
 - €24,017,006 is to be appropriated to pay the shareholders a special dividend of €0.20 per dividend-bearing share from the gain on the disposal of DEUTZ Power System
 - €4,776.00 is to be appropriated to pay the holders of profit-sharing rights €4.00 per profit-sharing right with a par value of DM 50.00 (€25.56);

the remaining accumulated income of €34,207,823.50 is to be carried forward to the next accounting period.
- 3. Formal approval of the actions of the Management Board for 2007**

The Management Board and Supervisory Board propose the formal approval of the actions of the members of the Management Board for 2007.
- 4. Formal approval of the actions of the Supervisory Board for 2007**

The Management Board and Supervisory Board propose the formal approval of the actions of the members of the Supervisory Board for 2007.
- 5. Appointment of the auditors for 2008**

The Supervisory Board proposes that Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, be appointed as auditors of the single-entity and consolidated annual financial statements for 2008. This appointment includes the auditors' review of the condensed financial statements and the interim management report for the period to 30 June 2008 pursuant to section 37w (5) sentence 1 of the German Securities Trading Act (WpHG).
- 6. Authorisation to purchase and use treasury shares pursuant to section 71 (1) no. 8 of the German Stock Corporation Act (AktG)**

The Management Board and the Supervisory Board propose that the following resolution be adopted:

 1. The Company is authorised pursuant to section 71 (1) no. 8 of the German Stock Corporation Act (AktG), on or before 20 November 2009, to purchase treasury shares up to a total of 10 per cent of its existing share capital at the time the resolution is adopted. The shares purchased on the basis of this authorisation, together with other treasury shares or shares attributable to the Company pursuant to sections 71 d and 71 e AktG must at no time account for more than 10 per cent of the Company's existing share capital. The authorisation must not be used for the purpose of trading in treasury shares.

2. The Management Board may choose whether to purchase the shares via the stock market or by means of a public purchase offer to all shareholders.

If the shares are purchased via the stock market, the purchase price paid (excluding ancillary purchasing costs) for each DEUTZ share must not be more than 10 per cent above or below the share's market price; if a public purchase offer is made, the offer price (excluding ancillary purchasing costs) for each DEUTZ share must not be more than 10 per cent above or below the share's market price.

If the shares are purchased via the stock market, the relevant market price for the purposes of the above paragraph is the average closing price of DEUTZ shares in the Xetra trading system (or in a successor system replacing the Xetra trading system) over the last three stock exchange trading days before the obligation to purchase the shares is entered into.

If the shares are purchased by means of a public purchase offer to all shareholders, the relevant market price is the average closing price of DEUTZ shares in the Xetra trading system (or in a successor system replacing the Xetra trading system) over the last three stock exchange trading days before the decision to issue the purchase offer is published.

3. The Management Board is authorised to use the purchased treasury shares for all legally permitted purposes and, in particular, as described below by selling them via the stock market or by issuing a public offering to all shareholders.

The Management Board is authorised to sell the purchased treasury shares, disapplying shareholders' pre-emption rights, provided that the shares are sold in return for a cash payment at a price that is not significantly below the market price of DEUTZ shares at the time of the sale. In this case, the number of shares being sold, together with new shares issued since this authorisation was granted pursuant to section 186 (3) sentence 4 AktG, disapplying pre-emption rights, must not in total exceed 10 per cent of the Company's existing share capital at the time the Annual General Meeting adopted the resolution.

The Management Board is also authorised to sell the purchased treasury shares to third parties in return for a non-cash payment, disapplying shareholders' pre-emption rights, especially in connection with the acquisition of companies, parts of companies or investments in companies and as part of business combinations.

Furthermore, the Management Board is authorised to retire the purchased treasury shares without any further resolution being adopted by the Annual General Meeting. A simplified procedure that does not involve a capital reduction may be used to retire the shares by adjusting the notional amount of the remaining no-par-value shares as a proportion of the Company's share capital. This retirement may be restricted to a portion of the purchased shares. The authorisation to retire shares may be used more than once. If the simplified procedure is used to retire shares, the Management Board is authorised to adjust the number of no-par-value shares.

4. All aforementioned authorisations may be used individually or jointly on one or more occasions, either wholly or in part.
5. Measures taken by the Management Board on the basis of this Annual General Meeting resolution must be approved by the Supervisory Board.

7. Elections to the Supervisory Board

The Supervisory Board comprises twelve members – six shareholder representatives, who are elected by the Annual General Meeting, and six employee representatives – pursuant to sections 96 (1) and 101 (1) of the German Stock Corporation Act (AktG) in conjunction with sections 6 (1) and 7 (1) sentence 1 no. 1 of the German Codetermination Act (MitbestG) and pursuant to paragraph 9 (1) of the Company's Statutes. The members of the Supervisory Board are elected for a period that runs until the end of the Annual General Meeting on 21 May 2008.

The Supervisory Board proposes that the Annual General Meeting elect the following persons to the Supervisory Board:

- Dr Massimo Bordi, Milan/Italy, Chief Executive Officer of SAME DEUTZ-FAHR Group S.p.A., based in Treviso/Italy
- Francesco Carozza, Milan/Italy, Vice President of SAME DEUTZ-Fahr, based in Treviso/Italy
- Michael Haupt, Schweinfurt/Germany; former Director of AB SKF, based in Gothenburg/Sweden
- Dr Helmut Lerchner, Aichtal-Rudolfshöhe/Germany; management consultant
- Lars-Göran Moberg, Eskilstuna/Sweden, former President of Volvo Powertrain AB and former member of Volvo Executive Group, both based in Gothenburg/Sweden
- Dr Giuseppe Vita, Milan/Italy, member of various Supervisory Boards

The members of the Supervisory Board are elected for a period that runs until the end of the Annual General Meeting which decides whether to formally approve the actions of the Supervisory Board for the fourth financial year following the elections to the Supervisory Board. The Annual General Meeting is not bound by the proposed nominations for election.

It is intended that those attending the Annual General Meeting will vote individually on the elections to the Supervisory Board.

In accordance with paragraph 5.4.3 of the German Corporate Governance Code, the Company wishes to point out that if Dr Giuseppe Vita is elected to the Supervisory Board, he will be nominated as a candidate to chair the Supervisory Board.

8. Adoption of a resolution on an amendment to the Company's Statutes

In keeping with the practice adopted by many companies, the Company intends in future to utilise the option available under the German Control and Transparency of Companies Act (KonTraG) to exclude shareholders' right to have their ownership of shares evidenced by certificates. Shareholders' ownership of their shares continues to be evidenced by the global certificates deposited with Clearstream Banking AG, Frankfurt am Main.

The Management Board and the Supervisory Board therefore propose that paragraph 6 (2) of the Company's Statutes be amended as follows: „Global certificates may be issued. The right of the shareholders to have their ownership of shares evidenced by certificates is excluded.“

Report by the Management Board pursuant to section 71 (1) no. 8 AktG in conjunction with section 186 (3) and (4) AktG concerning agenda item 6

Section 71 (1) no. 8 AktG gives public limited companies the option of purchasing treasury shares up to a total of 10 per cent of their share capital on the basis of an authorisation granted by the annual general meeting. Agenda item 6 contains the proposal to issue an authorisation to this effect for a limited period of 18 months. This authorisation would enable the Company to purchase treasury shares on or before 20 November 2009.

The treasury shares may only be purchased either via the stock market or by means of a public purchase offer to all shareholders. This procedure upholds the principle that all shareholders should be treated equally.

The purchased treasury shares may be sold either via the stock market or by means of a public offering to all shareholders. This procedure too upholds the principle that all shareholders should be treated equally.

Furthermore, this motion proposes that the Management Board should be able to sell the purchased treasury shares other than via the stock market or by means of a public offering to all shareholders, disapplying shareholders' pre-emption rights, provided that the treasury shares are sold in return for a cash payment at a price that is not significantly below the market price of DEUTZ shares at the time of the sale.

The main purpose of this authorisation, which is based on the mutatis mutandis application of section 71 (1) no. 8 and section 186 (3) sentence 4 AktG and is limited to a maximum total of 10 per cent of the Company's share capital – with new shares that are issued after this authorisation is granted pursuant to section 186 (3) sentence 4 AktG, disapplying shareholders' pre-emption rights, being included in this total – is to enable shares in the Company to be offered to institutional investors and/or to increase the number of shareholders. Furthermore, the ability to disapply shareholders' pre-emption rights enables the Company to respond swiftly and flexibly to favourable stock market conditions without having to conduct a costly and time-consuming rights issue and, by fixing the relevant prices in line with market conditions, to achieve the highest-possible issue price and, consequently, the greatest-possible strengthening of its equity. Because such capital increases are conducted more swiftly, they tend to generate a greater inflow of funds than capital increases that offer pre-emption rights to shareholders. They are therefore very much in the interests of both the Company and its shareholders. Although this procedure reduces the relative shareholdings and the relative voting rights of existing shareholders, shareholders who wish to maintain their relative shareholdings and their relative voting rights can purchase the necessary shares via the stock market. This procedure also prevents the value of shareholders' shareholdings from being diluted because the shares may only be sold at a price that is not significantly below the market price of DEUTZ shares at the time of the sale.

The purchased treasury shares may also be sold in return for a non-cash payment, with shareholders' pre-emption rights being disappplied. This enables the Company to offer treasury shares either directly or indirectly as compensation in connection with the acquisition of companies, parts of companies or investments in companies and as part of business combinations.

By making such acquisitions, DEUTZ AG may be able to significantly improve its market position and, consequently, its profitability. This authorisation increases the freedom of action that the Company needs to swiftly and flexibly exploit opportunities for acquisitions that arise in both the domestic and international markets. Experience has shown that the owners of attractive acquisition targets often demand voting shares in the acquiring company as compensation for selling their assets. So that it can acquire such companies, DEUTZ AG must be able to offer treasury shares as compensation. The disapplication of shareholders' pre-emption rights serves this purpose. When determining the pricing ratios of shares, the Management Board will ensure that shareholders' interests are adequately protected. It will use the market price of DEUTZ shares as the basis for its measurement of the value of the shares offered as compensation. The price at which shares are offered as compensation would not be rigidly tied to their prevailing market price, as this could jeopardise the finalised outcome of negotiations if there were fluctuations in the shares' market price.

Any such sale of treasury shares that disappplies shareholders' pre-emption rights in particular – regardless of which of the aforementioned authorisations it is based on – must be approved by the Supervisory Board. This procedure is also intended to ensure that such disposals are only made in the clearly defined interests of the Company and with sufficient consideration given to any opposing interests of the shareholders.

Having considered all the aforementioned factors, the Management Board is of the opinion that the disapplication of shareholders' pre-emption rights is objectively justified and appropriate in the aforementioned cases for the reasons mentioned, even allowing for the dilutive effect to the detriment of shareholders.

The Company can retire the treasury shares purchased on the basis of the proposed authorisation without requiring a further resolution to be adopted by the Annual General Meeting. Section 237 (3) no. 3 AktG states that the Annual General Meeting can decide to retire the Company's fully paid-up no-par-value shares without this necessarily requiring the Company's share capital to be reduced. The proposed authorisation explicitly permits this alternative in addition to the retirement of shares with a capital reduction. The retirement of treasury shares without a capital reduction automatically increases the notional amount of the remaining no-par-value shares as a proportion of the Company's share capital. It is therefore proposed that the Management Board also be authorised to amend the Company's Statutes as required by the change in the number of no-par-value shares resulting from a retirement of shares.

The Management Board will report to the next Annual General Meeting on the utilisation of this authorisation.

Notification of shareholders pursuant to section 125 (1) sentence 3 AktG concerning agenda item 7

The shareholder representatives proposed as nominations for election to the Supervisory Board under agenda item 7 are either members of a statutory supervisory board at the companies mentioned below under a) or are members of a comparable German or international supervisory body at the companies mentioned below under b):

Dr Massimo Bordi

- b) SAME DEUTZ-FAHR ITALIA S.p.A., Treviglio/Italy
SAME DEUTZ-FAHR Group S.p.A., Treviglio/Italy

Francesco Carozza

- b) SAME DEUTZ-FAHR Group S.p.A., Treviglio/Italy
SAME DEUTZ-FAHR DEUTSCHLAND GmbH, Lauingen/Germany
President
SAME DEUTZ-FAHR INDIA Private Ltd., Ranipet/India,
President
SAME DEUTZ-FAHR Trading (Dalian) Co., Ltd., Dalian/China
SAME DEUTZ-FAHR Agricultural Machinery (Dalian) Co., Ltd.,
Dalian/China, Vice Chairman
I.T. International Transmissions S.A., Stabio/Switzerland,
Chairman

Dr Helmut Lerchner

- a) ElingKlinger AG, Dettringen/Erms/Germany, Chairman

Lars-Göran Moberg

- a) Volvo Aero Corporation, Trollhättan/Sweden
Haldex AB, Stockholm/Sweden

Dr Giuseppe Vita

- a) HUGO BOSS AG, Metzingen/Germany (chairman)
Axel Springer AG, Berlin/Germany (chairman)
Vattenfall Europe AG, Berlin/Germany
- b) Allianz S.p.A. (formerly R.A.S. S.p.A.), Milan/Italy, Chairman
Gruppo Banca Leonardo, Milan/Italy, Chairman
Barilla S.p.A., Parma/Italy
Humanitas S.p.A., Milan/Italy

Attendance

at the Annual General Meeting

The Company's share capital of €308,977,551.73 was divided into 120,861,513 no-par-value bearer shares at the time this Annual General Meeting was convened. Each share confers one vote.

To attend the Annual General Meeting and exercise their voting rights, shareholders must register for the Annual General Meeting and submit to the Company at the address below specific proof of their shareholdings provided by their depository bank in writing or by electronic mail (section 126b German Civil Code (BGB)) in German or English:

DEUTZ AG
c/o Deutsche Bank AG
General Meetings
60272 Frankfurt am Main
Germany
Fax: +49 (0)69 69-12012 86045
E-Mail: WP.HV@Xchanging.com

Proof of shareholdings must document the status as at **0:00 hours on 30 April 2008** must reach the Company at the aforementioned address **by midnight on 14 May 2008**. Admission cards will be sent to shareholders once the Company has seen proof of their shareholdings.

Shareholders who do not wish to attend the Annual General Meeting in person may elect to have their voting rights exercised by a proxy; banks or shareholder associations may also act as proxies.

A special service that DEUTZ AG offers to shareholders who do not plan to attend the Annual General Meeting in person enables them prior to the Annual General Meeting to issue powers of attorney and instructions on how to exercise their voting rights to a proxy appointed by the Company to carry out their instructions. Shareholders who wish to avail themselves of this service require an admission card to the Annual General Meeting, which also serves as the form for issuing powers of attorney and voting instructions. The completed and signed form for issuing powers of attorney and voting instructions must be posted to DEUTZ AG, Aktienbüro, Ottostrasse 1, 51149 Cologne (Porz-Eil), Germany, to **reach the Company by midnight on 19 May 2008**. Shareholders will be provided with further information on proxies when they receive their admission cards.

Any counter-motions to the agenda as defined by section 126 (1) and section 127 of the German Stock Corporation Act must be submitted solely to the following address: DEUTZ AG (Aktienbüro), tel.: +49 (0)221 822 5106, fax: +49 (0)221 822 4351, email: thiem.h@deutz.com, Ottostrasse 1, 51149 Cologne (Porz-Eil), Germany.

The documents relating to items one and two on the agenda are available for inspection at the offices of the Company at Ottostrasse 1, 51149 Cologne (Porz-Eil), Germany. The documents can also be accessed on the internet at www.deutz.com. They can be sent to shareholders on request.

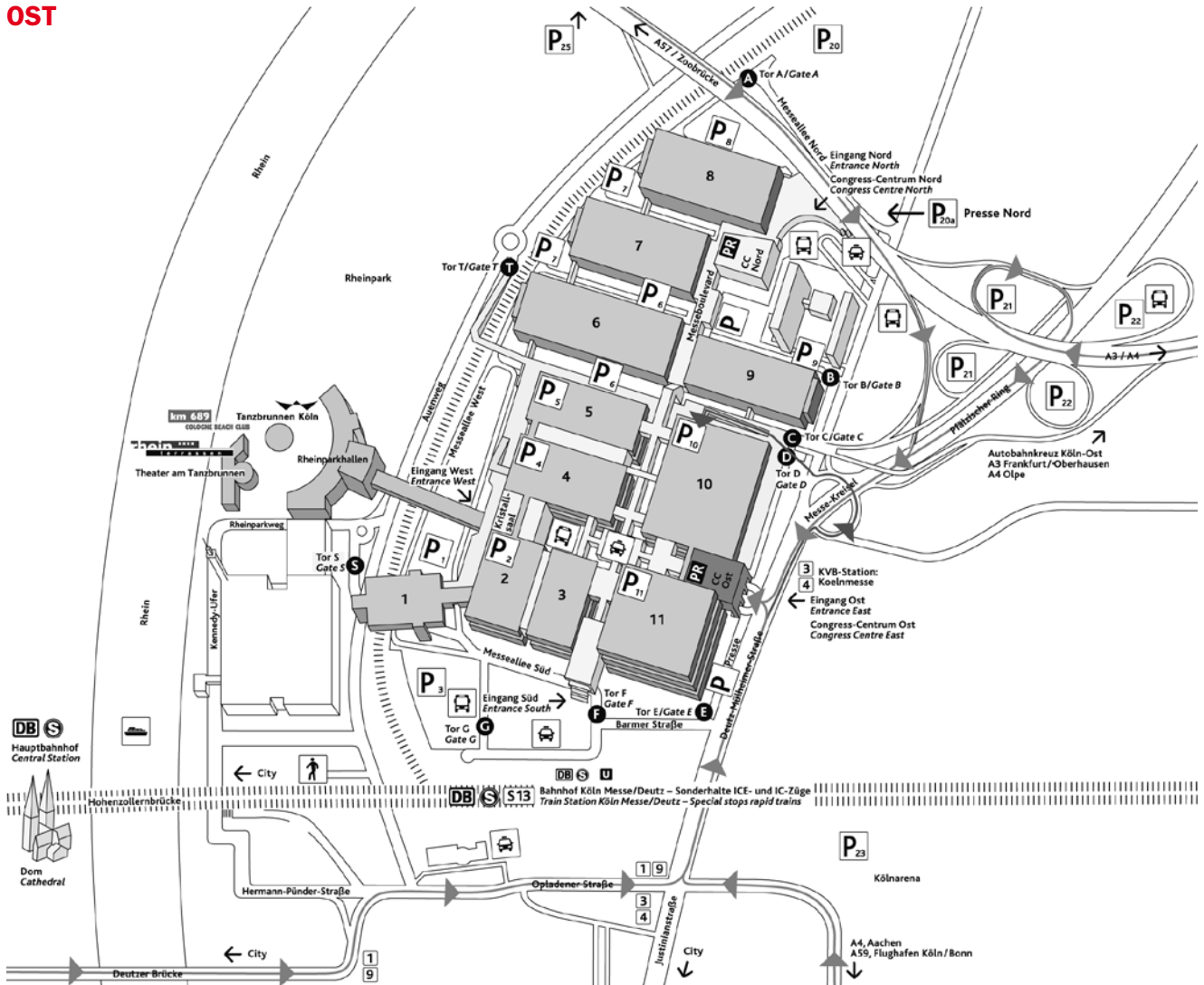
Cologne, April 2008

DEUTZ AG

The Management Board

Congress-Centrum Koelnmesse

OST



Fußweg
Pedestrian route



Taxi
Taxi



Parkplatz
Parking



S-Bahn
Suburban railway



Bahnhof
Train Station



U-Bahn
Subway



Straßenbahnhaltestelle
Tram Stop



S-Bahn Koelnmesse – Flughafen Köln/Bonn
Suburban railway from Koelnmesse to Cologne/Bonn Airport

By car

- please follow the green Koelnmesse signposts. These will guide you in the area around the exhibition centre directly to car parks provided close to the Congress-Centrum Ost.

By rail

- if arriving at Köln Messe/Deutz you can reach the Congress-Centrum Ost on foot (approx. 1.000 m) by following the signposts.
- if arriving at Cologne Central Station, take the S6 (in the direction of Essen), the S13 (in the direction of Troisdorf), the S11 (in the direction of Bergisch Gladbach), the Regionalexpress RE (in the direction of Koblenz or Köln Messe/Deutz or Hamm (Westf.)) or the Regionalbahn RB (in the direction of Oberbarmen or Overath), which will take you to Bahnhof Köln Messe/Deutz. On arrival at the Deutz Bahnhof station you can reach the Congress-Centrum Ost on foot (approx. 1.000 m) by following the signposts.

By tram

- take tram No. 1 (in the direction of Bensberg) or 9 (in the direction of Königsforst) which will take you to Bahnhof Köln-Deutz, or tram No. 3 (in the direction of Thielenbruch) and 4 (in the direction of Schlebusch) which will take you to the “Koelnmesse” stop immediately in front of the Congress-Centrum Ost.

By air

- take the S-Bahn No. 13 from Cologne/Bonn Airport to the “Deutz/Messe” stop (journey time approx. 15 minutes); from there the footpath to the Congress-Centrum Ost is signposted.

Please note: since the 1 January 2008, the Cologne city centre has been an environmental zone, which only vehicles in the pollutant groups 2 to 4, and which bear the corresponding plate are allowed to enter. You will find further information at www.stadt-koeln.de/bol/umwelt/feinstaub/umweltzonen/index.html.