



## **DEUTZ Annual General Meeting – Cologne, 30 April 2009**

Speech by Dr Helmut Leube, Chairman of the Management Board

Dear shareholders and shareholder representatives,  
guests and friends of our company, and members of the press,

On behalf of the Management Board and all employees of DEUTZ AG I would like to offer you a warm welcome to our Annual General Meeting. We are very pleased that you are here. I would like to begin my comments by discussing the economic trend in financial year 2008. Following this, I will tell you about how our MOVE action programme has helped us to adjust to the dramatically altered conditions in 2008 and 2009 and what we still plan to do in order to accomplish our long-term goals.

Finally, I will then inform you of what is currently our most important investment in the future – integrated engine and exhaust technology – and the opportunities that will result from this for DEUTZ.

### **Review of financial year 2008**

This year's Annual General Meeting is taking place under the cloud of a global recession. The economic crisis has spread to nearly all economies of the world at a speed and with a vehemence never before experienced. Not just individual companies, but entire sectors and even countries have been brought to their knees. We can say with full justification that the global economy is in a state of emergency.

2008 was also a year of extremes for DEUTZ AG. Right up to mid-year, we were expecting to enjoy another record year following the outstanding year of 2007. Orders and key figures were improving as planned. In some areas, we weren't even able to produce as many engines as our customers were demanding.

The second half of the year represented the other extreme. Triggered by the bankruptcy of US investment bank Lehman Brothers, in the third quarter the crisis spread from the financial markets to the real economy at a speed never before seen.

Key DEUTZ customer sectors were impacted by the demand slump relatively early. First affected were construction equipment manufacturers, with the uncertainty quickly spreading to industries such as the commercial vehicles sector. Regionally, the market downturn spread rapidly from the US to southern Europe and then to other regions. As you are aware, this resulted in our having to revise our targets downward more than once in the second half.



Uncertainty in the markets was extremely high in the first few months of the current financial year as well. At present, it's just as difficult to offer reliable guidance as it is to say how long the recession will last and if we've already reached bottom.

There's one thing that I can say now, however: DEUTZ is well positioned to overcome the crisis. Firstly, the Company has a high equity ratio and sound financing independent of banks.

Secondly, we have set the stage for continuing to grow profitably once the crisis is over by implementing our MOVE action programme and by making the necessary investments in technologies of the future.

At this juncture, I would like to explain our Group's key figures for 2008 to you in more detail. Of course, the global recession left its mark on these results.

### **Overview of the Group's key figures for 2008**

In the first half of the year, new orders were still at the previous year's level. As the economy deteriorated in the third and fourth quarters, however, demand contracted by double-digit percentages in some segments. New orders for 2008 as a whole fell by 13.9 per cent year on year to €1.4 billion.

The number of engines sold declined accordingly, falling 11.7 per cent to 252,359 units compared to 285,861 in the record year of 2007.

Revenue in 2008 declined relatively moderately by 1.9 per cent to €1.5 billion.

Headcount rose slightly year on year, with most of the increase taking place in the first half in research and development.

Operating profit (EBIT before one-off items) fell significantly compared to 2007 to €31.8 million, particularly due to the contraction of volumes in the second half of 2008, start-up losses incurred by our DEUTZ Dalian joint venture in China, increases in the cost of materials, and one-off expenses for personnel restructuring measures to cut some 200 non-production jobs as part of our MOVE action programme.

The EBIT margin (2.1%) and a net loss of €4.2 million both fell well short of our expectations in 2008, mainly due to the aforementioned one-off expenses incurred for restructuring measures. Earnings per share amounted to a loss of 4 euro cents.



Based on German (HGB) accounting standards, DEUTZ AG had an accumulated income of €26.8 million given that profit had been carried forward from 2007. In view of the very poor economic climate at present and the uncertain economic forecasts, we consider it advisable to make financial provisions. The Management Board therefore proposes to carry forward all of the accumulated income to the next period rather than paying it out as dividends.

The rapidly spreading economic crisis triggered turbulence on the stock markets last year. Due to falling share prices, 2008 ended up being a disappointing year for our shareholders.

#### **Price performance of DEUTZ shares in 2008**

Between February and May, DEUTZ shares performed even better than benchmark indices such as the MDAX and the Prime Industrial, reaching a high for the year of €7.60 in April 2008.

During the rest of the year, however, we could not escape the negative market trend, which was characterised by pessimistic expectations of a declining propensity to investment in industrial equipment. Our main customer groups, construction equipment manufacturers and commercial vehicles producers, were heavily impacted by the downturn early on. We had to revise our forecast twice last autumn, which had a further negative effect on our share price. DEUTZ shares closed the year at €2.38 – down 65.8% on the closing price for 2007. Due to the fall in the share price, our market capitalisation decreased despite the higher number of shares.

After falling to 64<sup>th</sup> place in terms of market capitalisation, DEUTZ shares no longer met the criteria for inclusion in the MDAX. They have therefore been listed in the SDAX since 22 September 2008 following a review by Deutsche Börse. The SDAX fell sharply over the course of 2008 (down 46.1%), as did the MDAX (down 43.2%) and the Prime Industrial Index (down 52.5%).

#### **Share price performance from January to April 2009**

Despite brief phases of recovery, the stock markets remained volatile in the first quarter against the backdrop of the sustained crisis in the financial markets. The SDAX dropped 15 per cent to 2,373 points as at 31 March compared to the start of the year; the Prime Industrial Standard shed 17 per cent.

On a relative comparison, DEUTZ shares performed considerably better than these two indices, particularly from mid-March. After a weak start to the year, DEUTZ shares closed at €2.30 on 31 March 2009, down just 3.4 per cent on the closing price for the previous



year. The share price continued to rise significantly up to the time of the Annual General Meeting.

Intensive dialogue with the capital markets and transparent communications are of prime importance, particularly in times of difficulty. After presenting our quarterly reports, we recently discussed our 2008 financial statements with numerous analysts and investors at key financial centres in Germany and abroad. We will continue these IR activities for our interim reports in 2009.

In addition to our free-float shareholders, we have two strategic investors who take a medium- to long-term view: SAME-DEUTZ-FAHR and Volvo. A stable shareholder base is especially advantageous for a company in turbulent times.

Ladies and gentlemen:

I would now like to discuss the individual components of the Group's 2008 financial statements in more detail.

#### **Five-year unit sales trend**

Between 2004 and 2007, DEUTZ AG was growing at an average rate of 18 per cent per year.

As I've already mentioned, there were hardly any signs of a downturn in the first half of 2008 – and most certainly not a collapse as dramatic as the one currently being experienced. On the contrary: we sold over 149,000 engines in the first half of 2008, putting us well above the prior-period figure of around 135,000 engines. We therefore saw ourselves well on the way to producing more than 300,000 engines in a single year for the first time ever. Our main issue in the first half of the year was how to produce as much as our customers were requesting. Unfortunately, the situation is now fundamentally different.

#### **Revenue by region**

In regional terms, revenue growth was impressive, particularly in Germany, where revenue rose 8.7 per cent year on year. This encouraging trend resulted above all from high demand in the agricultural machinery sector and – in the first half in particular – in the construction equipment industry.

However, we generate some three-quarters of our revenue outside our domestic German market, and all other regions registered declines. The market downturn first became evident in the US, where small engines for construction equipment were initially affected. Over



the course of the year, revenue declined in southwestern Europe and then, increasingly, in eastern Europe and Asia as well.

The dynamic growth regions of Asia, particularly China, remain key strategic markets for DEUTZ. The economic crisis is likewise being felt in China, although growth rates in this country are still comparatively good at approximately 6 per cent.

### **New orders**

New orders fell by 13.9 per cent year on year to €1,363.5 million in financial year 2008. In terms of our application segments, the Mobile Machinery and Automotive segments were particularly impacted by lower demand. Performance in the areas of Agricultural Machinery, engines of more than 8 litres, and services was relatively stable.

Presentation of the quarterly trends illustrates the extent of the collapse in demand resulting from the economic crisis: demand plummeted 42.4 per cent in the fourth quarter of 2008 compared to the fourth quarter of 2007. Mobile Machinery registered a drop of more than 75 per cent.

The initial months of the current financial year indicated that the downward trend of the fourth quarter of 2008 was persisting, with figures for new orders, unit sales and revenue declining sharply in the first quarter of 2009.

We do not anticipate a perceptible rise in demand any earlier than 2010. One of the key factors in this context will be the extent to which economic stimulus packages designed to prop up the infrastructure in our main customer sectors will be effective.

### **EBIT before one-off items**

The negative effects of the crisis are particularly evident in the figures for operating profit (EBIT) in the fourth quarter of 2008. DEUTZ Customised Solutions generated earnings of €47.1 million, representing a year-on-year increase. The EBIT margin fell to minus 3.8 per cent after plus 5.8 per cent in the previous year, primarily due to losses in Compact Engines. However, 2007 had benefited from one-off income of €14 million plus lower start-up losses for DEUTZ Dalian of €6 million.

In addition to the negative factors described at the outset due to volume declines, DEUTZ Dalian and one-off items attributable to MOVE, increases in the cost of materials also contributed to the earnings decline in 2008. The cost of materials rose due to the



necessity of including higher-quality, complex assembly components in engine series manufactured in accordance with Tier 3 emissions standards along with the rise in the revenue share of these engine series.

Ladies and gentlemen:

Allow me to present our segment results in greater detail:

### **Overview of Compact Engines segment**

In the Compact Engines segment, orders fell 14.2% for the whole of 2008 to €1,032.5 million. This was yet another demonstration of the situation already referred to repeatedly, namely the strong downward trend in the second half of the year that led to a virtual collapse of the markets. All in all, the Compact Engines segment sold 219,681 engines in the year under review, corresponding to a drop of 11.8 per cent.

Around mid-year, demand for small engines with capacities of less than 4 litres began declining rapidly. Demand for these products is closely linked to building activity. By the end of the year, the decline had spread to engines with capacities of 4 to 8 litres, which were severely affected by the dramatic decrease in commercial vehicles activity in Europe.

Total revenue in the Compact Engines segment declined 3.6 per cent year on year to €1,143.2 million in 2008. Agricultural Machinery rose sharply by 37 per cent, or €186.0 million, compared to the previous year. In the service business, revenue rose 9 per cent, mainly because of the positive trend in spare-parts sales in Europe.

Operating profit (EBIT before one-off items) of the Compact Engines segment showed signs of a serious slowdown. Whereas at mid-year EBIT amounted to around €21 million, at year-end the segment reported a loss of €13.6 million.

Apart from the sharp deterioration in the economy, the main reasons for this adverse trend were the negative impact of the higher cost of materials and the start-up losses from the DEUTZ Dalian joint venture of €11.1 million, which I referred to previously.

### **Overview of Customised Solutions**

DEUTZ Customised Solutions generated new orders totalling €331.0 million on sales of 32,678 engines. This represents a decrease of 13.0% and 11.4%, respectively. Declines were registered in the new engines business in particular. Customised Solutions was also impacted by one key account in the Agricultural Machinery segment that stopped ordering air-cooled engines in favour of DEUTZ water-



cooled engines, resulting in a decrease of more than 50 per cent in new orders in this application segment.

However, despite lower unit sales, revenue in the year under review rose 4.0 per cent to €351.8 million. The Stationary Equipment engines business contributed to this trend, with revenue growth of 22 per cent. Sales of engines with a capacity of more than 8 litres for rail and marine applications increased in financial year 2008. The product mix was improved by discontinuing production of small air-cooled engines in Spain.

The generally good performance of service business, which made up around one-third of segment revenue, also had a stabilising effect. In addition to spare-parts sales, the service business includes reconditioned exchange parts and engines, known as Xchange engines. Towards the end of the year, however, demand began declining here as well.

Operating profit for this segment (EBIT before one-off items) rose by 5.4 per cent year on year to €47.1 million.

### **R&D expenditure**

Times are tough, as the figures I have been presenting to you so clearly show. This makes it all the more important to do whatever we can to improve our competitive standing. That's why we have been investing – and are continuing to invest – heavily in research and development, and thus in our future. The increase in R&D expenditure in 2008 of more than 60 per cent to €90.3 million was attributable above all to development projects for meeting emissions standards applicable starting in either 2011 or 2014. The majority of these funds (€78.7 million) were spent on our Compact Engines segment. The R&D ratio, which is the share of R&D in total revenue, therefore rose from 3.7 per cent to 6.0 per cent in financial year 2008. We increased headcount in our development departments from 388 to 431 employees due to the higher workload.

Investment in research and development is an investment in our future, and makes an essential contribution to DEUTZ being better able to withstand a crisis. Another tool that DEUTZ has at its disposal for combating the current hard times is its long-term funding base, which we secured by issuing a private placement (USPP) in the US in 2007.



### **Long-term debt capital**

The USPP has a credit volume of US\$ 274 million and maturity tranches of five, seven and ten years. A total of 70 per cent of our financial liabilities, or approximately €157 million, have maturities of more than five years. The interest payments and the repayment of the principal in US dollars are hedged in euros over the entire term. The US private placement involves no interest-rate or currency risks whatsoever. DEUTZ AG will have almost no need to refinance in the near term. I don't think I need tell you what a long-term, non-bank source of financing is worth in the credit markets in the present difficult situation. That brings me to another thing that will help us weather the crisis: our sound financial structure.

### **Net financial position and equity ratio**

As at 31 December 2008, our net financial position was minus €12.8 million – a very good figure for a company the size of DEUTZ. In 2001, our net financial debt had amounted to €340 million, which we steadily reduced over the course of recent years. It should be noted that the prior-year figure was affected by a cash inflow from the sale of DEUTZ Power Systems. Half of the decline of approximately €100 million was attributable to the dividend payment in 2008 (€48 million) and half to investments made during financial year 2008.

Other positive factors were our strong liquidity (€208 million) at year-end 2008 and our equity ratio of more than 42 per cent.

That concludes my review of 2008.

### **The economy has not yet bottomed out**

What will happen now? What are the prospects in general and, of course, for DEUTZ in particular? As I already stated, the global economy and, consequently, DEUTZ experienced a drastic downturn starting in the third quarter of 2008, which accelerated dramatically after the bankruptcy of Lehman Brothers. Compared to the fourth quarter of 2007, we suffered a drop in demand of more than 40 per cent in the fourth quarter of 2008, a quarter in which we incurred a loss. This negative trend has continued into financial year 2009.

German and international economic experts are all predicting a sharp drop in economic output in 2009 – it's just the amount of the decline that is being discussed. This will affect our key sectors such as the construction equipment industry and commercial vehicles. If a recovery begins to take shape, it will be a slow one. The critical factor will be whether and, if so, how thoroughly and how quickly the economic stimulus packages aimed at our key sectors will take effect.



We do not expect to see a perceptible rise in demand before 2010 at the earliest. No reliable, serious forecasts can be made at present due to the continued, considerable uncertainties in the financial markets and the real economy. The persistent demand slump means that new orders, unit sales and revenue will fall well short of the prior-year figures in 2009. We are preparing ourselves for adverse business trends of varying severity in the course of the year by adjusting our structures and costs accordingly. These adverse trends will all be based on substantially lower unit sales than in 2008. The Compact Engines segment will continue to suffer considerably from the sustained weakness in key customer sectors, most of all the construction equipment industry, mobile machinery and the commercial-vehicles sector. DEUTZ Customised Solutions is also expected to experience a pronounced downturn compared with 2008.

The decline in new orders, unit sales and revenue will be reflected in our operating profit or loss. For this reason, the top priority for everyone at the Company is to stem the losses as quickly as possible. The success of our MOVE action programme and the performance of the world economy in the second half of 2009 will be critical factors in determining our financial results for 2009.

Our capital expenditure in 2009 will be geared toward that of 2008, though we will of course make adjustments to expenditures in line with the market trend. We have already made massive downward adjustments in this area compared with our original budgets.

We have implemented a restructuring plan to adapt our organisational structure and our workforce to the changing market trend. We will also benefit from these measures after the crisis has passed.

R&D expenditures for the purpose of securing our future, in particular for integrated exhaust technology, will need to be maintained at the high level of the previous year because otherwise we will not meet the legally prescribed emissions standards.

We are not able to affect the performance of the economy or of our markets. However, we can do everything in our power internally to adapt our cost structures to the dramatically changing circumstances as quickly as possible. In our financial reports, we have informed you of measures that we initiated as early as mid-2008 as a prompt response to weakening demand.

I would now like to describe in more detail a few of the measures that we initiated early on and will be continuing to implement.



### **MOVE action programme**

Back in the autumn of 2008 we launched a comprehensive package of measures entitled "MOVE", which is aimed at securing our short-term profitability and our long-term future prospects. MOVE stands for Motivation, Operational excellence, Vision and Strategy.

As I already mentioned, MOVE combines effective short-term cost-cutting measures with structural measures to improve our profitability over the long term. As part of our short-term measures we are reviewing every aspect of our business. Examples are reductions in personnel and operating overheads, adjustments in employee numbers in line with declining sales figures and efficiency improvements in R&D. This past winter we held extensive discussions with our customers on price increases, some of them quite successfully because we had already initiated the talks last year when the situation appeared somewhat better.

The second part of this programme – our structural measures – is aimed at making processes more efficient and increasing productivity and quality in order to improve profitability over the long term. Examples of this are organisational streamlining, such as the reduction of the Management Board from four to three members; centralising global sales and marketing activities while reducing staff costs; optimising quality management to prevent and reduce warranty costs; and optimising production processes for the purpose of reducing throughput times, inventories and staff costs. Of course, we attach high priority to successful new product launches and improving the profitability of our DEUTZ Dalian joint venture, where we are also implementing the key aspects of MOVE.

All of us – employees, executives and the Management Board – are working flat-out to achieve the ambitious goals we have set. We have already made good progress in implementing these measures. Since the start of the programme we have already increased our targets twice in response to adverse market trends and, in doing so, hope to save some €100 million.

Further MOVE measures to adapt our structures and headcount will be unavoidable, given that our unit sales were very low in the past two quarters and we do not currently anticipate a rise in demand.

Up to now we have been offering voluntary, socially responsible solutions such as early retirement and severance pay. Should these measures not suffice, we will take additional steps in the near future.



The first steps to adapt our workforce we started in the summer of 2008 when we reduced the number of shifts and cut back on contract workers and temporary personnel. Some 1,200 contract workers and temporary staff had been working at DEUTZ along with the core workforce in order to produce the high number of units required prior to last summer. As part of the capacity adjustments necessary in the second half of the year, around 800 of these jobs were cut and shifts were reduced. All temporary contracts still in force this year are now being terminated. In addition, when we published our financial results for the third quarter of 2008 we informed you that 200 jobs in our core workforce would be cut, primarily through early retirement plans. Contracts for more than 75 per cent of these have already been agreed. Provisions of €10.2 million were recognised in the fourth quarter of 2008 for this purpose. We also made massive adjustments to our workforce in Spain and the US.

Since these measures were not sufficient, at the start of December we also put our staff on short-time working for the rest of 2008 and the period under review in 2009. After starting with certain production and assembly departments, in February we extended short-time working to other departments, including non-production areas such as administration. Our staff are now working a four-day week until further notice. Only the R&D department has been exempted from the reduction in hours. All in all, the capacity reductions corresponded to approximately 700 full-time equivalents in March and an average of 520 in the first quarter.

Short-time working also means lower salaries for our employees. It goes without saying that the Management Board and our executives will also make corresponding contributions. To this end, the Management Board will waive 10 per cent of its fixed salary and 10 per cent of its variable remuneration. The executive employees will waive one month's salary and the salary increases originally foreseen for 2009.

### **Taking advantage of the opportunities of the future**

Ladies and gentlemen: There are no alternatives to taking quick, effective action to counteract the global recession. However, in the face of all the unavoidable measures of the present we must not lose sight of our future goals. Since we are concentrating equally on both of these aspects, the motto of our Annual Report is: "Taking advantage of the opportunities of the future". We selected this motto very deliberately, and I would like to explain why to you: In spite of the extremely difficult situation we find ourselves in at present, some fundamental trends remain intact, and DEUTZ has opportunities to take advantage of these all over the world.



Globally, various megatrends exist that will lead to growing demand for our engines in the medium to long term. The growing world population, changed eating habits and renewable raw materials are requiring more extensive agricultural production and higher capacity machines. Urbanisation cannot be stopped, and is also leading to growing demand for construction equipment based on higher capacity infrastructures and more space per inhabitant. Expanding world trade, with its structures based on a division of labour, is leading to more logistics and transport services, powered by DEUTZ engines in trucks, rail vehicles and ships. This applies above all to dynamic regions such as Asia and South America, which will continue to see above-average growth in the future. In China, one of the world's most important markets of the future, we have established two footholds in the form of the DEUTZ-Dalian and Weichai-Deutz joint ventures that will allow us to participate in the future growth of the region.

Finally, limited supplies of fossil fuels and a growing environmental awareness are leading to increased legal restrictions on consumption and emissions. Even though everyone's talking about alternatives to the internal combustion engine, for the next few decades there will be no getting around diesel engines in our application areas. Low consumption and the lowest possible emission levels – both of which are among our key development goals – are becoming increasingly important in differentiating between competitors.

All of these represent opportunities for a globally leading engine manufacturer such as DEUTZ, dear shareholders. I would now like to go into more detail on the topic of emissions technology and downstream service because of their particular significance for DEUTZ.

### **New emissions legislation**

As I already mentioned, DEUTZ places top priority on successful implementation of the next stage of emissions legislation in the new engine business. Starting in 2011, emissions level EU III B will apply in Europe and US TIER 4 in the USA, initially for engines in mobile machinery with an output of 130 kW. These levels will gradually be extended to engines in lower output classes. And, as the US term "TIER 4 interim" already suggests, this is an interim level that will be followed in 2014 by the more stringent levels of "US TIER 4 final" and "EU IV". This means that by 2014, nitrogen oxide and particle emissions in diesel engine exhaust fumes will have to be reduced by a total of 95% from the 1999 levels. The legislation initially requires engine manufacturers to be responsible for adherence to these



emissions standards, meaning that engines and emissions technologies must be regarded as integrated systems.

Up to now, efforts to make diesel engines cleaner have focussed on reducing emissions within the engines themselves, for example by increasing injection pressure and optimising firing capacity to improve combustion, using four-valve technology and turbochargers to increase the speed and quantity of air exchange and recirculating a part of the emissions after cooling in order to reduce the concentration of nitrogen oxides by lowering the oxygen content of the combustion air.

### **Measures to meet future emissions standards**

The exhibition and video in the foyer shows in detail what still needs to be done. To meet future emissions standards, the measures described within the engine will need to be supplemented by external measures outside the engines, above all catalytic converters and particle filters partly with burners, and starting in 2014 selective post-catalytic treatment, in which carbamide, a reducing agent, is injected into the exhaust to neutralise nitrogen oxide. AdBlue is one such well-known reducing agent.

In order to do justice to all requirements to the greatest extent possible, DEUTZ has developed a module system of emissions technologies called DVERT. This system enables each customer to combine the modules needed for its applications to create an optimal solution in terms of both technology and price.

There's another important aspect as well: Exhaust gas treatment requires additional space that will have to be planned in by machine designers. For this reason, our solutions for interim stage "Tier4i" have been designed to allow expansion to the even lower "Tier 4 final" levels, which will apply starting in 2014, without major modifications. Additional challenges result from the variety of the requirements with which we are faced: In the agricultural machinery business, for instance, particularly high priority is placed on consumption and performance, while the construction equipment sector is characterised by extreme variations in performance under heavy loads. And, as if matters weren't already complicated enough, customers prefer different solutions depending on their region and type of machine. Moreover, our customers naturally expect appropriate service at acceptable prices.

Our DVERT module system offers the best possible solutions for all of these requirements. The concepts presented met with great interest and admiration last week among our customers at the Paris



Intermat, one of the world's most important trade fairs for the construction equipment industry.

### **Growth potential in emissions technologies**

Emissions technology has its price, of course. Costs per engine will rise by 50% to 100% – with the according revenue potential. We can generate additional revenues by selling individual components to third parties – such as high-capacity burners for regenerating particle filter – or via our service departments, which offer recycled particle filters in return. The amount of our revenue growth will of course depend first and foremost on our unit sales figures and our future business model. In order to take advantage of all potential resulting at the start of the year we installed a new product line called Exhaust Aftertreatment (EAT). EAT will enable us to improve DEUTZ system competence and to tap into additional growth opportunities from a revival in demand.

Dear shareholders: As you see, DEUTZ AG is taking the offensive: We are acting quickly and with forethought, even in this extremely difficult climate.

### **All in all DEUTZ is in a very good position**

Although we are currently involved in optimising cost management and restructuring our processes and our organisation, we have not lost sight of our long-term strategy aimed at growth and internationalisation. We have a high equity ratio and bank-independent financing. We are continuing to improve our technological basis and innovative capacity despite the crisis. The DEUTZ brand has a first-class reputation all over the world, creating ideal conditions for our global sales activities. In addition to you, dear shareholders – some of whom have remained true to DEUTZ for decades – I would like to extend my special thanks to all employees. Our employees have not only shown understanding for our decisions, which were not always easy, but are also using their expertise and dedication to help shape the future of DEUTZ AG.

This has made one thing abundantly clear: All in all, DEUTZ is in a very good position to quickly return to profitable growth once the crisis has passed.

Thank you very much for your attention.

**DEUTZ. The Engine Company**