

Interim management statement

1st to 3rd quarter of 2016

FIRST TO THIRD QUARTER AT A GLANCE

DEUTZ Group: Overview

€ million	7-9/2016	7-9/2015	1-9/2016	1-9/2015
New orders	258.1	262.2	935.3	932.9
Unit sales (units)	30,733	29,116	100,439	107,236
Revenue	301.1	268.6	945.5	938.8
EBITDA	21.0	15.2	87.9	85.6
EBIT	-1.0	-9.7	19.7	10.6
EBIT margin (%)	-0.3	-3.6	2.1	1.1
Net income	-1.2	-9.4	18.8	7.3
Earnings per share (€)	-0.01	-0.07	0.16	0.07
Total assets	1,063.8	1,087.2	1,063.8	1,087.2
Non-current assets (before deferred tax assets)	490.0	537.2	490.0	537.2
Equity	491.5	500.9	491.5	500.9
Equity ratio (%)	46.2	46.1	46.2	46.1
Cash flow from operating activities	6.9	-10.3	22.3	43.6
Free cash flow ¹⁾	-10.8	-35.7	-28.0	-9.5
Net financial position ²⁾	2.1	-3.1	2.1	-3.1
Working capital ³⁾	239.4	231.1	239.4	231.1
Working capital ratio (30 Sep, %) ⁴⁾	19.1	17.9	19.1	17.9
Capital expenditure (excl. capitalisation of R&D, after deducting grants)	10.4	15.9	40.4	41.2
Depreciation and amortisation	22.0	24.9	68.2	75.0
R&D expenditure (after deducting grants)	13.8	10.0	36.5	29.8
thereof capitalised	2.8	4.4	5.3	9.4
Employees (number at 30 Sep)	3,695	3,755	3,695	3,755

¹⁾ Free cash flow: cash flow from operating and investing activities less interest expense.

²⁾ Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.

³⁾ Working capital: inventories plus trade receivables minus trade payables.

⁴⁾ Working capital ratio (30 Sep, %): working capital as at the balance sheet date divided by revenue for the previous twelve months.

DEUTZ Group: Segments

€ million	7-9/2016	7-9/2015	1-9/2016	1-9/2015
New orders				
DEUTZ Compact Engines	199.2	194.0	743.7	724.0
DEUTZ Customised Solutions	58.9	68.2	191.6	208.9
Total	258.1	262.2	935.3	932.9
Unit sales (units)				
DEUTZ Compact Engines	28,503	26,243	93,310	97,596
DEUTZ Customised Solutions	2,230	2,873	7,129	9,640
Total	30,733	29,116	100,439	107,236
Revenue				
DEUTZ Compact Engines	237.2	201.8	749.7	730.1
DEUTZ Customised Solutions	63.9	66.8	195.8	208.7
Total	301.1	268.6	945.5	938.8
EBIT before one-off items				
DEUTZ Compact Engines	-7.8	-23.4	-5.9	-16.9
DEUTZ Customised Solutions	6.2	8.7	27.6	26.0
Other	0.6	5.0	-2.0	1.5
Total	-1.0	-9.7	19.7	10.6

SUMMARY

“Our business performance for the first three quarters of 2016 was in line with our expectations,” says Chairman of the DEUTZ Board of Management, Dr Helmut Leube. “In recent years, we have laid essential foundations for DEUTZ’s future success by updating the product portfolio, optimising our network of sites and winning new customer projects.”

- New orders and revenue amounted to €935.3 million and €945.5 million respectively (up by 0.3 per cent and 0.7 per cent year on year)
- Operating profit (EBIT) rose sharply, by €9.1 million, to reach €19.7 million; earnings per share more than doubled to €0.16 (Q1-Q3 2015: €0.07)
- Opening of the first Power Center in the USA has strengthened distribution in the North American market
- USA: collaboration expanded with Terex in the Xchange business (reconditioned exchange engines)
- New wheel loaders from Sany (China) are being equipped with DEUTZ TCD 7.8 diesel engines for markets with strict emission standards
- Key aspects of a strategic alliance with Liebherr agreed: from 2019 DEUTZ intends to expand its product portfolio in the 200 to 700kW power output range with engines supplied by Liebherr that will be sold under its own brand. The use of DEUTZ engines in Liebherr equipment is also to be expanded
- Forecast confirmed for 2016 as a whole: revenue to stagnate or, at best, rise slightly and EBIT margin to increase moderately
- Dr Frank Hiller to succeed Dr Helmut Leube as Chairman of the Board of Management on 1 January 2017

BUSINESS PERFORMANCE IN THE DEUTZ GROUP

NEW ORDERS

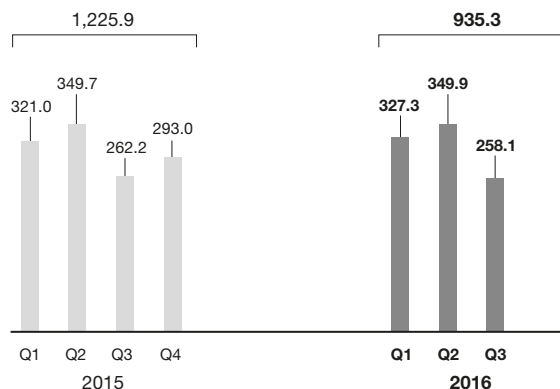
New orders on a par with prior-year figure In the first three quarters of 2016, DEUTZ received new orders worth €935.3 million, which was roughly in line with the prior-year figure (Q1-Q3 2015: €932.9 million). The situation in the individual application segments was very mixed, however. Whereas Agricultural Machinery, Mobile Machinery and the service business took more new orders than in the corresponding period of 2015, the Stationary Equipment and Automotive application segments saw a significant decrease in orders.

The quarterly breakdown continued to be in line with expectations: in the third quarter of 2016, new orders amounted to €258.1 million, 1.6 per cent down on the third quarter of 2015 (€262.2 million) and 26.2 per cent fewer than in the second quarter of 2016 (€349.9 million).

As at 30 September 2016, the order book stood at €178.6 million, which was 17.8 per cent lower than at 30 September 2015 and 19.5 per cent lower than at 30 June 2016.

DEUTZ Group: New orders by quarter

€ million



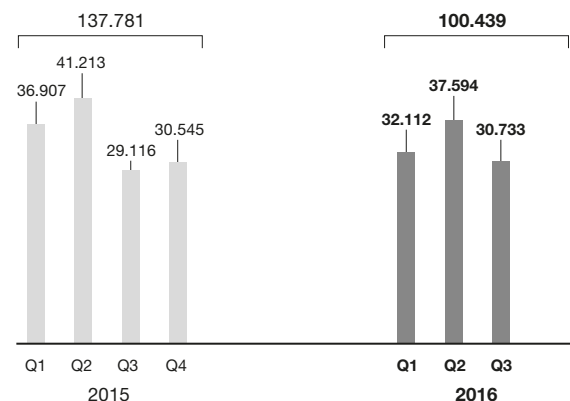
UNIT SALES

Fewer engines sold In the first nine months of 2016, DEUTZ sold 100,439 engines. This was 6.3 per cent fewer than in the same period of last year, when we sold 107,236 engines. Unit sales stagnated in our largest market, Europe, Middle East and Africa (EMEA), where 67,455 engines were sold. The Americas, with unit sales of 23,542, was down by 22.0 per cent on the prior-year period, while the Asia-Pacific region improved by 1.6 per cent to reach 9,442 engines sold.

In the third quarter of 2016, a total of 30,733 engines were sold, which was 5.6 per cent more than a year earlier but 18.3 per cent fewer than in the previous quarter.

DEUTZ-Konzern: Absatz nach Quartalen

in Stück

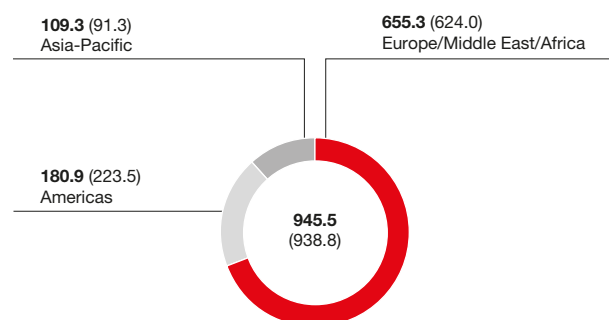


RESULTS OF OPERATIONS

REVENUE

DEUTZ Group: Revenue by region

€ million (2015 figures)

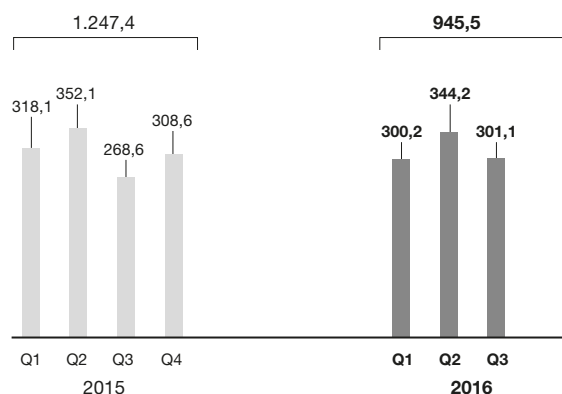


Revenue at prior-year level DEUTZ earned revenue of €945.5 million in the first nine months of 2016, which was 0.7 per cent more than in the comparative period of last year (Q1-Q3 2015: €938.8 million). Revenue generated in the third quarter of 2016 amounted to €301.1 million, which was 12.1 per cent higher than the prior-year figure (Q3 2015: €268.6 million). However, as expected, revenue in the third quarter was down by 12.5 per cent on the second quarter (Q2 2016: €344.2 million). This was mainly due to holiday shutdowns at our customers and at our plant in Cologne-Porz.

In our largest region, EMEA, revenue rose by 5.0 per cent to reach €655.3 million, and it also rose in the Asia-Pacific region, by 19.7 per cent, to €109.3 million. In the Americas, however, revenue fell by 19.1 per cent to €180.9 million, which was mainly attributable to a significant reluctance to invest on the part of North American rental companies, whereas there had been strong demand in the prior-year period. The revenue breakdown by application segment also reveals a mixed picture. Revenue in the Agricultural Machinery application segment was up by 16.7 per cent, mainly because – unlike in the prior-year period – customers in Europe are now coming to the end of their inventories of engines purchased ahead of new emissions standards. Revenue from the service business advanced by 1.9 per cent to reach €212.8 million and in the Mobile Machinery application segment it was on a par with the prior-year period at €399.8 million. By contrast, the Automotive and Stationary Equipment application segments reported decreases of 16.8 per cent and 5.7 per cent respectively.

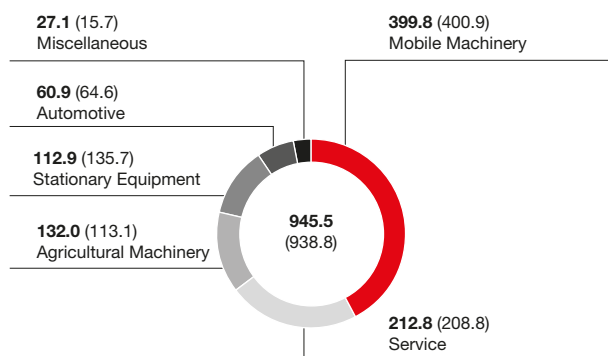
DEUTZ-Konzern: Umsatz nach Quartalen

in Mio. €



DEUTZ Group: Revenue by application segment

€ million (2015 figures)



EARNINGS

Significant improvement in operating profit Operating profit before depreciation and amortisation (EBITDA) came to €87.9 million in the first three quarters of 2016, which was €2.3 million higher than in the equivalent prior-year period (Q1-Q3 2015: €85.6 million). This moderate increase primarily resulted from reduced production costs and from licensing income received in the first quarter of 2016. Accordingly, the EBITDA margin also went up slightly in the period under review, rising to 9.3 per cent (Q1-Q3 2015: 9.1 per cent). In the quarterly breakdown, an increase in the volume of business resulted in EBITDA for the third quarter of the year improving by €5.8 million to €21.0 million (Q3 2015: €15.2 million). Compared with the previous quarter, however, EBITDA was down by €14.6 million (Q2 2016: €35.6 million). This was mainly due to the lower volume of business resulting from holiday shutdowns at our Cologne-Porz plant and at our customers.

Operating profit after depreciation and amortisation (EBIT) for the first three quarters of 2016 amounted to €19.7 million, up by €9.1 million on the equivalent period of the previous year. The significant increase is mainly attributable to the decline in depreciation and amortisation, which fell by €6.8 million to €68.2 million in the first three quarters of 2016. Consequently, the EBIT margin almost doubled to reach 2.1 per cent (Q1-Q3 2015: 1.1 per cent). In the third quarter of 2016, we reported an operating loss of €1.0 million and an EBIT margin of minus 0.3 per cent (Q3 2015: loss of €9.7 million and minus 3.6 per cent; Q2 2016: profit of €13.4 million and plus 3.9 per cent).

The cost of sales in the first three quarters of 2016 fell by 2.1 per cent year on year to reach €775.6 million (Q1-Q3 2015: €792.4 million). Savings on the cost of materials and a positive product mix meant that the gross margin¹⁾ advanced from 15.6 per cent in the first three quarters of 2015 to 18.0 per cent in the period under review.

Other operating income for the first three quarters of 2016 amounted to €10.6 million, down by €8.5 million on the corresponding period of last year (Q1-Q3 2015: €19.1 million). Lower earnings resulting from the translation of foreign currency positions were the main factor in this decrease. Over the same period, foreign exchange losses reported under other operating expenses also went down – although not to the same extent. However, these losses were largely offset by additions to other provisions and by specific value adjustments on trade receivables, which resulted in other operating expenses rising by €1.6 million to reach €20.8 million (Q1-Q3 2015: €19.2 million).

There was tax income of €1.9 million in the first nine months of 2016, compared with a tax expense of €0.2 million in the prior-year period. Current income tax expenses of €8.0 million (Q1-Q3 2015: €4.5 million) were more than offset by deferred tax income of €9.9 million (Q1-Q3 2015: €4.3 million). This deferred tax income resulted mainly from the reversal of deferred tax liabilities in connection with development expenditure. In the period under review, amortisation charges relating

¹⁾ Gross margin: ratio of revenue less cost of sales to revenue (excluding amortisation relating to development expenditure).

to capitalised development expenditure were higher than the additions, which led to a decrease in capitalised development expenditure. Whereas development expenditure is capitalised under IFRS, this is not the case for tax purposes.

Net income for the first three quarters of 2016 totalled €18.8 million (Q1-Q3 2015: €7.3 million). Of this, €19.3 million was attributable to the shareholders of DEUTZ AG and a loss of €0.5 million to non-controlling interests. Earnings per share more than doubled, reaching €0.16 (Q1-Q3 2015: €0.07).

BUSINESS PERFORMANCE IN THE SEGMENTS

BUSINESS PERFORMANCE IN THE DEUTZ COMPACT ENGINES (DCE) SEGMENT

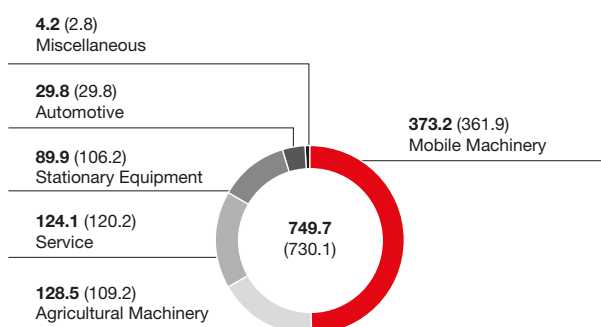
Year-on-year improvement in new orders, revenue and earnings In the first nine months of 2016, the DEUTZ Compact Engines (DCE) segment took new orders worth €743.7 million, which was up by 2.7 per cent on the corresponding period of last year. New orders in the third quarter were also up by 2.7 per cent year on year at €199.2 million. However, they were down by 30.1 per cent on the previous quarter (Q2 2016: €285.1 million). Orders on hand amounted to €128.2 million as at 30 September 2016, a year-on-year fall of 7.8 per cent (30 September 2015: €139.0 million) and of 23.1 per cent compared with the middle of 2016 (30 June 2016: €166.8 million). A total of 93,310 engines were sold in the DCE segment in the first three quarters of the year, 4.4 per cent fewer than in the corresponding period of 2015. In the third quarter of 2016, 28,503 engines were sold, which was 8.6 per cent more than a year earlier but 18.6 per cent fewer than in the previous quarter (Q2 2016: 35,037 engines). Revenue for the first nine months of 2016 stood at €749.7 million, up by 2.7 per cent year on year. Revenue for the third quarter of 2016, which amounted to €237.2 million, was up by 17.5 per cent on the third quarter of 2015 but down by 14.4 per cent on the second quarter of 2016, when revenue came to €277.0 million. In the first three quarters of 2016, this segment incurred an operating loss of €5.9 million (Q1-Q3 2015: loss of €16.9 million). This substantial improvement of €11.0 million is mainly the result of savings on production costs. The higher volume of business coupled with a positive product mix that benefited our new engine series were also factors in this improved result. In the third quarter of 2016, there was an operating loss of €7.8 million (Q3 2015: loss of €23.4 million; Q2 2016: profit of €4.2 million).

DEUTZ Compact Engines

	7-9/2016	7-9/2015	1-9/2016	1-9/2015
New orders (€ million)	199.2	194.0	743.7	724.0
Unit sales (units)	28,503	26,243	93,310	97,596
Revenue (€ million)	237.2	201.8	749.7	730.1
EBIT (€ million)	-7.8	-23.4	-5.9	-16.9

DEUTZ Compact Engines: Revenue by application segment

€ million (2015 figures)



BUSINESS PERFORMANCE IN THE DEUTZ CUSTOMISED SOLUTIONS (DCS) SEGMENT

Nine-month period weaker than in 2015 In the period under review, the DEUTZ Customised Solutions (DCS) segment received new orders worth €191.6 million, 8.3 per cent lower than in the prior-year period. Third-quarter orders amounted to €58.9 million, 13.6 per cent lower than in the prior-year period and 9.1 per cent down on the previous quarter (Q2 2016: €64.8 million). Orders on hand amounted to €50.4 million as at 30 September 2016, a year-on-year decrease of 35.6 per cent and a decline of 8.7 per cent compared with the middle of the year (30 June 2016: €55.2 million). Unit sales, at 7,129 engines, were down by 26.0 per cent on the corresponding period of last year. In the third quarter of 2016, 2,230 engines were sold in this segment, 22.4 per cent fewer than a year earlier and

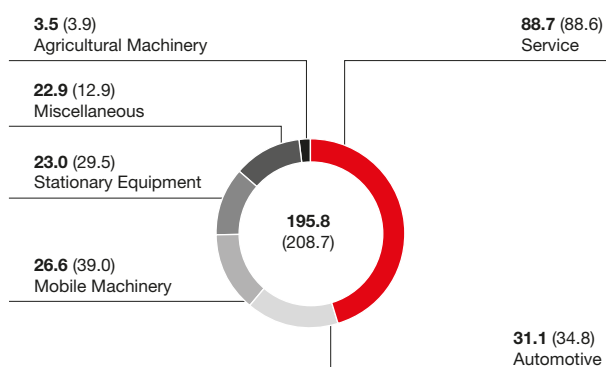
12.8 per cent fewer than in the previous quarter (Q2 2016: 2,557 engines). Mainly due to licensing income received in the first quarter, the decrease in the DCS segment's revenue was far less substantial, with revenue falling by 6.2 per cent year on year to €195.8 million. In the third quarter of 2016, the segment generated revenue of €63.9 million, 4.3 per cent lower than the prior-year period and 4.9 per cent lower than the previous quarter (Q3 2015: €66.8 million; Q2 2016: €67.2 million). In the first three quarters of 2016, operating profit for the segment came to €27.6 million (Q1-Q3 2015: €26.0 million). With the volume of business having reduced slightly, this increase of €1.6 million is mainly attributable to a contribution to profits from a licensing transaction of €5.5 million in the first quarter of 2016. Third-quarter operating profit totalled €6.2 million (Q3 2015: €8.7 million; Q2 2016: €11.2 million).

DEUTZ Customised Solutions

	7-9/2016	7-9/2015	1-9/2016	1-9/2015
New orders (€ million)	58.9	68.2	191.6	208.9
Unit sales (units)	2,230	2,873	7,129	9,640
Revenue (€ million)	63.9	66.8	195.8	208.7
EBIT (€ million)	6.2	8.7	27.6	26.0

DEUTZ Customised Solutions: Revenue by application segment

€ million (2015 figures)



OTHER

In the period under review, the Other segment reported an operating loss of €2.0 million, which represented a decline of €3.5 million on the corresponding period of last year (Q1-Q3 2015: profit of €1.5 million). In the prior-year period, the segment's operating profit

had been boosted by unrealised currency effects. Other comprehensive income for the reporting period predominantly consisted of additions to other provisions as well as the current income and expense of the subsidiary Ad. Strüver KG, which was consolidated for the first time.

FINANCIAL POSITION

CASH FLOW

Cash flow from operating activities amounted to €22.3 million for the first three quarters of 2016, a decline of €21.3 million compared with the equivalent period of last year (Q1-Q3 2015: €43.6 million). This is due mainly to the year-on-year increase in working capital¹.

The net cash used for investing activities in the first three quarters of 2016 came to €47.5 million. This was only a marginal decrease of €2.5 million compared with the figure for the comparable period in 2015 (Q1-Q3 2015: €50.0 million). Investing activities in the period under review focused on capital expenditure on property, plant and equipment related to the construction of the shaft centre in Cologne-Porz.

Financing activities resulted in a net cash outflow of €22.2 million in the period under review (Q1-Q3 2015: €22.6 million). With net interest expense improving slightly, this outflow was – as in the prior-year period – predominantly due to the repayment of loans and the payment of a dividend amounting to €8.5 million.

Cash and cash equivalents as at 30 September 2016 had fallen by €47.5 million to €65.0 million (31 December 2015: €112.5 million). The net financial position² as at 30 September 2016 was €2.1 million, down by €36.9 million on the figure for the end of 2015 (31 December 2015: €39.0 million).

Because of the lower level of cash flow from operating activities, free cash flow³ deteriorated compared with the first three quarters of the previous year, falling by €18.5 million to minus €28.0 million (Q1-Q3 2015: minus €9.5 million).

NET ASSETS

Non-current assets totalled €574.6 million as at 30 September 2016 (31 December 2015: €589.6 million). This decline of €15.0 million was largely attributable to the lower level of intangible assets. Depreciation and amortisation in the first three quarters of 2016 were above the level of additions in this period. By contrast, deferred tax assets increased because of lower deferred tax liabilities relating to reduced capitalised development expenditure. Deferred tax assets and liabilities are shown, as far as possible, as a net figure on the balance sheet.

¹ Inventories plus trade receivables minus trade payables.

² Net financial position: cash and cash equivalents less current and non-current interest-bearing financial debt.

³ Free cash flow: cash flow from operating and investing activities less interest expense.

Current assets also fell in the first three quarters of 2016, from €498.1 million as at 31 December 2015 to €487.0 million as at 30 September 2016. This was primarily due to a reduction in cash and cash equivalents. By contrast, there was a rise in inventories – mainly resulting from the relocation of shaft production to Cologne-Porz – and in trade receivables.

Working capital went up by €55.8 million to €239.4 million (31 December 2015: €183.6 million) as a consequence of the increase in inventories and trade receivables and the simultaneous fall in trade payables. Because of this the working capital ratio¹⁾ also rose, reaching 19.1 per cent as at 30 September 2016 (31 December 2015: 14.7 per cent). The average working capital ratio²⁾ was on a par with the end of 2015 at 17.5 per cent (31 December 2015: 17.6 per cent).

Non-current liabilities decreased slightly to €276.5 million (31 December 2015: €280.8 million) due, in particular, to lower financial debt and other provisions. By contrast, non-current provisions for pensions and other post-retirement benefits increased as a result of a further reduction in discount rates.

Current liabilities totalled €295.8 million, down by €15.9 million compared with the end of 2015 (31 December 2015: €311.7 million). A fall in trade payables was the main reason for this decrease.

Total assets amounted to €1,063.8 million as at 30 September 2016 (31 December 2015: €1,088.1 million). Equity stood at €491.5 million at the end of the third quarter of 2016 (31 December 2015: €495.6 million). Consequently, the equity ratio improved further to 46.2 per cent (31 December 2015: 45.5 per cent).

RESEARCH AND DEVELOPMENT

R&D spending stepped up as planned Expenditure on research and development in the first nine months of 2016 totalled €38.5 million, an increase of 6.1 per cent compared with the prior-year period (Q1-Q3 2015: €36.3 million). Factoring in reimbursements from key customers and development partners, spending on research and development came to €36.5 million, which was 22.5 per cent more than in the comparative period of last year (Q1-Q3 2015: €29.8 million). The increase was in line with the planning and is attributable to the low level of spending in the prior-year period and to reduced reimbursements. At 3.9 per cent, the R&D ratio (after deducting grants) – the ratio of

net R&D spending to consolidated revenue – was higher than the comparable prior-year figure (Q1-Q3 2015: 3.2 per cent).

Research and development

	7-9/2016	7-9/2015	1-9/2016	1-9/2015
R&D expenditure (after deducting grants, € million)	13.8	10.0	36.5	29.8
thereof DCE (€ million)	13.2	9.4	34.6	27.9
thereof DCS (€ million)	0.6	0.6	1.9	1.9
R&D ratio (as a percentage of revenue)	4.6	3.7	3.9	3.2

EMPLOYEES

Fewer employees in the DEUTZ Group The DEUTZ Group employed 3,695 people as at 30 September 2016, meaning that the number of employees had fallen by 60 or by 1.6 per cent compared with the same date a year earlier (30 September 2015: 3,755 employees). Compared with 30 June 2016, the number of employees decreased by 13. The number of contract workers increased from 178 as at 30 September 2015 to 227 as at the reporting date, a year-on-year rise of 49 people. However, compared with the end of the previous quarter (284 contract workers) there were 57 fewer employees. Hiring temporary workers enables us to respond flexibly to possible fluctuations in demand in a fast-moving market environment while continuing to grow profitably. Overall, 77.0 per cent of all employees were based in Germany as at the reporting date (30 September 2015: 78.2 per cent) and 23.0 per cent in other countries (30 September 2015: 21.8 per cent).

Employees

Headcount	30 Sep 2016	30 Sep 2015
Cologne	2,212	2,298
Ulm	414	405
Other	219	234
In Germany	2,845	2,937
Outside Germany	850	818
Total	3,695	3,755

¹⁾ Working capital as at the balance sheet date divided by revenue for the previous twelve months.

²⁾ Average working capital at the four quarterly reporting dates divided by revenue for the previous twelve months.

OUTLOOK

Forecast confirmed Market conditions continue to be difficult for our Company this year. There are still no signs of a sustained market recovery, and there is still a reluctance to invest. Moreover, our customers still hold inventories of engines purchased before new emissions standards came into force. We are focused on improving efficiency, continuing to lower the break-even point and increasing our flexibility.

Based on our business performance in the first nine months of the year, we are on course to achieve our forecast for 2016 as a whole that revenue will stagnate or, at best, rise slightly and that the EBIT margin will increase moderately.

Disclaimer

This management report includes certain statements about future events and developments, together with disclosures and estimates provided by the Company. Such forward-looking statements include known and unknown risks, uncertainties and other factors that may mean that the actual performances, developments and results in the Company or those in sectors important to the Company are significantly different (especially from a negative point of view) from those expressly or implicitly assumed in these statements. The Board of Management cannot therefore make any guarantees with regard to the forward-looking statements made in this management report.

FINANCIAL INFORMATION

1ST TO 3RD QUARTER OF 2016

INCOME STATEMENT FOR THE DEUTZ GROUP

€ million	7-9/2016	7-9/2015	1-9/2016	1-9/2015
Revenue	301.1	268.6	945.5	938.8
Cost of sales	-253.1	-236.8	-775.6	-792.4
Research and development costs	-20.0	-17.3	-58.8	-53.4
Selling expenses	-16.9	-17.1	-51.9	-52.1
General and administrative expenses	-8.8	-8.2	-26.2	-26.8
Other operating income	3.4	5.8	10.6	19.1
Other operating expenses	-6.6	-4.3	-20.8	-19.2
Profit/loss on equity-accounted investments	-0.1	-0.4	-3.1	-3.4
EBIT	-1.0	-9.7	19.7	10.6
Interest expenses, net	-0.8	-1.0	-2.8	-3.1
thereof finance costs	-0.9	-1.2	-3.0	-3.5
Net income before income taxes	-1.8	-10.7	16.9	7.5
Income taxes	0.6	1.3	1.9	-0.2
Net income	-1.2	-9.4	18.8	7.3
thereof attributable to shareholders of DEUTZ AG	-1.2	-8.7	19.3	8.3
thereof attributable to non-controlling interests	-	-0.7	-0.5	-1.0
Earnings per share (€)	-0.01	-0.07	0.16	0.07

STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million	7-9/2016	7-9/2015	1-9/2016	1-9/2015
Net income	-1.2	-9.4	18.8	7.3
Amounts that will not be reclassified to the income statement in the future	-1.5	-0.3	-11.7	3.4
Remeasurements of defined benefit plans	-1.5	-0.3	-11.7	3.4
Amounts that will be reclassified to the income statement in the future if specific conditions are met	-0.3	-9.7	-2.7	2.5
Currency translation differences	-0.4	-10.9	-3.1	2.2
<i>thereof profit/loss on equity-accounted investments</i>	-0.3	-1.7	-2.1	2.7
Effective portion of change in fair value from cash flow hedges	0.1	1.3	0.3	0.5
Change in fair value of available-for-sale financial instruments	-	-0.1	0.1	-0.2
Other comprehensive income, net of tax	-1.8	-10.0	-14.4	5.9
Comprehensive income	-3.0	-19.4	4.4	13.2
thereof attributable to shareholders of DEUTZ AG	-2.9	-15.8	5.2	15.0
thereof attributable to non-controlling interests	-0.1	-3.6	-0.8	-1.8

BALANCE SHEET FOR THE DEUTZ GROUP

€ million

	30 Sep 2016	31 Dec 2015
Assets		
Property, plant and equipment	287.1	289.0
Intangible assets	153.7	176.6
Equity-accounted investments	43.0	48.5
Other financial assets	6.2	6.4
Non-current assets (before deferred tax assets)	490.0	520.5
Deferred tax assets	84.6	69.1
Non-current assets	574.6	589.6
Inventories	278.4	251.9
Trade receivables	112.9	101.2
Other receivables and assets	30.7	32.5
Cash and cash equivalents	65.0	112.5
Current assets	487.0	498.1
Non-current assets classified as held for sale	2.2	0.4
Total assets	1,063.8	1,088.1
	30 Sep 2016	31 Dec 2015
Equity and liabilities		
Issued capital	309.0	309.0
Additional paid-in capital	28.8	28.8
Other reserves	15.9	18.3
Retained earnings and accumulated income	133.4	134.3
Equity attributable to shareholders of DEUTZ AG	487.1	490.4
Non-controlling interests	4.4	5.2
Equity	491.5	495.6
Provisions for pensions and other post-retirement benefits	182.2	172.3
Other provisions	44.4	46.7
Financial debt	47.0	58.6
Other liabilities	2.9	3.2
Non-current liabilities	276.5	280.8
Provisions for pensions and other post-retirement benefits	14.2	14.3
Provision for current income taxes	4.8	7.5
Other provisions	66.0	59.7
Financial debt	15.9	14.9
Trade payables	151.9	169.5
Other liabilities	43.0	45.8
Current liabilities	295.8	311.7
Total equity and liabilities	1,063.8	1,088.1

CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million

	1-9/2016	1-9/2015
EBIT	19.7	10.6
Income taxes paid	-6.6	-5.5
Depreciation, amortisation and impairment of non-current assets	68.2	75.0
Gains/losses on the sale of non-current assets	0.3	-0.2
Profit/loss on equity-accounted investments	3.4	3.6
Other non-cash income and expenses	0.3	0.1
Change in working capital	-54.9	-25.9
Change in inventories	-28.0	-22.7
Change in trade receivables	-12.4	18.5
Change in trade payables	-14.5	-21.7
Change in other receivables and other current assets	-2.5	8.3
Change in provisions and other liabilities (excluding financial liabilities)	-5.6	-22.4
Cash flow from operating activities	22.3	43.6
Capital expenditure on intangible assets, property, plant and equipment	-47.5	-50.8
Capital expenditure on investments	-0.1	-0.1
Proceeds from the sale of non-current assets	0.1	0.9
Cash flow from investing activities	-47.5	-50.0
Dividend payments to shareholders	-8.5	-8.5
Interest income	0.2	0.3
Interest expense	-3.0	-3.4
Repayments of loans	-10.9	-11.0
Cash flow from financing activities	-22.2	-22.6
Cash flow from operating activities	22.3	43.6
Cash flow from investing activities	-47.5	-50.0
Cash flow from financing activities	-22.2	-22.6
Change in cash and cash equivalents	-47.4	-29.0
Cash and cash equivalents at 1 Jan	112.5	101.7
Change in cash and cash equivalents	-47.4	-29.0
Change in cash and cash equivalents related to exchange rates	-0.1	1.4
Cash and cash equivalents at 30 Sep	65.0	74.1

FINANCIAL CALENDAR

2017

16 March 2017	2016 annual financial statements
4 May 2017	Annual General Meeting
9 May 2017	Interim management statement for the first quarter of 2017 Conference call with analysts and investors
3 August 2017	Interim report for the first half of 2017 Conference call with analysts and investors
7 November 2017	Interim management statement for the first to third quarter of 2017 Conference call with analysts and investors

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