# Taking advantage of the opportunities of the future



» Interim Report
First Half of 2009

DEUTZ

# The 1st half-year at a glance

**DEUTZ Group: Key figures**

| | 4–6/ 2009 | 4–6/ 2008 | 1–6/ 2009 | 1–6/ 2008 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| € million | | | | |
| New orders | 200.0 | 395.8 | 405.9 | 829.1 |
| Unit sales (units) | 29,908 | 75,901 | 60,497 | 148,687 |
| Revenue | 219.9 | 428.5 | 440.5 | 825.5 |
| thereof excluding Germany (%) | 73.3 | 75.6 | 71.4 | 75.8 |
| EBITDA | –17.3 | 39.8 | –21.4 | 74.1 |
| EBITDA (before one-off items) | 13.1 | 39.8 | 9.0 | 74.1 |
| EBIT | –33.9 | 21.2 | –53.8 | 38.2 |
| EBIT (before one-off items) | –3.5 | 21.2 | –23.4 | 38.2 |
| EBIT margin (%) | –15.4 | 4.9 | –12.2 | 4.6 |
| EBIT margin (before one-off items, %) | –1.6 | 4.9 | –5.3 | 4.6 |
| Net income | –38.7 | 16.8 | –62.4 | 30.3 |
| Basic earnings per share (€) | –0.32 | 0.14 | –0.52 | 0.25 |
| Total assets | 1,121.5 | 1,372.9 | 1,121.5 | 1,372.9 |
| Non-current assets | 534.7 | 523.3 | 534.7 | 523.3 |
| Equity | 442.8 | 540.6 | 442.8 | 540.6 |
| Equity ratio (%) | 39.5 | 39.4 | 39.5 | 39.4 |
| Cash flow from operating activities | 46.4 | 71.1 | 23.4 | 50.7 |
| Free cash flow | 20.6 | 45.8 | –27.2 | –5.5 |
| Net financial position[1] | –39.2 | 47.2 | –39.2 | 47.2 |
| Working capital[2] | 194.1 | 245.7 | 194.1 | 245.7 |
| Working capital as percentage of revenue | 17.5 | 15.1 | 17.5 | 15.1 |
| Capital expenditure (excluding capitalisation of R&D) | 14.3 | 24.4 | 23.0 | 39.5 |
| Depreciation and amortisation | 16.6 | 18.6 | 32.4 | 35.9 |
| Research and development | 23.8 | 22.5 | 47.0 | 39.1 |
| Employees (30 June) | 4,355 | 4,930 | 4,355 | 4,930 |

1) Net financial position: cash and cash equivalents less current and non-current interest-bearing financial liabilities
2) Working capital: inventories plus trade receivables minus trade payables

**DEUTZ Group: Segments**

| | 4–6/ 2009 | 4–6/ 2008 | 1–6/ 2009 | 1–6/ 2008 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| € million | | | | |
| **New orders** | | | | |
| Compact Engines | 151.8 | 291.4 | 304.6 | 636.0 |
| DEUTZ Customised Solutions | 48.2 | 104.4 | 101.3 | 193.1 |
| **Total** | **200.0** | **395.8** | **405.9** | **829.1** |
| **Unit sales (units)** | | | | |
| Compact Engines | 25,962 | 67,346 | 52,121 | 132,123 |
| DEUTZ Customised Solutions | 3,946 | 8,555 | 8,376 | 16,564 |
| **Total** | **29,908** | **75,901** | **60,497** | **148,687** |
| **Revenue** | | | | |
| Compact Engines | 160.7 | 334.4 | 322.2 | 652.5 |
| DEUTZ Customised Solutions | 59.2 | 94.1 | 118.3 | 173.0 |
| **Total** | **219.9** | **428.5** | **440.5** | **825.5** |
| **EBIT before one-off items** | | | | |
| Compact Engines | –5.7 | 8.7 | –28.5 | 16.7 |
| DEUTZ Customised Solutions | 4.1 | 12.5 | 7.7 | 21.3 |
| Other | –1.9 | – | –2.6 | 0.2 |
| **Total** | **–3.5** | **21.2** | **–23.4** | **38.2** |

# Foreword

## DEAR SHAREHOLDERS

The industrialised nations in particular remain in the stranglehold of the economic crisis. What's more, the recession has even intensified in some areas because the rising number of corporate bankruptcies is additionally curbing demand. Experts are forecasting that Germany's economic output will fall by approximately 6 per cent for 2009 as a whole. Although some leading indicators are hinting that the first signs of economic recovery are visible or at least that the economy is bumping along the bottom, this has yet to feed through into companies' order books, and sentiment therefore remains subdued.

How is DEUTZ responding to this persistent economic downturn?

Because we do not have much control over market conditions, we are focussing our efforts on optimising DEUTZ's organisation and operations. Back in the autumn of 2008 we launched our MOVE action programme with the aim of proactively securing the Company's future and profitability. This programme has already notched up notable successes, having boosted profitability by some €72 million since its launch – and we are confident that it will achieve its projected contribution of €100 million for 2009 as a whole. As part of our MOVE programme we are continuing to streamline and rationalise our organisational structures. In March we reduced the number of people on our Board of Management from four to three, and in July we announced further measures such as cutting the number of functions at the senior managerial level directly below the Board of Management; we are currently implementing an organisational realignment at all other levels. This will enable us to put in place more efficient structures and speed up decision-making processes, thereby making our organisation more effective and quicker in future. In addition, we have reduced our total workforce by roughly 1,000 people since the middle of last year and have announced plans to cut our headcount by a future 800 positions. We have also been making extensive use of short-time working since the end of 2008.

For the first half of 2009 we have to report a continued sharp fall in new orders, unit sales and revenue, especially compared with the first six months of last year, when we posted record figures. The fact is that demand in the sectors and regions of importance to DEUTZ has been declining significantly – albeit to varying degrees – which is impairing the performance of our business. The DEUTZ Group's unit sales and revenue halved to approximately 60,500 engines and €441 million respectively in the first half of 2009, and the Company reported an operating loss (EBIT before one-off items) of €23.4 million – although the loss incurred in the second quarter of 2009 was much lower than that in the first quarter of the year owing to the successful measures implemented as part of the MOVE action programme. The volume of new orders received during the reporting period also fell significantly year on year to around €406 million. One encouraging sign, however, is that the collapse in demand has almost run its course: the order situation evidently stabilised in the second quarter, albeit at a very low level.

There is still no sign of an end to the global financial and economic crisis, and even economists and industry experts are still having trouble forecasting the severity and duration of the crisis. Given these uncertainties, we are basing our projections for the current year on various scenarios that factor in a year-on-year decrease of up to approximately 50 per cent in our unit sales. By contrast, the decline in revenue will be slightly more moderate. The contribution made by the MOVE action programme will be unable to fully offset the effects of the forecast fall in unit sales; we are therefore expecting to report an operating loss (EBIT before one-off items) for the year as a whole.

As you can see, we find ourselves in the midst of highly turbulent, unsettling times, and these conditions demand a huge effort and commitment on our part. But despite the enormous challenges that lie ahead, we remain confident that we are on the right track and will emerge stronger from this crisis – and that your loyalty will pay off!

Kind regards from Cologne

Dr Helmut Leube
Chairman of the Management Board

# Interim group management report 1st half of 2009

## ECONOMIC ENVIRONMENT

Global economy: recession persists around the world[1)]

Although the global economy continued to contract sharply in the first few months of 2009, it is becoming increasingly likely that from the middle of this year we will see an end to what so far has been an unmitigated downturn. There is some evidence to suggest that global output is slowly starting to recover and that the uninterrupted downward spiral is coming to an end. Nonetheless, global economic output is still forecast to decline by 1.5 per cent in 2009 but to grow by 2.6 per cent in 2010. The drivers of growth will be Asia (excluding Japan), especially China (2009: growth of 8.3 per cent; 2010: growth of 7.8 per cent) and India (2009: growth of 5.5 per cent; 2010: growth of 6.0 per cent), whereas the G7 economies will continue to contract in 2009 and will grow only marginally in 2010 (2009: contraction of 3.9 per cent; 2010: growth of 1.0 per cent).

Economic output in the euro zone plummeted in the first half of 2009. Gross domestic product (GDP) for 2009 as a whole is likely to be 4.3 per cent lower than in 2008. This is now having a serious impact on employment levels at companies. The German economy is being hit relatively hard by the global recession because of its strong reliance on exports. Economic output here is forecast to contract by 6.0 per cent in 2009. However, experts believe that the downturn is bottoming out and expect the German economy to grow by a modest 0.4 per cent in 2010.

Engineering sector suffers sharpest-ever contraction[1)]

The volume of orders received in the German engineering sector continued to contract sharply year on year in the second quarter of 2009, although this trend is statistically exaggerated to some extent by the exceptionally strong demand witnessed in the first half of 2008. New orders dropped by 58 per cent year on year in real terms in April – the sharpest fall since statistical records began – while in May they contracted by 48 per cent in real terms and in June they were down by 46 per cent in real terms. Manufacturers of equipment for the steel and automotive industries were hit particularly hard. However, leading indicators suggest that the worst may now be over and that things are slowly starting to improve.

The German Engineering Federation (VDMA) expects output in its sector to contract by up to 20 per cent in 2009. This will have a severe impact on employment levels in the industry because companies' capacity utilisation has hit an all-time low of just over 70 per cent. Tens of thousands of employees are already on short-time working, and the VDMA is forecasting up to 60,000 compulsory redundancies in the German engineering sector by the end of the year.

1) Sources: Global economic data from Deutsche Bank Economic Research Bureau Frankfurt, 24 July 2009
Sectoral economic data from the German Engineering Federation (VDMA)

## BUSINESS PERFORMANCE IN THE DEUTZ GROUP

**Demand stabilising**

Demand for DEUTZ engines and services in the first half of 2009 fell sharply year on year in what remained extremely challenging economic conditions. The total value of new orders received by the DEUTZ Group dropped by 51.0 per cent to €405.9 million (H1 2008: €829.1 million). This decrease had amounted to 52.5 per cent in the first quarter of 2009, which meant that the contraction in demand slowed.

The Compact Engines segment won new orders worth €304.6 million between January and June 2009, which was a year-on-year decline of 52.1 per cent (H1 2008: €636.0 million). Demand in the DEUTZ Customised Solutions segment fell by 47.5 per cent to €101.3 million in the first half of 2009 compared with €193.1 million in the corresponding period of 2008.

Total orders on hand as at 30 June 2009 amounted to €142.1 million, which was 78.3 per cent less than twelve months previously (30 June 2008: €654.4 million).

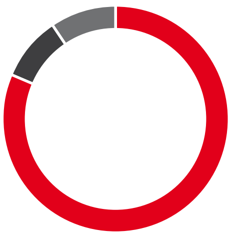
**Unit sales remain low**

The level of unit sales remained very low as a result of the disappointing volume of orders received in previous quarters. Whereas the DEUTZ Group managed to sell 148,687 engines in the first six months of 2008, it sold only 60,497 units in the first half of 2009, which was a year-on-year decrease of 59.3 per cent. This decline affected all engine series, with sales of small engines (those with capacities of less than four litres) falling by more than two-thirds and the US market being particularly hard hit. Unit sales in the Compact Engines segment dropped by 60.6 per cent to 52,121 engines (H1 2008: 132,123), while the DEUTZ Customised Solutions segment sold 8,376 units, which was a year-on-year decrease of 49.4 per cent (H1 2008: 16,564).

**Revenue lower in all regions**

As expected, the first half of 2009 also saw a fall in revenue; the DEUTZ Group generated total revenue of €440.5 million compared with €825.5 million in the corresponding period of 2008 (decrease of 46.6 per cent). Revenue earned in Germany contracted by 36.9 per cent to €125.9 million (H1 2008: €199.5 million). Revenue generated outside Germany fell even more sharply – by 49.7 per cent to €314.6 million (H1 2008: €626.0 million). Revenue from other European countries (excluding Germany) declined by 50.6 per cent to €209.1 million (H1 2008: €423.4 million), while revenue from the Americas plummeted by 60.3 per cent to €40.7 million (H1 2008: €102.5 million), with this decrease resulting mainly from the sharp fall in sales of small compact engines in the US. Revenue in the Asia-Pacific region declined relatively moderately, falling by one-third to €40.6 million (H1 2008: €60.6 million), although the DEUTZ Customised Solutions segment almost managed to match the level of revenue it had generated in the corresponding period of 2008. The proportion of revenue generated by the DEUTZ Group outside Germany came to 71.4 per cent, which was a year-on-year decrease of 4.4 percentage points (H1 2008: 75.8 per cent).

**DEUTZ Group: Revenue by region**
€ million (2008 figures)



| | | |
|---|---|---|
| 359.2 | (662.4) | Europe/Middle East/Africa |
| 40.7 | (102.5) | Americas |
| 40.6 | (60.6) | Asia-Pacific |
| 440.5 | (825.5) | Total |

Notable successes achieved by MOVE programme since launch

The MOVE action programme launched in October 2008 improved the Company's profitability by some €62 million in the first half of 2009, and its contribution since its launch totals approximately €72 million. MOVE comprises both short-term measures to shore up the DEUTZ Group's profitability in 2009 and structural measures to improve profits over the long term. Key aspects of this programme involve cutting overheads and the cost of materials, raising productivity and efficiency in production, research & development and quality, and pricing products and services appropriately. Most of the cost savings achieved to date have arisen from the lowering of operating and personnel overheads.

In percentage terms the cost of materials fell by slightly more than total output, mainly on the back of targeted measures taken as part of the MOVE programme. Staff costs (before one-off items) came to €127.0 million in the first half of 2009 (H1 2008: €155.9 million). The main reasons for this year-on-year decrease were the reduction in headcount and the introduction of short-time working. However, the Company was unable to reduce its operating expenses as a proportion of total revenue. The measures introduced as part of the MOVE action programme were unable to fully compensate for the persistently sharp contraction in business volumes owing to the cross-sectoral global recession. Consequently, the DEUTZ Group incurred an operating loss (EBIT before one-off items) of €23.4 million for the first half of 2009 after reporting an operating profit of €38.2 million in the first six months of 2008; its EBIT margin was therefore negative at minus 5.3 per cent (H1 2008: plus 4.6 per cent).

The Compact Engines segment incurred an operating loss (before one-off items) of €28.5 million (H1 2008: profit of €16.7 million), while the DEUTZ Customised Solutions segment generated an operating profit (EBIT before one-off items) of €7.7 million after reporting a profit of €21.3 million in the corresponding period of 2008. The Other segment posted a loss of €2.6 million (H1 2008: profit of €0.2 million).

One-off charges amounting to €30.4 million were recognised for expenses incurred by personnel restructuring in connection with the MOVE action programme. Most of these one-off charges were incurred in the Compact Engines segment.

Since the first quarter of 2009, the EBIT figure reported has included the interest cost of defined benefit obligations as part of staff costs. These expenses are no longer shown as part of net finance costs so that effective interest is reported under net finance costs only. This interest amounted to €5.1 million in the first half of 2009 (H1 2008: €5.4 million). The comparative prior-year figures have been restated accordingly to improve comparability.

Net result down

Because interest and similar income fell – partly as a result of the lower level of interest rates – the net interest expense increased by €2.7 million year on year from €1.3 million to €4.0 million in the first half of 2009. The DEUTZ Group reported a net loss before taxes of €58.7 million in the first six months of 2009 (H1 2008: net income of €35.9 million), which was largely attributable to the operating loss incurred and the one-off charges recognised for expenses incurred by personnel restructuring in connection with the MOVE action programme. Income taxes amounted to €3.7 million for the reporting period (H1 2008: €5.6 million) mainly as a result of the decrease in income taxes owing to the Company's current profitability situation. After tax the DEUTZ Group posted a net loss of €62.6 million (H1 2008: net income of €30.3 million). This net loss includes a small loss of €0.2 million on discontinued operations arising from the restatement of tax provisions recognised in connection with the sale of the DEUTZ Power Systems segment in 2007.

**Signs of business stabilising in second quarter**

The volume of new orders received between April and June 2009 amounted to €200.0 million (Q2 2008: €395.8 million), which represented a year-on-year decline of 49.5 per cent. The DEUTZ Group sold a total of 29,908 engines compared with 75,901 units in the corresponding period of 2008 (down by 60.6 per cent). It generated second-quarter revenue of €219.9 million, which was 48.7 per cent lower than in the corresponding quarter of 2008 (Q2 2008: €428.5 million). The Company incurred an operating loss (EBIT before one-off items) of €3.5 million after posting an operating profit of €21.2 million in the second quarter of 2008. Despite the significant deterioration in the DEUTZ Group's performance on a year-on-year basis, there were signs that its business was gradually stabilising. The new orders, unit sales and revenue reported for the second quarter of 2009 almost reached their first-quarter levels, while the operating loss incurred (EBIT before one-off items) even improved on a quarterly comparison, especially on the back of the cost savings achieved by the MOVE programme.

## BUSINESS PERFORMANCE IN THE COMPACT ENGINES SEGMENT

**Volume of new orders halved, but business in parts and services less affected**

The Compact Engines segment won new orders worth €304.6 million in the first half of 2009, which was a year-on-year decrease of 52.1 per cent (H1 2008: €636.0 million). While the volume of orders of new engines contracted by more than half, the fall in demand for spare parts and reconditioned exchange parts was less pronounced. Compared with the excellent first half of 2008, the cross-sectoral global economic downturn was having a clearly perceptible impact on the Company's business in compact engines.

**Fall in unit sales of small compact engines in particular**

Unit sales of engines decreased in line with the general fall-off in demand. The DEUTZ Group sold 52,121 compact engines between January and June 2009 compared with 132,123 units in the first half of 2008 (year-on-year decline of 60.6 per cent). Although small compact engines with capacities of less than four litres were hit especially hard by the fall in unit sales – particularly in the United States – even sales of four to eight-litre engines were down by roughly half.

**Year-on-year fall in revenue**

The revenue generated by the Compact Engines segment in the first half of 2009 also fell significantly year on year – from €652.5 million in the first six months of 2008 to only €322.2 million in the corresponding period of 2009, which represents a decrease of 50.6 per cent.

Revenue from the sale of engines in the Mobile Machinery application segment dropped by 75.7 per cent compared with the same period of 2008 (H1 2009: €66.2 million; H1 2008: €271.9 million). Revenue fell particularly sharply in the two largest sub-segments of construction equipment and materials-handling equipment, which reflected the persistently low level of construction activity in DEUTZ's key markets. However, virtually all the other application segments suffered double-digit decreases in revenue. The Automotive application segment – which generates most of its revenue from the sale of commercial-vehicle engines to the Volvo Group – contracted by 46.1 per cent (H1 2009: €71.8 million; H1 2008: €133.2 million), the Stationary Equipment application segment (gensets, pumps and compressors) declined by 46.3 per cent (H1 2009: €52.2 million; H1 2008: €97.2 million) and business in spare parts and reconditioned exchange parts was down by 17.8 per cent (H1 2009: €41.7 million; H1 2008: €50.7 million). Only revenue from the sale of engines for the Agricultural Machinery application segment remained virtually unchanged year on year at €90.1 million in the first half of 2009 (H1 2008: €91.7 million), which represented a year-on-year decrease of 1.7 per cent.

**Compact Engines: Revenue by application segment**
€ million (2008 figures)

| | | |
|---|---|---|
| 90.1 | (91.7) | Agricultural Machinery |
| 71.8 | (133.2) | Automotive |
| 66.2 | (271.9) | Mobile Machinery |
| 52.2 | (97.2) | Stationary Equipment |
| 41.7 | (50.7) | Service |
| 0.2 | (7.8) | Miscellaneous |
| 322.2 | (652.5) | **Total** |

**MOVE stabilises profitability**

The cost savings achieved by the MOVE programme significantly reduced the losses incurred in the Compact Engines segment in the second quarter of 2009 compared with the first three months of the year. This segment reported an operating loss (EBIT before one-off items) of €28.5 million for the first half of 2009 (H1 2008: operating profit of €16.7 million). The principal reasons for this loss were the severe impact of the economic downturn and the corresponding plunge in sales of compact engines. The measures implemented as part of the MOVE programme were unable to fully compensate for this trend. The Company's profitability was also impaired by the downturn in its highly profitable service business and by the continued losses incurred by the DEUTZ Dalian joint venture in China, which amounted to €5.3 million in the reporting period (H1 2008: €4.7 million) and resulted from the slowdown in the Chinese economy and the ongoing start-up of production in Dalian.

One-off charges amounting to €24.6 million were recognised in the Compact Engines segment for expenses incurred by personnel restructuring in connection with the MOVE action programme.

**Downward trend halted in second quarter**

Although the volume of new orders received in the second quarter of 2009 – €151.8 million – was down by 47.9 per cent year on year (Q2 2008: €291.4 million), the downward trend slowed markedly compared with the first quarter of 2009. 25,962 engines were sold between April and June 2009, which represented a decrease of 61.4 per cent on the same quarter of 2008 (Q2 2008: 67,346 units). Revenue in the Compact Engines segment fell accordingly by 51.9 per cent in the second quarter of 2009 to €160.7 million from €334.4 million in the corresponding period of 2008. The segment incurred an operating loss (before one-off items) of €5.7 million for the same period after reporting an operating profit of €8.7 million for the second quarter of 2008.

## BUSINESS PERFORMANCE IN THE DEUTZ CUSTOMISED SOLUTIONS SEGMENT

**Demand for services stabilised**

The volume of new orders received by the DEUTZ Customised Solutions segment in the first half of 2009 was down by 47.5 per cent year on year. As expected, this segment too was adversely affected by the global economic downturn. The total value of new orders won in the first six months of 2009 amounted to €101.3 million compared with €193.1 million in the first half of 2008. Whereas demand for new engines continued to weaken, orders of services – primarily spare parts and exchange engines – stabilised.

**Lower unit sales of all engine series**

The number of engines sold remained low at 8,376 units (H1 2008: 16,564), which represented a year-on-year decrease of 49.4 per cent. This trend affected both air-cooled engine series and liquid-cooled engines with capacities of more than eight litres. Some of the fall in unit sales – approximately 1,000 engines – is attributable to the fact that production of small air-cooled engines was discontinued in 2008; this series is now no longer available.

Revenue lower in virtually all application segments

The DEUTZ Customised Solutions segment generated revenue of €118.3 million in the first six months of 2009, which was 31.6 per cent less than in the first half of 2008 (H1 2008: €173.0 million). It earned revenue of €15.0 million from the sale of engines in the Mobile Machinery application segment – primarily construction equipment and underground equipment – which represented a decrease of 58.9 per cent compared with the corresponding period of 2008 (H1 2008: €36.5 million). The revenue generated by the Automotive and Stationary Equipment application segments in the first half of 2009 came to €17.9 million (H1 2008: €25.5 million; a year-on-year decrease of 29.8 per cent) and €25.9 million (H1 2008: €39.5 million; a year-on-year decrease of 34.4 per cent) respectively. Although revenue earned from services – i.e. the sale of spare parts and the manufacture and sale of reconditioned exchange engines – was down by roughly a quarter on the first half of 2008 (H1 2009: €43.3 million; H1 2008: €57.2 million; a year-on-year decrease of 24.3 per cent), the highly profitable service business remained the main revenue driver in the DEUTZ Customised Solutions segment. Revenue from air-cooled engines for use in agricultural machinery amounted to €4.1 million (H1 2008: €7.4 million; a year-on-year decrease of 44.6 per cent).

**DEUTZ Customised Solutions: Revenue by application segment**
€ million (2008 figures)

| | | |
|---|---|---|
| **43.3** | (57.2) | Service |
| **25.9** | (39.5) | Stationary Equipment |
| **17.9** | (25.5) | Automotive |
| **15.0** | (36.5) | Mobile Machinery |
| **12.1** | (6.9) | Miscellaneous |
| **4.1** | (7.4) | Agricultural Machinery |
| **118.3** | (173.0) | **Total** |

EBIT in positive territory despite sharp fall in revenue

Although the DEUTZ Customised Solutions segment reported an operating profit (EBIT before one-off items) of €7.7 million for the first half of 2009, this was significantly lower than the profit earned in the corresponding period of 2008 owing to the tough economic conditions prevailing (H1 2008: €21.3 million). The fall-off in demand in this segment hit the highly profitable after-sales market in particular as well as the business in reconditioned exchange engines. Business in new engines – especially air-cooled engines – also showed clear signs of slowing during the first half of 2009 and consequently contributed less to the segment's profitability. Cost-cutting measures successfully implemented as part of the MOVE programme had a positive impact on the DEUTZ Customised Solutions segment as well in the first half of 2009.

One-off charges amounting to €2.1 million were recognised in the DEUTZ Customised Solutions segment for expenses incurred by personnel restructuring in connection with the MOVE action programme.

Demand continues to weaken in second quarter

Demand in the DEUTZ Customised Solutions segment continued to weaken in the second quarter of 2009. The volume of new orders received by the segment contracted by 53.8 per cent compared with the second quarter of 2008 (€104.4 million) to €48.2 million. However, demand for new engines continued to fall even in comparison with the first quarter of 2009. The number of engines sold – 3,946 units – was significantly lower than in the corresponding period of 2008 (Q2 2008: 8,555; a year-on-year decrease of 53.9 per cent). Although revenue fell by less in relative terms, it still declined by 37.1 per cent to €59.2 million (Q2 2008: €94.1 million). Despite the contraction in revenue, the segment generated an operating profit (EBIT before one-off items) of €4.1 million after earning €12.5 million in the second quarter of 2008.

## FINANCIAL POSITION

Despite the successes achieved by the MOVE programme, the deterioration in the DEUTZ Group's operating performance in the first half of 2009 affected the key figures on its balance sheet accordingly.

**Total assets reduced by 7 per cent**

Total assets amounted to €1,121.5 million as at 30 June 2009, which was a reduction of roughly 7 per cent compared with their volume at the end of 2008 (31 December 2008: €1,206.3 million). Although non-current intangible assets grew by €11.5 million owing to the capitalisation of development costs, this increase was more than offset primarily by the sharp decrease in inventories and in cash and cash equivalents.

**Inventories significantly reduced and working capital improved**

Working capital (inventories plus trade receivables minus trade payables) improved by approximately 5 per cent to €194.1 million as at 30 June 2009 (31 December 2008: €205.0 million). This was largely attributable to the specific measures taken to reduce inventories significantly.

**Equity ratio remains high**

Equity had decreased by €68.5 million to €442.8 million as at the balance sheet date on 30 June 2009 (31 December 2008: €511.3 million). The main reason for this reduction was the net loss reported for the period. The equity ratio ended the period under review at 39.5 per cent, which was 2.9 percentage points lower than the ratio as at 31 December 2008 (42.4 per cent); despite its slight decrease it therefore remained high.

**Other provisions rise due to personnel restructuring plans**

Other current and non-current provisions had grown by €12.3 million to €106.8 million as at 30 June 2009 compared with 31 December 2008. This increase was largely attributable to the recognition of new provisions for personnel restructuring in connection with the MOVE action programme.

**Significant capital spending on R&D: deterioration in net financial position**

The net financial position (cash and cash equivalents minus all current and non-current interest-bearing financial liabilities) amounted to minus €39.2 million as at 30 June 2009 (31 December 2008: minus €12.2 million). This decrease was attributable to the reduction in holdings of cash and cash equivalents; one of the main reasons for this reduction was the high level of capital spending on development, which could not be fully financed from the Company's operating cash flow.

**Operating cash flow in positive territory**

Cash flow from operating activities in the first half of 2009 amounted to €23.4 million, which was €27.3 million less than the cash flow of €50.7 million generated in the corresponding period of 2008. This figure was adversely affected by the deterioration in earnings before interest and tax (EBIT) from a profit of €38.2 million in the first half of 2008 to a loss of €53.8 million in the first six months of 2009, although this trend was partly offset by a year-on-year decrease of €63.2 million in the amount of working capital needed.

The net cash used for investing activities declined by a total of €5.2 million to €43.4 million (compared with the net cash of €48.6 million used in the first half of 2008); while capital expenditure on property, plant and equipment was lower, spending on development rose.

Cash flow of minus €9.2 million from financing activities (H1 2008: minus €56.8 million) arose largely from the payment of interest. The figure for the corresponding period of 2008 was significantly influenced by the payment of a dividend of €48.0 million to shareholders.

Free cash flow from continuing operations (cash flow from operating and investing activities minus interest expense) amounted to minus €27.2 million in the reporting period compared with minus €5.5 million in the first half of 2008.

## CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment and on financial and intangible assets totalled €50.6 million in the first half of 2009 (H1 2008: €59.3 million). €27.6 million of this total (H1 2008: €19.8 million) was attributable to capitalised development costs in connection with the development of new and existing engines in line with current and future exhaust emissions standards. Most of these costs incurred during the reporting period were spent on the forthcoming Tier 4 Interim emissions standard for industrial and agricultural applications and on the introduction of the Euro 5 emissions standard for the 2013 4V Automotive engine. The €19.1 million spent on property, plant and equipment during the reporting period was significantly lower than the €34.6 million invested during the first half of 2008. This expenditure largely related to manufacturing and assembly capacities at the Cologne site and to component production at Zafra in Spain.

The vast majority of the total capital expenditure was allocated to the Compact Engines segment, on which €44.8 million (H1 2008: €56.0 million) was spent, while €5.8 million was invested in DEUTZ Customised Solutions (H1 2008: €3.3 million). Capital spending in both segments focused mainly on development.

## RESEARCH AND DEVELOPMENT

Spending on research and development (R&D) in the first half of 2009 totalled €47.0 million, which was 20.2 per cent higher than in the corresponding period of 2008 (H1 2008: €39.1 million). The ratio of R&D costs to revenue also rose and is now 10.7 per cent (H1 2008: 4.7 per cent). This trend was largely attributable to the new emissions standards being introduced in 2011: the Company's R&D departments continued to work hard on the development of engines that meet Europe's IIIB emissions standards and the US Tier 4 Interim standards, which will apply as from 2011, and on the development of exhaust after-treatment systems. At the same time they were working on the introduction of the Euro 5 emissions standard for the 2013 4V Automotive engine. The hybrid drive was a further focus of DEUTZ's R&D activities.

More than three-quarters of the total R&D budget (77.9 per cent) was spent on the development of new and existing engines and a further 6.8 per cent was allocated to research and preliminary development; 15.3 per cent of the R&D budget was spent on support for existing engine series.

€41.3 million (H1 2008: €33.9 million) was spent on research and development in the Compact Engines segment, while €5.7 million was invested in the DEUTZ Customised Solutions segment (H1 2008: €5.2 million). DEUTZ employed a total of 499 people in research and development as at 30 June 2009 (30 June 2008: 452[1)]). It increased its workforce in this field as part of its efforts to step up its research and development activities in response to the forthcoming introduction of new exhaust emissions standards.

## EMPLOYEES

The personnel restructuring measures taken are having the desired effect

DEUTZ was quick to realise the need to restructure its workforce in response to the recession and the consequent drop in demand. As early as the second half of 2008 the Company started to adjust the numbers of temporary workers and employees on fixed-term contracts and imposed a hiring freeze across the entire organisation. The Company has also used short-time working as another highly effective way of maintaining a flexible workforce – in its production units since the end of 2008 and in its administrative functions as well since the beginning of 2009. By 30 June 2009 an average of roughly 85 per cent of the 3,500 or so employees in Germany had been put on short-time working; the average cost saving

1) To improve comparability the figure for 2008 has been adjusted in line with the current allocation of R&D staff.

produced by this measure was equivalent to reducing the workforce by some 500 people. The Company has supplemented these measures by offering employees over the age of 60 the option of taking early retirement and receiving financial compensation for any consequent loss of pension entitlements. By pursuing these policies, DEUTZ has managed to cut its total headcount by roughly 1,000 positions – mainly temporary workers and employees on fixed-term contracts – since the end of June 2008 in a way that minimises any adverse impact on its staff. The strategically important function of research and development has, however, been excluded from these measures. The number of people working in this field rose by 47, or 10.4 per cent, from 452[1)] on 30 June 2008 to 499 on 30 June 2009.

Furthermore, in response to the marked change in economic conditions the Supervisory Board of DEUTZ AG decided in March 2009 to reduce the number of people on the Board of Management from four to three. Karl Huebser and Helmut Meyer stepped down from the Board of Management with effect from 31 March 2009. Dr Margarete Haase was appointed to the Board of Management with effect from 1 April 2009 and is responsible for finance and human resources.

As at 30 June 2009 the DEUTZ Group employed 4,355 people worldwide, which was 575 – or 11.7 per cent – less than one year before (30 June 2008: 4,930). 3,528 people worked in the Compact Engines segment (30 June 2008: 3,936[2)]; a year-on-year decrease of 10.4 per cent), while the DEUTZ Customised Solutions segment employed a total workforce of 827 (30 June 2008: 994[2)], a year-on-year decrease of 16.8 per cent). The average number of temporary workers fell by 342 from 385 in the first half of 2008 to 43 in the corresponding period of 2009; mainly in the production-related departments.

The workforce in Germany contracted by 271 people – or 7.2 per cent – to 3,511 at the end of the first half of 2009. Outside Germany the DEUTZ Group employed 844 people as at 30 June 2009 compared with 1,148 as at 30 June 2008, which represented a year-on-year decrease of 26.5 per cent.

The Company's management is currently conducting negotiations with the works council on additional personnel restructuring at all levels with the aim of reducing the total workforce by a further 800 or so positions worldwide.

## DEUTZ SHARES

DEUTZ's shares outperform benchmarks in a challenging environment

The international stock markets are still suffering from the effects of the financial and economic crisis and are characterised by low trading turnover and heightened volatility. Although a sustained upward trend failed to establish itself, the share indices of relevance to DEUTZ were no longer retreating by the end of the reporting period. The SDAX index rose by roughly 4 per cent during the first half of 2009 from 2,801 points on 31 December 2008 to 2,905 points on 30 June 2009, while the Prime Industrial remained almost unchanged at 1,874 points on 30 June 2009 compared with the end of 2008 (31 December 2008: 1,868 points).

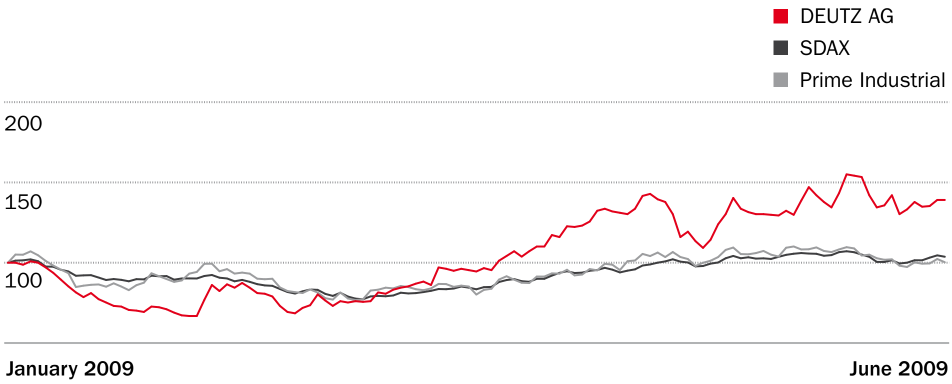
DEUTZ's share price comfortably outperformed these benchmarks, gaining more than 39 per cent during the first half of 2009 so that it rose from €2.38 on 31 December 2008 to €3.31 on 30 June 2009. Starting from its year-to-date low of €1.59 at the beginning of February, DEUTZ's share price had therefore more than doubled by the end of the first half of 2009 and was approaching the year-to-date high of €3.69 that it had reached on 11 June.

The number of DEUTZ shares in issue remained unchanged at 120,861,783 during the first six months of 2009. The Company's market capitalisation consequently amounted to €400.1 million (31 December 2008: €287.7 million).

1) To improve comparability the figure for 2008 has been adjusted in line with the current allocation of R&D staff.

2) To improve comparability, the figure for 2008 has been adjusted in line with the current allocation of staff to the Compact Engines and DEUTZ Customised Solutions segments.

**Price performance of DEUTZ shares**
%




**Key figures for DEUTZ shares**

| | 1–6/2009 | 1–6/2008 |
|---|---|---|
| Number of shares (30 June) | 120,861,783 | 120,861,783 |
| Number of shares (average) | 120,861,783 | 120,725,234 |
| Share price (30 June, €) | 3.31 | 5.84 |
| Share price high (€) | 3.69 | 7.60 |
| Share price low (€) | 1.59 | 5.28 |
| Market capitalisation (30 June, € million) | 400.1 | 705.8 |
| Basic earnings per share (€) | –0.52 | 0.25 |
| Diluted earnings per share (€) | –0.52 | 0.25 |

Based on XETRA closing price

## RISK REPORT

The DEUTZ Group operates on a global basis in various market segments and application segments. Consequently, the Company is exposed to a variety of risks specific to its business and to the regions in which it operates. Certain material risks were described in detail in the 2008 annual report. Selected topics are explained at length below.

In view of the tough prevailing economic conditions, it is possible that we may experience increasing levels of delayed payments or even defaults by our customers. In order to avert any consequent adverse impact on DEUTZ, the solvency of key customers is being more robustly analysed and financially weak clients are being more closely monitored. Similar procedures are applied to suppliers to ensure that DEUTZ continues to receive the deliveries it needs.

The covenants agreed for the issuance of the Company's US private placement were defined by key performance indicators based on the ratio of net debt to equity, net debt to EBITDA (before one-off items), and EBITDA (before one-off items) to net interest income/expense. If the defined key performance indicators are not complied with, the creditors – provided they constitute a majority – are entitled to renegotiate the agreement. These key performance indicators are subject to constant monitoring and must be reported by DEUTZ on a quarterly basis. To date, DEUTZ has met the targets for the key performance indicators at all times. As a precaution, the Company has started negotiations with investors to agree new terms for the covenants with the aim of creating more scope for investing in its future and avoiding any non-compliance with these covenants as a result of the difficult market conditions. DEUTZ is confident that these negotiations will soon produce a positive outcome and that the relevant interest rates will be adjusted accordingly.

In order to further improve its cash flow the Company is taking additional measures to reduce its working capital, especially to cut its level of inventories.

For further information on other significant developments with respect to the impact of the global economic crisis on the DEUTZ Group's financial position and financial performance please refer to our comments on the Company's business performance and financial position. We would also refer you to the Outlook at the end of this interim group management report.

## EVENTS AFTER THE BALANCE SHEET DATE

Robert Bosch GmbH, DEUTZ AG and J. Eberspächer GmbH Co. KG have expressed interest in collaborating in the field of exhaust aftertreatment for the non-road market and have signed a memorandum of understanding to this effect. They plan to conduct more in-depth negotiations on the possibility of setting up a joint venture to develop, produce and distribute diesel exhaust aftertreatment systems for this market segment. Depending on how these talks progress, the companies involved hope to launch their joint venture and start series production as soon as possible. It is not yet possible to say what impact this might have on DEUTZ's financial position and financial performance.

## RELATED-PARTY DISCLOSURES

In addition to its consolidated subsidiaries, the DEUTZ Group maintains relationships with related parties. These include the business relationships between the DEUTZ Group and its associates and subsidiaries as well as the following DEUTZ AG shareholders (including their subsidiaries), which are in a position to exert a significant influence over the DEUTZ Group. These shareholders are

- SAME DEUTZ-FAHR Holding & Finance B.V., Amsterdam, Netherlands, (Group) and
- AB Volvo Power (publ), Gothenburg, Sweden, (Group).

Further information on related-party disclosures is given on page 24 of the notes to the consolidated financial statements.

## OUTLOOK

The consensus view of the recent forecasts published by Germany's leading economic research institutes is that the country's gross domestic product (GDP) will fall by around 6 per cent in 2009, while the global economy is predicted to shrink by 1.5 per cent. According to the latest projection from the German Engineering Federation (VDMA), output in the engineering sector is expected to contract by up to 20 per cent this year. Because these forecasts have been revised downwards several times in recent months, DEUTZ has adjusted its outlook for 2009 accordingly. Given the economic assessments available and the uncertainties that they continue to suggest, we are using various scenarios to plan our business and budgets for 2009.

Against the backdrop of the cross-sectoral global recession we expect that our new orders, unit sales, revenue and profitability for the current year as a whole will be very significantly below the levels achieved in 2008. We are basing our projections for unit sales on various scenarios – depending on how the economy performs going forward – that factor in a year-on-year decrease of up to approximately 50 per cent in our unit sales and assume that market conditions in the second half of 2009 will be no worse than they were in the first half of the year. The decline in our revenue will be slightly more moderate.

Some of the decrease in our unit sales will be offset by our stringent cost management. The aim of our MOVE action programme is to respond flexibly to economic trends in 2009 and achieve sustainable improvements in profitability from 2010. The measures already defined as part of our MOVE programme and any further action we take are planned to improve our profitability this year by €100 million. Because this contribution will be unable to fully compensate for the effects of the forecast fall in unit sales, however, we are expecting to report an operating loss (EBIT before one-off items) for the year.

In 2009 we are planning to maintain capital expenditure (excluding research and development costs) almost at the level of 2008, although our spending will be aligned with market trends. Our expenditure on research and development, i.e. our investment in projects affecting the Company's future, will be continued at the high level of 2008.

Short-time working will continue throughout the entire Company – with the exception of research and development – for the time being in 2009 and will even be expanded in some areas to ensure that our capacities are further adjusted in line with requirements. We will continue to align the structure of our workforce with the changes in our situation, and our headcount will be significantly reduced compared with its level in 2008.

## DISCLAIMER

This publication 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 future 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 warranty with regard to the statements made in this management report. The Company gives no undertaking that it will update forward-looking statements to bring them into line with future developments.

# Interim consolidated financial statements for the 1st half of 2009

## INCOME STATEMENT FOR THE DEUTZ GROUP

| € million | 4–6/2009 | 4–6/2008 | 1–6/2009 | 1–6/2008 |
|---|---|---|---|---|
| **Revenue** | **219.9** | **428.5** | **440.5** | **825.5** |
| Change in inventories and other own work capitalised | –7.3 | 11.1 | – | 24.7 |
| Other operating income | 24.6 | 14.2 | 40.4 | 30.9 |
| Cost of materials | –139.0 | –298.4 | –290.1 | –573.7 |
| Staff costs | –90.1 | –79.8 | –157.4 | –155.9 |
| Depreciation and amortisation | –16.6 | –18.6 | –32.4 | –35.9 |
| Other operating expenses | –24.4 | –35.4 | –51.0 | –74.6 |
| Net result from equity-accounted investments | –1.0 | –0.4 | –3.8 | –2.8 |
| **EBIT** | **–33.9** | **21.2** | **–53.8** | **38.2** |
| thereof one-off items | –30.4 | – | –30.4 | – |
| thereof operating profit (EBIT before one-off items) | –3.5 | 21.2 | –23.4 | 38.2 |
| Interest expenses, net | –2.3 | –0.4 | –4.0 | –1.3 |
| thereof finance costs | –5.6 | –6.1 | –11.5 | –12.0 |
| Other taxes | –0.6 | –0.7 | –0.9 | –1.0 |
| **Net income before taxes on continuing operations** | **–36.8** | **20.1** | **–58.7** | **35.9** |
| Income taxes | –1.9 | –3.3 | –3.7 | –5.6 |
| **Net income on continuing operations** | **–38.7** | **16.8** | **–62.4** | **30.3** |
| Net income on discontinued operations | – | – | –0.2 | – |
| **Net income** | **–38.7** | **16.8** | **–62.6** | **30.3** |
| thereof attributable to owners of the parent | –38.7 | 16.8 | –62.6 | 30.3 |
| thereof attributable to non-controlling interests | – | – | – | – |
| **Basic earnings per share (€)** | **–0.32** | **0.14** | **–0.52** | **0.25** |
| thereof from continuing operations | –0.32 | 0.14 | –0.52 | 0.25 |
| thereof from discontinued operations | – | – | – | – |
| **Diluted earnings per share (€)** | **–0.32** | **0.14** | **–0.52** | **0.25** |
| thereof from continuing operations | –0.32 | 0.14 | –0.52 | 0.25 |
| thereof from discontinued operations | – | – | – | – |

## STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

| | 4–6/2009 | 4–6/2008 | 1–6/2009 | 1–6/2008 |
|---|---|---|---|---|
| € million | | | | |
| **Net income** | **–38.7** | **16.8** | **–62.6** | **30.3** |
| Currency translation differences | –3.0 | 1.8 | 2.3 | –3.0 |
| Effective portion of change in fair value from cash flow hedges | –2.0 | –0.1 | –8.2 | 1.6 |
| Change in fair value of available-for-sale financial assets | 0.1 | – | – | –0.1 |
| **Other comprehensive income, net of tax** | **–4.9** | **1.7** | **–5.9** | **–1.5** |
| **Comprehensive income** | **–43.6** | **18.5** | **–68.5** | **28.8** |
| thereof attributable to owners of the parent | –43.6 | 18.5 | –68.5 | 28.8 |
| thereof attributable to non-controlling interests | – | – | – | – |

## BALANCE SHEET FOR THE DEUTZ GROUP

**Assets**

| € million | 30/6/2009 | 31/12/2008 |
|---|---|---|
| Property, plant and equipment | 337.8 | 342.1 |
| Intangible assets | 137.2 | 125.7 |
| Equity-accounted investments | 51.1 | 55.1 |
| Other financial assets | 8.6 | 16.8 |
| Non-current assets (before deferred tax assets) | 534.7 | 539.7 |
| Deferred tax assets | 33.5 | 33.1 |
| **Non-current assets** | **568.2** | **572.8** |
| Inventories | 180.9 | 222.0 |
| Trade receivables | 113.0 | 121.1 |
| Other receivables and assets | 78.9 | 82.0 |
| Cash and cash equivalents | 178.1 | 207.5 |
| **Current assets** | **550.9** | **632.6** |
| Non-current assets and disposal groups held for sale | 2.4 | 0.9 |
| **Total assets** | **1,121.5** | **1,206.3** |

**Equity and liabilities**

| | | |
|---|---|---|
| Issued capital | 309.0 | 309.0 |
| Additional paid-in capital | 28.8 | 28.8 |
| Other reserves | –3.4 | 2.5 |
| Retained earnings | 79.1 | 79.1 |
| Accumulated income | 29.3 | 91.9 |
| Equity attributable to owners of the parent | 442.8 | 511.3 |
| **Equity** | **442.8** | **511.3** |
| Provisions for pensions and other post-retirement benefits | 166.0 | 169.3 |
| Deferred tax provisions | 0.1 | 0.1 |
| Other provisions | 28.8 | 45.7 |
| Financial liabilities | 212.8 | 214.1 |
| Other liabilities | 7.0 | 1.7 |
| **Non-current liabilities** | **414.7** | **430.9** |
| Provisions for pensions and other post-retirement benefits | 16.4 | 16.4 |
| Provisions for current income taxes | 3.9 | 2.1 |
| Other provisions | 78.0 | 48.8 |
| Financial liabilities | 4.5 | 5.6 |
| Trade payables | 99.8 | 138.1 |
| Other liabilities | 61.4 | 53.1 |
| **Current liabilities** | **264.0** | **264.1** |
| **Total equity and liabilities** | **1,121.5** | **1,206.3** |

## STATEMENT OF CHANGES IN EQUITY FOR THE DEUTZ GROUP

| € million | Issued capital | Additional paid-in capital | Retained earnings | Fair value reserves 1), 2) | Currency translation reserves 1) | Accumulated income | Total Group interest | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2008** | **307.0** | **28.1** | **79.1** | **4.1** | **–9.4** | **148.2** | **557.1** | **–** | **557.1** |
| Dividend payments to shareholders | | | | | | –48.0 | –48.0 | | –48.0 |
| Increase from exercise of conversion rights on convertible bonds/on profit-sharing rights | 2.0 | 0.7 | | | | | 2.7 | | 2.7 |
| Comprehensive income | | | | 1.5 | –3.0 | 30.3 | 28.8 | – | 28.8 |
| **Balance at 30 June 2008** | **309.0** | **28.8** | **79.1** | **5.6** | **–12.4** | **130.5** | **540.6** | **–** | **540.6** |
| **Balance at 1 January 2009** | **309.0** | **28.8** | **79.1** | **9.5** | **–7.0** | **91.9** | **511.3** | **–** | **511.3** |
| Comprehensive income | | | | –8.2 | 2.3 | –62.6 | –68.5 | – | –68.5 |
| **Balance at 30 June 2009** | **309.0** | **28.8** | **79.1** | **1.3** | **–4.7** | **29.3** | **442.8** | **–** | **442.8** |

1) On the face of the balance sheet these items are aggregated under “Other reserves”.
2) Reserves from the measurement of cash flow hedges and reserves from the measurement of available-for-sale financial assets

## CASH FLOW STATEMENT FOR THE DEUTZ GROUP

| € million | 1–6/2009 | 1–6/2008 |
|---|---|---|
| **EBIT** | **–53.8** | **38.2** |
| Interest income | 4.2 | 7.6 |
| Other taxes paid | –0.9 | –1.0 |
| Income taxes paid | 3.3 | –4.9 |
| Depreciation and amortisation | 32.4 | 35.9 |
| Gains/losses on the sale of non-current assets | – | 0.1 |
| Net result from equity-accounted investments | 3.8 | 2.8 |
| Change in working capital | 16.0 | –47.2 |
| Change in inventories | 41.9 | –23.1 |
| Change in trade receivables | 8.8 | –25.4 |
| Change in trade payables | –34.7 | 1.3 |
| Change in other receivables and other current assets | –2.0 | –7.0 |
| Change in provisions and other liabilities (excluding financial liabilities) | 20.4 | 26.2 |
| **Cash flow from operating activities** | **23.4** | **50.7** |
| Capital expenditure on intangible assets, property, plant and equipment | –43.2 | –48.8 |
| Capital expenditure on investments | –0.4 | 0.1 |
| Proceeds from the sale of non-current assets | 0.2 | 0.1 |
| **Cash flow from investing activities – continuing operations** | **–43.4** | **–48.6** |
| Cash flow from investing activities – discontinued operations | –0.4 | –1.4 |
| **Cash flow from investing activities – total** | **–43.8** | **–50.0** |
| Dividend payments to shareholders | – | –48.0 |
| Interest expenses | –7.2 | –7.6 |
| Cash receipts from borrowings | 0.4 | 0.6 |
| Repayments of loans | –2.4 | –1.8 |
| **Cash flow from financing activities** | **–9.2** | **–56.8** |
| Cash flow from operating activities | 23.4 | 50.7 |
| Cash flow from investing activities | –43.8 | –50.0 |
| Cash flow from financing activities | –9.2 | –56.8 |
| **Change in cash and cash equivalents** | **–29.6** | **–56.1** |
| **Cash and cash equivalents at 1 January** | **207.5** | **311.1** |
| Change in cash and cash equivalents | –29.6 | –56.1 |
| Change in cash and cash equivalents related to exchange rates | 0.2 | –0.3 |
| **Cash and cash equivalents at 30 June** | **178.1** | **254.7** |

# DEUTZ Group – Notes to the consolidated financial statements for the 1st half of 2009

## BASIC PRINCIPLES

**Basis of presentation**

The consolidated financial statements of DEUTZ AG for the year ended 31 December 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The standards comprise the IFRSs and International Accounting Standards (IAS) promulgated by the International Accounting Standards Board (IASB), together with the interpretations of both the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The consolidated financial statements for the year ended 31 December 2008 are consistent with the statutory obligations applicable to capital-market-oriented parent entities subject to disclosure requirements pursuant to section 315 a (1) of the German Commercial Code (HGB) in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council dated 19 July 2002 concerning the adoption of current international accounting standards in the version applicable at the time (IAS Regulation).

These interim financial statements for the period ended 30 June 2009 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the relevant interpretations of the International Accounting Standards Board (IASB) regarding interim financial reporting (IAS 34) as adopted by the European Union. Consequently, these interim financial statements do not contain all the information and notes required by the IFRSs for consolidated financial statements for a full financial year, and should therefore be read in conjunction with the IFRS consolidated financial statements published by the Company for the 2008 financial year.

The condensed interim consolidated financial statements for the period ended 30 June 2009 – consisting of the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity, and selected notes to the consolidated financial statements – and the interim group management report for the period from 1 January to 30 June 2009 have been reviewed by an auditor pursuant to section 37w of the German Securities Trading Act (WpHG).

**Significant accounting policies**

With the exception of the new IFRS standards and interpretations as well as changes in presentation described below, the accounting policies used in the preparation of these interim consolidated financial statements are the same as those used in the most recent consolidated financial statements for the year ended 31 December 2008. Further information on the accounting policies used can be found in the notes to the consolidated financial statements for the year ended 31 December 2008. If they are material, revenue-related and cyclical items are deferred during the year on the basis of annual business plans.

**Amendment to IFRS 1 "First-time adoption of International Financial Reporting Standards" and of IAS 27 "Consolidated and separate financial statements":** This amendment relates to the measurement of investments at the time of transition to IFRS and the recognition of dividends from investments in single-entity financial statements. The amendments to IAS 27 have abolished the definition of the cost method. Consequently, dividends from jointly controlled entities, associates and subsidiaries must in future be recognised on the face of the income statement, regardless of whether or not the dividends are being paid out of profits earned before the date of acquisition. The investments thus recognised are subsequently tested for impairment in accordance with IAS 36. Since these amendments relate to the recognition and measurement of investments in single-entity financial statements, their first-time adoption has not impacted on these condensed interim consolidated financial statements.

**Amendments to IFRS 2 "Share-based payment":** One amendment adds a clarification by restricting the definition of vesting conditions to include only service conditions and performance conditions. Another amendment widens the scope of the accounting rules on cancellations of share-based arrangements to include cases where these arrangements are cancelled by employees. The transitional provisions require these amendments to be applied retrospectively. The first-time adoption of these amendments does not affect these condensed interim consolidated financial statements.

**IFRS 8 "Operating segments":** IFRS 8 requires the management approach to be applied in segment reporting. Under this approach, the classification of segments and the presentation of disclosures are based on the breakdown used internally by the most senior level of management for the purposes of allocating resources and assessing segment performance. Since its first-time adoption of IFRS 8 and in conformity with its ongoing reporting practices under IAS 14 Segment reporting, the DEUTZ Group has continued to report on its Compact Engines and DEUTZ Customised Solutions operating segments and its Other segment. The way in which financial data on operating segments is published has been modified and its comparative prior-year figures restated accordingly. For further segment-related information please refer to the notes on segment reporting.

**IAS 1 (revised) "Presentation of financial statements":** The amendments to this standard include material changes to the way in which financial information is presented and reported in financial statements. In particular they include the introduction of a statement of comprehensive income, which comprises both the profit or loss earned during the reporting period as well as the unrealised gains and losses previously reported in the statement of changes in equity. In addition to the balance sheet shown as at the reporting date and the balance sheet as at the previous year's reporting date, entities must now also prepare a balance sheet at the beginning of the comparative prior-year period if they are retrospectively adopting accounting policies, correcting misstatements or reclassifying items shown in financial statements. On adopting this standard the DEUTZ Group has modified accordingly the way in which it publishes its financial information.

**IAS 23 (revised) "Borrowing costs":** The DEUTZ Group is applying this standard prospectively in accordance with its transitional provisions. These require borrowing costs incurred on or after 1 January 2009 on qualifying assets to be capitalised. This standard has no effect on borrowing costs arising before this date, which were expensed as incurred.

**Amendment to IAS 32 "Financial instruments: presentation" and IAS 1 "Presentation of financial statements":** This amendment concerns the classification of puttable financial instruments as either debt or equity. In the past, entities have often been forced to report their share capital as financial liabilities owing to shareholders' legally enshrined termination rights. In future these financial instruments are generally to be classified as equity providing that certain conditions are met. This amendment alters neither the reporting nor the measurement of financial instruments in these condensed interim consolidated financial statements.

**Improvements to the International Financial Reporting Standards (2006-2008):** Apart from editorial changes, these amendments concern changes in presentation, recognition and measurement in various standards. Because the DEUTZ Group is only partially affected by these amendments, their first-time adoption has not had a material impact on these condensed interim consolidated financial statements.

**IFRIC 12 "Service concession arrangements":** This interpretation stipulates how service concession operators should account for the obligations they undertake and the rights they receive under service concession arrangements. The first-time adoption of this interpretation has no impact on these condensed interim consolidated financial statements because the entities consolidated are not service concession operators within the meaning of IFRIC 12.

**IFRIC 13 "Customer loyalty programmes":** This interpretation requires award credits granted to customers to be recognised as a revenue component that is separately identifiable from the sales transaction in which they were granted. Part of the fair value of the consideration received is therefore allocated to the award credits granted and recognised as deferred revenue. This revenue is recognised in the period in which the award credits granted are either redeemed or expire. The first-time adoption of this interpretation has no impact on these condensed interim consolidated financial statements because the DEUTZ Group does not operate any customer loyalty programmes.

**Changes in presentation:** The interest included in pension costs is now reported as part of staff costs instead of net finance costs in order to show the effective interest included in net finance costs. This interest amounted to €5.1 million in the first half of 2009 (H1 2008: €5.4 million). The comparative prior-year figures have been restated accordingly to improve comparability.

**Significant estimates and assumptions:** The preparation of the condensed interim consolidated financial statements in accordance with IFRS requires estimates and assumptions to be made that have an impact on the recognition, measurement and reporting of assets and liabilities and on the reporting of income and expenses. In particular, forecasts of future cash flows – which are used, among other things, for the impairment testing of non-financial assets and in the recognition of deferred tax assets – involve additional uncertainties as a result of the ongoing financial crisis.

The provision recognised as at 30 June 2009 for the German Pension Security Association is based on a reassessment of the losses expected to occur in the second half of the year and on the resultant estimate of the premium payable for 2009.

**Additional disclosures:** In addition to the information required by IFRS, the DEUTZ Group reports a figure for EBIT before one-off items, which it uses for internal purposes to gauge the profitability of its business. One-off items are defined as significant income generated or expenses incurred outside the scope of the Company's ordinary business activities.

## FURTHER INFORMATION ON MATERIAL CHANGES IN THE BALANCE SHEET AND INCOME STATEMENT

Balance sheet

Capital expenditure of approximately €41.4 million (including investment grants) on property, plant and equipment and intangible assets was partly offset by depreciation and amortisation of €32.4 million. Of this total capital expenditure (including investment grants), €18.9 million related to property, plant and equipment and €22.5 million to intangible assets. Capital spending during the reporting period primarily consisted of capitalised development costs for the exhaust-gas emission standards due to be introduced from 2011. Part of the capital expenditure on property, plant and equipment related to manufacturing and assembly operations at the Cologne plant and the production of components at Zafra in Spain.

The €4.0 million decrease in equity-accounted investments to €51.1 million as at 30 June 2009 (31 December 2008: €55.1 million) was largely attributable to the transfer of losses incurred by the DEUTZ Dalian joint venture in China.

The marking to market of cross-currency swaps used to hedge the currency risk and interest-rate risk attaching to future anticipated payments of principal and interest arising from the US private placement incurred an unrealised loss of €4.7 million, primarily owing to recent interest-rate trends (31 December 2008: an unrealised gain of €8.5 million). These instruments were therefore reclassified as other non-current liabilities as at 30 June 2009 after previously having been reported as non-current financial assets.

Inventories were reduced by €41.1 million to €180.9 million (31 December 2008: €222.0 million) as a result of the persistently low volume of business in the first half of 2009 and the introduction of specific measures to optimise working capital. By contrast, trade receivables decreased only slightly by €8.1 million to €113.0 million (31 December 2008: €121.1 million) mainly owing to lower sales of receivables.

The reduction of €29.4 million in cash and cash equivalents to €178.1 million (31 December 2008: €207.5 million) was largely attributable to the high level of capital spending on development costs that could not be fully financed from the Company's operating cash flow.

Equity at the balance sheet date of 30 June 2009 had decreased by €68.5 million to €442.8 million (31 December 2008: €511.3 million), primarily as a result of the net loss reported for the period. Consequently, the equity ratio fell from 42.4 per cent as at 31 December 2008 to 39.5 per cent at the balance sheet date.

Current and non-current provisions had grown by €10.8 million to €293.2 million as at 30 June 2009 (31 December 2008: €282.4 million). Personnel restructuring plans relating to the MOVE action programme gave rise to the recognition of a provision that was partly offset by the reversal of provisions amounting to €14.3 million.

The fall of €38.3 million in trade payables to €99.8 million as at 30 June 2009 (31 December 2008: €138.1 million) was attributable to the ongoing downturn in new orders in the first half of the year.

### Income statement

The low level of economic activity severely impaired the performance of the DEUTZ Group's business in the first half of 2009.

Total revenue for the first half of 2009 fell sharply year on year to €440.5 million owing to a decline in unit sales (H1 2008: €825.5 million), which was a decrease of 46.6 per cent. Revenue in the Compact Engines segment fell by 50.6 per cent, while in the DEUTZ Customised Solutions segment it contracted by 31.6 per cent.

Other operating income for the first half of 2009 includes income of €14.3 million from the reversal of provisions.

The cost of materials was reduced in absolute terms by €283.6 million to €290.1 million (H1 2008: €573.7 million), falling by a slightly larger proportion than total output mainly on the back of the better sales mix and also due to cost savings resulting from the MOVE action programme.

DEUTZ cut its staff costs – excluding one-off charges of €30.4 million for personnel restructuring – by roughly 19 per cent by reducing its workforce and introducing short-time working. It recognised a provision to cover its personnel restructuring plans.

The decrease of €23.6 million in other operating expenses to €51.0 million (H1 2008: €74.6 million) was essentially attributable to the lower cost of general services such as logistics, IT and freight owing to cost savings arising from the MOVE action programme and the lower volume of business and to the cost reduction resulting from the use of fewer temporary staff.

The legacy expenses incurred in connection with the closure of the DEUTZ Power Systems segment, which was sold in 2007, are reported separately in the consolidated income statement as net income on discontinued operations.

## RELATED-PARTY DISCLOSURES

In addition to its consolidated subsidiaries, the DEUTZ Group maintains relationships with related parties. These include the business relationships between DEUTZ AG and its associates and subsidiaries as well as the following DEUTZ AG shareholders (including their subsidiaries), which are in a position to exert a significant influence over the DEUTZ Group. These shareholders are

- SAME DEUTZ-FAHR Holding & Finance B.V., Amsterdam, Netherlands, (Group), and
- AB Volvo Power (publ), Gothenburg, Sweden, (Group).

Related parties also include the Supervisory Board, the Board of Management and other members of the management team.

The business relationships between DEUTZ AG and its shareholders, including their subsidiaries, were as follows:

DEUTZ AG's revenue from the Volvo Group arising from deliveries of engines and spare parts and from services rendered amounted to €111.4 million in the first six months of 2009 (H1 2008: €251.3 million). Revenue from the companies of the SAME DEUTZ-FAHR Group arising from deliveries of engines and spare parts and from services rendered over the same period amounted to €32.8 million (H1 2008: €37.7 million). At 30 June 2009 the DEUTZ Group's receivables from companies in the Volvo Group totalled €23.5 million (31 December 2008: €15.9 million), while its accounts receivable from companies in the SAME DEUTZ-FAHR Group amounted to €6.0 million (31 December 2008: €20.5 million). Existing trade receivables from companies in the SAME DEUTZ-FAHR Group were replaced by a two- or three-month interest-bearing finance facility in the first half of 2009. The balance outstanding on this financial receivable, including interest, came to €17.5 million as at 30 June 2009 (31 December 2008: €0.0 million). Interest income of €0.5 million was recognised in the first half of 2009 (H1 2008: €0.0 million). DEUTZ has an agreement with the Volvo Group that grants Volvo companies extended credit periods in return for payment of a fee.

The business relationships between DEUTZ AG and its joint ventures, associates and non-consolidated subsidiaries were as follows:

The total value of goods delivered and services rendered in the first six months of 2009 amounted to €1 million (H1 2008: €3.0 million). Other expenses incurred in connection with services came to €1.9 million (H1 2008: €1.9 million). Receivables and liabilities as at 30 June 2009 totalled €11.6 million (31 December 2008: €12.0 million) and €5.3 million (31 December 2008: €4.3 million) respectively. Impairment losses of €21.2 million (31 December 2008: €21.2 million) had been recognised on €25.6 million of the Company's receivables as at 30 June 2009 (31 December 2008: €26.5 million). Some of these receivables and liabilities resulted from loans that had been provided. Taken together, neither the interest and similar income nor the interest expense and similar charges arising from the interest paid on these loans are material.

During the first six months of 2009 there were no significant transactions between the Company and members of the Board of Management, the Supervisory Board or other members of the management team.

## SEGMENT REPORTING

The table below gives a breakdown of the operating segments in the DEUTZ Group for the first half of 2009 and 2008. The segment reporting also reconciles the overall profit or loss generated by the segments to the DEUTZ Group's net income or loss for the period.

**1–6/2009**

| € million | Compact Engines | DEUTZ Customised Solutions | Other | Total segments | Reconciliation | DEUTZ Group |
|---|---|---|---|---|---|---|
| External revenue | 322.2 | 118.3 | – | **440.5** | – | **440.5** |
| Intersegment revenue | – | – | – | **–** | – | **–** |
| Total revenue | 322.2 | 118.3 | – | **440.5** | – | **440.5** |
| Operating profit (EBIT before one-off items) | –28.5 | 7.7 | –2.6 | **–23.4** | – | **–23.4** |

**1–6/2008**

| € million | Compact Engines | DEUTZ Customised Solutions | Other | Total segments | Reconciliation | DEUTZ Group |
|---|---|---|---|---|---|---|
| External revenue | 652.5 | 173.0 | – | **825.5** | – | **825.5** |
| Intersegment revenue | – | – | – | **–** | – | **–** |
| Total revenue | 652.5 | 173.0 | – | **825.5** | – | **825.5** |
| Operating profit (EBIT before one-off items) | 16.7 | 21.3 | 0.2 | **38.2** | – | **38.2** |

**30/6/2009**

| € million | Compact Engines | DEUTZ Customised Solutions | Other | Total segments | Reconciliation | DEUTZ Group |
|---|---|---|---|---|---|---|
| Segment assets (Inventories/Trade receivables) | 185.0 | 108.9 | – | **293.9** | – | **293.9** |
| Segment liabilities (Trade payables) | 86.9 | 12.9 | – | **99.8** | – | **99.8** |
| Working capital | 98.1 | 96.0 | – | **194.1** | – | **194.1** |

**31/12/2008**

| € million | Compact Engines | DEUTZ Customised Solutions | Other | Total segments | Reconciliation | DEUTZ Group |
|---|---|---|---|---|---|---|
| Segment assets (Inventories/Trade receivables) | 213.0 | 130.1 | – | **343.1** | – | **343.1** |
| Segment liabilities (Trade payables) | 118.5 | 19.6 | – | **138.1** | – | **138.1** |
| Working capital | 94.5 | 110.5 | – | **205.0** | – | **205.0** |

**Reconciliation from overall profit or loss for the segments to net income for the Group**

| | 1–6/2009 | 1–6/2008 |
|---|---|---|
| € million | | |
| Overall profit or loss for segments | –23.4 | 38.2 |
| Reconciliation | – | – |
| **Operating profit (EBIT before one-off items)** | **–23.4** | **38.2** |
| One-off items | –30.4 | – |
| **EBIT** | **–53.8** | **38.2** |
| Financial result | –4.0 | –1.3 |
| Other taxes | –0.9 | –1.0 |
| **Net income before taxes on continuing operations** | **–58.7** | **35.9** |
| Income taxes | –3.7 | –5.6 |
| **Net income on continuing operations** | **–62.4** | **30.3** |
| Net income on discontinued operations | –0.2 | – |
| **Net income** | **–62.6** | **30.3** |

External segment reporting is based on intra-group corporate management and internal financial reporting and, in line with the nature of the products and services offered, covers the following reportable operating segments:

**Compact Engines**
This segment comprises new business and the servicing of water- and oil-cooled diesel engines of less than four litres as well as four to eight-litre engines.

**DEUTZ Customised Solutions**
This segment focusses on air-cooled engines and large liquid-cooled engines with capacities exceeding 8 litres. It also includes customer-specific solutions (gensets) and service.

**Other**
This segment contains operations that do not belong in any other segment.

The classification of a business line as an operating segment is based in particular on the product line responsibility specified in the DEUTZ Group's organisational structure. The Compact Engines operating segment combines the product lines for diesel engines of less than four litres as well as four to eight-litre engines.

The reconciliation table shows the elimination of all intercompany relationships – where relevant – between the segments.

The measurement principles applied to the DEUTZ Group's segment reporting are based on the IFRS principles applied in the consolidated financial statements. The Board of Management, in its capacity as the senior decision-making body, assesses the segments' performance in terms of their operating profit (EBIT before one-off items). If entities consolidated under the equity method are directly attributable to a particular segment, their share of the net income or loss for the period is reported there. Finance costs, financial income and income taxes are reported for the DEUTZ Group as a whole and are not allocated to individual operating segments. Revenue constitutes the revenue that the segments generate from their customers. Revenue generated between segments – where relevant – is reported as intersegment revenue. Transfers between segments are reported at fair value.

Internal financial reporting on assets and liabilities comprises working capital as well as its individual components of inventories, trade receivables and trade payables.

## OTHER INFORMATION

Karl Huebser stepped down from the Board of Management by mutual consent with effect from 31 March 2009. Following the successful completion of the strengthening of the DEUTZ Group's operations in Asia, the Supervisory Board decided that this Board of Management position was no longer required. Helmut Meyer also stepped down from the Board of Management by mutual consent with effect from 31 March 2009. The Supervisory Board appointed Dr Margarete Haase to the Board of Management, where she has been responsible for finance and human resources since 1 April this year.

Lars-Göran Moberg became chairman of the Supervisory Board of DEUTZ AG in May 2009 after Dr Giuseppe Vita had stepped down from this post. Dr Vita left the Supervisory Board with effect from 31 July 2009 after a successful term of office during which he had overseen a period of dramatic change for the Company (new major shareholder, new members of the Board of Management, including the chairman) and the recent restructuring of the Board of Management (reduction from four to three members, new CFO).

The notes to the consolidated financial statements for 2008 provide information on how the remuneration paid to the Board of Management and the Supervisory Board is broken down. Termination benefits paid to the Board of Management and other senior executives in the first half of 2009 amounted to €4.8 million. €2.2 million of this total was recognised as a provision as at 30 June 2009. The Board of Management and other senior executives will forego 10 per cent of their remuneration for 2009. The Supervisory Board meeting held on 30 April 2009 decided that the members of the Supervisory Board would also forego 10 per cent of both their fixed remuneration and their attendance fees for 2009.

## EVENTS AFTER THE BALANCE SHEET DATE (30 JUNE 2009)

Robert Bosch GmbH, DEUTZ AG and J. Eberspächer GmbH Co. KG have expressed interest in collaborating in the field of exhaust aftertreatment for the non-road market and have signed a memorandum of understanding to this effect. They plan to conduct more in-depth negotiations on the possibility of setting up a joint venture to develop, produce and distribute diesel exhaust aftertreatment systems for this market segment. Depending on how these talks progress, the companies involved hope to launch their joint venture and start series production as soon as possible. It is not yet possible to say what financial impact this might have on the DEUTZ Group.

Cologne, 5 August 2009

DEUTZ Aktiengesellschaft
The Board of Management

Dr Helmut Leube | Gino Mario Biondi | Dr Margarete Haase

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Cologne, 5 August 2009

DEUTZ Aktiengesellschaft
The Board of Management

Dr Helmut Leube | Gino Mario Biondi | Dr Margarete Haase

## REVIEW REPORT

To DEUTZ AG, Cologne

We have reviewed the condensed interim consolidated financial statements of the DEUTZ AG, Cologne, comprising the income statement, the comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and selected explanatory notes, together with the interim group management report of the DEUTZ AG, Cologne, for the period from 1 January to 30 June 2009, that are part of the semi annual financial report pursuant to § 37w WpHG (Wertpapierhandelsgesetz: German Securities Trading Act).

The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Düsseldorf, August 11, 2009

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Crampton
Wirtschaftsprüfer
(German Public Auditor)

Signed: Lammers
Wirtschaftsprüferin
(German Public Auditor)

# Financial calendar 2009/2010

| Date | Event | Location |
|---|---|---|
| 5 November 2009 | Interim report on first three quarters of 2009<br>Conference call with analysts and investors | |
| 18 March 2010 | Annual results press conference<br>Publication of annual report for 2009 | Cologne |
| 19 March 2010 | Analysts' meeting | Frankfurt/Main |
| 6 May 2010 | Annual general meeting | Cologne |
| 12 May 2010 | Interim report on first quarter of 2010<br>Conference call with analysts and investors | |
| 5 August 2010 | Interim report on first half of 2010<br>Conference call with analysts and investors | |
| 10 November 2010 | Interim report on first three quarters of 2010<br>Conference call with analysts and investors | |

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