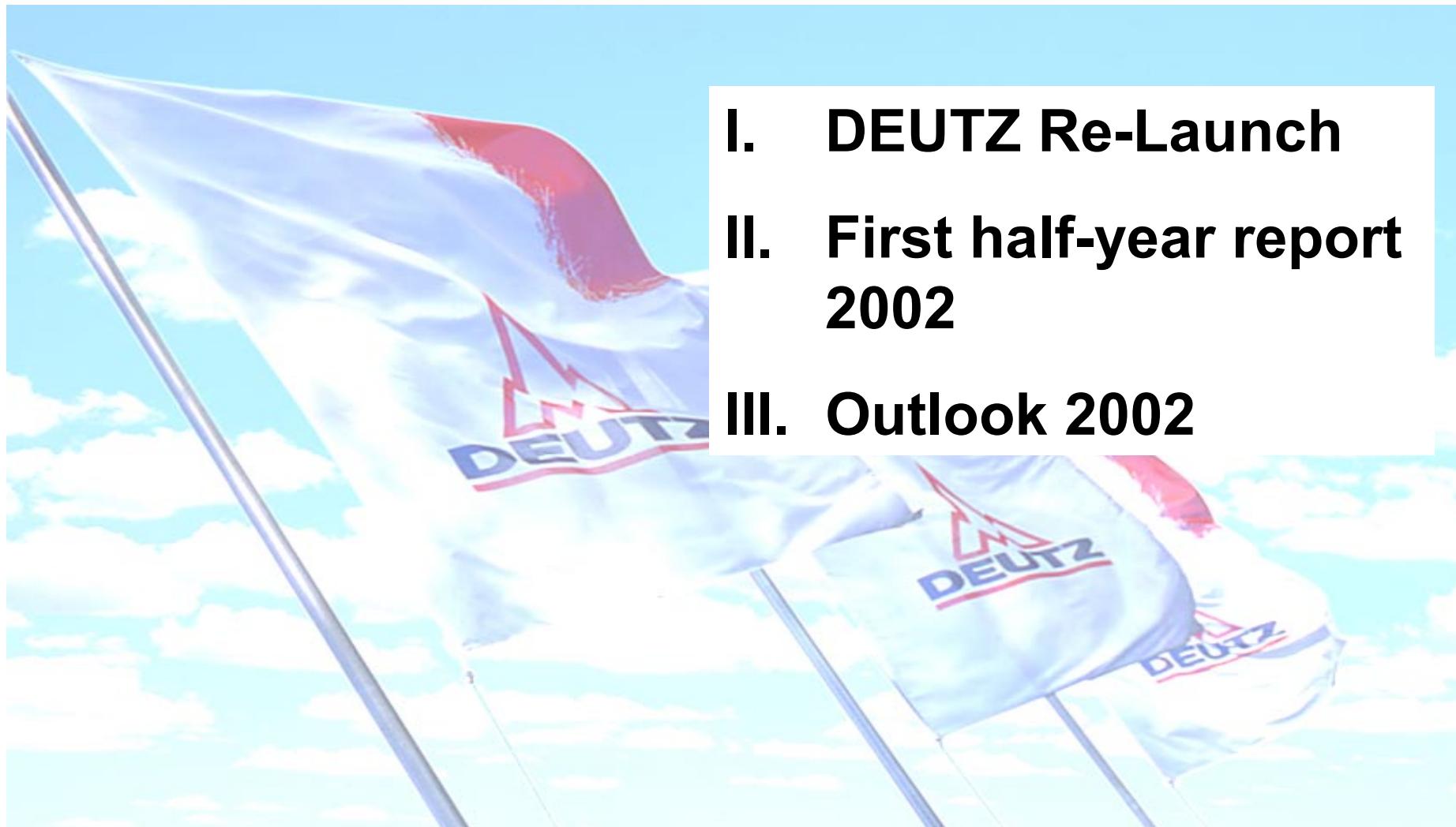


Analysts` meeting August 14th, 2002



- I. DEUTZ Re-Launch**
- II. First half-year report
2002**
- III. Outlook 2002**

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Re-Launch / 5-Point Programme

A composite image for the background. On the left, a sailboat with a blue sail featuring the DEUTZ logo is set against a blue sky with white clouds. On the right, a close-up of a green button with the words "RE-LAUNCH" printed on it in white, with a white button being pushed into it.

► Why Re-Launch?

- 10 years of poor performance
- Unfocused, highly diversified business structure

► TURN AROUND PROGRAMME!

- F**ocusing of the model range
- C**oncentration of production
- L**eaner structures
- DEUTZ Re-Launch**
- Q**uality offensive
- P**romotion of co-operations



▲ Re-Launch: Success in 2001

1. Unprofitable engine families eliminated
2. Slow-selling variants / complexity reduced
3. Closing of foundry, completion in 2002
4. Non-core activities sold off (industrial plant and agriculture business)
5. Overhead reduced by 300 employees
6. Strict cost and investment management
7. Productivity improvement of 9.5 %
8. Sales / production co-operation agreements signed
9. Reduced legacy risks

Enhanced Re-Launch 2002

- ▶ Lower Break-Even-Point
- ▶ DEUTZ will reduce staff by 1,000 vs. 12/2000
(nearly 500 realised in the overhead area)
- ▶ Major restructuring projects fully on schedule:
 - Closing of foundry (completion in 2002)
 - Reduction of manufacturing costs (ongoing)
 - Focusing of sales / service network world-wide
(nearly completed)
 - Global company, with the speed and culture of a small company
(initiated)

► Enhanced Re-Launch 2002

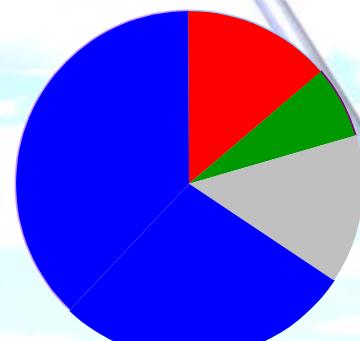


- Asset Management (fixed assets, inventories, trade payables)
- June 2002 vs. June 2001: -80,6 mill €
- Materials Management
 - Global Sourcing
 - Streamlining of logistic processes (initiated)
 - Introduction of consignment stocks (initiated)
 - Lead-Supplier concept
- “Zero Stock Program” (initiated)
- Optimizing manufacturing structures (planned)

Re-Launch: Targets in € mill.

- Focusing of the model range
- Shared-parts programme
- Quality offensive
- Personnel / fixed costs reduction
- Reduction of variants

► Actual 2001:
19.7 € millions

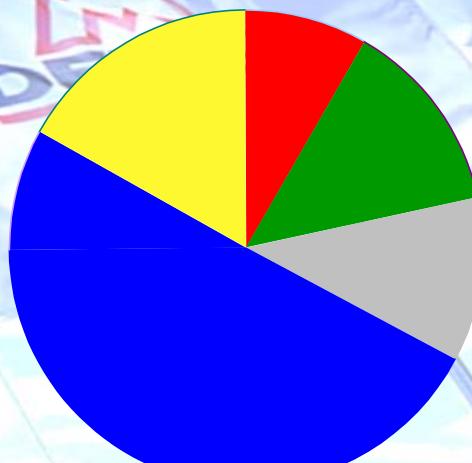


2001

Σ 14

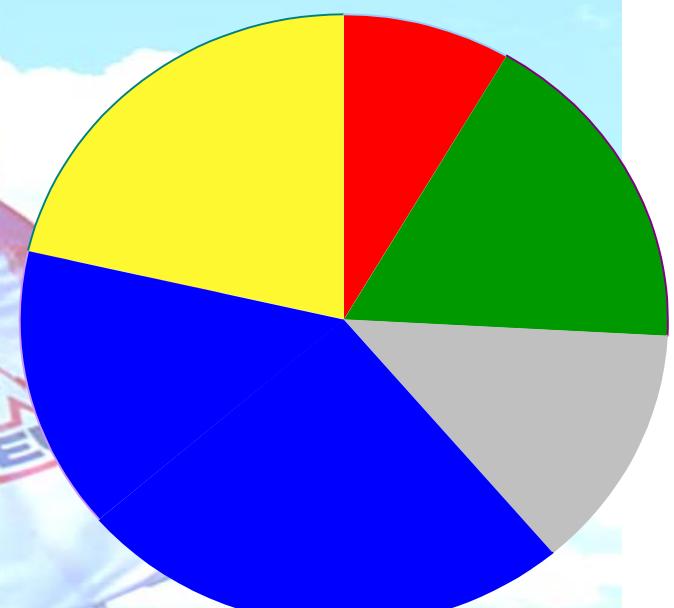
► Actual June 2002:
23.2 € millions

Σ 38



2002

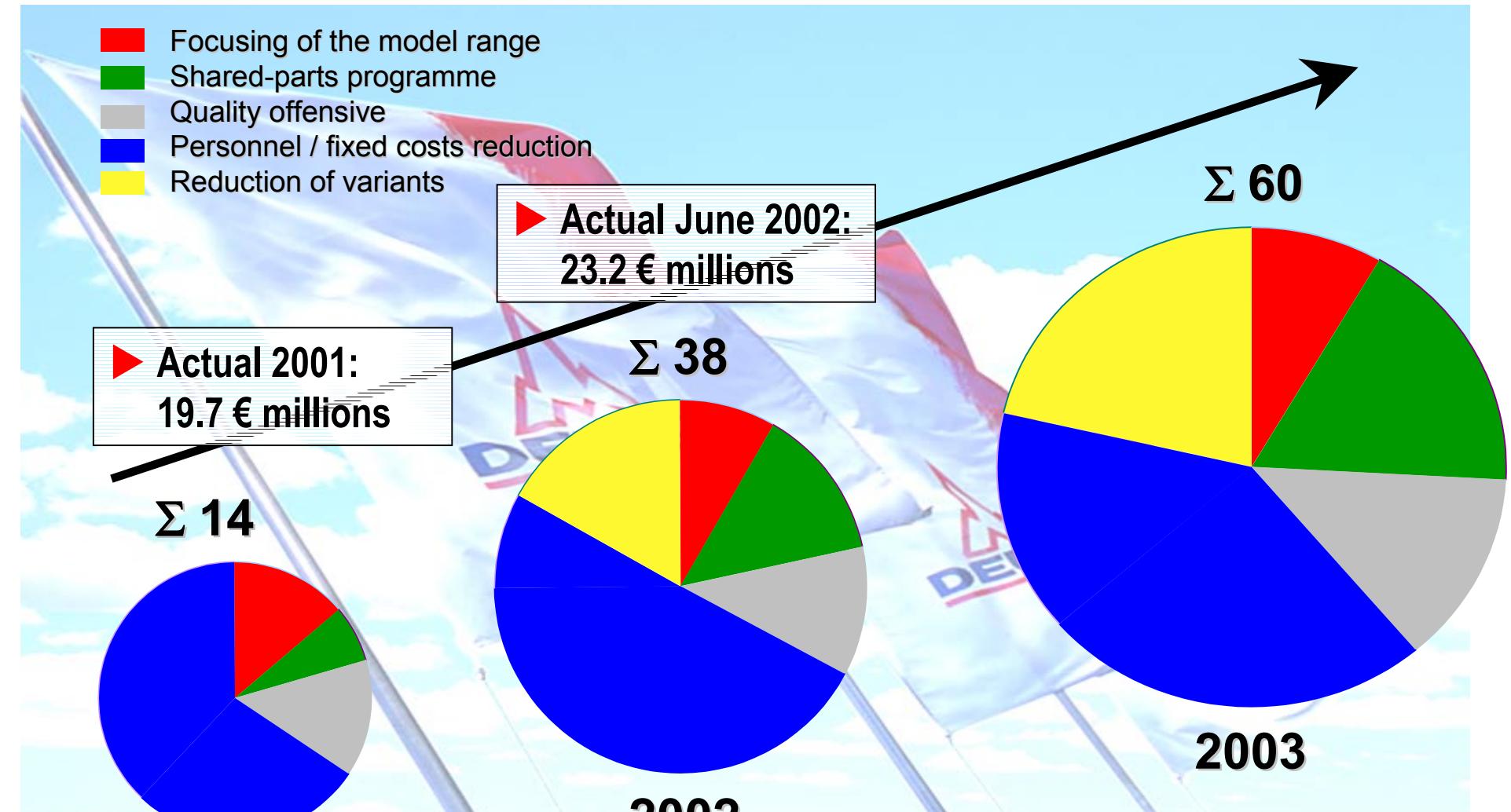
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2003

Jan. - June 2002

Σ 60



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New Orders



Jan. - June € million	2002	2001	Incr./Decr.
New orders DEUTZ Group	618.4	621.2	-2.8
Small engines	442.1	392.1	50.0
thereof: - new equipment	354.8	308.3	46.5
- service	87.3	83.8	3.5
Medium-sized and large engines	176.3	229.1	-52.8
thereof: - new equipment	80.4	140.4	-60.0
- service	95.9	88.7	7.2

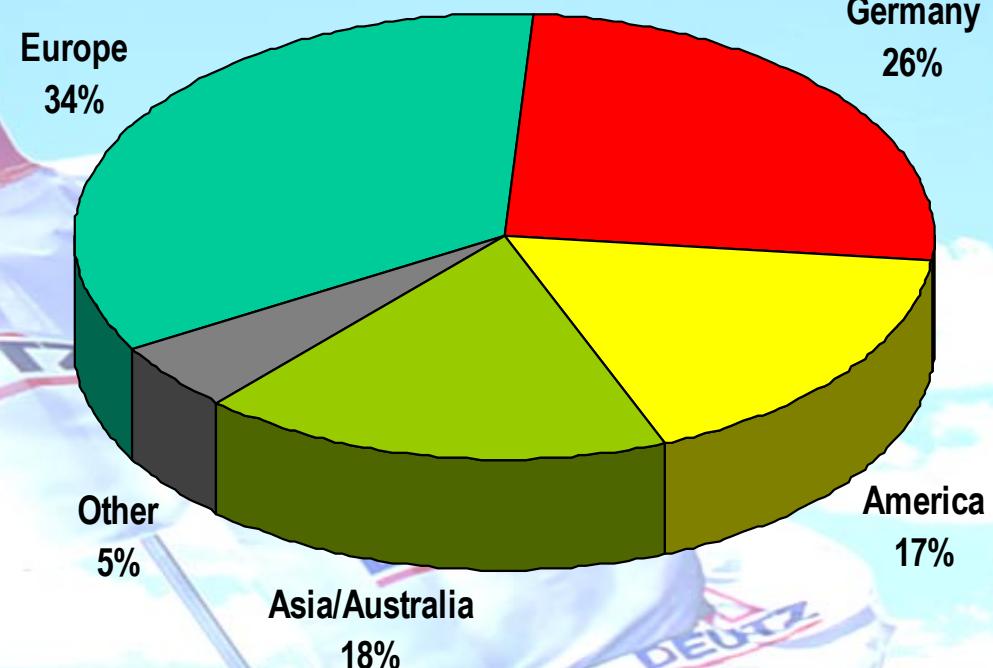
Sales



Jan. - June € million	2002	2001	Incr./Decr.
Sales DEUTZ Group	554.9	598.7	-43.8
Small engines	408.0	390.1	17.9
thereof: - new equipment	324.1	309.5	14.6
- service	83.9	80.6	3.3
Medium-sized and large engines	146.9	208.6	-61.7
thereof: - new equipment	56.6	126.2	-69.6
- service	90.3	82.4	7.9

Sales by region*

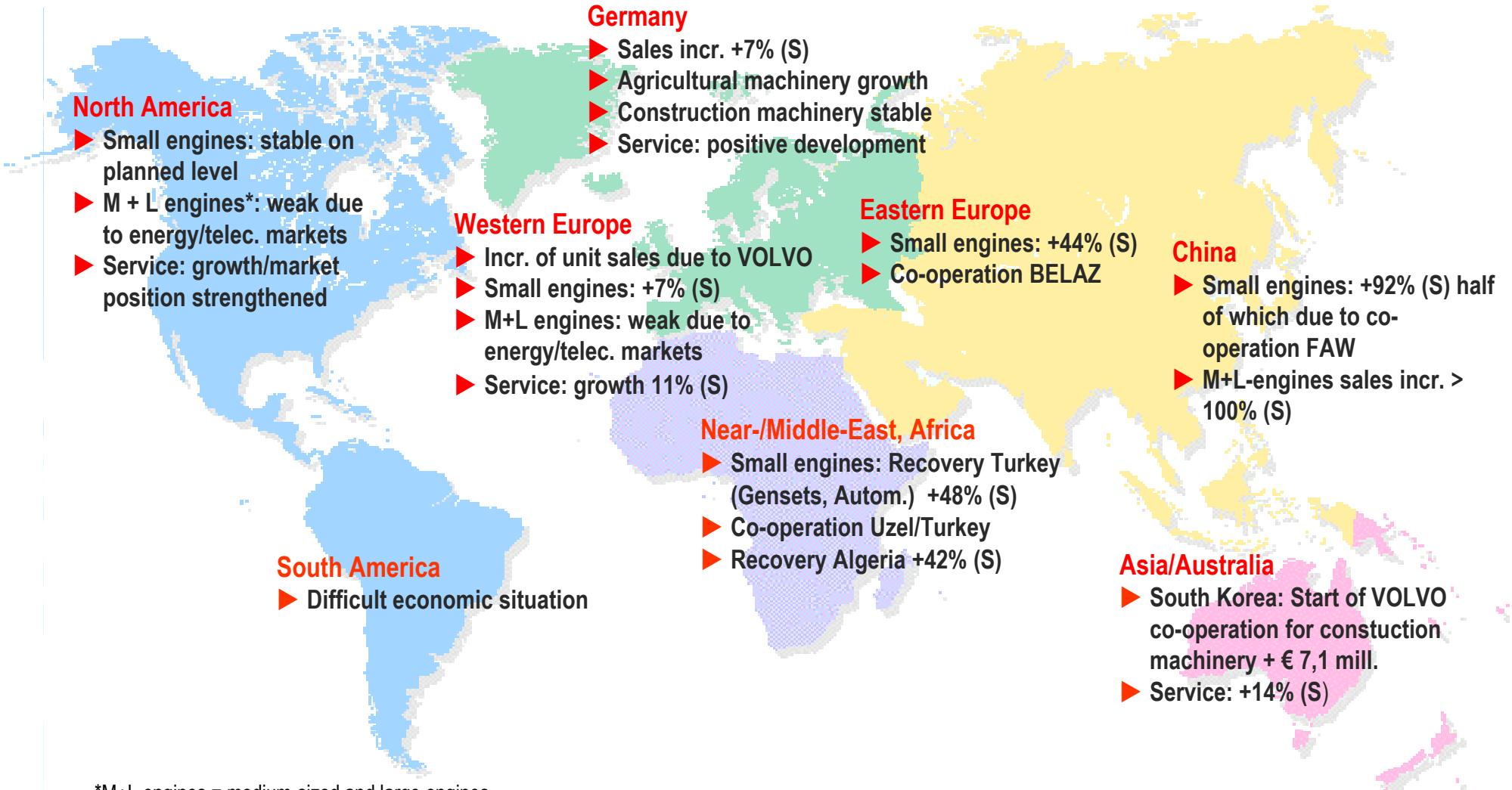
- **Strong market position**
 - Germany
 - Western Europe
 - North America
 - Near-/Middle-East, Africa
- **Good growth potential**
 - Asia, Australia
 - China
 - Eastern Europe



*consolidated

Jan. - June 2002

Regions



*M+L engines = medium-sized and large engines

Unit Sales worldwide

Jan. - June Unit Sales	2002	2001	Incr./Decr.
Small engines Output range from 4 to 440 kW	82,623	80,155	2,468
thereof: -oil/water-cooled	61,731	58,882	2,849
- air-cooled	20,892	21,273	-381
Medium-sized and large engines Output range from 245 to 4,000 kW	280	467	-187

Key Figures



Jan. - June € million	2002	2001*	Incr./Decr.
Sales	554.9	598.7	-43.8
EBITDA	53.5	49.5	4.0
EBIT	22.5	16.5	6.0
Profit/loss on ordinary activities	3.8	-6.9	10.7
Profit/loss	3.1	-7.4	10.5

*excl. KHD Humboldt Wedag

Profit and Loss Account



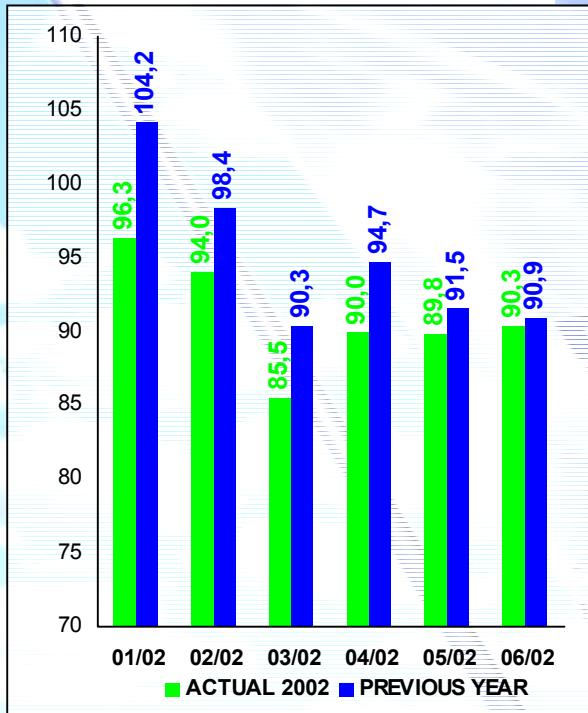
Jan. - June	2002	2001*/**	Incr./ Decr.	2001*
€ million				
Sales	554.9	598.7	-43.8	598.7
Incr. in finished goods and work in process, own work capitalised	25.5	21.4	4.1	21.4
Total output	580.4	620.1	-39.7	620.1
Cost of materials	-313.2	-346.1	32.9	-346.1
Personnel expenses	-145.6	-156.9	11.3	-156.9
Depreciation	-31.0	-33.0	2.0	-22.6
Other operating income/expenses	-68.1	-67.6	-0.5	-82.8
Interest expenses, net	-18.7	-23.4	4.7	-18.6
Profit/loss on ordinary activities	3.8	-6.9	10.7	-6.9
Taxes	-0.7	-0.5	-0.2	-0.5
Profit/loss for the half year	3.1	-7.4	10.5	-7.4

*excl. KHD Humboldt Wedag, **Pro-Forma incl. on/off balance

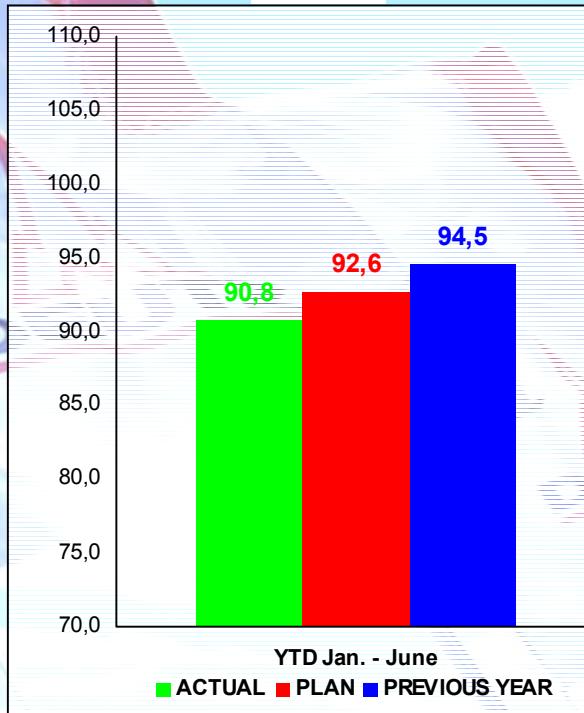
Cost-run rate (in %)



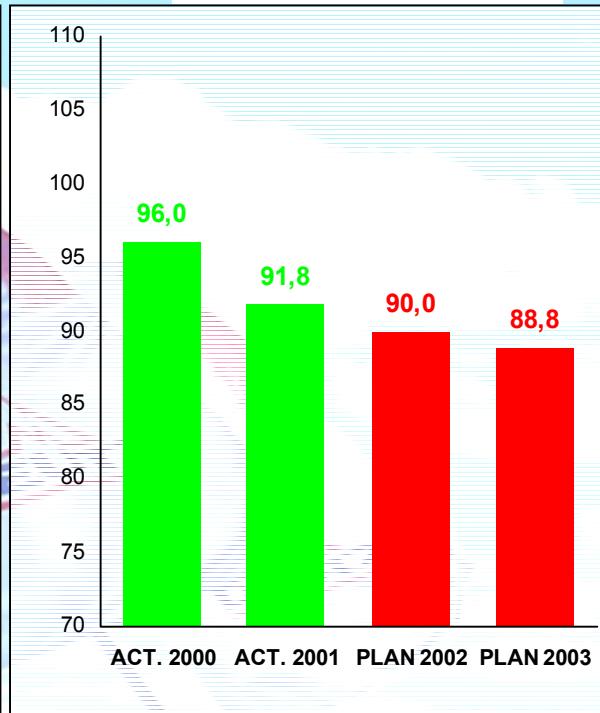
ACTUAL MONTHLY



YTD



ACT./PLAN p.a.



Balance Sheet DEUTZ Group



Assets	June 30, 2002	Dec. 31, 2001	Incr./Decr. June 30, 02 / Dec. 31, 01	June 30, 2001	Incr./Decr. June 30, 02 / June 30, 01
	€ million	Pro-Forma On/Off		June 30, 2001	
Business expansion expenses	17.9	15.1	2.8	12.6	5.3
Intangible and tangible assets	459.7	484.6	-24.9	500.2	-40.5
Financial assets	36.4	36.2	0.2	47.0	-10.6
Inventories (net)	295.2	271.4	23.8	318.7	-23.5
Trade receivables	200.8	211.1	-10.3	217.4	-16.6
Liquid assets	17.6	32.0	-14.4	16.0	1.6
Other current assets, prepaid expenses and deferred charges	79.6	91.8	-12.2	89.7	-10.1
Total	1,107.2	1,142.2	-35.0	1,201.6	-94.4

Balance Sheet



Stockholder's equity and liabilities	June 30, 2002	Dec. 31, 2001	Incr./Decr.	June 30, 2001	Incr./Decr.
	€ million		June 30, 02 / Dec. 31, 01	Pro-Forma On/Off	June 30, 02/ June 30, 01
Stockholder's equity	96.1	93.0	3.1	117.6	-21.5
Convertible profit-participation certificates	25.6	25.6		25.6	
Provisions	464.3	488.4	-24.1	451.4	12.9
Amounts owed to credit institutions	358.0	371.7	-13.7	371.6	-13.6
Trade payables	90.0	82.8	7.2	90.2	-0.2
Other payables, deferred income	73.2	80.7	-7.5	145.2	-72.0
Liabilities	521.2	535.2	-14.0	607.0	-85.8
Total	1,107.2	1,142.2	-35.0	1,201.6	-94.4

Net Financial Debt



€ million	June 30, 2002	Dec.31, 2001	June 30, 2001
Amounts owed to credit institutions	358.0	371.7	237.9
Liquid assets	-17.6	-32.0	-16.0
On-Balance	340.4	339.7	221.9
CANDOR			88.8
Old leasing contracts			27.5
Off-Balance			116.3
Net financial debt	340.4	339.7	338.2

Cash Flow Statement



Jan. - June

€ million

Profit/loss

2002

2001

Depreciation, Change in pension provisions, gains from disposals of corporate sub-units and other fixed assets

30.4

22.5

Cashflow

33.5

15.1

Change of working capital

-27.5

-23.2

Cash Flow from normal operating activities

6.0

-8.1

Cash Flow from investing activities

-6.7

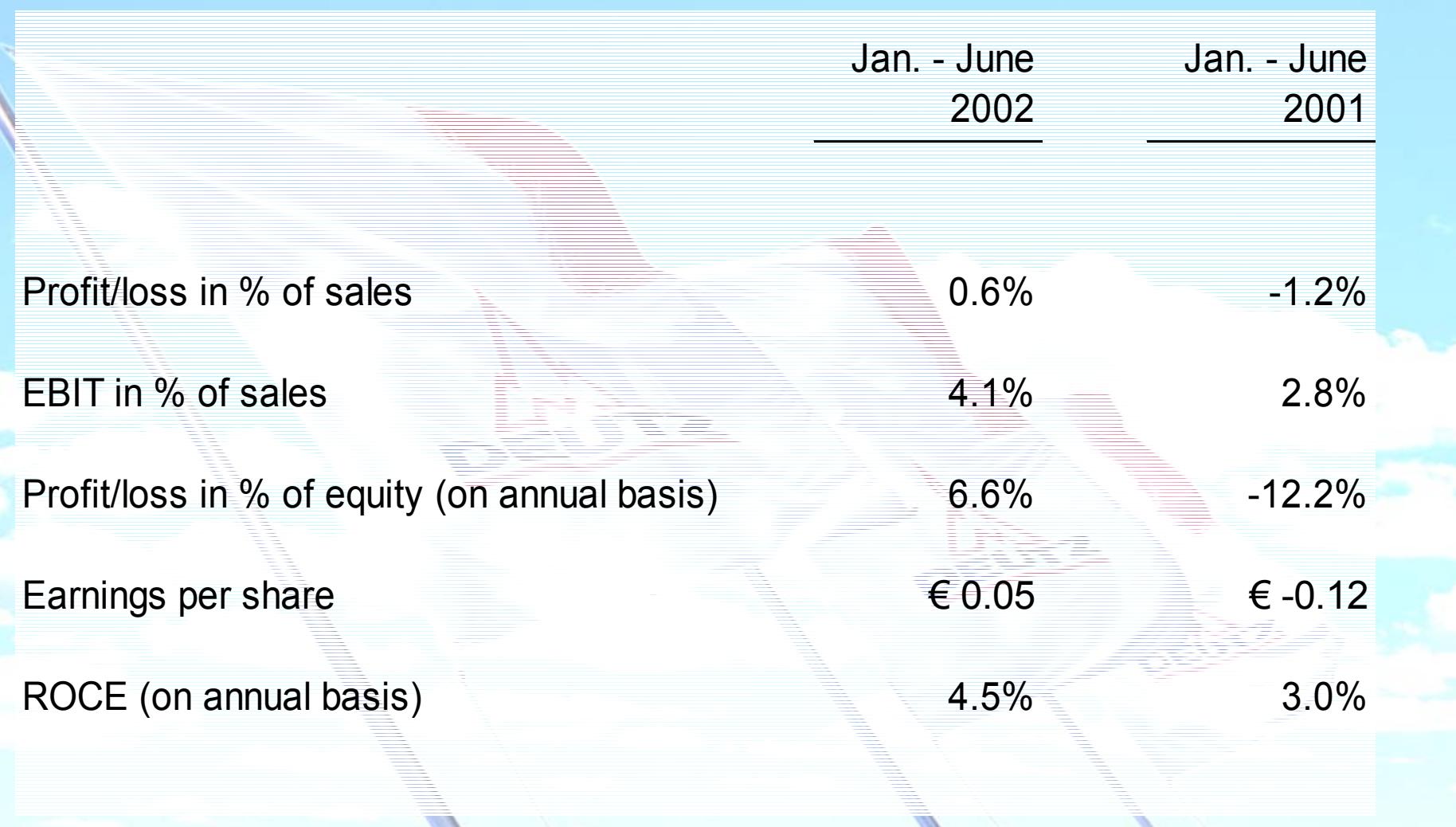
-16.8

Cash Flow before financial activities

-0.7

-24.9

Key Figures



► Highlights

- Significant increase of orders for small engines: +12.8%
- Service business better market penetration
Increase of new orders: +6.2%
- Decrease of costs of materials from 56% to 54% of total output
- Personnel expenses: € -11.3 mill. in spite of increase of wages
- Reduced interest expenses: € -4.7 mill.
- Success of asset management:
 - Fixed assets: € -40,5 mill.
 - Inventories (net) € -23.5 mill.
 - Trade payables (net): € -16.6 mill.
- Significant increase of cash flow before financing: from € -24.9 mill. to € -0.7 mill.

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DEUTZ moving forward!

We expect to reach our goal: „break even“ in 2002.

- ▶ effectiveness of the Re-Launch program
- ▶ good profit development in the first half-year 2002
- ▶ Solid order income, against the general industry trend