

The image features three white flags with the Deutz logo and red stripes, flying against a blue sky with white clouds. The flags are arranged diagonally from the top left towards the bottom right. The Deutz logo, consisting of a stylized red 'M' and the word 'DEUTZ' in blue, is prominently displayed on each flag. The text 'DEUTZ the engine company' is overlaid in the top right corner in a bold, white, sans-serif font.

DEUTZ
the engine company

Welcome to the 2003 Annual General Meeting

Summary of key figures: DEUTZ Group

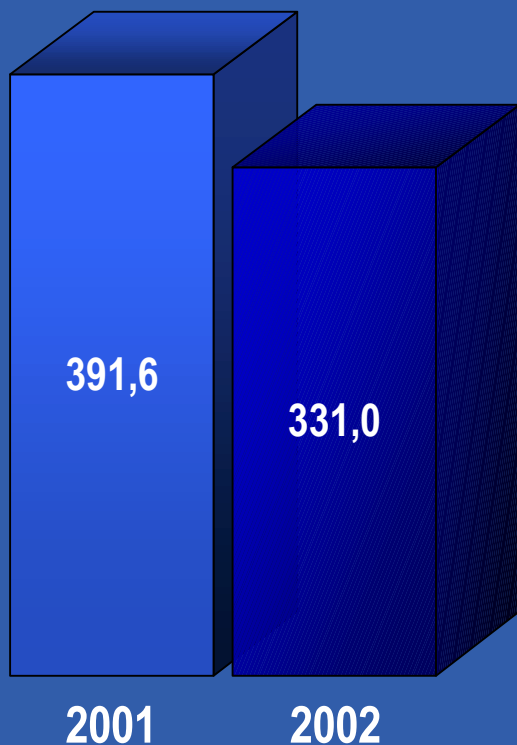


Key figures for the DEUTZ Group		2002	2001	Change
Unit sales		154,032	146,645	7,387
Sales	€ millions	1,160.9	1,184.9	-24.0
Operating profit (EBIT)	€ millions	41.0	27.9	13.1
Profit/ loss	€ millions	2.0	-31.8	33.8
Cash flow before financial activities	€ millions	37.7	-82.8	120.5
Net financial debt	€ millions	302.0	339.7	-37.7
Employees (as of 31st December)		5,470	5,979	-509

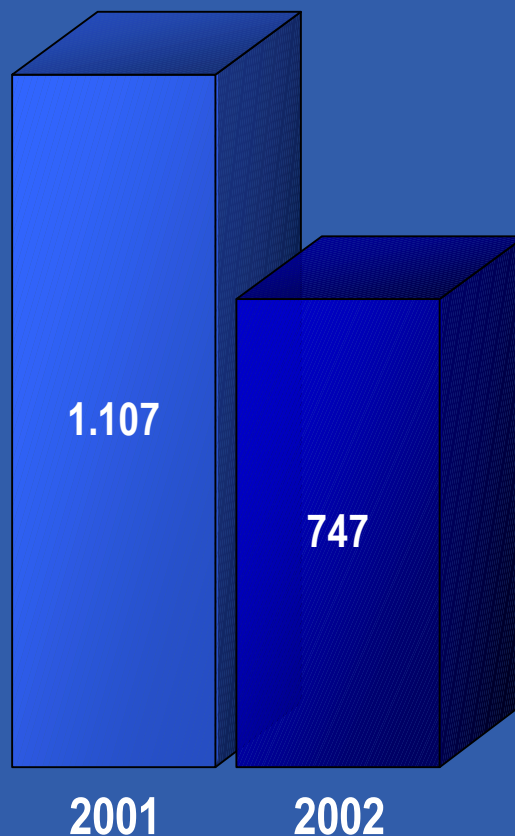
Medium-sized and large engines segment



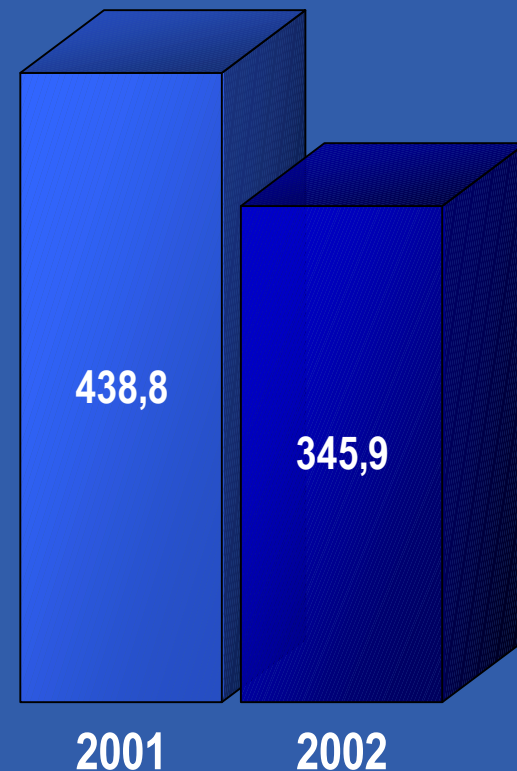
New Orders
(€ millions)



Sales
(units)



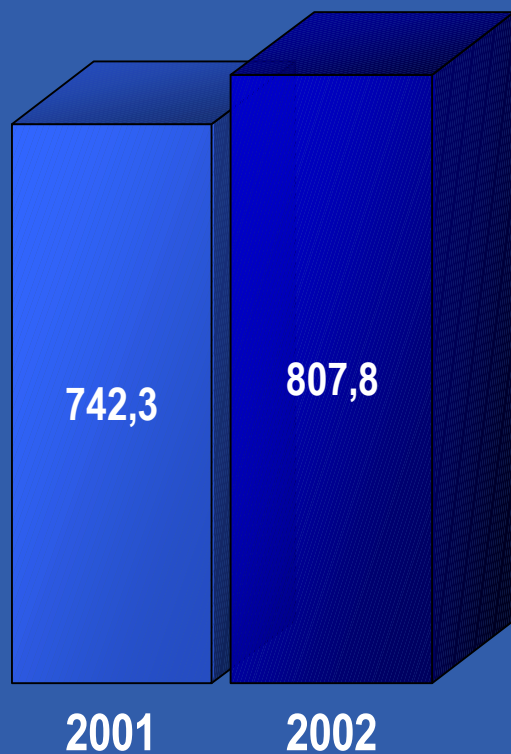
Sales
(€ millions)



Compact engines segment



New Orders
(€ millions)



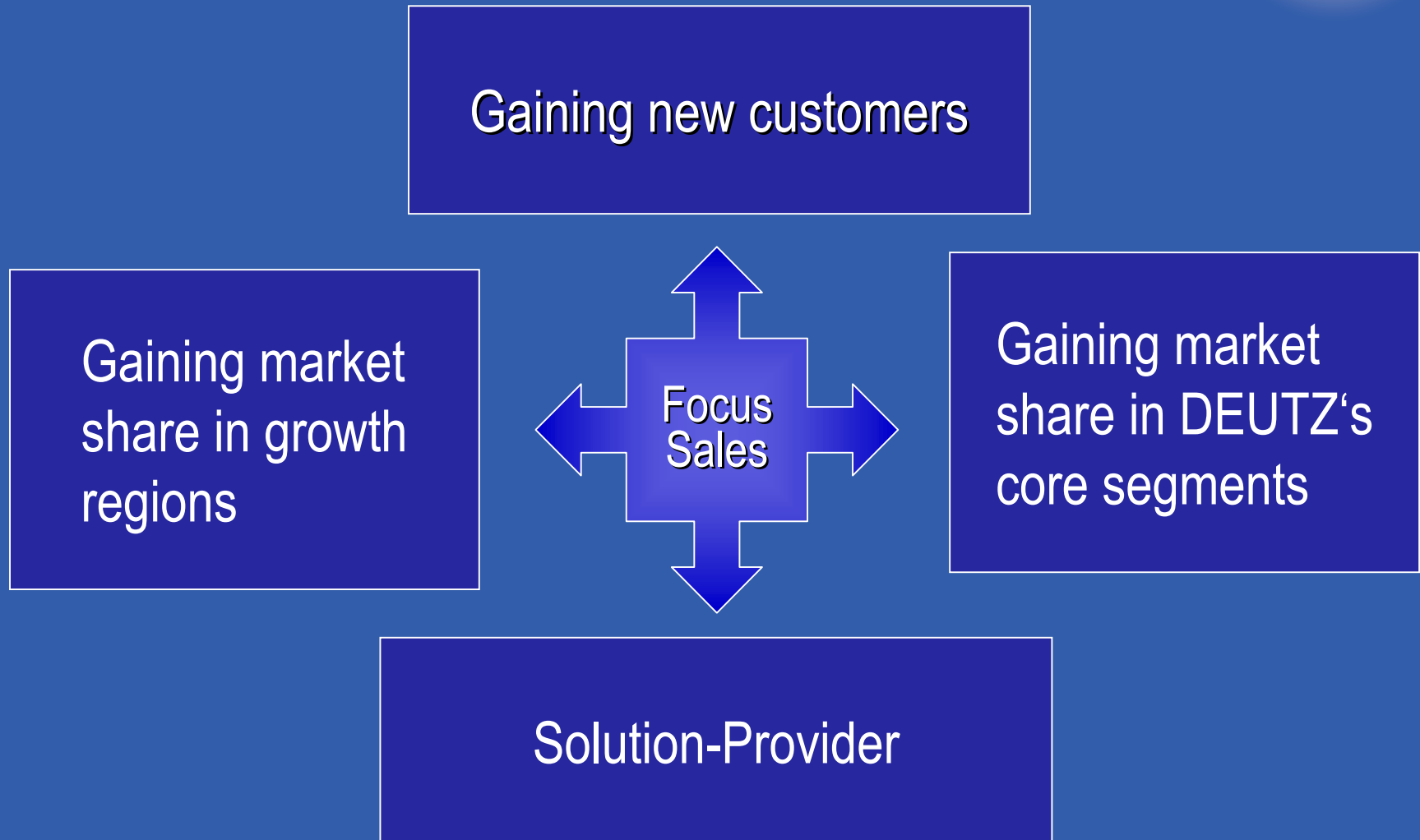
Sales
(units)



Sales
(€ millions)

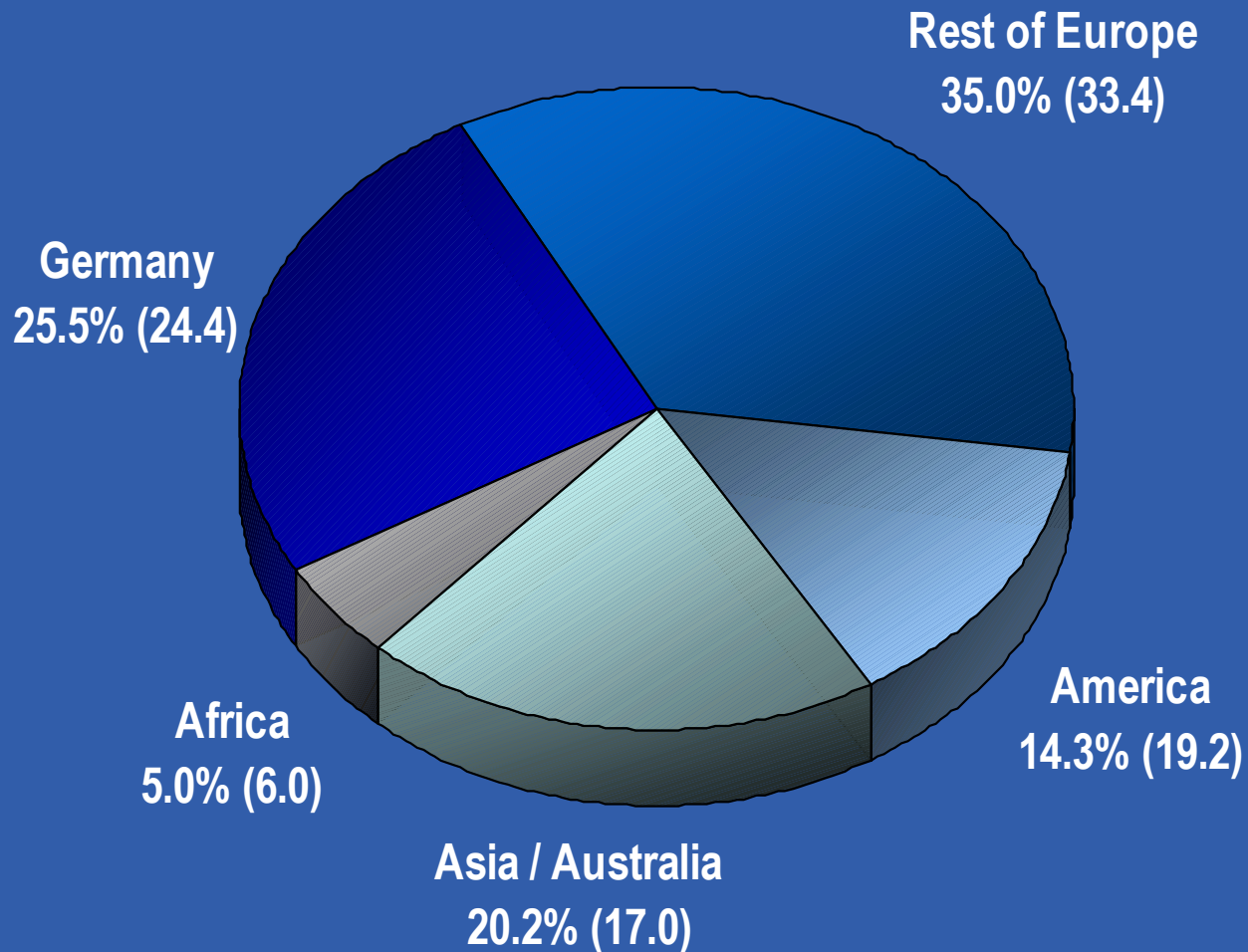


Four sales goals in 2002



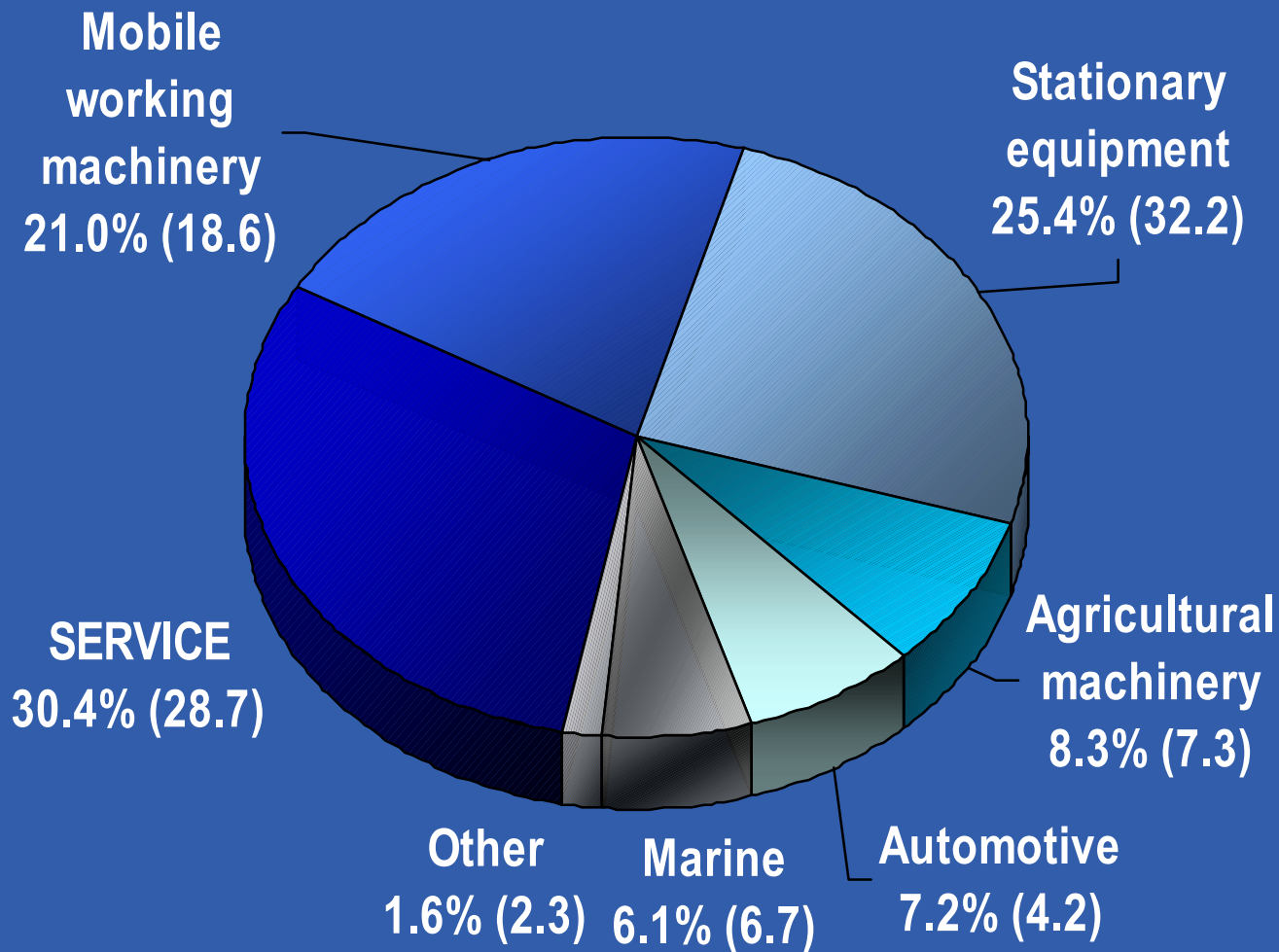
2002 sales by region

(previous year's figures in brackets)

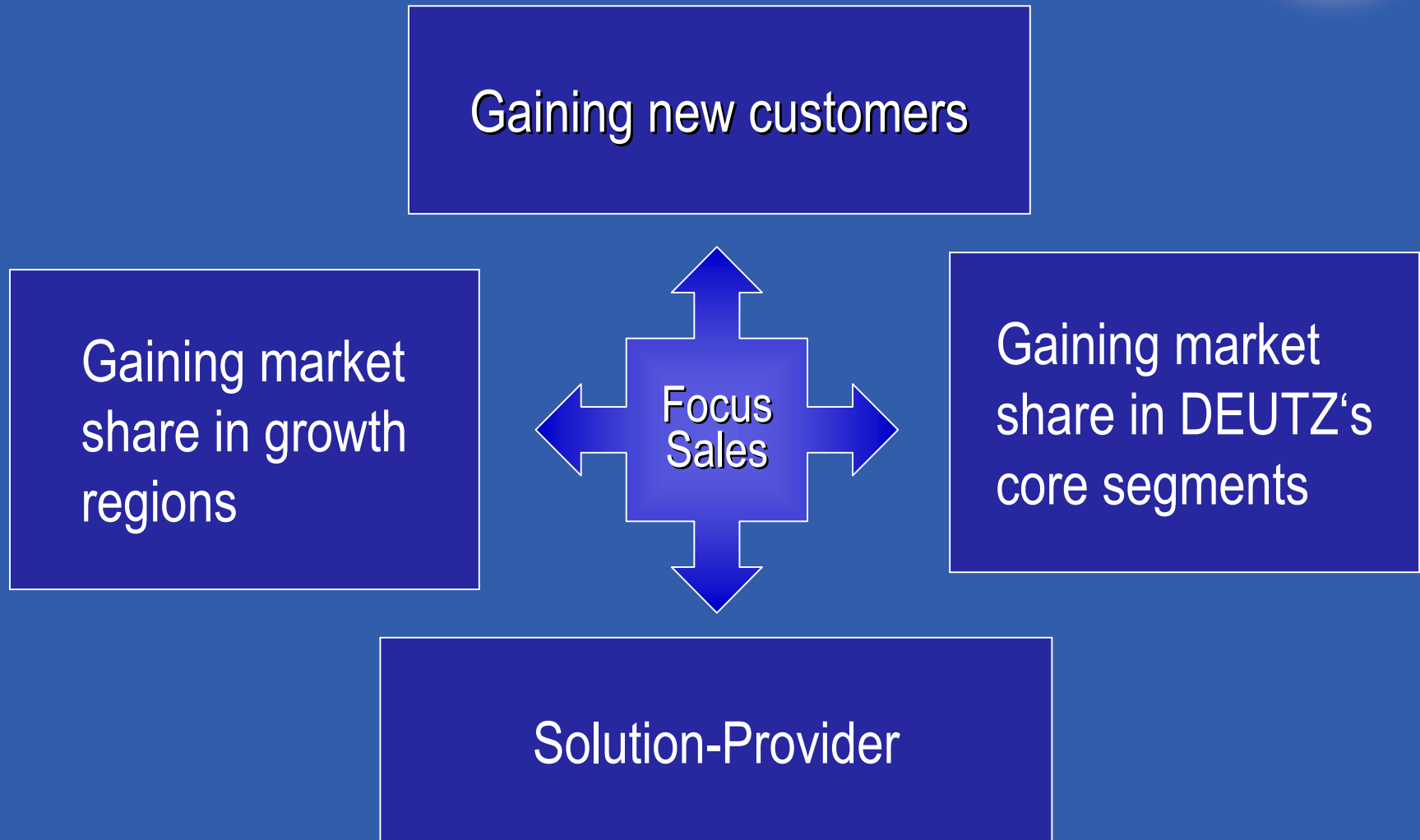


2002 sales by application

(previous year's figures in brackets)



Four sales goals in 2002



New DEUTZ Power Pack systems



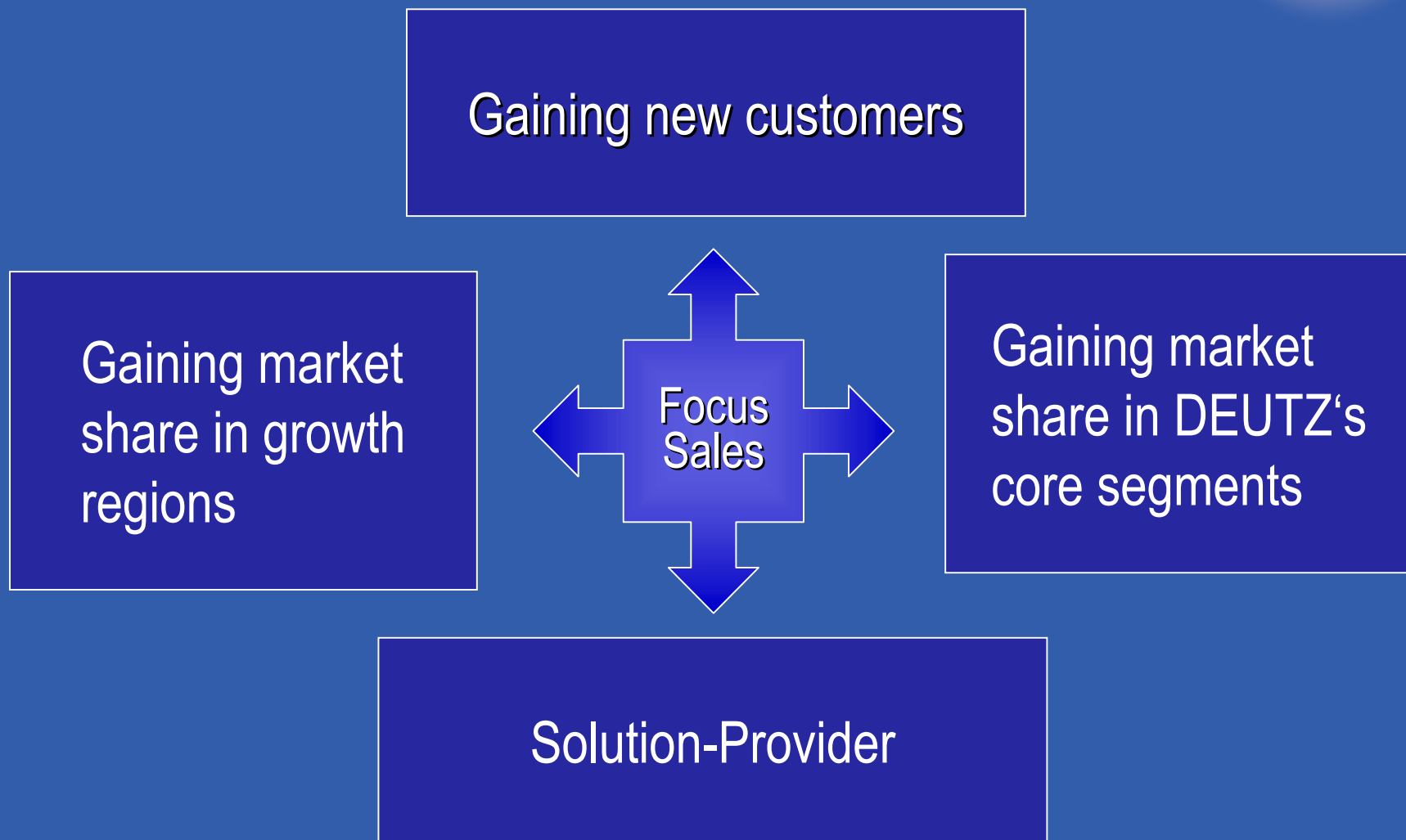
Power Pack 2012



Power Pack for Volvo



Four sales goals in 2002



Summary of key figures: DEUTZ Group



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DEUTZ Re-Launch / 5-point programme



1

Focussing of the model range

2

Concentration of production

3

Leaner structures

4






Quality campaign

5

Promotion of co-operation

DEUTZ Re-Launch / 5-point programme

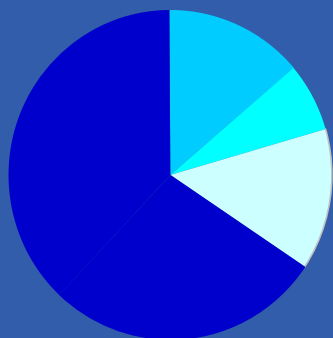


-  Sales and profit improvement
-  Shared-parts programme
-  Guarantee programme
-  Reduce headcount / costs
-  Focussing / Variants

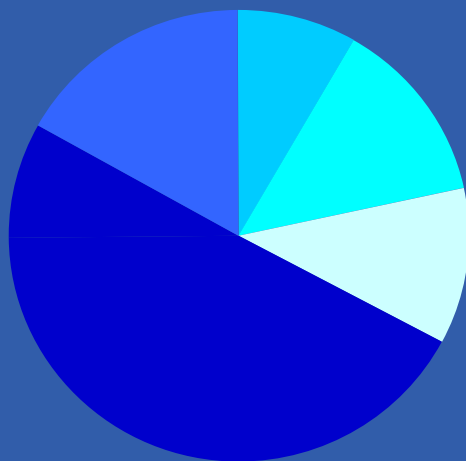
Target: €60 million

**Target: €35 million
Actual: €46 million**

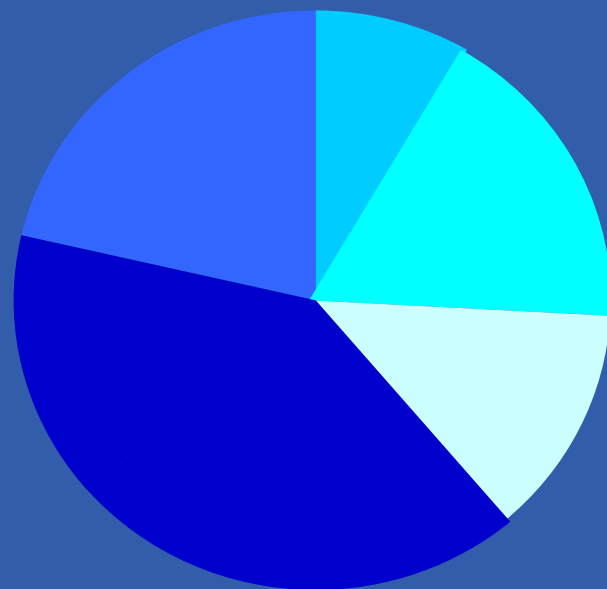
**Target: €14 million
Actual: €20 million**



2001



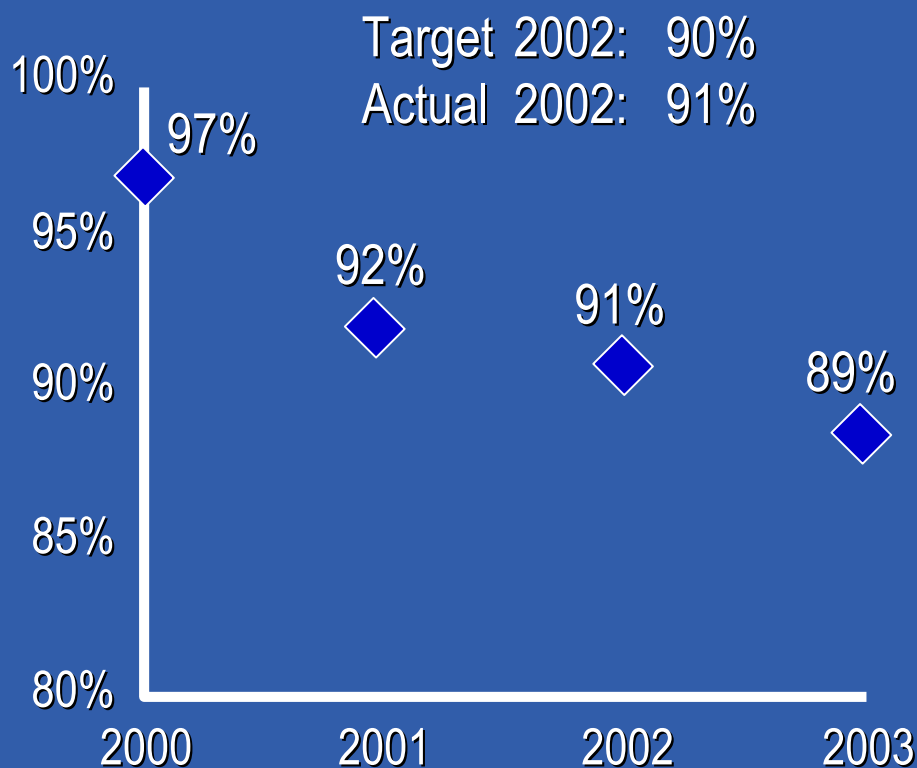
2002



2003

Profit improvement
over plan 2001

Cost run rate

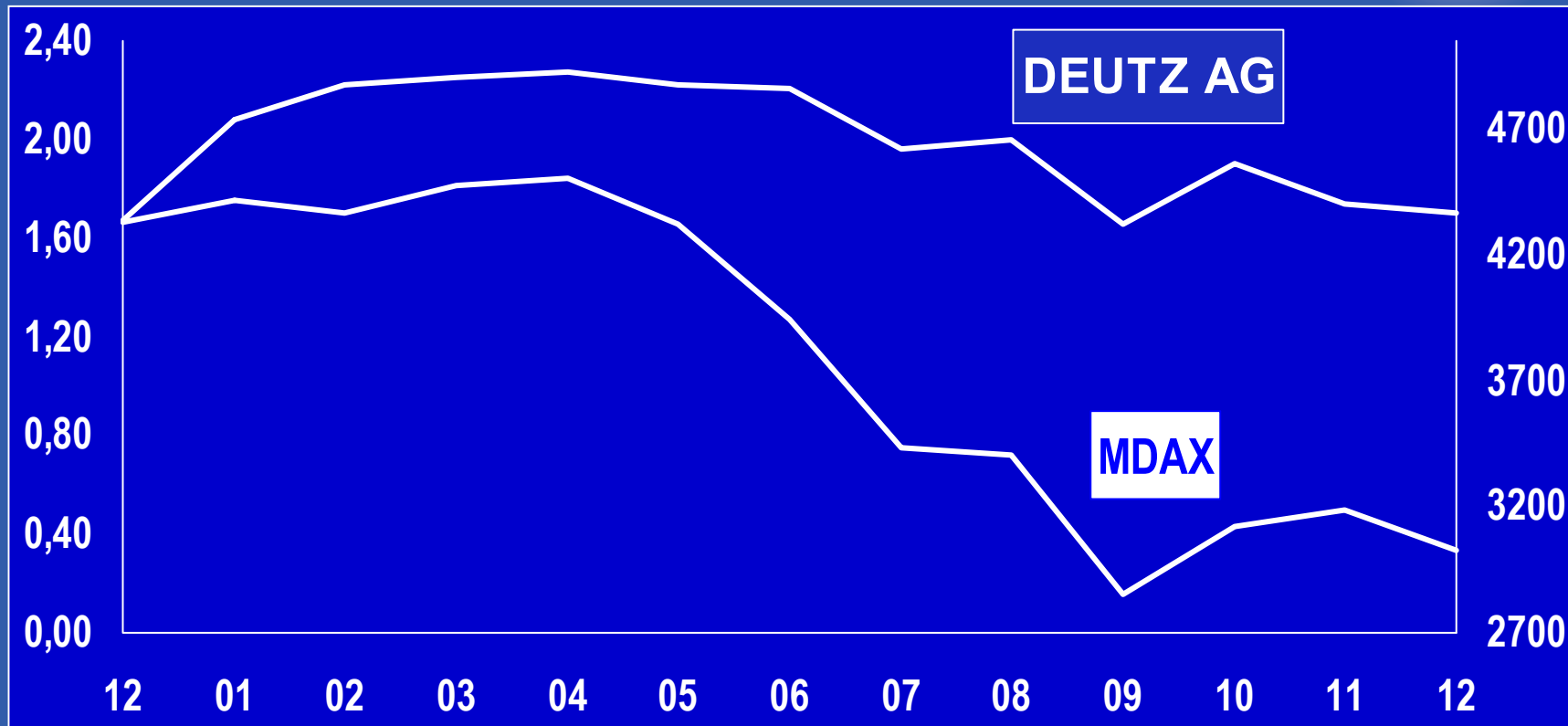


Cost run rate 2002

Definition Actual values
(in € millions)

Cost of materials	626.5
Cost of labour	291.6
Other operating expenses/income	144.1
Total cost	1,062.2
Total output	1,163.1
Cost run rate (% of output)	91%

The DEUTZ share



- ▶ DEUTZ has been registered on the Prime Standard since 1st January 2003
- ▶ DEUTZ shares have been noted in the SDAX since 24th March 2003

Three-Pillars strategy

Liquid-cooled compact engines

Medium-term aim: 150,000

- ▶ Growth with co-operation agreements
- ▶ Concentration of production and assembly
- ▶ Introduction of DCR®
- ▶ DEUTZ: Solution-provider

Air-cooled compact engines

Medium-term aim: 50,000

- ▶ Focussing sales on Eastern Europe, China, and North America
- ▶ Concentration of production and assembly
- ▶ Further development of 914 for Emission Stage III

Medium-sized and large engines

Medium-term aim: 1.500

- ▶ Implementation of works structure concept
- ▶ Development of Common Rail System
- ▶ Expand Energy and Marine business

SERVICE

- ▶ Central-warehouse concept: reduction in stocks of 50 percent
- ▶ "Pull-through" strategy: greater sales activities with operators
- ▶ Extension of eBusiness activities
- ▶ Widening of product range: Xchange programme, service contracts, remote diagnosis

Liquid-cooled compact engines

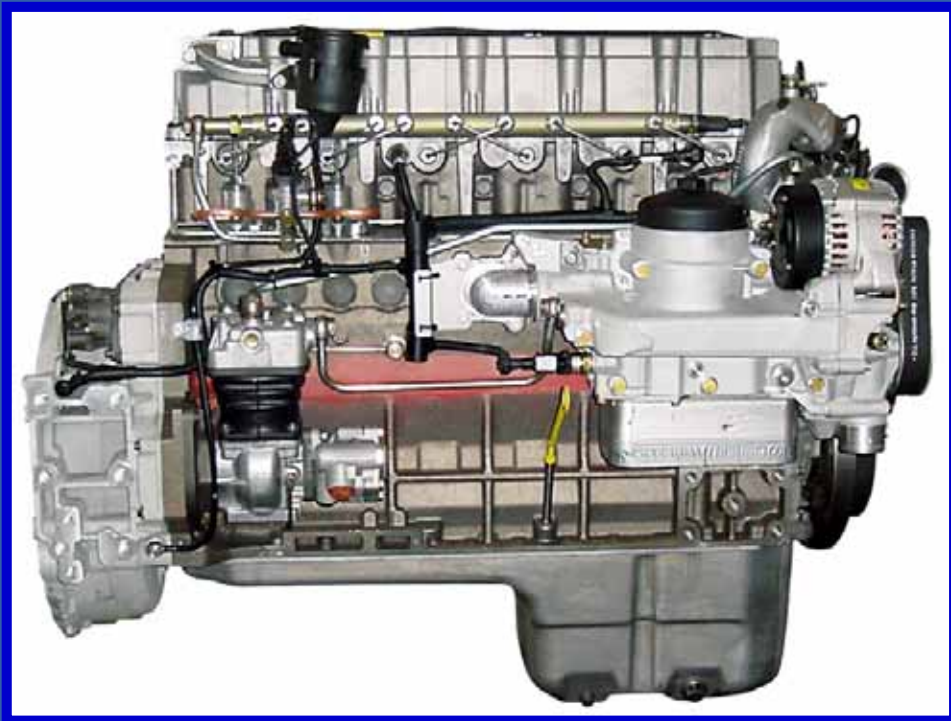


Liquid-cooled compact engines

Medium-term goal: 150,000

- ▶ Growth with co-operation agreements
- ▶ Concentration of production and assembly
- ▶ Introduction of DCR®
- ▶ DEUTZ: Solution-provider

- ▶ DEUTZ Common Rail System and new commercial vehicle engine in test phase



Air-cooled compact engines



909

Air-cooled compact engines

Medium-term aim: 50,000

- ▶ Focussing sales on Eastern Europe, China, and North America
- ▶ Concentration of production and assembly
- ▶ Further development of 914 for Emission Stage III



910

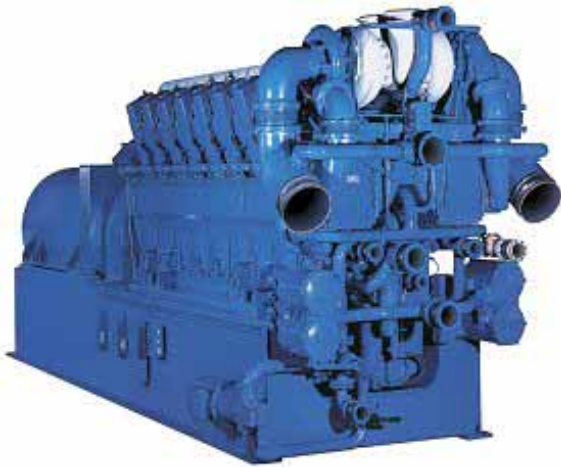


914

Medium-sized and large engines



TCG 2032



Medium- sized and large engines

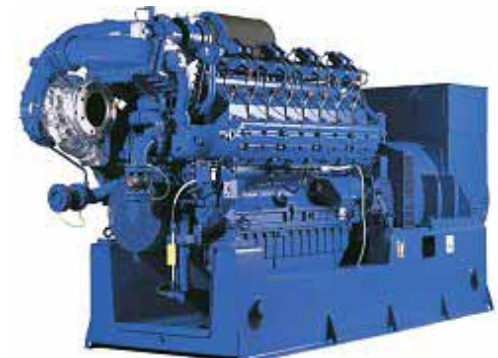
Medium-term aim: 1,500

- ▶ Implementation of works structure concept
- ▶ Development of Common Rail System
- ▶ Expand Energy and Marine business

TCG 2020



TCG 2016



Service



- ▶ DEUTZ Webshop for spare parts and merchandising articles
- ▶ Xchange programme for medium-sized and large engines

SERVICE

- ▶ Central-warehouse concept: reduction in stocks of 50 percent
- ▶ “Pull-through” strategy: greater sales activities with operators
- ▶ Extension of eBusiness activities
- ▶ Widening of product range: Xchange programme, service contracts, remote diagnosis

The image features three white flags with the Deutz logo, which consists of a red stylized 'D' and the word 'DEUTZ' in blue. The flags are flying against a bright blue sky filled with white, fluffy clouds. The flags are arranged diagonally from the bottom left towards the top right, creating a sense of movement and height.

DEUTZ
the engine company

We set standards and shape the future



**See you again at the
2004 Annual General Meeting**

24 June 2004 - koelnmesse