

**Non-current liabilities** Non-current liabilities totalled €280.8 million as at 31 December 2015 (31 December 2014: €322.7 million). The decrease of €41.9 million was predominantly caused by the change in provisions for pensions and other post-retirement benefits. These provisions fell by €14.8 million compared with 31 December 2014, mainly due to higher discount rates. We also continued to lower our non-current financial debt, which amounted to €58.6 million as at 31 December 2015. This represented a year-on-year fall of €14.7 million (31 December 2014: €73.3 million). Other provisions also decreased, by €11.7 million, mainly due to a reduction in provisions for warranty costs.

**Current liabilities** Current liabilities also decreased slightly over the reporting year, from €315.5 million as at 31 December 2014 to €311.7 million as at 31 December 2015. The decline of €3.8 million was largely attributable to the lower level of other provisions.

Total assets amounted to €1,088.1 million as at 31 December 2015 (31 December 2014: €1,149.2 million).

## OVERALL ASSESSMENT FOR 2015

For DEUTZ, 2015 was a year of two halves: while the first six months went well, business contracted significantly in the second six months due to increasingly difficult market conditions. This meant we were unable to meet our original targets for revenue and EBIT. Nonetheless, our new products continue to be very well received by the market. We will continue to strive for technologically leading designs with our engines and to further enhance our product range. However, this will be possible with considerably lower development expenditure. We do not regard the key figures for 2015 as satisfactory overall. Year on year, new orders were down by 11.1 per cent, revenue fell by 18.5 per cent to €1,247.4 million and unit sales dropped by almost 30 per cent to 137,781 engines. We had already planned for lower demand resulting from the advance production of engines in 2014, but this effect was compounded by a strong reluctance to invest on the part of our end customers in the second half of the year. On a positive note, however, we have succeeded in structuring the DEUTZ Group in such a way that it can still generate a profit even with a significantly lower volume of business. Operating profit (EBIT before one-off items) decreased from €31.7 million to €4.9 million. The EBIT margin was 0.4 per cent. Although net income fell to €3.5 million in 2015 (2014: €19.5 million), it was still in positive territory. Free cash flow amounted to €35.0 million in the reporting year. In operational terms, we continued as planned with the measures to optimise the network of sites in Germany and with the consolidation of our activities in China. We will continue to focus on increasing quality and efficiency in the DEUTZ Group. On that basis, we believe that we will benefit across the board in the event of a market recovery.

## EVENTS AFTER THE REPORTING PERIOD

No events occurred after 31 December 2015 that had a material impact on the financial position or financial performance of the DEUTZ Group.

## EMPLOYEES

### Overview of the DEUTZ Group's workforce

Headcount	31 Dec 2015	31 Dec 2014
<b>DEUTZ Group</b>	<b>3,730</b>	<b>3,916</b>
Thereof		
In Germany	2,910	3,093
Outside Germany	820	823
Thereof		
Non-salaried employees	2,221	2,338
Salaried employees	1,401	1,455
Trainees	108	123
Thereof		
DEUTZ Compact Engines	3,050	3,202
DEUTZ Customised Solutions	680	714

**Number of employees adjusted to lower level of production** At the end of 2015, the DEUTZ Group employed a total of 3,730 people, 186 fewer than at the end of 2014 (a fall of 4.7 per cent). As at 31 December 2015, we also had a further 151 people on temporary employment contracts, compared with 288 a year earlier. By offering fixed-term contracts and employing temporary workers, DEUTZ can respond flexibly to any fluctuations in demand. Around 6 per cent of all staff at DEUTZ had fixed-term or temporary contracts as at 31 December 2015.

78 per cent of our workforce is employed in Germany. Most of these employees are based in Cologne – 2,269 as at 31 December 2015. 410 employees are based at the Ulm facilities. Of the 820 employees outside Germany, 432 of them work at our DEUTZ SPAIN subsidiary.

### DEUTZ Group: Breakdown of workforce by location

Headcount	31 Dec 2015	31 Dec 2014
Cologne	2,269	2,422
Ulm	410	387
Other	231	284
<b>In Germany</b>	<b>2,910</b>	<b>3,093</b>
Outside Germany	820	823
<b>Total</b>	<b>3,730</b>	<b>3,916</b>