

DEMAG
CRANES AG

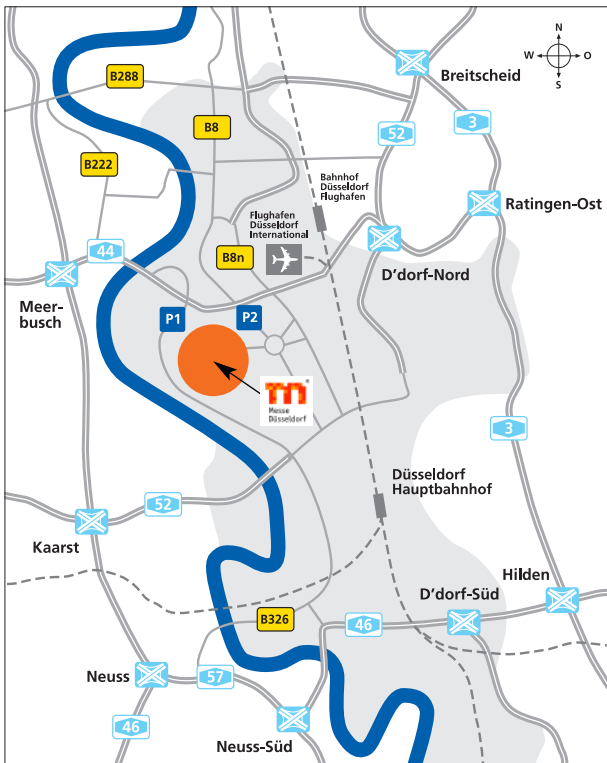
Invitation to the General Shareholders' Meeting
20 March 2007

Invitation to the General Shareholders' Meeting Demag Cranes AG, Düsseldorf

German Securities Identification Number (WKN): DCAG01

International Securities Identification Number (ISIN): DE 000 DCAG01 0

We hereby invite our stockholders to the General Shareholders' Meeting of Demag Cranes AG to be held on Tuesday, March 20, 2007, at 10.00 a.m. (admission from 9.00 a.m.) CET at the Congress Center Düsseldorf Ost (CCD Ost), Stockumer Kirchstraße 61, 40474 Düsseldorf, Germany, Room L,M,R.



Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the management reports for Demag Cranes AG and the Group for the fiscal year ended September 30, 2006, including the report by the Supervisory Board

The aforesaid documents are available for inspection by stockholders at the business premises of Demag Cranes AG in 40597 Düsseldorf, Forststraße 16, Germany, and can also be downloaded from the internet at www.demagcranes-ag.de. They will also be sent to stockholders on request.

2. Disposition of unappropriated net income

The Management Board and Supervisory Board propose to use the unappropriated net income of the fiscal year 2005/2006 in the amount of EUR 23,036,316.91 as follows:

- (1) Total amount of distribution to stockholders EUR 21.172.993,00 paid by means of a dividend of EUR 1.00 per eligible share,
- (2) Profit carried forward EUR 1.863.323,91

3. Formal approval of the acts of the members of the Management Board

The Management Board and Supervisory Board propose to formally approve the acts of the members of the Management Board officiating in the fiscal year 2005/2006 ended September 30, 2006 for this fiscal year.

4. Formal approval of the acts of the members of the Supervisory Board

The Management Board and Supervisory Board propose to formally approve the acts of the members of the Supervisory Board officiating in the fiscal year 2005/2006 ended September 30, 2006 for this fiscal year.

5. Election of the auditors for the 2006/2007 fiscal year

The Supervisory Board proposes that Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, be elected as auditors for the annual financial statements and the consolidated financial statements for the current fiscal year 2006/2007.

6. By-election of the Supervisory Board

According to the Company's articles of association and §§ 95, 96 para. 1, 101 para. 1 of the German Stock Corporation Act, §§ 1 para. 1, 5 para. 1, 7 para. 1 sentence 1 no. 1, para. 2 no. 1 of the German Co-Determination Act, the Supervisory Board shall consist of 6 members to be elected by the General Meeting and 6 members to be elected by the employees. The General Meeting is not bound by proposals for election.

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a) Proposal for election of Dr. Herbert Meyer

By order of the Local Court of Düsseldorf, Dr. Herbert Meyer was appointed as a member of the Supervisory Board effective as of January 22, 2007 upon Dr. Horst Heidsieck's resignation from the Supervisory Board. Dr. Herbert Meyer's appointment will expire at the end of the General Shareholders' Meeting to be held on March 20, 2007.

The Supervisory Board proposes to elect:

Dr. Herbert Meyer,
Königstein,
businessman,

as a member of the Supervisory Board representing the stockholders until the end of the General Meeting resolving upon formal approval of the acts of the members of the Supervisory Board for the fiscal year 2006/2007.

Memberships of Dr. Herbert Meyer on other supervisory boards required to be established in accordance with German law:

- ▶ Member of the Supervisory Board of IWKA AG, Karlsruhe, Germany
- ▶ Member of the Supervisory Board of Sektkellerei Schloss Wachenheim AG, Wachenheim, Germany
- ▶ Member of the Supervisory Board of Deutsche Beteiligungs AG, Frankfurt/Main, Germany.

Memberships of Dr. Herbert Meyer on other comparable domestic or foreign controlling bodies of commercial enterprises:

- ▶ Member of the Advisory Board of Verlag Europa Lehrmittel GmbH, Haan-Gruiten, Germany
- ▶ Mitglied im Board of Directors der Firma GOSS International, Chicago, USA
- ▶ Chairman of the Board of IDAB WAMAC, International AB, Eksjö, Schweden.

b) Proposal for election of Dr. Martin Posth

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Dr. Martin Posth was appointed as a member of the Supervisory Board by order of the Local Court of Düsseldorf effective as of October 25, 2006, upon Mr. Heinrich Fischer's leaving the Supervisory Board. Dr. Posth resigned from office in accordance with section 5.4.3 sentence 2 of the German Corporate Governance Code effective as of the end of the General Shareholders' Meeting to be held on March 20, 2007.

The Supervisory Board proposes to elect

Dr. Martin Posth,
Berlin,
Business Consultant,

as a member of the Supervisory Board representing the stockholders until the end of the General Meeting resolving upon formal approval of the acts of the members of the Supervisory Board for the fiscal year 2006/2007.

Memberships of Dr. Martin Posth on other supervisory boards required to be established in accordance with German law:

- ▶ Member of the Supervisory Board of Drägerwerk AG, Lübeck, Germany
- ▶ Member of the Supervisory Board of Berlinwasser International AG, Berlin, Germany.

Dr. Posth does not serve as a member of other comparable domestic or foreign controlling bodies of commercial enterprises.

7. Acquisition of Company stock

The prior authorization for the acquisition of Company stock resolved upon at the General Shareholders' Meeting as of May 18, 2006 will expire on November 15, 2007. The Management Board and Supervisory Board therefore propose that the stockholders adopt the following resolution:

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- a) The Company is hereby authorized to acquire Company stock of any share class on or before September 19, 2008. The authorization shall be limited to the acquisition of stock collectively representing a maximum of 10 percent of the capital stock issued as of the date this resolution is adopted. The authority granted by this resolution may be exercised in whole or in part, in the latter case also several times.
 - b) Stock may be acquired on the stock exchange, pursuant to a public tender offer made to all stockholders of the Company or by way of a public invitation to all stockholders of the Company to submit offers for sale.
 - ▶ If stock is acquired on the stock exchange, the price per share (excluding incidental transaction costs) paid by the Company shall not overshoot or undershoot by more than 10 percent the arithmetic mean of the final auction prices quoted for Company stock of the same share class on the electronic trading platform XETRA (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the day of acquisition.
 - ▶ If stock is acquired pursuant to a public tender offer made to all stockholders of the Company, the offered purchase price per

share shall not overshoot or undershoot by more than 20 percent the arithmetic mean of the final auction prices quoted for Company stock of the same share class on the electronic trading platform XETRA (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the date of announcement of the offer. A public tender offer may provide for preferred acceptance of sell offers for small numbers of shares of up to 100 shares per stockholder.

- ▶ If stock is acquired by way of a public invitation to all stockholders of the Company to submit offers for sale, the purchase price per share paid by the Company shall not overshoot or undershoot by more than 20 percent the arithmetic mean of the final auction prices quoted for Company stock of the same share class on the electronic trading platform XETRA (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the three trading days immediately preceding the date of acceptance of the offers for sale. A public invitation to submit offers for sale may provide for preferred acceptance of sell offers for small numbers of shares of up to 100 shares per stockholder.
- c) In addition to selling acquired Company stock on the stock exchange or by offer to all shareholders, the Management Board is hereby authorized, subject to the consent of the Supervisory Board, to use Company stock acquired in accordance with the authorization granted in paragraph a) above, for any of the following purposes:
- (1) listing of Company stock on any foreign exchanges where they have not been admitted to trading yet;
 - (2) transfer of Company stock to third parties in connection with corporate mergers or in connection with the acquisition of other companies, divisions of other companies, or interests in other companies;
 - (3) redemption of Company stock, without need for any further resolution by the General Meeting authorizing such redemption and implementation of such;

(4) sale of Company stock by means other than via the stock exchange or an offer to all stockholders, provided that stock is sold for cash payment at a price not substantially lower than the stock exchange price in effect for Company stock of the same share class on the date of sale. The foregoing authorization shall be limited to the sale of stock collectively representing no more than 10 percent of the capital stock. The limit of 10 percent of the capital stock shall be reduced by the amount of capital stock represented by any shares issued (a) during the effective period of this authorization in the course of any capital increase by exclusion of subscription rights in accordance with § 186 para. 3 sentence 4 of the German Stock Corporation Act, or (b) to service bonds with warrants or convertible bonds providing for warrant or conversion rights or conversion obligations, if such bonds were issued during the effective period of this authorization by exclusion of subscription rights by analogous application of § 186 para. 3 sentence 4 of the German Stock Corporation Act.

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- d) The authorizations granted in paragraph c) above may be exercised on one or several occasions, in whole or in part, individually or collectively. The price at which stock of the Company is initially listed on foreign stock exchanges or is sold to third parties for cash payment in accordance with the authorizations granted in paragraph (c) no. (1) and (4) shall not undershoot by more than 5 percent the arithmetic mean of the final auction prices quoted for Demag stock of the same share class on the electronic trading platform XETRA (or a functionally comparable successor system replacing the XETRA system) of the Frankfurt Stock Exchange during the five trading days immediately preceding the date of listing to the stock exchange or the date a valid and legally binding agreement is concluded with the respective third party.
- e) The subscription rights of stockholders shall be excluded if Company stock is used for any of the purposes authorized in paragraph (c) nos. (1), (2) and (4).
- f) The currently existing authorization to acquire Company stock granted at the General Shareholders' Meeting on May 18, 2006 and expiring on November 15, 2007 shall cease to have force and effect on the date this authorization becomes effective.

Report on agenda item 7 by the Management Board to the General Meeting in accordance with § 71 para. 1 no. 8 sentence 5 together with § 186 para. 4 sentence 2 of the German Stock Corporation Act

On May 18, 2006 the General Meeting had authorized the Company to acquire Company stock of up to 10 percent of the Company's capital stock on or before November 15, 2007. As the authorization of May 18, 2006 will expire prior to the General Shareholders' Meeting of 2008, it is proposed to replace the authorization of May 18, 2006 with a new authorization that would be effective until September 19, 2008.

Under the proposed authorization the Company would be authorized to acquire Company stock on the stock exchange or pursuant to a public tender offer made to all stockholders of the Company or by way of a public invitation to all stockholders of the Company to submit offers for sale. If the number of stock offered at the established price exceeds the number of stock demanded by the Company, the acceptance of sell offers would be subject to allocation. The proposed authorization would allow for preferred acceptance of small sell offers or small parts of sell offers of up to 100 shares. This possibility would avoid fractional amounts when determining purchase quotas and small residual amounts, thereby facilitating settlement.

In addition to selling acquired Company stock on the stock exchange or by offer to all shareholders, the Company would be authorized to use it for the following purposes:

The Company would be authorized, inter alia, to acquire Company stock for the purpose of listing such stock by exclusion of subscription rights on foreign stock exchanges where the Company's stock is not admitted for trading. Listing stock of the Company on foreign stock exchanges would broaden the stockholder base, further increase the attractiveness of Company stock to investors, and secure a reasonable equity capital base for the Company. A reasonable equity capital base is of considerable importance for the Company's finances and, above all, the continued expansion of the Company's international business. By providing that the price at which stock of the Company is initially listed on a foreign

exchange may not undershoot by more than 5 percent the arithmetic mean of the final auction prices quoted for Company stock of the same share class on the electronic trading platform XETRA on the five trading days immediately preceding the date of listing to the stock exchange, it is ensured that the proceeds received by the Company will be reasonable consideration for the sale of stock and that stockholders will be adequately protected from dilution of their shareholdings.

10 The proposed authorization is also intended to place at the Company's disposal of the Company stock which can in future be used, subject to the exclusion of subscription rights, as consideration for corporate mergers or for the acquisition of other companies, divisions of other companies or interests in other companies. International competition and globalization of the economy frequently demand this form of consideration for such transactions. The proposed authorization is intended to allow the Company to make a swift and flexible use of opportunities for the acquisition of other companies, divisions of other companies or interests in other companies both on the German market and international markets. The Management Board will ensure that the interests of stockholders will be reasonably protected when determining the relative value assigned to stock of the Company for purposes of such transactions. The Management Board would use the stock exchange price as guideline to determine the value of stock used as consideration for such transactions. The value of stock would however not be mathematically tied to the stock exchange price, in particular to avoid the undesirable consequence that negotiation results once achieved may be jeopardized by fluctuations of the stock exchange price.

Under the proposed authorization the Company would be authorized to redeem Company stock even without a new authorizing resolution by the General Shareholders' Meeting (§ 71 para. 1 no. 8 sentence 6 of the German Stock Corporation Act).

The proposed resolution is also intended to enable the Company to sell Company stock for cash payment by exclusion of subscription rights by means other than via the stock exchange or an offer to the stockholders. This would allow the Company, in

particular, to offer Company stock to institutional investors and thereby broaden the Company's stockholder base. The proposed authorization therefore serves to secure a reasonable equity capital base for the Company in the long term. Such transactions would require that the issue price is not substantially lower than the stock exchange price of Company stock of the same share class and that the issue price does not undershoot by more than 5 percent the arithmetic mean of the final auction prices quoted for Company stock of the same share class on the electronic trading platform XETRA during the five trading days immediately preceding the date a valid and legally binding agreement is concluded with the respective purchaser. Any discount on the stock exchange price will be kept as low as possible by the Management Board according to the market conditions prevailing at the time of placement. The sold stock may, in aggregate, not exceed 10 percent of the Company's capital stock. Any stock otherwise issued by exclusion of subscription rights by direct or analogous application of § 186 para. 3 sentence 4 of the German Stock Corporation Act would count towards the aforementioned maximum limit. The limit on the number of shares that may be sold and the requirement that the issue price of the new shares be set close to the stock exchange price reasonably protects stockholders from a dilution of their shareholding and at the same time ensures that the Company will receive reasonable consideration for the sold shares.

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The Management Board will decide on the exercise of the proposed authorization and use of Company stock in the exercise of its reasonable business judgment. Furthermore the Management Board will use Company stock acquired upon the proposed authorization only with the prior consent of the Supervisory Board. The Management Board will comply with its obligations to report to the next General Meeting in accordance with § 71 para. 3 sentence 1 of the German Stock Corporation Act. There are currently no concrete plans to acquire stock of the Company based upon the proposed authorization to be granted by the General Meeting.

The report by the Management Board, the full text of which has been reprinted above, is available for inspection by the stock-

holders at the business premises of the Company from the date of convening of the General Shareholders' Meeting as well as at the General Shareholders' Meeting. Copies of the report are available to stockholders upon request.

8. Amendment of § 3 of the articles of association (notices)

Under the bill to implement the European Transparency Directive (Transparenzrichtlinie-Umsetzungsgesetz), which was enacted on January 5, 2007 and subsequently published in the Federal Law Gazette ("Bundesgesetzblatt") on January 10, 2007, the conveying of information to stockholders by use of electronic means is subject to the approval of the shareholders even if a stockholder has expressly consented to this form of conveying information. To enable in future a flexible way for conveying information, § 3 of the articles of association shall be amended accordingly.

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The Management Board and Supervisory Board therefore propose that the following resolution be passed:

§ 3 of the articles of association will be amended as follows:

"§ 3 Notices and Information

- (1) Notices of the Company shall be published in the German electronic Federal Gazette ("elektronischer Bundesanzeiger").
- (2) Information may be conveyed to the holders of the Company's registered securities by use of electronic means."

Total Number of Shares and Voting Rights

At the time of convening this General Shareholders' Meeting, the share capital amounts to EUR 21,172,993. The capital stock is divided into 21,172,993 bearer shares. Each share carries one vote at the Company's General Shareholders' Meeting, so that the total number of voting rights amounts to 21,172,993.

Attendance of the General Meeting

Stockholders are entitled to attend the General Meeting and exercise their voting rights, if they have registered for the General Meeting. In addition, stockholders are required to prove their entitlement to attend the General Meeting and to exercise voting rights. A record of share ownership issued by the depository bank or financial service institute, which relates to the beginning of the 21st day prior to the General Meeting, hence February 27, 2007, shall suffice for this requirement. The registration and record of share ownership must be in text form and must be in German or English and must reach the Company by no later than Tuesday, March 13, 2007 at the address below:

Demag Cranes AG
c/o Bayerische Hypo- und Vereinsbank AG
FMS5HV
80311 München
Germany
Fax: +49 (0) 89/5400-2519
E-Mail: hauptversammlungen@hvb.de

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Voting by proxy

Stockholders may have their voting rights exercised by proxy, e.g. the depository bank or financial service institute, a stockholders' association or any other person they choose. A proxy authorization form will be sent to stockholders together with their admission ticket. Furthermore, a proxy authorization form will be sent to each stockholder on request. The request shall be addressed to:

Demag Cranes AG
Investor Relations
Forststraße 16
40597 Düsseldorf
Germany
Telefax: +49 211 7102 1215
E-Mail: IR@demagcranes-ag.com

In addition, we are offering our stockholders the opportunity to allow a Company-nominated proxy to represent them in voting. The proxy is obligated to vote in accordance with the instructions given. Without instructions, the authorization is invalid. For this purpose, only the form for authorization and voting instructions sent together with the admission ticket shall be used. Authorization and voting instructions for the Company-nominated proxy can only be given prior to the General Meeting by Monday, March 19, 2007, 12.00 (noon) CET at the latest either in writing or by fax at the above address of Demag Cranes AG and by using the designated form.

Registration in due time in accordance with the aforesaid provisions is also necessary in case the Company-nominated proxy is authorized.

More details on participating in the General Shareholders' Meeting as well as on authorizing and instructing proxies will be sent to stockholders together with their admission ticket. This information can also be viewed on the internet at www.demagcranes-ag.de.

Transmission of the General Shareholders' Meeting on the internet

The opening of the General Shareholders' Meeting by the chairman of the meeting, the explanation of the report of the Supervisory Board by the chairman of the Supervisory Board and the speech of the chairman of the Management Board will be transmitted on the internet (www.demagcranes-ag.de).

Stockholder motions and election proposals

Stockholder motions and election proposals pursuant to § 126 and § 127 of the German Stock Corporation Act shall be sent exclusively to:

Demag Cranes AG
Investor Relations
Forststraße 16
40597 Düsseldorf
Germany
Telefax: +49 211 7102 1215
E-Mail: IR@demagcranes-ag.com

On proof of proposer's stockholder status, stockholder motions and election proposals received at the above address by no later than two weeks prior to the date of the General Shareholders' Meeting will be made available immediately on the internet at www.demagcranes-ag.de. Any comments by the Management Board and the Supervisory Board on received motions and election proposals will likewise be published at the same internet address.

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Düsseldorf, February 2007

Demag Cranes AG
The Management Board

Please note:

The legally binding language for the agenda of and the general information on the General Shareholders' Meeting of Demag Cranes AG on March 20, 2007 is German. Accordingly, only the German version constitutes the legally binding document while the English version is a convenience translation only.

Demag Cranes AG

Forststr. 16
40597 Dusseldorf
Germany

Phone +49 (0) 211 7102-1010

Fax +49 (0) 211 7102-1015

www.demagcranes-ag.com