

Analysts' Meeting

Financial Year 2008/2009

Düsseldorf, 8 December 2009

Disclaimer



- This presentation includes forward looking statements on Demag Cranes AG, its subsidiaries and associates, and on the economic and political conditions that may influence the business performance of the Demag Cranes Group. All of these statements are based on assumptions made by the Executive Board using information available to it at the time.
- Should these assumptions prove to be wholly or partly incorrect, or should further risks arise, actual business performance may differ from that expected.
- The Executive Board therefore cannot assume any liability for the statements made.
- Unless specified, all figures have been rounded to the nearest thousand (EUR thousand). Both the single figures and sums used are the figures with the least discrepancy due to rounding. When single figures are added, slight discrepancies may occur due to the total sums reported.

Financial Year 2008/2009 at a Glance

- Group Order Intake declines by 36.4 Percent
- Group Revenue at EUR 1,047.6 million Meets Forecast (EUR 1.0 billion to EUR 1.1 billion) and 14.5 Percent Below the Previous Year
- Operating Group EBIT at EUR 67.6 million Exceeds Forecast (EUR 55.0 million to EUR 65.0 million) and Down 50.8 Percent Year on Year
- Significant Decline in Net Income After Tax due to Restructuring Provisions: No Dividend To Be Proposed
- Net Debt Almost Fully Eliminated
- Restructuring Negotiations Concluded – Group Integration Ongoing

General Market Environment

World Economic Trends

- Global economic growth slowed sharply in 2008 and 2009.
- Global economic decline slowed and signs of stabilisation increased during last quarters
- Despite initial signs of stabilisation, the financial crisis is not over yet

Economic Trends in the Euro Zone

- Sharp decline in capital expenditure and exports slumped
- Business Climate Index at the end of 2008 and first quarter of 2009 reflected plummeting new orders and introduction of shorter working hours
- Industry affected by persistently weak capital spending
- VDMA order intake from January to September 2009 fell 44 percent
- First signs of improvement appeared, during summer, business sentiment indicators rose again
- Manufacturing industry suggest a slight recovery

Market Environment (1)

Segments

Industrial Cranes Segment

- Market for industrial cranes shrank in the 2008/2009 Financial Year
- Global economic crisis hit pure component suppliers harder than international suppliers of integrated system solutions like Demag Cranes
- Changes in industry conditions were largely in line with the market development in the mechanical engineering industry
- Market share of emerging markets continued to grow steadily, despite the slowdown

Port Technology Segment

- Cargo volumes declined steeply and container transport rates fell dramatically
- Customers responded by stopping or drastically reducing investment activities
- Low capacity utilisation severely reduced demand for services
- Overland container shipping showed a similar picture

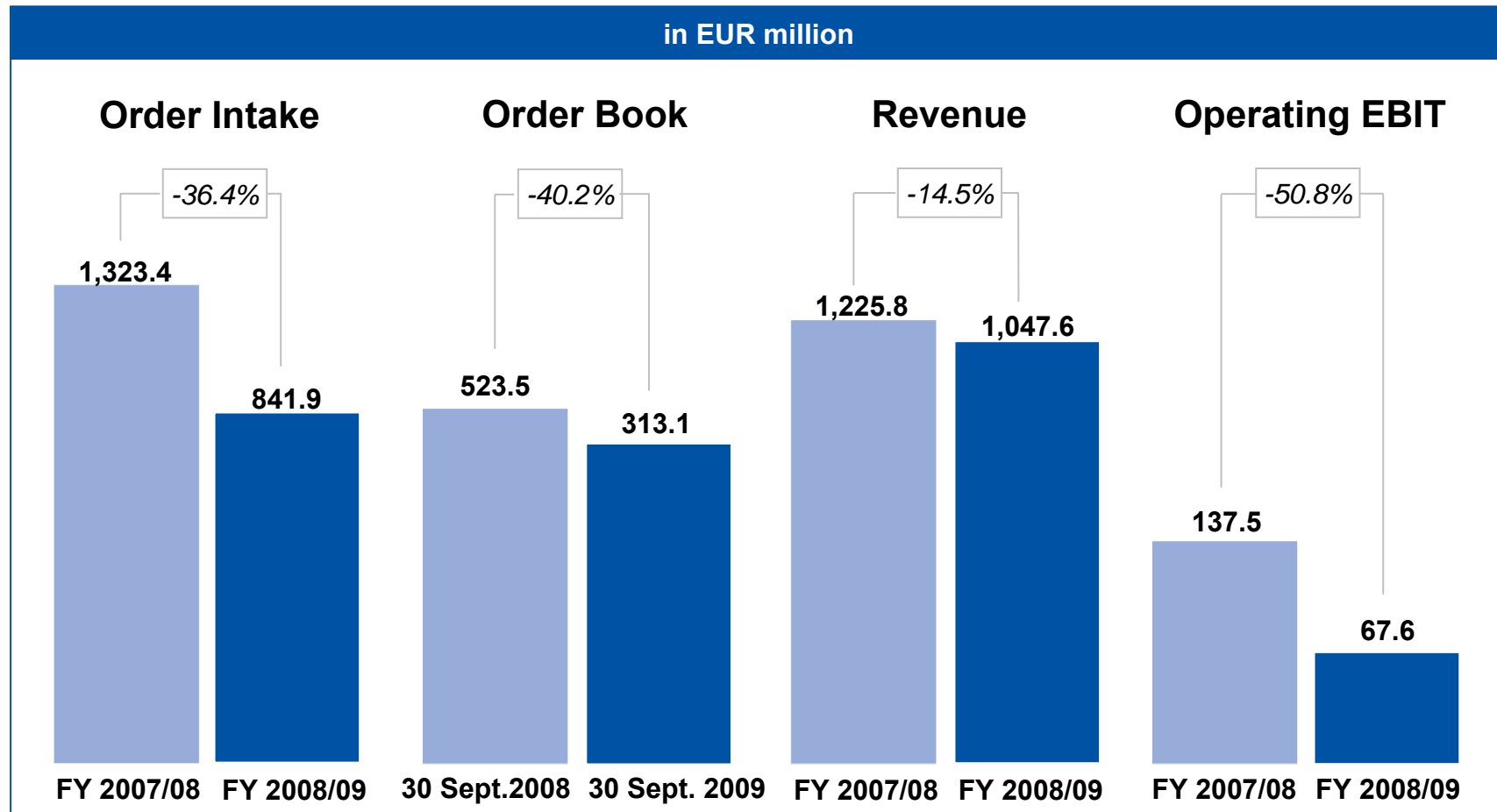
Market Environment (2)

Segments

Services Segment

- Effects of the financial and economic crisis are also taking their toll here
- Global demand for services fell in financial year 2008/2009
- Lower utilisation of crane systems by customers meant that demand was down in all markets, especially for high margin spare parts
- Basic trend towards increased requirements for safety, reliability and availability with the corresponding business potential for services remains

Key Group Figures








Revenue by Regions

Trend to Emerging Markets Continues

in EUR million					
				Share in percent	
	FY 2007/08	FY 2008/09	Δ	FY 2007/08	FY 2008/09
Germany	253.7	232.9	-8.2%	20.7%	22.2%
Rest of Europe*	459.7	344.2	-25.1%	37.5%	32.9%
North America	125.7	120.3	-4.3%	10.3%	11.5%
Mature markets	839.1	697.4	-16.9%	68.5%	66.6%
BRIC countries	135.7	133.4	-1.7%	11.1%	12.7%
Central and South America	43.9	24.5	-44.1%	3.6%	2.3%
Asia/Pacific	128.5	138.1	7.4%	10.5%	13.2%
Other	78.6	54.2	-31.1%	6.4%	5.2%
Emerging markets	386.7	350.2	-9.4%	31.5%	33.4%
Total Group revenue	1,225.8	1,047.6	-14.5%	100.0%	100.0%

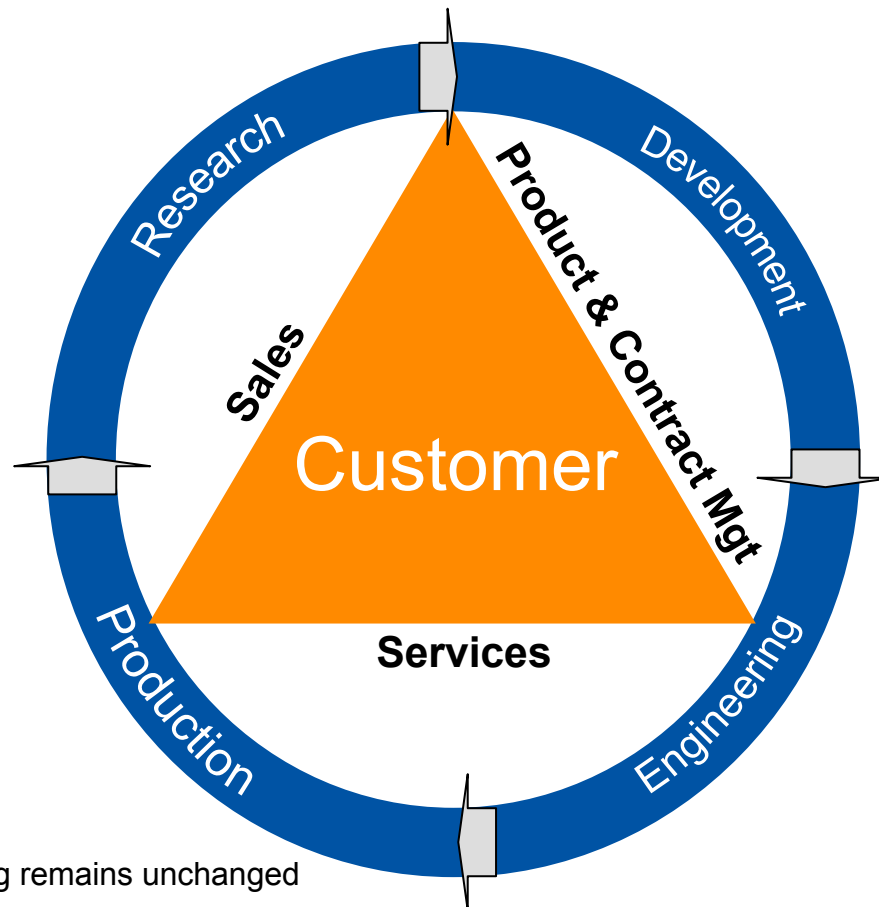
* Excluding Russia

Restructuring Milestones

Measure	Description	Timeline	Status
Reduction of temporary staff	Temporary staff cut from 453 to 112	September 2008 to September 2009	
Restructuring plan announced	Unanimous Supervisory Board approval to shed up to 750 jobs worldwide	18 May 2009	
Gottwald Port Technology: Restructuring documents signed	Agreement with workers council to shed some 250 jobs	8 July 2009	
Shared services	Centralisation and move to Düsseldorf-Benrath announced	1 October 2009	
Demag Cranes & Components/ Demag Cranes AG (Shared Services): Restructuring agreements signed	Agreement with workers council to shed some 500 jobs	23 October 2009	
Centralisation and integration	Shared services/bundling of operating functions	Ongoing	

DCAG as an Integrated Company

Business Model: Customer Centricity



- Segment reporting remains unchanged
- Shared Services such as IT, Financial Control, HR are fully embedded

DCAG as an Integrated Company

Roadmap ahead

- Establishing integrated leadership responsibilities for the operating business
- Elaborating the growth strategy in the aftermath of the crisis
 - Clear focus on the customer
 - Optimising the global service and sales network
- Completing the restructuring process and realizing full annual cost savings effect (up to EUR 60 million)
- Creating ONE common corporate culture by benefiting from the successful roots of each subsidiaries

Financials

Segments

Key Figures

in EUR million							
		FY 2007/08	FY 2008/09	Δ	Q4 2007/08	Q4 2008/09	Δ
Order intake		1,323.4	841.9	-36.4%	328.8	186.3	-43.4%
Of which:	Industrial Cranes	671.9	397.9	-40.8%	144.9	77.0	-46.8%
	Port Technology	316.8	151.8	-52.1%	104.3	43.9	-57.9%
	Services	334.6	292.1	-12.7%	79.7	65.4	-18.0%
Order book		523.5	313.1	-40.2%			
Of which:	Industrial Cranes	350.4	197.7	-43.6%			
	Port Technology	121.7	69.4	-43.0%			
	Services	51.4	46.0	-10.4%			
Revenue		1,225.8	1,047.6	-14.5%	344.9	255.8	-25.8%
Of which:	Industrial Cranes	571.2	545.8	-4.4%	151.7	125.3	-17.4%
	Port Technology	325.5	204.0	-37.3%	106.3	57.9	-45.5%
	Services	329.1	297.7	-9.5%	87.0	72.5	-16.6%
Operating EBIT		137.5	67.6	-50.8%	34.7	12.4	-64.3%
Of which:	Industrial Cranes	47.8	29.7	-37.8%	10.5	4.1	-61.1%
	Port Technology	22.1	-14.8	n/a	8.7	-4.5	n/a
	Services	75.4	60.2	-20.2%	17.4	15.6	-10.2%
	Holding/DCAG	-7.8	-7.5	-3.5%	-1.9	-2.8	-51.8%

Balance Sheet and Cash Flow

in EUR million						
	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec 2008	30 Sept. 2008	
Total assets	818.8	855.1	875.0	925.9	925.5	
	FY 2008/09	Q4 2008/09	Q3 2008/09	Q2 2008/09	Q1 2008/09	FY 2007/08
CAPEX	18.8	7.6	4.4	3.5	3.4	25.4
Free cash flow before financing	43.4	-0.4	24.4	26.3	-6.9	125.9
Restructuring payments	7.5	6.2	1.3	0.0	0.0	0.0
Free cash flow before financing and Restructuring payments	50.9	5.9	25.7	26.3	-6.9	125.9

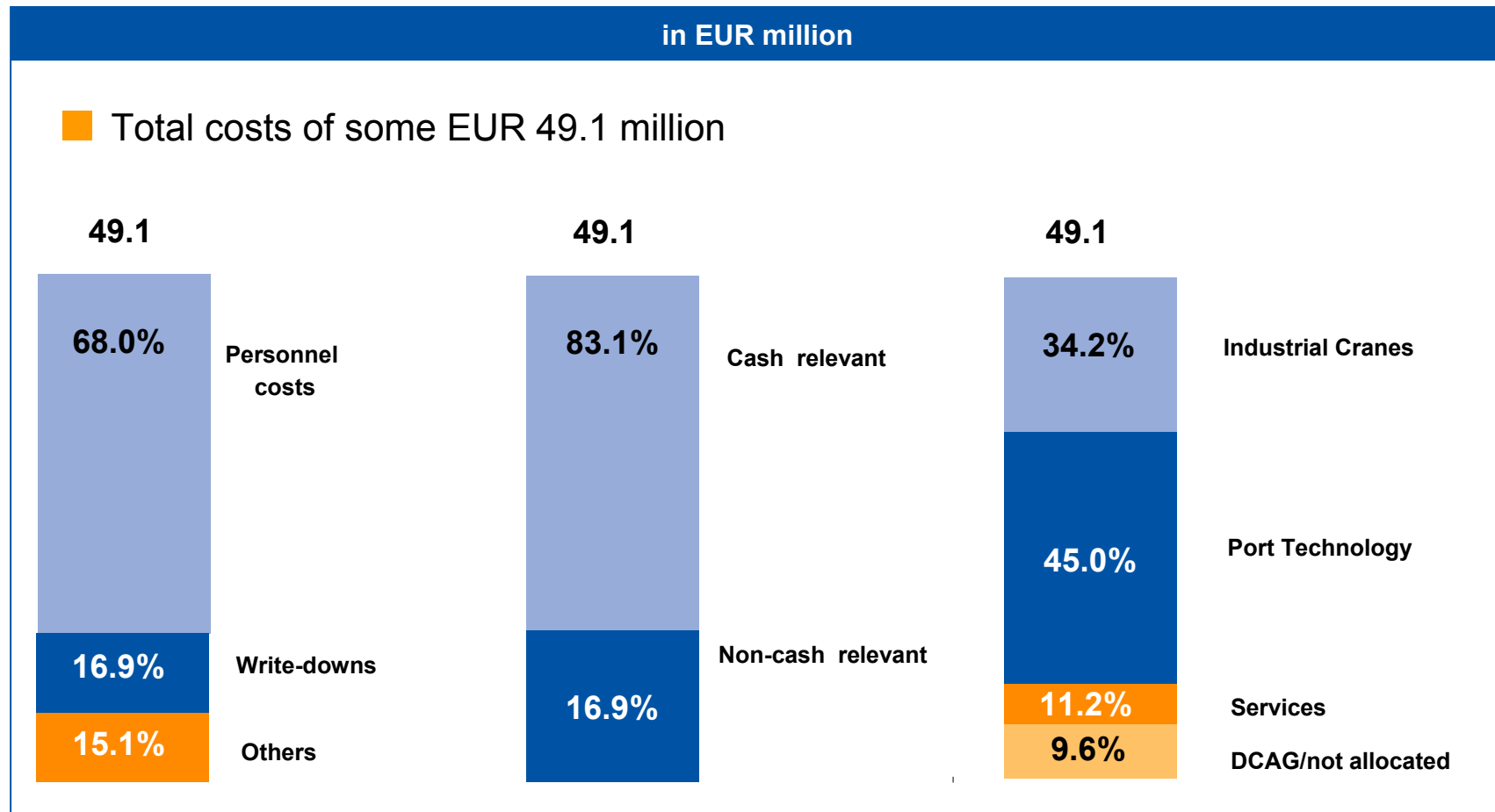
Net Working Capital

in EUR million					
	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
Inventories	207.1	246.9	266.8	274.2	261.6
Advance payments made	2.8	3.8	4.9	5.1	3.7
Trade receivables	152.6	144.5	169.5	203.7	201.8
Trade payables	-62.9	-54.0	-70.5	-92.7	-97.0
Advance payments received	-89.0	-111.3	-116.6	-117.1	-116.0
Net working capital	210.5	229.8	254.1	273.2	254.0

Net Debt

in EUR million					
	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
Non-current loans and borrowings	105.9	105.6	105.6	105.6	105.6
Other financial liabilities	0.1	0.3	0.2	0.0	0.0
Current loans and borrowings	4.4	4.7	4.9	4.7	3.7
Cash and cash equivalents	-103.7	-104.1	-79.7	-80.6	-90.0
Other current financial assets	-0.4	-0.5	-0.5	-0.6	-0.9
Net debt	6.3	5.9	30.5	29.1	18.4

Restructuring Financials




Outlook 2009/2010

Outlook

Financial Year 2009/2010

- Group revenue expected lower than Financial Year 2008/2009
- Group's operating EBIT margin expected in mid single-digit range, depending on absolute revenue level
- Group's investment volume expected to just exceed previous-year level, depending on revenue development
- Consequent Group integration and the restructuring measures introduced will allow management not only to steer the Group through the crisis, but also give it a greater competitive edge going forward

 Solid financial footing and successful implementation of restructuring programme could open the door to inorganic growth as a viable option, if the markets recover

Financial Calendar 2010

- 09 February 2010 Q1 2009/2010 Results
- 02 March 2010 Annual General Meeting
- 05 May 2010 H1 2009/2010 Results
- 10 August 2010 Q3 2009/2010 Results
- 07 December 2010 Financial statements, financial year 2009/2010
- All roadshow appointments are published on our website: www.demagcranes-ag.com
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