

# Conference Call

## Second Quarter 2009/2010 Results

Düsseldorf, 5 May 2010

# 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 Management 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 Management 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.

# General Market Environment

## Q2 2009/2010

### **World Economic Trends**

- Q2 2009/2010 saw a continuation of the global economic recovery
- Real GDP growth in mature markets estimated at 2.2%, emerging markets grew by 8.2%
- International Monetary Fund recently raised global economic growth forecast for 2010 now expects a 3.9% increase in gross world product
- Experts concur that projections remain subject to considerable uncertainty

### **Economic Trends in the Euro Zone**

- Euro economy also displayed further growth
- GDP returned to growth with an increase of 0.8%, preceding period shrunk by 2.1%
- Impact of the financial crisis continues to make itself felt
- Bank lending still constrained by ongoing write-downs and stricter capital rules
- Growth also affected by uncertainty about debt in a number of countries eg. Greece

# Market Environment (1)

## Segments

### **Industrial Cranes Segment**

- Products used in a diverse range of industries and serve a variety of customer groups
- Remains difficult to make forecasts because it is heavily dependent on economic cycles
- While there are signs of improvement in orders, capital expenditure decisions are frequently being made only after some hesitation
- Because of this, operating performance in the Industrial Cranes segment almost wholly tracks market developments in the mechanical engineering industry

### **Port Technology Segment**

- Impact of economic crisis continues to dominate - slight positive trend in contract awards
- Declining cargo rates still have a marked impact on the market environment
- Original timetables for implementation of terminal automation projects are still being put back
- Experts anticipate further growth in global cargo traffic and continuing demand for relevant handling equipment over the medium and long term
- Port operators will fill existing capacity first before committing to new capital expenditure

## Market Environment (2)

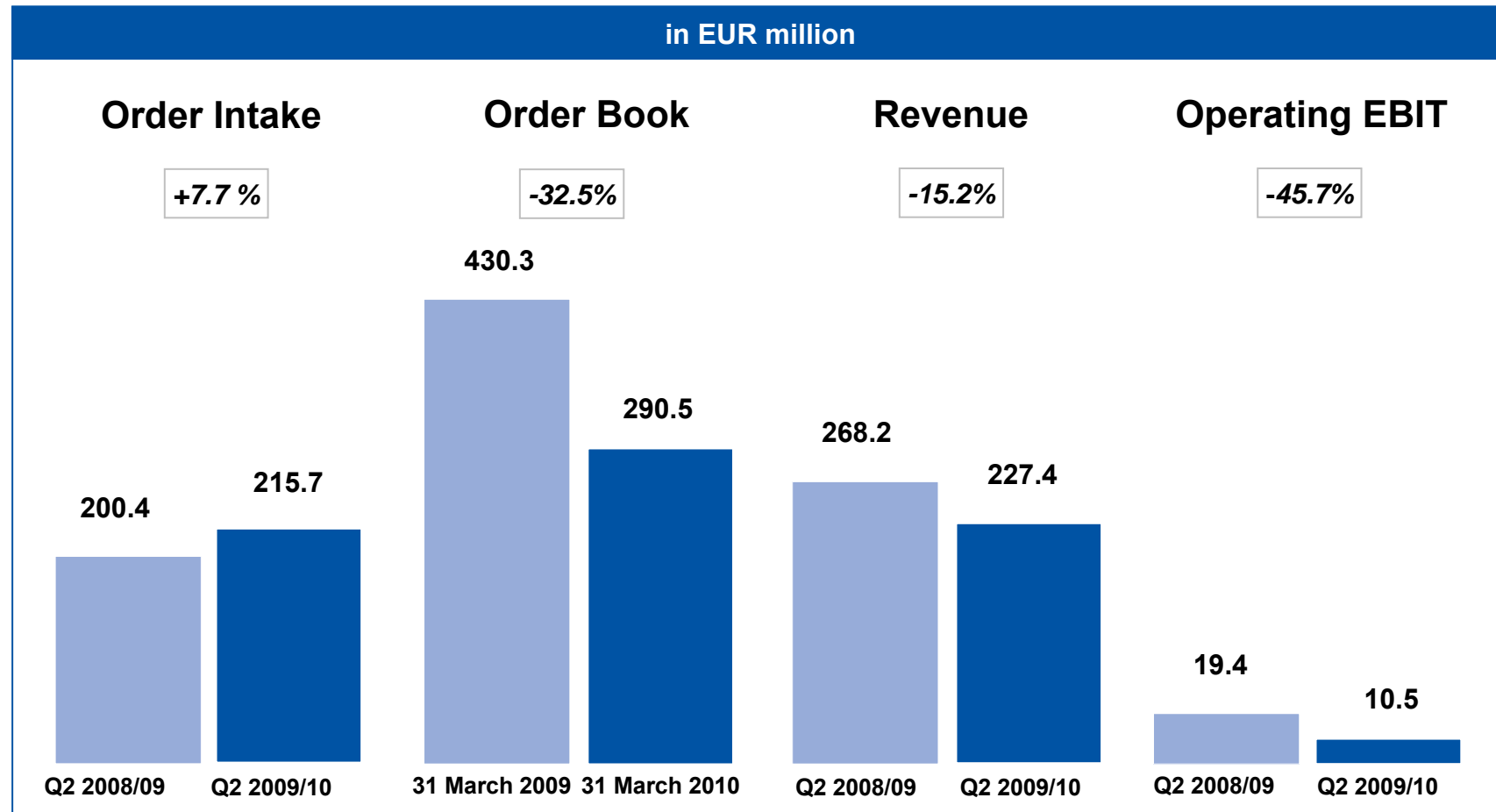
### Segments

#### **Services Segment**

- Lower utilization of cranes has led to a temporary drop in sales of spare parts compared with Q2 2008/2009
- This has produced quarterly variations in the operating EBIT margin
- Generally, segment is less vulnerable to the economic crisis than the other two segments
- Equipment will have to be maintained as usual in the interests of safety, reliability and availability
- As expected demand in the services segment recovers first

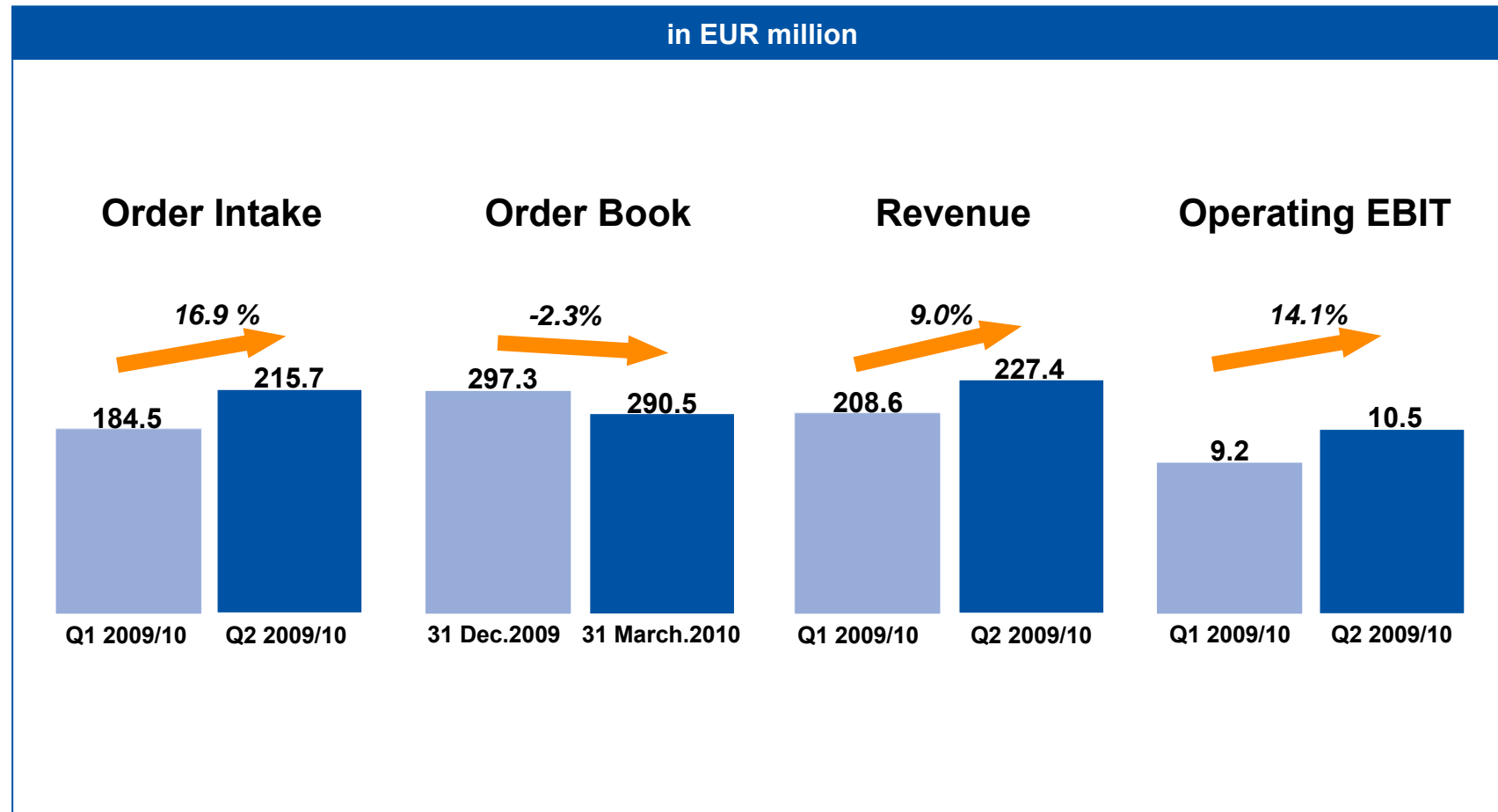
# Key Group Figures

## Q2 on Q2 comparison



# Q2 compared to Q1

## First signs of stabilisation



# Revenue by Regions

in EUR million					
				Share in percent	
	Q2 2008/09	Q2 2009/10	Δ	LTM March 2010	FY 2008/09
Germany	57.6	50.8	-11.8%	22.8%	22.2%
Rest of Europe*	90.5	66.3	-26.7%	32.2%	32.9%
North America	38.2	28.7	-24.8%	10.6%	11.5%
<b>Mature markets</b>	<b>186.3</b>	<b>145.8</b>	<b>-21.7%</b>	<b>65.7%</b>	<b>66.6%</b>
BRIC countries	41.4	38.7	-6.7%	13.5%	12.7%
Central and South America	4.2	1.6	-62.5%	2.1%	2.3%
Asia/Pacific	28.7	25.7	-10.4%	13.7%	13.2%
Other	7.6	15.7	-106.7%	5.0%	5.2%
<b>Emerging markets</b>	<b>81.9</b>	<b>81.6</b>	<b>-0.3%</b>	<b>34.3%</b>	<b>33.4%</b>
<b>Total Group revenue</b>	<b>268.2</b>	<b>227.4</b>	<b>-15.2%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Excluding Russia

## Integrated Company Executive Committee established

- Another milestone in Group integration achieved by creating clear management structures and responsibilities within our organisation
- Established operating-level senior managers in charge of global Research & Development, Design & Engineering, Production, Product & Contract management, Services and Sales and Human Resources beneath Management Board
- Together with the Management Board, these senior managers make up the Executive Committee

# Financials

# Segments

## Key Figures

in EUR million									
		Q1-Q2 2008/09	Q1-Q2 2009/10	Δ	Q2 2008/09	Q2 2009/10	Δ	Q1 2009/10	Δ Q1/Q2
<b>Order intake</b>		<b>481.7</b>	<b>400.2</b>	<b>-16.9%</b>	<b>200.4</b>	<b>215.7</b>	<b>7.7%</b>	<b>184.5</b>	<b>16.9%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	245.1	180.4	-26.4%	94.7	93.9	-0.8%	86.5	8.6%
	<b>Port Technology</b>	74.6	74.8	0.2%	34.1	44.3	29.8%	30.4	45.7%
	<b>Services</b>	161.9	145.0	-10.5%	71.5	77.4	8.3%	67.5	14.6%
<b>Order book</b>		<b>430.3</b>	<b>290.5</b>	<b>-32.5%</b>	<b>430.3</b>	<b>290.5</b>	<b>-32.5%</b>	<b>297.3</b>	<b>-2.3%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	291.1	173.7	-40.3%	291.1	173.7	-40.3%	182.2	-4.7%
	<b>Port Technology</b>	86.1	60.5	-29.7%	86.1	60.5	-29.7%	62.0	2.4%
	<b>Services</b>	53.1	56.3	6.0%	53.1	56.3	6.0%	53.1	6.0%
<b>Revenue</b>		<b>571.2</b>	<b>436.0</b>	<b>-23.7%</b>	<b>268.2</b>	<b>227.4</b>	<b>-15.2%</b>	<b>208.6</b>	<b>9.0%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	301.0	214.7	-28.7%	147.5	108.2	-26.6%	106.5	1.6%
	<b>Port Technology</b>	110.8	84.2	-24.0%	46.6	46.3	-0.7%	37.9	22.0%
	<b>Services</b>	159.3	137.1	-13.9%	74.1	73.0	-1.5%	64.2	13.7%
<b>Operating EBIT</b>		<b>49.8</b>	<b>19.7</b>	<b>-60.4%</b>	<b>19.4</b>	<b>10.5</b>	<b>-45.7%</b>	<b>9.2</b>	<b>14.1%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	22.7	2.9	-87.1%	9.4	1.0	-89.9%	2.0	-51.3%
	<b>Port Technology</b>	-2.9	-2.9	2.6%	-4.4	-0.3	92.2%	-2.6	86.6%
	<b>Services</b>	33.3	24.6	-26.0%	14.9	12.9	-13.3%	11.7	9.9%
	<b>Holding/DCAG</b>	-3.3	-4.9	-51.0%	-0.5	-3.0	n.a	-1.9	57.9%

# Balance Sheet and Cash Flow

in EUR million				
	31 March 2009	31 March 2010	Δ	30 Sept. 2009
<b>Total assets</b>	875.0	783.6	-10.4%	818.8
	Q1-Q2 2008/2009	Q1-Q2 2009/2010	Δ	FY 2008/09
<b>CAPEX</b>	6.9	6.0	-13.3%	18.8
<b>Free cash flow before financing</b>	19.4	-3.6	n/a	43.4
Restructuring payments	-	7.8	n/a	7.5
<b>Free cash flow before financing and Restructuring payments</b>	19.4	4.2	n/a	50.9

# Net Working Capital

in EUR million					
	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009
Inventories	176.5	198.7	207.1	246.9	266.8
Advance payments made	2.1	2.4	2.8	3.8	4.9
Trade receivables	143.9	131.1	152.6	144.5	169.5
Trade payables	-54.1	-51.8	-62.9	-54.0	-70.5
Advance payments received	-54.9	-76.9	-89.0	-111.3	-116.6
<b>Net working capital</b>	<b>213.6</b>	<b>203.5</b>	<b>210.5</b>	<b>229.8</b>	<b>254.1</b>

# Net Debt

in EUR million

	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009
Non-current loans and borrowings	106.0	106.0	105.9	105.6	105.6
Other financial liabilities	0.1	0.1	0.1	0.3	0.2
Current loans and borrowings	4.7	5.0	4.4	4.7	4.9
Cash and cash equivalents	-104.4	-109.8	-103.7	-104.1	-79.7
Other current financial assets	-0.4	-0.4	-0.4	-0.5	-0.5
<b>Net debt</b>	<b>6.0</b>	<b>1.0</b>	<b>6.3</b>	<b>5.9</b>	<b>30.5</b>

# Outlook 2009/2010

# Outlook Unchanged

## Financial Year 2009/2010

- Expectations concerning development of global economy are still characterized by high degree of uncertainty.
- It remains exceedingly difficult at present to predict what effects overall economic trends will have on business prospects of the Demag Cranes Group.
  - Outlook therefore remains unchanged
  - 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's 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

## Financial Calendar 2010

- 10 August 2010                      Q3 2009/2010 Results
- 7 December 2010                    Financial statements, financial year 2009/2010

- All roadshow appointments are published on our website:

[www.demagcranes-ag.com](http://www.demagcranes-ag.com)

- Contact details                      Investor Relations  
Phone    +49 211 7102 1218  
Fax       +49 211 7102 1215  
[ir@demagcranes-ag.com](mailto:ir@demagcranes-ag.com)