

Conference Call

Third Quarter 2009/2010 Results

Düsseldorf, 10 August 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.

## Q3 2009/2010 at a Glance

- Group order intake upward trend unbroken
- Group revenue to recover notably in coming quarter due to Group's late-cycle business bias
- Lower cost base increases Group operating EBIT significantly
- Financial year-end outlook: order intake a positive indicator for a good fourth quarter

## General Market Environment

### Global Economy on the Mend

#### **World Economic Trends**

- Q3 2009/2010 saw global economy continue to recover at an increasing pace
- Experts estimate 5.0 % world economy growth compared to same period last year
- Emerging markets grew by 7.8 % compared to same period last year
- Mature markets expanded by 3.0 % compared to same period last year

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

- Euro zone economy also continued to improve
- Experts saw Euro zone year-on-year economic growth of between 1.2 to 1.5 %
- The economic recovery in Germany continued in Q3 2009/2010
- GDP grew an estimated 0.8 % in the last quarter compared to the previous quarter
- Alongside a continuation of the healthy foreign demand, domestic orders also picked up significantly

## Market Environment Segments (1)

### Order Situation for Equipment Suppliers Improved

#### **Industrial Cranes Segment**

- Products used in a diverse range of industries and serve a variety of customer groups
- The order situation improved sharply in the period under review

#### **Port Technology Segment**

- A healthy sign is that there are now positive trends in contract awards
- Replacement investments are picking up
- Due to low utilisation rates, terminal operators are still on the side lines when it comes to expansion investments

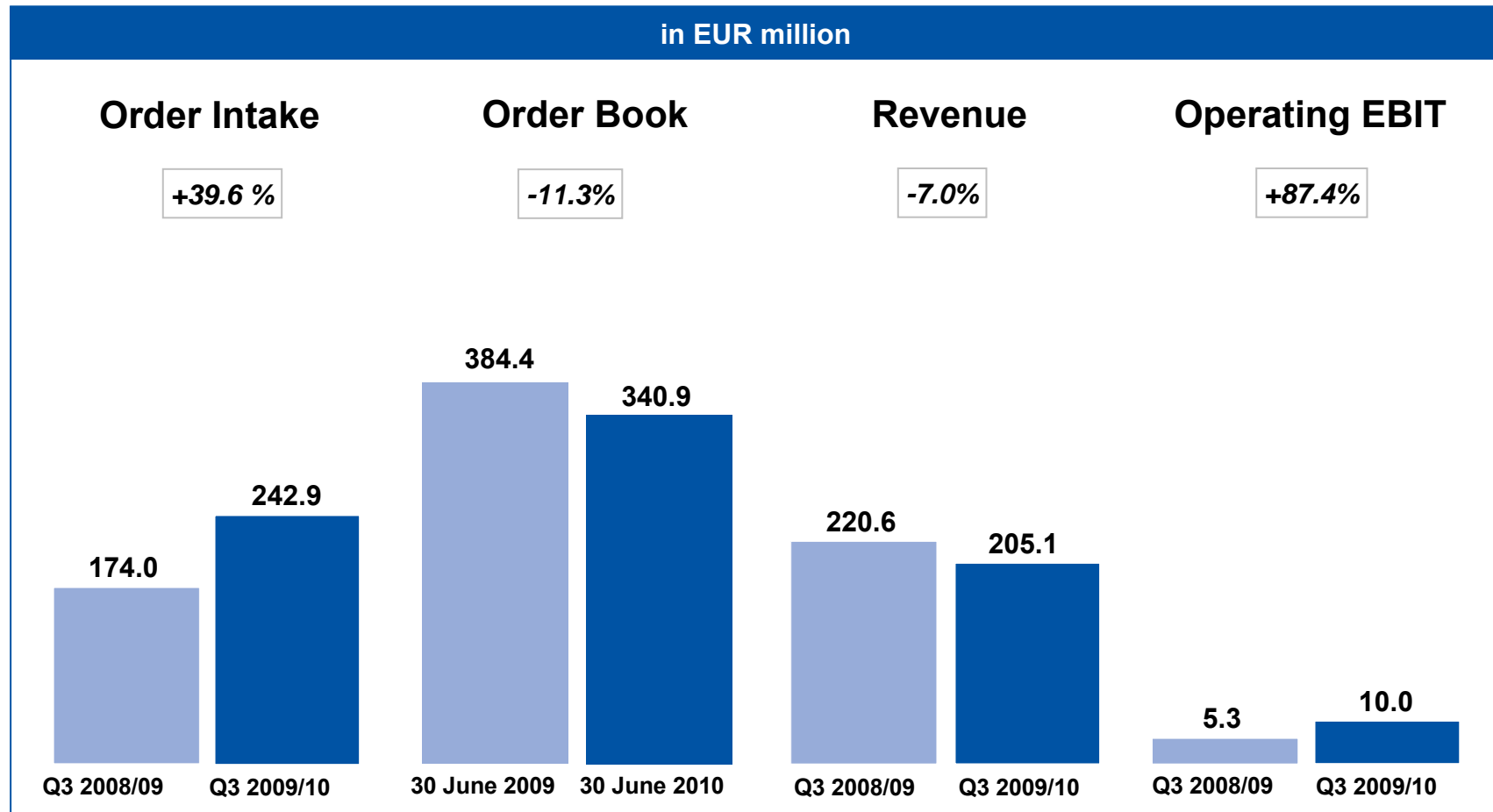
## Market Environment Segments (2)

### Increasing Utilisation Drives Spare Parts

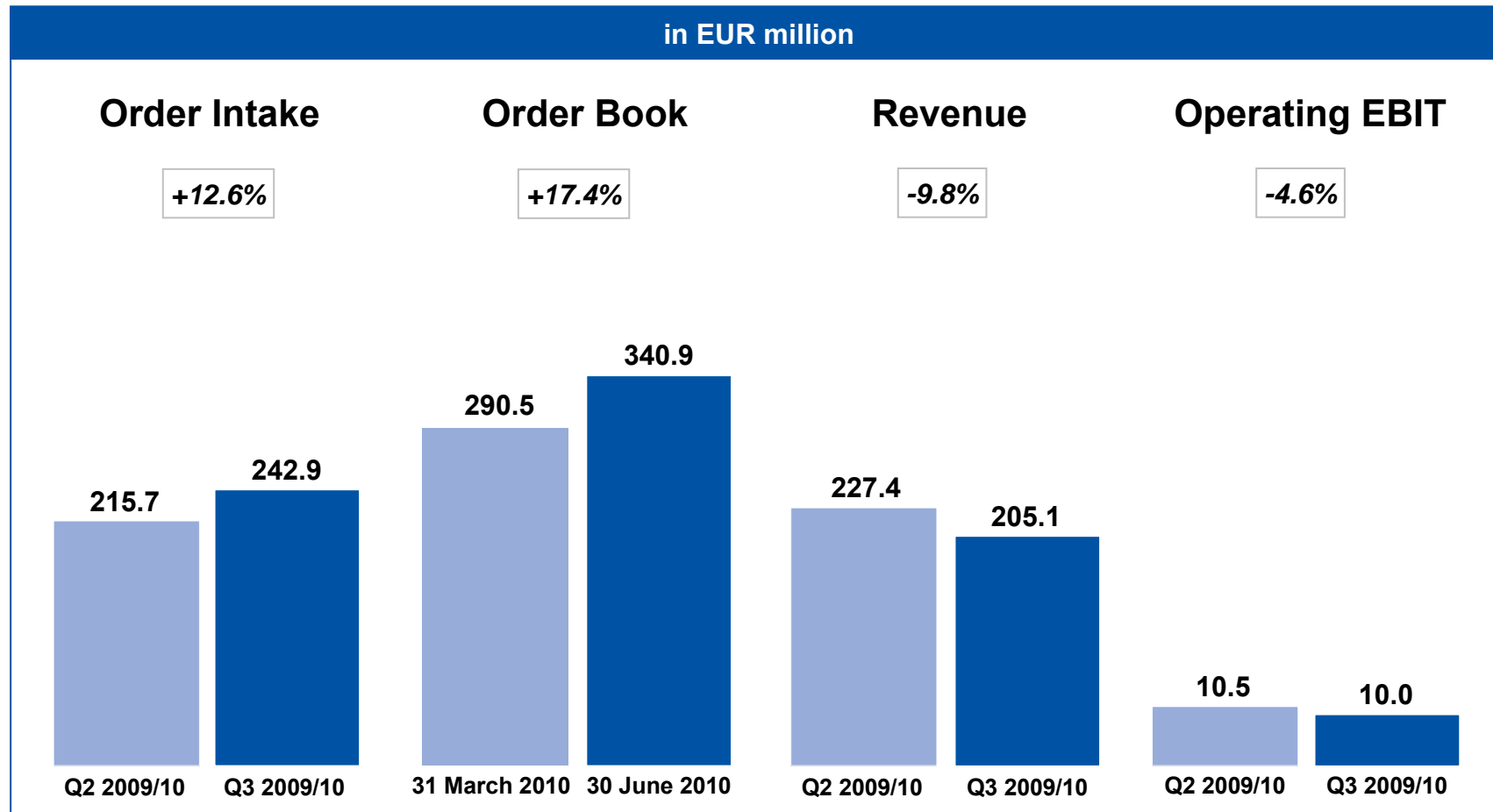
#### **Services Segment**

- Increasing utilisation of crane equipment by customers is invigorating spare parts business in the Services segment
- This has a positive effect on the EBIT margin which was at 20.6 % in Q3 2009/2010
- The Services segment is less vulnerable to the economic crisis than the other two segments, given that equipment will have to be maintained as usual in the interests of safety, reliability and availability

Key Group Figures: Q3 on Q3 comparison  
Strong Order Intake Paves the Way for Q4



Key Group Figures 2009/2010: Q3 vs. Q2  
Recovery Continues



## Focus on Growth - Emerging Markets

### New Facility in Chakan / India

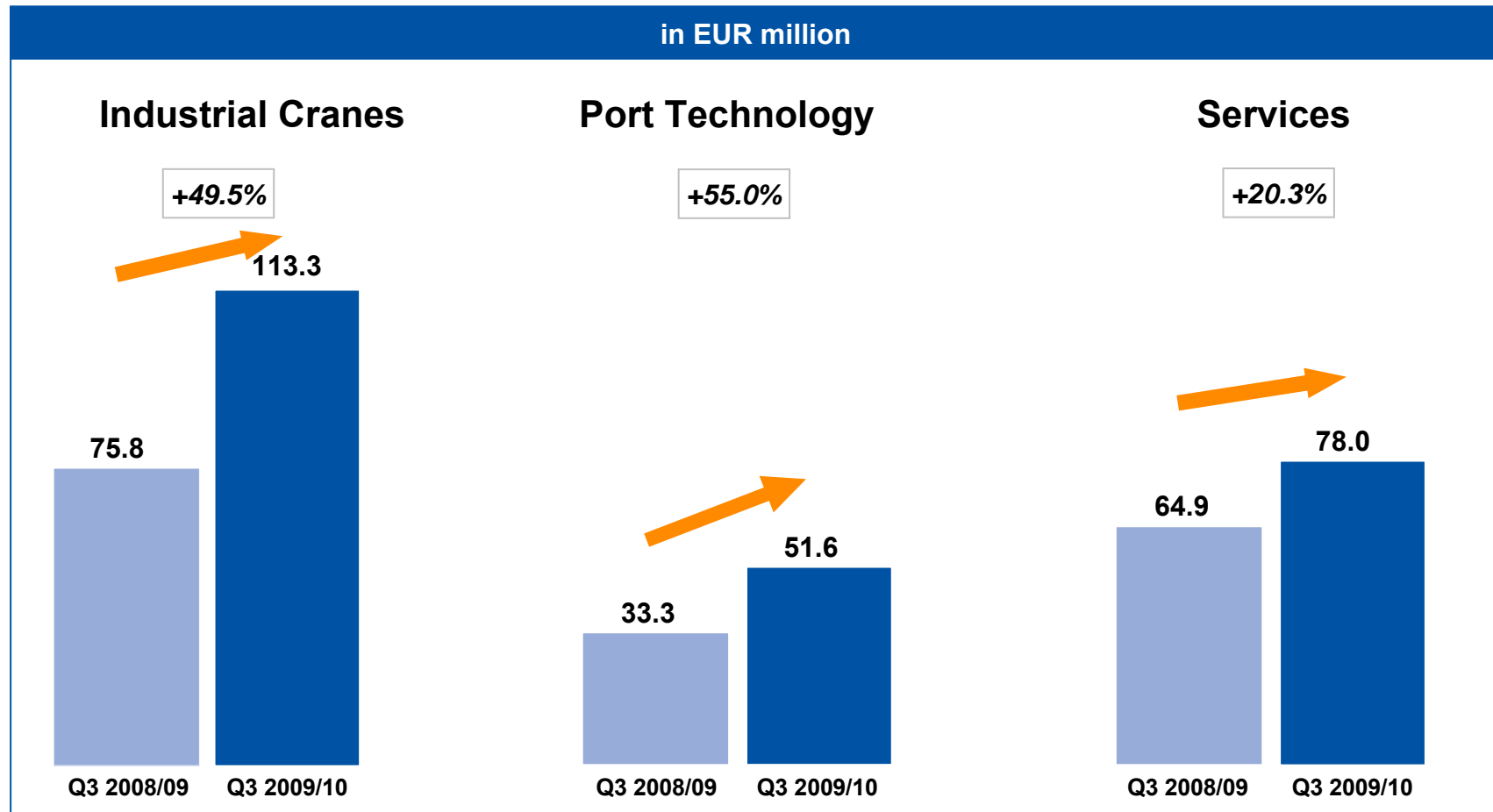
Investment volume until 2014:	EUR 8 million
Plot area	12.7 acres
Production area	10,410 m <sup>2</sup>
Office area	2,700 m <sup>2</sup>
Standard Cranes capacity	600 cranes p.a.
Process Cranes capacity	100 cranes p.a.
KBK capacity	24 km p.a.
Girder fabrication capacity	600 tonnes / month
Component manufacturing	Planned for PRC
Raw material yard	1,500 m <sup>2</sup>



# Financials

## Order Intake

Q3 compared to Q3



## Segments

## Key Figures

in EUR million									
		Q1-Q3 2008/09	Q1-Q3 2009/10	Δ	Q3 2008/09	Q3 2009/10	Δ	Q2 2009/10	Δ Q3/Q2
<b>Order intake</b>		<b>655.6</b>	<b>643.1</b>	<b>-1.9%</b>	<b>174.0</b>	<b>242.9</b>	<b>39.6%</b>	<b>215.7</b>	<b>12.6%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	320.9	293.8	-8.5%	75.8	113.3	49.5%	93.9	20.6%
	<b>Port Technology</b>	107.9	126.4	17.1%	33.3	51.6	55.0%	44.3	16.4%
	<b>Services</b>	226.8	223.0	-1.7%	64.9	78.0	20.3%	77.4	0.8%
<b>Order book</b>		<b>384.4</b>	<b>340.9</b>	<b>-11.3%</b>				<b>290.5</b>	<b>17.4%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	247.5	195.5	-21.0%				173.7	12.5%
	<b>Port Technology</b>	83.9	82.8	-1.2%				60.5	36.9%
	<b>Services</b>	53.0	62.5	18.1%				56.3	11.1%
<b>Revenue</b>		<b>791.8</b>	<b>641.1</b>	<b>-19.0%</b>	<b>220.6</b>	<b>205.1</b>	<b>-7.0%</b>	<b>227.4</b>	<b>-9.8%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	420.5	316.0	-24.9%	119.5	101.3	-15.2%	108.2	-6.4%
	<b>Port Technology</b>	146.1	113.8	-22.1%	35.2	29.6	-16.0%	46.3	-36.0%
	<b>Services</b>	225.2	211.3	-6.1%	65.8	74.2	12.7%	73.0	1.7%
<b>Operating EBIT</b>		<b>55.2</b>	<b>29.7</b>	<b>-46.1%</b>	<b>5.3</b>	<b>10.0</b>	<b>87.4%</b>	<b>10.5</b>	<b>-4.6%</b>
<b>Of which:</b>	<b>Industrial Cranes</b>	25.6	1.3	-94.8%	3.0	-1.6	n.a	1.0	n.a
	<b>Port Technology</b>	-10.3	-3.8	63.6%	-7.5	-0.8	88.8%	-0.3	n.a
	<b>Services</b>	44.5	39.9	-10.3%	11.3	15.3	35.8%	12.9	18.4%
	<b>Holding/DCAG</b>	-4.7	-7.8	66.4%	-1.4	-2.8	n.a	-3.0	-5.4%

## Balance Sheet and Cash Flow

in EUR million				
	30 June 2009	30 June 2010	Δ	30 Sept. 2009
<b>Total assets</b>	855.1	814.9	-4.7%	818.8
	Q1-Q3 2008/2009	Q1-Q3 2009/2010	Δ	FY 2008/09
<b>CAPEX</b>	11.3	8.7	-22.8%	18.8
<b>Free cash flow before financing</b>	43.8	-13.0	n.a.	43.4
Restructuring payments	1.3	13.8	n.a.	7.5
<b>Free cash flow before financing and Restructuring payments</b>	45.1	0.8	n.a.	50.9

## Net Working Capital

in EUR million					
	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Inventories	198.8	176.5	198.7	207.1	246.9
Advance payments made	2.6	2.1	2.4	2.8	3.8
Trade receivables	153.5	143.9	131.1	152.6	144.5
Trade payables	-59.1	-54.1	-51.8	-62.9	-54.0
Advance payments received	-63.8	-54.9	-76.9	-89.0	-111.3
<b>Net working capital</b>	<b>232.0</b>	<b>213.6</b>	<b>203.5</b>	<b>210.5</b>	<b>229.8</b>

## Net Debt

in EUR million					
	30 June 2010	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009
Non-current loans and borrowings	105.5	106.0	106.0	105.9	105.6
Other financial liabilities	0.1	0.1	0.1	0.1	0.3
Current loans and borrowings	4.2	4.7	5.0	4.4	4.7
Cash and cash equivalents	-100.5	-104.4	-109.8	-103.7	-104.1
Other current financial assets	-0.4	-0.4	-0.4	-0.4	-0.5
<b>Net debt</b>	<b>8.8</b>	<b>6.0</b>	<b>1.0</b>	<b>6.3</b>	<b>5.9</b>

## Outlook 2009/2010

## Financial Year 2009/2010 Guidance Confirmed

### Solid Order Situation – Sound Base for Q4

- Expectations confirm guidance given by Management Board despite volatility in global economy
  - Group revenue at around EUR 900 million
  - Group's operating EBIT between EUR 45 million and 50 million
  - Group's investment volume slightly higher than FY 2008/2009

## Financial Calendar 2010 and 2011

- 7 December 2010                      Financial statements, financial year 2009/2010
- 8 February 2011\*                      Q1 2010/2011 Results
- 2 March 2011\*                          Annual General Meeting
- 4 May 2011\*                              Q2 2010/2011 Results
- 9 August 2011\*                          Q3 2010/2011 Results
- 7 December 2011\*                      Financial statements, financial year 2010/2011
- Roadshow appointments are published on our website: [www.demagcranes-ag.com](http://www.demagcranes-ag.com)

\* Preliminary Dates