

PRESS RELEASE

Demag Cranes Substantially Increases Revenues and Profits in Financial Year 2006/2007

- **Dividend set to increase by 10 percent to EUR 1.10**
- **Group order intake up 14.3 percent**
- **Group revenues grow by 9.5 percent and break the billion euro barrier**
- **Adjusted Group EBIT up 11.9 percent on a year-on-year comparison**
- **Significant decrease in debt**
- **Outlook: Adjusted EBIT expected to reach EUR 110 million**

Dusseldorf, 12 December 2007. Demag Cranes AG increased its revenues and earnings in the 2006/2007 financial year and looks back on an overall successful business year. The revenues and earnings forecast revised in the summer was slightly exceeded. The overall business performance within the Group, however, was inconsistent. In a year-on-year comparison, the Industrial Cranes and Services segment achieved excellent results and exceeded expectations. Nonetheless, this outstanding development could not quite compensate a decrease in earnings in the Port Technology segment. Higher manufacturing costs and transport bottlenecks caused the segment to close considerably worse than expected, which led to an adjustment of the annual earnings forecast in the summer. In the meantime, a package of measures has been adopted producing a positive EBIT effect of EUR 15.0 million, which will first have full impact in the 2008/2009 financial year.

Harald J. Joos, CEO of Demag Cranes AG, summarises: "Despite the unexpected challenges in the Port Technology segment, the 2006/2007 financial year closed successfully for the Group as a whole with further growth in revenue and earnings. Accordingly, we intend to share this success with our investors and will propose increasing the dividend to the General Meeting."

Remarkable Order Volume

The Group's order volume in the 2006/2007 financial year was excellent. The order intake in the 2006/2007 financial year went up by 14.3 percent to EUR 1,205.1 million. All three segments contributed to this positive development. In the Industrial Cranes segment, in particular, the demand for Standard and Process Cranes led to a 20.3 percent increase in order intake to EUR 575.4 million. The order intake in the Port Technology segment rose by 7.6 percent compared to the previous year's figure of EUR 323.3 million. In the fourth quarter of the 2006/2007 financial year, an all-time-high for order intake was recorded. In particular, the demand for Generation 5 Mobile Harbour Cranes is high. The Services segment continued to see a positive trend with order intake growing by 11.3 percent in a

year-on-year comparison to EUR 306.4 million. This increase was driven, in particular, by the refurbishment services and spare parts business.

Revenues Break Billion Euro Barrier

Group revenues, in the 2006/2007 financial year, increased by 9.5 percent to EUR 1,080.4 million, breaking the one billion euro barrier. All three segments contributed to this growth. In the Industrial Cranes segment, revenues grew by 8.1 percent to EUR 485.4 million. The primary drivers in this segment were Standard Cranes and crane components. Revenues in the Port Technology segment were up 10.8 percent to EUR 298.9 million. This positive development is mainly due to the core Mobile Harbour Cranes product and to the high level of customer acceptance of the new Generation 5. The Services segment continued to see a positive growth trend. Revenues improved by 10.4 percent to EUR 296.1 million. The key revenue drivers were the spare parts business and refurbishment services.

Adjusted Group EBIT Improves by 11.9 Percent

The adjusted Group EBIT in the past financial year went up by 11.9 percent to EUR 94.6 million and surpassed the revised forecast of 13 July 2007. In the Industrial Cranes segment, adjusted EBIT more than doubled compared to the prior-year period, soaring 118.5 percent to EUR 23.6 million. This development is thanks to improved profits for almost all product lines. The Port Technology segment reported results that fell below our expectations, with an adjusted EBIT of EUR 9.6 million for the 2006/2007 financial year. This slower-than-anticipated development was caused by high manufacturing costs for the new Generation 5 Mobile Harbour Cranes. This is one of the reasons the earnings forecast for the 2006/2007 financial year saw a downward adjustment. Responding to this situation, the Management Board of Demag Cranes AG defined five packages of measures to ensure a sustained reduction in manufacturing costs with a positive EBIT effect of EUR 15.0 million. These packages of measures will have been implemented by the end of the third quarter of the 2007/2008 financial year and their full effect on earnings will be seen in the 2008/2009 financial year. In the Services segment, the adjusted EBIT grew substantially year-on-year by 24.6 percent to EUR 61.4 million. This marked improvement is attributable to the successful spare parts business and high demand for maintenance and refurbishment orders. In addition, the implementation of price increases contributed to this positive development.

Significant Growth in Net Income: Dividends Up Ten Percent

Demag Cranes Group's pre-tax profits (EBT) doubled in the 2006/2007 financial year to EUR 67.7 million compared to prior-year figures. Against this background, the net income improved by 48.2 percent to EUR 32.8 million. Earnings per share (EPS) thus total EUR 1.53, following EUR 1.04 in the previous financial year. The adjusted Group net income provides the basis for the calculation and payment of dividends by Demag Cranes AG. This figure amounts to EUR 51.1 million or EUR 2.41 per share (previous year: EUR 40.6 million or EUR 1.92 per share). The Management Board and Supervisory Board want shareholders to benefit from the business success of Demag

Cranes and will therefore propose a 10 percent increase in the dividend paid to EUR 1.10 per share at the Annual General Meeting on 6 March 2008. This is equivalent to a dividend payout ratio of about 45 percent of the adjusted annual net income, which is in the upper range of our dividend policy of distributing 35 to 45 percent of the adjusted Group net income.

Net Financial Liabilities Reduced Further

Thanks to the positive free cash flow before financing, net financial liabilities were reduced in the reporting period by EUR 16.6 million to EUR 116.6 million. As equity was also boosted by 10.6 percent to EUR 209.0 million, gearing (net financial liabilities in relation to equity) improved by 14.7 percentage points to 55.8 percent.

Growth in Number of Employees

As at 30 September 2007, the number of employees (without temporary workers, apprentices and trainees) in the Demag Cranes Group totalled 5,813, which represents an increase of 2.3 percent or 133 employees in a year-on-year comparison. In Germany, the total number of employees amounted to 2,926 on the balance sheet date. During the period under review, the number of employees grew significantly in nearly all segments. Faced with a sharp increase in production volume, we have mainly focused on hiring specialist staff in production, customer service and other services as well as for inventory management.

Outlook Financial Year 2007/2008: Further Growth for Revenues and EBIT

Based on the strategy for our product portfolio in all segments and improved market development, as well as increasing market demand, sales volumes should continue to grow worldwide compared with the 2006/2007 financial year. The Management Board of Demag Cranes AG expects Group revenues to be in the range of EUR 1.13 billion to EUR 1.16 billion for the 2007/2008 financial year (previous year: EUR 1.08 billion). Adjusted EBIT for the 2007/2008 financial year is also forecast by the Management Board to increase to approximately EUR 110.0 million (previous year: EUR 94.6 million). Demag Cranes CEO Joos stresses: "The success of our product portfolio, the full order books and the cost-saving initiatives in the Port Technology segment form a solid basis for sustained profitable growth. Demag Cranes is well-equipped for the future."

About Demag Cranes AG

The Demag Cranes Group is one of the world's leading suppliers of industrial cranes and crane components, harbour cranes and port automation technology. Service, especially for the ongoing maintenance and refurbishment of products, are core elements of our service portfolio. The Group is divided into business segments Industrial Cranes, Port Technology and Services and has strong and well-established "Demag" and "Gottwald" brands. Demag Cranes sees its core competence in the development and construction of technically sophisticated cranes and hoisting devices as well as automated transport- and logistics systems in ports, the supply of services for these products and the manufacture of high-quality components.

As a global supplier Demag Cranes produces in 16 countries across five continents and operates with its subsidiaries, representatives and joint ventures a world-wide sales and service network with locations in more than 60 countries. In the 2006/2007 financial year, the Company generated revenue of around EUR 1.080 million with its 5,813 employees. The Demag Cranes share (WKN:DCAG01) has been listed since the end of June 2006 in the Prime Standard of the Frankfurt Stock Exchange and is a member of the SDAX index.

Demag Cranes. We Can Handle It.

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Conditions for forward-looking predictions

This press release contains forward-looking predictions about Demag Cranes AG, its subsidiaries and affiliated companies as well as economic and political frameworks, which can influence the business performance of Demag Cranes. All these statements are based on assumptions, which the Management Board have made on the information available. If these assumptions do not occur, or only partly, or if further risks occur, the actual business performance can deviate from the predictions.

Therefore no guarantee can be accepted for these assumptions.

Selected key financials as at the end of financial year 2006/2007 (30 September 2007)

	2006/2007	2005/2006	Change
Group in EUR million			
Order intake	1,205.1	1,054.0	14.3 %
Order book	427.6	305.6	39.9 %
Revenues	1,080.4	986.9	9.5 %
Adjusted EBIT*	94.6	84.5	11.9 %
In % of revenues	8.8 %	8.6 %	0.2 % points
Adjusted net income after tax**	51.1	40.6	25.9 %
Net income after taxes	32.8	22.1	48.2 %
Adjusted earnings per share (in EUR)	2.41	1.92	25.9 %
Earnings per share (in EUR)	1.53	1.04	47.1 %
Net financial debt	116.6	133.3	- 12.5 %
Gearing	55.8 %	70.6 %	-14.7 % points
Industrial Cranes (in EUR million)			
Order intake	575.4	478.2	20.3 %
Order book	251.5	164.0	53.3 %
Revenues	485.4	449.0	8.1 %
Adjusted EBIT*	23.6	10.8	118.5 %
In % of revenues	4.9 %	2.4 %	+2.5 % points
Port Technology (in EUR million)			
Order intake	323.3	300.5	7.6 %
Order book	128.9	104.0	23.9 %
Revenues	298.9	269.6	10.8 %
Adjusted EBIT*	9.6	24.5	-60.7 %
In % of revenues	3.2 %	9.1 %	-5.9 % points
Services (in EUR million)			
Order intake	306.4	275.3	11.3 %
Order book	47.3	37.5	26.1 %
Revenues	296.1	268.3	10.4 %
Adjusted EBIT*	61.4	49.3	24.6 %
In % of revenues	20.7 %	18.4 %	+2.4 % points

* Adjustments were carried out using IFRS purchase accounting methods, one-off effects as well as Holding costs prior to the IPO.

** Adjustments were carried out using IFRS purchase accounting methods, one-off effects, Holding costs prior to the IPO as well as tax effects. Rounding: All listed amounts have been calculated on the basis of EUR thousand. For this reason, there may be rounding differences in EUR million and percentage figures.