



We Can Handle It.

Invitation to the Annual General Meeting
6 March 2008

DEMAG
CRANES AG

Group Key Figures

(IFRS)

	Financial Year 2006/2007	Financial Year 2005/2006	Δ
Earnings (in EUR million)			
Order intake	1,205.1	1,054.0	14.3%
Order book ¹	427.6	305.6	39.9%
Revenue	1,080.4	986.9	9.5%
of which inside Germany	19.0%	19.2%	-0.2% points
of which outside Germany	81.0%	80.8%	0.2% points
Gross profit	291.7	267.2	9.2%
in % of revenue	27.0%	27.1%	-0.1% points
Adjusted EBITDA ²	118.5	105.6	12.2%
Adjusted EBIT ²	94.6	84.5	11.9%
in % of revenue	8.8%	8.6%	0.2% points
EBIT	82.0	54.1	51.5%
Adjusted net income after taxes ³	51.1	40.6	25.9%
Net income after taxes	32.8	22.1	48.2%
Cash flow (in EUR million)			
Cash flow from operating activities	64.7	57.6	12.3%
Cash flow from investing activities	-26.1	-13.5	-93.1%
of which capital expenditures	-30.7	-28.1	-9.3%
Free cash flow before financing	38.5	44.1	-12.6%
Balance (in EUR million)			
Balance sheet total	843.1	831.8	1.4%
Working capital	247.5	203.9	21.4%
Net financial liabilities	116.6	133.3	-12.5%
Equity	209.0	188.9	10.6%
Equity ratio in %	24.8%	22.7%	2.1% points
Gearing in %	55.8%	70.6%	-14.7% points
Employees			
Employees ⁴	5,813	5,680	2.3%
of which inside Germany	2,926	2,852	2.6%
of which outside Germany	2,887	2,828	2.1%
Shares			
Total number of shares (in millions)	21.2	21.2	-
Market capitalisation (in EUR million)	699.6	571.7	22.4%
Adjusted earnings per share (in EUR) ³	2.41	1.92	25.9%
Earnings per share (in EUR)	1.53	1.04	47.1%
Dividend per share (in EUR)	1.10	1.00	10.0%
Share closing rate (in EUR) ⁵	33.04	27.00	22.4%
High (in EUR) ⁵	52.02	27.05	92.3%
Low (in EUR) ⁵	26.70	21.95	21.6%

¹ As at the end of the period

² The adjustments reflect the effects of the purchase accounting method, one-off effects, Holding charges up to the IPO

³ The adjustments reflect the effects of the purchase accounting method, one-off effects, Holding charges up to the IPO and tax impacts

⁴ Employees as at the end of the period excluding temporary employees, apprentices and trainees/including Holding.

⁵ As per XETRA market

Annual General Meeting of Demag Cranes AG, Dusseldorf

Congress Center Dusseldorf Ost (CCD Ost),
Stockumer Kirchstrasse 61, 40474 Dusseldorf



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

Invitation to the Annual General Meeting

We hereby invite our stockholders to the second Annual General Meeting of Demag Cranes AG to be held on **Thursday, March 6, 2008**, at 10.00 a.m. (admission from 9.00 a.m.) CET at the Congress Center Düsseldorf Ost (CCD Ost), Stockumer Kirchstraße 61, 40474 Dusseldorf, Germany, Room L, M, R.

Agenda

- 1. Presentation of the adopted annual financial statements of the company, the approved consolidated financial statements and the management reports for the company and the Group as well as the proposal on the disposition of the unappropriated net income for the fiscal year 2006/2007 ended September 30, 2007 with the the explanatory report on the information pursuant to §§ 289 para. 4, 315 para. 4 of the German Commercial Code and 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 Dusseldorf, 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 2006/2007 in the amount of € 41,917,052.31 as follows:

(1) Total amount of distribution to stockholders	EUR	23,290,292.30
paid by means of a dividend of	EUR	1.10 per eligible share,
(2) Profit carried forward	EUR	18,626,760.01

- 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 2006/2007 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 2006/2007 for this fiscal year.

5. Election of the auditors for the 2007/2008 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 2007/2008.

6. Election of the Supervisory Board

The regular term of all members of the Supervisory Board representing the stockholders will end upon the end of the Annual General Meeting on March 6, 2008. 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.

The Supervisory Board proposes to elect the following persons as members of the Supervisory Board representing the stockholders, each of them to be elected individually:

- a) Mr. Reinhard Gorenflos, resident in Oxford, partner with Kohlberg Kravis Roberts & Co. L.P., London, UK
- b) Prof. Dr. h.c. Karlheinz Hornung, resident in Munich, member of the Management Board and CFO of MAN AG, Munich
- c) Mr. Robert J. Koehler, resident in Wiesbaden, chairman of the Management Board of SGL CARBON AG, Wiesbaden
- d) Dr. Herbert Meyer, resident in Königstein, president of the Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung e.V.), Berlin
- e) Dr. Martin Posth, resident in Berlin, independent management consultant
- f) Mr. Burkhard Schuchmann, resident in Dortmund, vice chairman of the Board of Patentes Talgo SA, Madrid, Spain

The term of the election will last until the end of the General Meeting resolving upon formal approval of the acts of the members of the Supervisory Board for the fourth fiscal year following the beginning of the term, not including the current year during which the term begins.

In case Mr. Reinhard Gorenflos is re-elected as member of the Supervisory board, he has been proposed as candidate for the chairman of the Supervisory Board.

The candidates proposed for the election are members of Supervisory Boards required to be established in accordance with German law or of other comparable domestic or foreign controlling bodies for the following companies and commercial enterprises:

Mr. Reinhard Gorenflos

- a) Memberships of Supervisory Boards required to be established in accordance with German law:
 - ATU GmbH, Weiden
- b) Memberships of other comparable domestic or foreign controlling bodies of commercial enterprises:
 - Blue Waste BV, Rotterdam, the Netherlands
 - DEMAG Holding S.à r.l, Luxemburg, Luxemburg
 - Der Grüne Punkt – Duales System Deutschland GmbH, Cologne
 - Pages Jaunes SA, Paris, France

Mr. Prof. Dr. h.c. Karlheinz Hornung

- a) Memberships of Supervisory Boards required to be established in accordance with German law:
 - MAN Nutzfahrzeuge AG, Munich
 - MAN Roland Druckmaschinen AG, Offenbach
 - MAN Diesel SE, Augsburg
 - MAN Ferrostaal AG, Essen
 - MAN TURBO AG, Oberhausen
 - MAN TURBO AG, Oberhausen
- b) Memberships of other comparable domestic or foreign controlling bodies of commercial enterprises:
 - None

Mr. Robert J. Koehler

- a) Memberships of Supervisory Boards required to be established in accordance with German law:
 - Benteler AG, Paderborn
 - Pfleiderer AG, Neumarkt
 - Heidelberger Druckmaschinen AG, Heidelberg
 - Lanxess AG, Leverkusen

- b) Memberships of other comparable domestic or foreign controlling bodies of commercial enterprises:
 - None

Mr. Dr. Herbert Meyer

- a) Memberships of Supervisory Boards required to be established in accordance with German law:
 - Kuka AG, Augsburg
 - Sektkellerei Schloss Wachenheim AG, Wachenheim
 - Deutsche Beteiligungs AG, Frankfurt am Main
 - WEBASTO AG, Stockdorf

- b) Memberships of other comparable domestic or foreign controlling bodies of commercial enterprises:
 - Verlag Europa Lehrmittel GmbH, Haan-Gruiten
 - GOSS International, Chicago, USA

Mr. Dr. Martin Posth

- a) Memberships of Supervisory Boards required to be established in accordance with German law:
 - Drägerwerk AG, Lübeck

- b) Memberships of other comparable domestic or foreign controlling bodies of commercial enterprises:
 - Deinger Management Consulting (Shanghai) Co. Ltd.,
Shanghai, P. R. China
 - Iberia Motor Company S.A., Piastów, Poland

Mr. Burkhard Schuchmann

- a) Memberships of Supervisory Boards required to be established in accordance with German law:
 - None

- b) Memberships of other comparable domestic or foreign controlling bodies of commercial enterprises:

Siegwerk Druckfarben AG, Siegburg

Patil Rail Industries Ltd., Hyderabad, India

7. Acquisition of Company stock

The prior authorization for the acquisition of Company stock resolved upon at the Annual General Meeting as of March 20, 2007 will expire on September 19, 2008. The Management Board and Supervisory Board therefore propose that the stockholders adopt the following resolution:

- a) The Company is hereby authorized to acquire Company stock of any share class on or before September 5, 2009. 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.

- 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 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 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 Annual General Meeting on March 20, 2007 and expiring on September 19, 2008 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 March 20, 2007 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 September 19, 2008. As the authorization of March 20, 2007 will expire prior to the Annual General Meeting of 2009, it is proposed to replace such authorization by a new authorization that would be effective until September 5, 2009.

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.

The proposed authorization is also intended to place at the Company's disposal 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 Annual General 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.

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

Total Number of Shares and Voting Rights

At the time of convening this Annual General 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 Annual General 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 14, 2008, 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 be received by the Company by no later than Thursday, February 28, 2008 at the address below:

Demag Cranes AG
c/o Bayerische Hypo- und Vereinsbank AG
CBD5HV
80311 Munich
Germany
Fax: +49 (0) 89 5400 2519
E-mail: hauptversammlungen@hvb.de

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.

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 Wednesday, March 5, 2008, 12.00 (noon) CET at the latest either in writing or by fax at the address of Demag Cranes AG below and by using the designated form:

Demag Cranes AG
Investor Relations
Forststrasse 16
40597 Dusseldorf
Germany
Fax: +49 (0) 211 7102 1215

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 Annual General 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 Annual General Meeting on the internet

The opening of the Annual General 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 shall 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 Dusseldorf
Germany
Fax: +49 (0) 211 7102 1215
E-mail: IR@demagcranes-ag.com

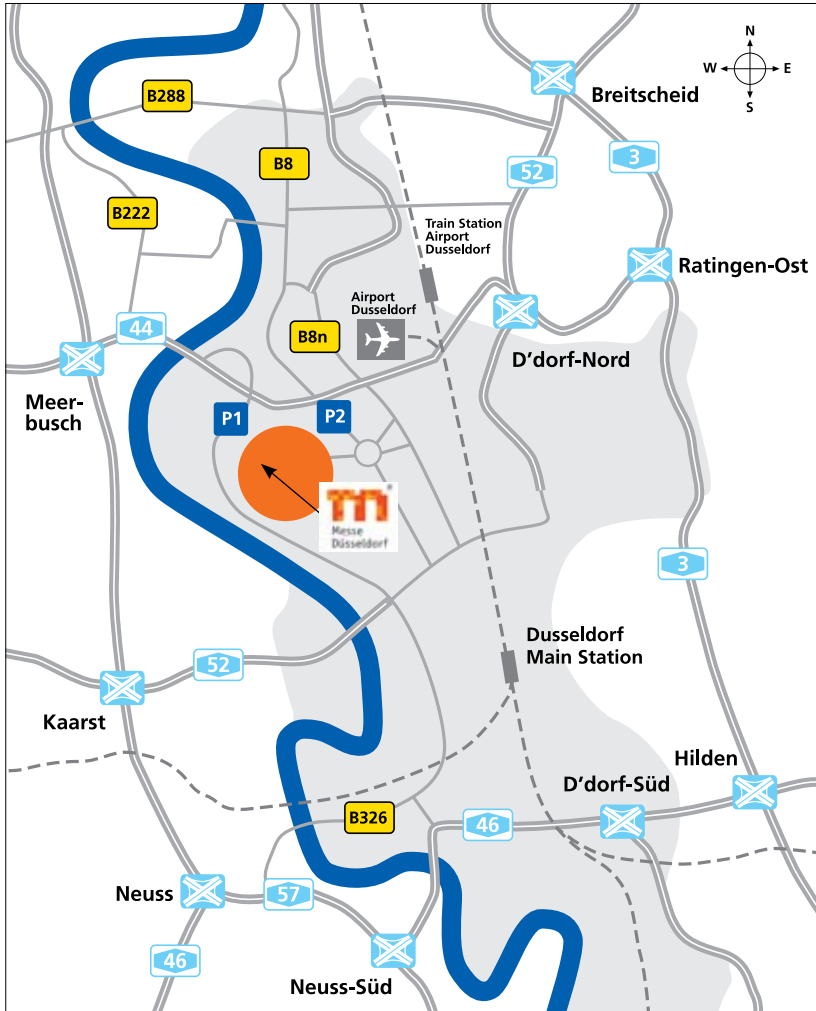
On proof of proposer's stockholder status, orderly stockholder motions and election proposals received at the above address by no later than two weeks prior to the date of the Annual General Meeting will be made available immediately on the internet at www.demagcranes-ag.de. Any comments by the Management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

Dusseldorf, January 2008

**Demag Cranes AG
The Management Board**

Please note:

The legally binding language for the invitation to, the agenda of and the general information on the Annual General Meeting of Demag Cranes AG on March 6, 2008 is German. Accordingly, only the German version constitutes the legally binding document while the English version is a convenience translation only.



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