

PRESS RELEASE

Demag Cranes' Subsidiary Gottwald Port Technology Concludes Negotiations on Compensation Agreement and Redundancy Scheme as Part of the Group's Restructuring Process

Düsseldorf, 8 July 2009. Following swift and very constructive discussions, the Executive Management and the Works Council of Demag Cranes' subsidiary Gottwald Port Technology GmbH (Port Technology segment) have concluded their negotiations as part of the Group's restructuring process and signed the documents for the compensation agreement and redundancy scheme.

The provisions of the redundancy scheme include the following arrangements for the employees concerned:

- option to transfer to an interim employment company and to make use of individual counselling services such as job application training, coaching, etc. and specific job-finding measures
- a severance package based on the employee's age and years of service in the company
- special benefits for employees with children or severe disabilities.

As communicated in May of this year, some 250 jobs are to be shed at Gottwald as part of the restructuring measures that have become necessary. In a first step, some 120 employees have been offered the option of transferring to an interim employment company. If the market does not show clear signs of a recovery next year, 30 further jobs may be cut in May 2010 in accordance with the compensation agreement and redundancy scheme. In the short term, an additional 100 jobs will be cut due to the termination of temporary contracts, early retirement plans and the planned outsourcing measures.

Aloysius Rauen, CEO of Demag Cranes AG emphasises: "In view of the extremely difficult economic situation and the necessary harsh cut-backs, the Management Board welcomes the swift result achieved by the parties involved in the negotiations at Gottwald. This will eliminate uncertainties and enable all parties to plan better. This achievement represents an important step in ensuring that the Group will be able to meet the challenges of the future."

Negotiations are continuing with the employee representatives in other parts of the Group. In May of this year, the Supervisory Board of Demag Cranes AG granted approval for the restructuring measures proposed by the Management Board that involve up to 750 job cuts group-wide. In the current financial year, provisions in mid-range double digit euro millions will be made to implement these packages of measures.

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 terminal automation technology. Services, in particular maintenance and refurbishment services, are another key element of the Group's business activities. The Group is divided into the 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 hoists as well as automated transport and logistics systems in ports and terminals, the provision of services for these products and the manufacture of high-quality components.

As a global supplier, Demag Cranes manufactures in 16 countries on five continents and operates a worldwide sales and service network that is present in over 60 countries through its subsidiaries, representative offices and a joint venture. In financial year 2007/2008, the Group, with its 6,093 employees, generated revenue of EUR 1,225.8 million. Since the end of June 2006, the Demag Cranes share (WKN: DCAG01) has been listed in the Prime Standard of the German Stock Exchange and is traded on various indices including the MDAX®.

Demag Cranes AG. We Can Handle It.**Conditions for Forward-Looking Predictions**

This press release contains forward-looking statements relating to the business, financial performance and earnings of Demag Cranes AG and its subsidiaries and associates. Forward-looking statements are based on current plans, estimates, projections and expectations and are therefore subject to risks and uncertainties, most of which are difficult to estimate and which in general are beyond the control of Demag Cranes AG. Consequently, actual developments as well as actual earnings and performance may differ materially from those which are explicitly or implicitly assumed in the forward-looking statements. Demag Cranes AG does not intend or accept any obligation to publish updates of these forward-looking statements.

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