

Group Key Figures

	Q3 2009/2010	Q3 2008/2009	Δ	Q1-Q3 2009/2010	Q1-Q3 2008/2009	Δ	Financial year 2008/2009
Earnings (in EUR million)							
Order intake	242.9	174.0	39.6 %	643.1	655.6	-1.9 %	841.9
Order book as at end of period	340.9	384.4	-11.3 %	-	-	-	313.1
Revenue	205.1	220.6	-7.0 %	641.1	791.8	-19.0 %	1,047.6
Of which							
inside Germany	19.3 %	24.7 %	-5.4 % pts	21.8 %	22.7 %	-0.8 % pts	22.2 %
outside Germany	80.7 %	75.3 %	5.4 % pts	78.2 %	77.3 %	0.8 % pts	77.8 %
Gross profit	60.3	29.2	106.5 %	169.4	185.0	-8.5 %	249.7
in % of revenue	29.4 %	13.2 %	16.2 % pts	26.4 %	23.4 %	3.0 % pts	23.8 %
Operating EBITDA ¹	15.2	10.8	40.4 %	44.9	71.7	-37.4 %	89.5
Operating EBIT ¹	10.0	5.3	87.4 %	29.7	55.2	-46.1 %	67.6
in % of revenue	4.9 %	2.4 %	2.5 % pts	4.6 %	7.0 %	-2.3 % pts	6.5 %
EBIT	8.3	-40.8	n/a	25.5	4.6	459.3 %	13.2
Operating net income after tax ²	5.2	0.7	619.5 %	15.9	30.0	-47.0 %	42.8
Operating earnings per share (in EUR) ²	0.25	0.03	689.9 %	0.75	1.41	-46.4 %	2.01
Net income after tax	4.1	-31.3	n/a	13.0	-5.0	n/a	1.2
Earnings per share (in EUR)	0.19	-1.48	n/a	0.62	-0.25	n/a	0.04
Cash Flow (in EUR million)							
Cash flow from operating activities	-6.4	28.7	n/a	-4.6	54.6	n/a	61.8
Cash flow from investing activities	-3.1	-4.3	-28.2 %	-8.5	-10.8	-22.0 %	-18.3
Of which capital expenditure	-2.7	-4.4	-37.7 %	-8.7	-11.3	-22.8 %	-18.8
Free cash flow before financing	-9.5	24.4	n/a	-13.0	43.8	n/a	43.4
Financial Position (in EUR million)							
	30 June 2010	30 June 2009				Δ	30 September 2009
Total assets	814.9	855.1	-4.7 %	-	-	-	818.8
Net working capital	232.0	229.8	0.9 %	-	-	-	210.5
Net debt	8.8	5.9	47.7 %	-	-	-	6.3
Equity	259.3	235.8	10.0 %	-	-	-	227.7
Equity ratio in %	31.8 %	27.6 %	4.2 % pts	-	-	-	27.8 %
Gearing in %	3.4 %	2.5 %	0.9 % pts	-	-	-	2.7 %
Employees							
Employees ³	5,735	6,121	-6.3 %	-	-	-	5,934
Of which							
inside Germany	2,763	3,031	-8.8 %	-	-	-	2,906
outside Germany	2,972	3,090	-3.8 %	-	-	-	3,028
Shares							
Number of shares (in million)	21.2	21.2	-	-	-	-	21.2
Market capitalisation (in EUR million)	527.6	341.3	54.6 %	-	-	-	519.6
Dividend per share (in EUR)	-	-	-	-	-	-	-
Closing share price (in EUR) ⁴	24.92	16.12	54.6 %	-	-	-	24.54

¹ Adjusted to reflect the effects of operating adjustments.

² Adjusted to reflect the effects of operating adjustments and tax effects.

³ Employees as at the end of the period, excluding temporary employees, apprentices and trainees.

⁴ As per XETRA closing.

Segment Key Figures

	Q3 2009/ 2010	Q3 2008/ 2009	Δ	Q1-Q3 2009/ 2010	Q1-Q3 2008/ 2009	Δ	Financial year 2008/ 2009
Industrial Cranes							
Order intake	113.3	75.8	49.5 %	293.8	320.9	-8.5 %	397.9
Order book as at end of period	195.5	247.5	-21.0 %	-	-	-	197.7
Revenue	101.3	119.5	-15.2 %	316.0	420.5	-24.9 %	545.8
Operating EBIT ¹	-1.6	3.0	n/a	1.3	25.6	-94.8 %	29.7
in % of revenue	-1.6 %	2.5 %	-4.0 % pts	0.4 %	6.1 %	-5.7 % pts	5.4 %
Employees ²	3,134	3,448	-9.1 %	-	-	-	3,398
Port Technology							
Order intake	51.6	33.3	55.0 %	126.4	107.9	17.1 %	151.8
Order book as at end of period	82.8	83.9	-1.2 %	-	-	-	69.4
Revenue	29.6	35.2	-16.0 %	113.8	146.1	-22.1 %	204.0
Operating EBIT ¹	-0.8	-7.5	88.8 %	-3.8	-10.3	63.6 %	-14.8
in % of revenue	-2.8 %	-21.3 %	18.4 % pts	-3.3 %	-7.1 %	3.8 % pts	-7.3 %
Employees ²	649	883	-26.5 %	-	-	-	774
Services							
Order intake	78.0	64.9	20.3 %	223.0	226.8	-1.7 %	292.1
Order book as at end of period	62.5	53.0	18.1 %	-	-	-	46.0
Revenue	74.2	65.8	12.7 %	211.3	225.2	-6.1 %	297.7
Operating EBIT ¹	15.3	11.3	35.8 %	39.9	44.5	-10.3 %	60.2
in % of revenue	20.6 %	17.1 %	3.5 % pts	18.9 %	19.8 %	-0.9 % pts	20.2 %
Employees ²	1,703	1,747	-2.5 %	-	-	-	1,719

¹ Adjusted to reflect the effects of operating adjustments.

² Employees as at the end of period, excluding temporary employees, apprentices and trainees.

Multiple-Year Overview

	1 October to 30 September					
	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005 ¹	2003/2004 ¹
Earnings (in EUR million)						
Order intake	841.9	1,323.4	1,205.1	1,054.0	921.5	–
Order book as at end of period	313.1	523.5	427.6	305.6	249.7	–
Revenue	1,047.6	1,225.8	1,080.4	986.9	881.6	810.1
Of which						
inside Germany	22.2 %	20.7 %	19.0 %	19.2 %	20.6 %	22.4 %
outside Germany	77.8 %	79.3 %	81.0 %	80.8 %	79.4 %	77.6 %
Gross profit	249.7	361.5	291.7	267.2	227.6	188.4
in % of revenue	23.8 %	29.5 %	27.0 %	27.1 %	25.8 %	23.3 %
Operating EBITDA ²	89.5	160.0	118.5	105.6	84.9	55.9
Operating EBIT ²	67.6	137.5	94.6	84.5	64.0	34.1
in % of revenue	6.5 %	11.2 %	8.8 %	8.6 %	7.3 %	4.2 %
EBIT	13.2	135.8	82.0	54.1	36.1	7.1
Operating net income after tax ³	42.8	85.2	51.4	40.7	–	–
Operating earnings per share (in EUR) ³	2.01	4.00	2.41	1.92	–	–
Net income after tax	1.2	80.8	32.8	22.1	0.5	–19.5
Earnings per share (in EUR)	0.04	3.79	1.53	1.04	–	–
Cash flow (in EUR million)						
Cash flow from operating activities	61.8	147.1	64.7	57.6	19.8	4.9
Cash flow from investing activities	–18.3	–21.3	–26.1	–13.5	–10.0	–6.3
Of which capital expenditure	–18.8	–25.4	–30.7	–28.1	–22.6	–22.2
Free cash flow before financing	43.4	125.9	38.5	44.1	9.8	–1.4
Balance sheet (in EUR million)	30 September 2009	30 September 2008	30 September 2007	30 September 2006	30 September 2005	30 September 2004
Total assets	818.8	925.5	843.1	831.8	867.7	826.7
Net working capital	210.5	254.0	247.5	203.9	202.3	196.1
Net debt	6.3	18.4	116.6	133.3	178.3	286.9
Equity	227.7	271.2	209.0	188.9	160.6	65.1
Equity ratio in %	27.8 %	29.3 %	24.8 %	22.7 %	18.5 %	7.9 %
Gearing in %	2.7 %	6.8 %	55.8 %	70.6 %	111.0 %	440.7 %
Employees						
Employees ⁴	5,934	6,093	5,813	5,680	5,520	5,783
Of which						
inside Germany	2,906	3,008	2,926	2,852	–	–
outside Germany	3,028	3,085	2,887	2,828	–	–
Shares						
Number of shares (in million)	21.2	21.2	21.2	21.2	–	–
Market capitalisation (in EUR million)	519.6	589.2	699.6	571.7	–	–
Dividend per share (in EUR)	–	1.40	1.10	1.00	–	–
Closing share price (in EUR) ⁵	24.54	27.83	33.04	27.00	–	–

¹ Combined Financial Statements.

² Adjusted to reflect the effects of operating adjustments.

³ Adjusted to reflect the effects of operating adjustments and tax effects.

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

⁵ As per XETRA closing.

Letter to Shareholders

Dear Shareholders,

Economic recovery gained momentum worldwide in the third quarter of 2009/2010. Asia continues to shine with above-average growth rates, while established industrialised countries like the USA, Japan and the euro zone are exiting the financial and economic crisis far more slowly.

As a globally positioned company, Demag Cranes AG was able to benefit from the economic recovery in its order intake. The value of incoming orders was some 40 percent up on the same quarter a year earlier and also kept up the positive trend from the immediately preceding quarters. We thus have a solid base of orders for the last quarter of financial year 2009/2010.

Our growth remains focused on foreign markets. The BRIC countries (Brazil, Russia, India and China) especially proved highly resilient throughout the economic and financial crisis and now form the backbone of the global upswing. We are therefore investing in these markets on a continuous basis. In the quarter under review, we opened a new plant in Chakan, India. Some EUR 8 million will flow towards the expansion of our production capacity. As we implement our strategy of further enhancing focus on customer needs around the world, we will bring the product range in India into line with regional market requirements as elsewhere and further localise production.

As far as our expectations for the fourth quarter are concerned, we are encouraged by the current order situation. Summarising our guidance, we anticipate Group revenue of around EUR 900 million and Group operating EBIT of EUR 45 to 50 million in financial year 2009/2010. For further details, please see the Outlook on page 17.

Demag Cranes AG Shares

Performance of Demag Cranes AG Shares

During the third quarter of financial year 2009/2010, economic recovery gained momentum worldwide to an extent that even surprised many market researchers. As the German Federation of Wholesale and Foreign Trade (BGA) reported in July 2010, German exports in May were 9.2 percent higher than a month earlier; compared with May 2009 they were up 28.8 percent – the biggest rise for ten years. According to surveys by VDMA, the industry association, 32.0 percent more orders were received nationwide from January to June 2010 than in the same timeframe a year earlier.

In contrast, the capital markets remained aware of risks such as persistently high levels of national debt in industrialised countries. As a result, the main stock markets spent the quarter moving sideways, with above-average volatility. This high volatility reduces the information value of reporting-date share prices.

From April to June, the Demag Cranes share price largely moved with the market as a whole, but held up well against its benchmark indices. Having closed the second quarter at EUR 25.96 as at 31 March 2010, the share price climbed to its high point for the third quarter at EUR 28.23 on 14 April. The price then fell to a third-quarter low of EUR 23.09 on 25 May. Demag Cranes shares closed at 30 June 2010 at EUR 24.92, some 4.0 percent down on the end of the previous quarter, thus testing the bottom limit of the uptrend that had emerged since autumn 2008. The share price subsequently picked up again to close at EUR 26.48 on 14 July 2010.

From 1 April to 1 July 2010, the MDAX lost 2.8 percent, slipping from 8,035 to 7,811 points while the DAX fell 6.1 percent from 6,236 to 5,857 points.

On 5 May, the Demag Cranes Group announced its results for the second quarter of 2009/2010. The Company reported a stabilisation of business in all three segments, improvements in key Group performance indicators and increased order intake. Despite ongoing uncertainty about the economy, Demag Cranes reaffirmed its guidance for financial year 2009/2010.

On 21 May 2010, financial investors Cevian Capital announced that they had acquired just over ten percent of Demag Cranes AG shares up to 20 May 2010. By their own account, Cevian are compelled by the technology and innovation leadership of Demag Cranes and believe in the continued success of the strong Demag and Gottwald brands. Cevian Capital consider, however, that the current valuation does not adequately reflect the fundamental value of Demag Cranes AG and that it should be substantially higher.

Demag Cranes AG continued its intensive investor relations activities in the third quarter of 2009/2010. The Company took part in the UniCredit First Annual European Forum in San Francisco and the Commerzbank German Mid Cap Investor Conference in New York. Roadshows led to Geneva, Frankfurt, Vienna and Paris. Demag Cranes AG earned special recognition for its investor relations activities from Institutional Investor, the international finance magazine. In a survey of some 1,100 financial analysts and nearly 650 investors, CFO Rainer Beaujean was voted third among Europe's top CFOs in the General and Mechanical Engineering category. This award also serves as an incentive to continue our active and transparent investor relations work with a decisive approach. The Demag Cranes AG annual report for financial year 2008/2009 also garnered a silver award in the League of American Communications Professionals LLC (LACP) international annual report competition, taking third place in the Equipment, Machinery and Instruments category behind Vossloh AG (platinum), Heidelberger Druckmaschinen AG (gold) and Hyundai Heavy Industries Co. (gold).

Key Share Data		30 June 2010	31 March 2010
Number of shares	in millions	21.17	21.17
Closing price*	EUR	24.92	25.96
Market capitalisation	in EUR million	527.6	549.7
		Q3 2009/2010	Q2 2009/2010
Average daily trading volume	Shares	120,820	191,300
Share price: high*	EUR	28.23	27.05
Share price: low*	EUR	23.09	22.66

* XETRA closing share price.

Ownership Structure

According to voting rights notifications available to us at 30 June 2010, the following individuals and institutions hold more than three percent of shares in Demag Cranes AG:

Shareholder	30 June 2010			
	Shareholding (%)	Votes	direct/indirect	Attributed under WpHG*:
Mark Five, USA	3.13	663,557	indirect	Section 22 (1) sentence 1 No. 6 and (1) sentence 2
Gregg Hymowitz, USA	3.13	663,557	indirect	Section 22 (1) sentence 1 No. 6 and (1) sentence 2
Financiere de L'Echiquier, Paris, France	3.12	660,300	direct	
Cevian Capital II Master Fund LP, Camana Bay, Grand Cayman, Cayman Islands	10.07	2,132,299	direct	
Cevian Capital II GP Limited, St. Helier, Jersey, Channel Islands	10.07	2,132,299	indirect	Section 22 (1) sentence 1 No. 1
Allianz Global Investors, Frankfurt am Main, Deutschland	4.33	917,361	direct/indirect	
Of which	1.70	360,635	indirect	Section 22 (1) sentence 1 No. 6

* German Securities Trading Act.

THE DEVELOPMENT OF THE SHARE PRICE FROM 1 JULY 2009 TO 30 JUNE 2010, COMPETITORS AND MDAX®
in percent

