

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.