

in EUR million	Q3 2009/ 2010	Q3 2008/ 2009	Δ	Q1-Q3 2009/ 2010	Q1-Q3 2008/ 2009	Δ	Financial year 2008/ 2009	Q2 2009/ 2010
Group operating EBIT	10.0	5.3	87.4 %	29.7	55.2	-46.1 %	67.6	10.5
Operating depreciation and amortisation	5.2	5.5	-5.6 %	15.2	16.5	-8.1 %	21.9	5.1
Group operating EBITDA	15.2	10.8	40.4 %	44.9	71.7	-37.4 %	89.5	15.6

Net Income After Tax

Operating net income after tax came to EUR 5.2 million in the third quarter of 2009/2010 (Q3 2008/2009: EUR 0.7 million). On a cumulative basis, operating net income after tax dropped from EUR 30.0 million to EUR 15.9 million in the first nine months of 2009/2010.

in EUR million	Q3 2009/ 2010	Q3 2008/ 2009	Δ	Q1-Q3 2009/ 2010	Q1-Q3 2008/ 2009	Δ	Financial year 2008/ 2009	Q2 2009/ 2010
Net income after tax	4.1	-31.3	n/a	13.0	-5.0	n/a	1.2	4.6
Operating adjustments	1.7	46.2		4.2	50.6		54.4	1.8
Of which								
Purchase accounting depreciation and amortisation	0.4	0.4		1.2	1.2		1.6	0.4
Severance expenses	-	-		-	3.8		3.7	-
Integration costs	1.0	-		2.4	-		-	1.2
Other	0.3	45.8		0.5	45.6		49.0	0.2
Tax effects on operating adjustments 30.7%	-0.5	-14.2		-1.3	-15.5		-16.7	-0.6
Effects of German tax audit	-	-		-	-		4.0	-
Operating net income after tax	5.2	0.7	619.5 %	15.9	30.0	-47.0 %	42.8	5.8

Cash Flows

Free cash flow before financing – cash flow from operating activities plus cash flow from investing activities – came to minus EUR 13.0 million in the first nine months of 2009/2010 (Q1 to Q3 2008/2009: EUR 43.8 million). The figure changed as follows year on year:

in EUR million	Q3 2009/ 2010	Q3 2008/ 2009	Δ	Q1-Q3 2009/ 2010	Q1-Q3 2008/ 2009	Δ	Q2 2009/ 2010
Cash flow from operating activities	-6.4	28.7	n/a	-4.6	54.6	n/a	-4.4
Cash flow from investing activities	-3.1	-4.3	-28.2 %	-8.5	-10.8	-22.0 %	-3.5
Free cash flow before financing	-9.5	24.4	n/a	-13.0	43.8	n/a	-7.9
Restructuring payments	6.0	1.3	n/a	13.8	1.3	n/a	3.2
Free cash flow before financing and restructuring payments	-3.5	25.7	n/a	0.8	45.1	n/a	-4.7

Compared with the same period of the previous year, cash flow from operating activities decreased in the first nine months of financial year 2009/2010 from a cash inflow of EUR 54.6 million to a cash outflow of EUR 4.6 million. This mainly reflects the change in net working capital (see also page 15); additionally, the outflow of cash under the restructuring programme has been EUR 12.5 million higher in the current financial year than in the same part of the previous year. On a nine-month basis, Group interest received net of interest paid narrowed from a negative EUR 1.3 million in the previous year to a negative EUR 0.2 million in 2009/2010. This was mainly due to lower interest payments reflecting the reduced interest rates on Demag Cranes AG's master loan agreement.

The nine-month cash flow from investing activities changed compared with the previous year from an outflow of EUR 10.8 million to an outflow of EUR 8.5 million. This mainly reflected a decrease in purchases of intangible assets and property, plant and equipment from EUR 11.3 million to EUR 8.7 million.

in EUR million	30 June 2010	31 March 2010	31 December 2009	30 September 2009	30 June 2009
Non-current loans and borrowings	105.5	106.0	106.0	105.9	105.6
Other financial liabilities	0.1	0.1	0.1	0.1	0.3
Current loans and borrowings	4.2	4.7	5.0	4.4	4.7
Cash and cash equivalents	-100.5	-104.4	-109.8	-103.7	-104.1
Other current financial assets	-0.4	-0.4	-0.4	-0.4	-0.5
Net debt	8.8	6.0	1.0	6.3	5.9

Net debt increased relative to 30 September 2009 by EUR 2.5 million to EUR 8.8 million at 30 June 2010. Compared with the last quarterly reporting date (31 March 2010), net debt increased by EUR 2.8 million. The main factor here was a EUR 3.6 million decrease in cash and cash equivalents to EUR 100.5 million.

Demag Cranes AG meets its funding needs from operating cash flow and a revolving syndicated credit facility for a total of EUR 325.0 million (including an ancillary facility of EUR 115.0 million). The facility runs to 27 June 2011.

The revolving credit facility was drawn upon as follows as at 30 June 2010:

EUR 162.2 million total drawings (due September 2010); this is split between EUR 105.0 million (30 September 2009: EUR 105.0 million) in credit facility drawings and EUR 57.2 million (30 September 2009: EUR 63.6 million) in drawings on the ancillary credit line for guarantees.

The credit facility is subject to certain covenants with regard to additional borrowing, purchases and disposals of assets as well as the provision of collateral. There are also financial covenants to be observed during the lifetime of the credit facility. These include stipulated ratios for consolidated net debt² to consolidated operating EBITDA³ (less than 2.75) and consolidated operating EBITDA³ to consolidated net interest payable (greater than 4.0).

The covenants were met in all respects as at 30 June 2010. There is no further change to the information given under "Cash Flows" on page 61 of the Annual Report 2008/2009.

² Group net debt adjusted for downpayment guarantees exceeding EUR 35 million.

³ Group operating EBITDA adjusted for non-cash charges under the Matching Stock Program (MSP).