

Report on Post-Balance Sheet Date Events

On 23 October 2009, the Management Board of Demag Cranes AG and the management of the subsidiaries Demag Cranes & Components GmbH and Gottwald Port Technology GmbH reached consensus with the relevant works councils in negotiations on the restructuring process for shared services functions and signed the previously still outstanding agreements for the Industrial Cranes and Services segments. The parties also signed the papers for the compensation agreement in connection with planned restructuring measures at Demag Cranes AG and Demag Cranes & Components GmbH and for the corresponding redundancy schemes.

No other events material to the financial position or financial performance of the Demag Cranes Group occurred after the balance sheet date.

Forecast Report

Introduction

The following statements on the future development and performance of the Demag Cranes Group and the key underlying assumptions concerning market and industry developments are based on assessments which Demag Cranes AG considers realistic on the basis of the information currently available to it. They nevertheless involve a degree of uncertainty and an unavoidable risk that forecast developments may not actually occur, either in the general pattern or to the extent anticipated.

Economic Trends

World Economic Trends⁶

The return to growth of global industrial production in the summer months of this year is considered by a number of experts to be the first sign that the worldwide recession is coming to an end. But these positive economic trends were primarily brought about by the extensive policies pursued to stabilise the economy. Early economic indicators also suggest a possible turnaround: the composite leading indicator of the Organisation for Economic Co-operation and Development (OECD) for industrialised countries rose to 97.8 in July 2009, its fifth consecutive month-on-month increase. As a result, in its latest interim forecast, the OECD revised its GDP estimate for the G7 countries for 2009 upwards by 0.4 percentage points. It now assumes a decline of 3.7 percent. According to forecasts by Goldman Sachs, mature economies will shrink by 3.2 percent this year and are expected to return to growth of 1.9 percent for 2010. The International Monetary Fund (IMF) expects global GDP to fall by 1.4 percent in 2009. For 2010, the IMF forecasts growth of 2.5 percent. Encouraging signs of possible recovery further increased in both emerging markets and a number of industrialised countries. However, the OECD's forecast for the US economy for 2009 remains unchanged at a 2.8 percent decline in economic output. By contrast, GDP is expected to shrink by around five percent in Germany (previously by 6.1 percent), 5.6 percent in Japan (previously by 6.8 percent), and 2.1 percent in France (previously by 3.0 percent).

As these forecasts clearly show, it is not yet certain that the global economy has moved into a sustainable and increasingly self-supporting recovery process. There are still considerable risks due to continued strain on the financial markets, unutilised production capacities and deterioration in the labour market situation.

⁶ Sources: Commerzbank, Economic Research, "Konjunktur und Finanzmärkte, September/Oktober 2009"; Goldman Sachs, "Global Economics Analyst, September/October 2009"; German Federal Ministry of Economics and Technology, "Schlaglichter der Wirtschaftspolitik", monthly report September 2009.