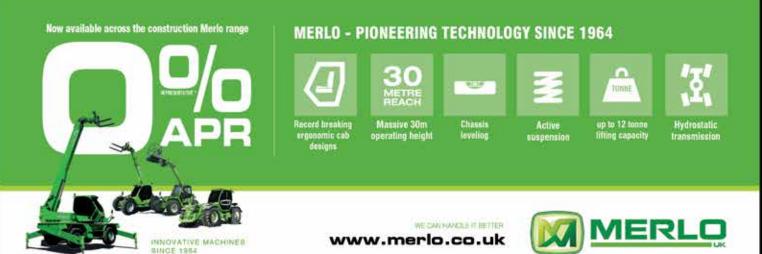
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# New Den cranes sign new phase for Terex

The new Demag AC45 City

Terex Cranes launched several new cranes earlier this month, including the new AC 45 City. Is this the start of a new 'Demag' era for the company or is it just papering over the cracks? Mark Darwin reports from the company's facility in Wallerscheid, Germany.

Over the past few years, Terex and Terex Cranes have had more than their fair share of problems and reorganisations. The appointment of John Garrison as chief executive two years ago and re-appointment of Steve Filipov a year or so later have been viewed by most as good moves to guide the company through a period of uncertainty.

The group which Garrison says has a "proud past and great future" was in desperate need of a transformation. He admits that it is still not perfect, but is striving to get better. The company went through around 80 acquisitions and a number of divestments over the past 25 years and has now boiled the business down to just three divisions - Cranes, Genie aerial lifts and telehandlers and Powerscreen materials processing. The remnants of its past left the company with "too many offices, facilities and footprints" which meant tough decisions on downsizing and simplifying. "In a complex world, we want to be easier to deal with" said Garrison. "All good things flow from



satisfied customers..."

Gone are the Construction, Material handling and Port services divisions leaving it to get used to living within its new \$4.5 billion revenues skin - a far cry from the Ron Defeo "\$10 billion by 2010" days.

Unfortunately Terex Cranes has had way too many unsatisfied customers in recent years, thanks to unreliable products and customer service issues - particularly with the Challenger series of All Terrains resulting in a loss of \$50 million last year. It needed a strong and rapid turnaround and got it in the form of Steve Filipov's 100 day plan. With the customer feedback requesting quality and reliability above all else, the company has been working hard to change things, and says that it has resolved all the Challenger issues, with customers now benefitting from a retrofit kit that addresses the 97 defective areas.

But has it worked? As well as launching the new range of cranes, Terex invited more than 400 customers to Wallerscheid to see and hear its new plans for the future.

"We had one UK customer with four Challenger cranes that had the retrofit upgrade and they now love them - and have ordered more new cranes," says Filipov. "The business has to be the right

size for the revenues so we have closed facilities, restructured and reinvested. We don't want another Challenger."

Moving forward with the two crane brands - Terex and Demag - the team is upbeat about the progress made so far and the prospects for the future.

"Our third quarter financial results demonstrate the accelerating





Demag



momentum across Terex. All three segments - Cranes, AWP and Materials Processing - increased sales, improved operating margins and grew backlog," says Garrison.

"Having completed the first element of our strategy - focusing the portfolio on our three core segments - our strategy deployment efforts are now concentrated on simplifying the company and implementing our 'Execute to Win' business system. Footprint consolidation progress in the guarter included completing the sale of manufacturing locations in Jinan, China and Bierbach, Germany. Used and refurbished cranes will be moved from Bierbach to the crane facility in Wallerscheid, and parts will be run like a business and not an 'after thought', sharing the Genie facility in Roosendaal, the Netherlands which should be up and running by the middle of next year.







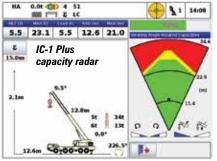
#### New product launches and developments

The company also revealed several new Demag models that are, or will be available in the near future. These included the AC 45 City, AC 55-3, AC 60-3, AC 100-4 (L), AC 300-6, AC 500-8, the CC3800 Boom Booster and the PC3800-1. At the same time new tower cranes were announced, including the CTT 472-20 flat top and the SK 452-20 hammerhead and the T110 truck crane. Computer generated graphics of a new Demag AC 80-4 and Terex/ Franna AT 40 articulated crane were also shown.

#### AC 45 City

The main launch for the event was the new Demag AC 45 City type All Terrain crane - a sector Terex/ Demag abandoned in 2014. The first AC 25 was produced in 1997 but interest in the City crane was so big that Demag launched the AC 40 City just one year later. It went on to sell more than 1,000 units becoming the most successful model in its class. Terex says the new AC 45 City is based on the old AC 40 City, but in truth more than 80 percent has been changed and improved, including a new engine and cab.

The new three axle AC 45 City is compact, with an overall length of 8.68 metres, overall width of 2.55 metres and is just 3.16 metres high, but can be reduced to less than three metres if necessary. The short - 7.8 metre - base boom section also means it can work inside buildings with a relatively low overhead clearance, while keeping a steep boom angle. The fully extended



main boom is 31.2 metres, while swingaway extensions of 7.1 and 13 metres provide a maximum tip height of around 46 metres. The boom can telescope loads of up to 19.7 tonnes - double that of the old AC 40 City. The new crane is much easier and nicer to drive, with a more powerful MTU Euromot 4 engine and brand new cab.

Three axle load configurations are available and even the fully loaded crane weighs no more than 34 tonnes, easily within the 12 tonne axle loadings. When equipped with reduced counterweight total weight is about 26 tonnes, meaning axle loads of well below 10 tonnes.

The new City crane also features the Demag IC-1 Plus control system which calculates the cranes lift capacity for every boom position and actual outrigger set up, taking advantage of the extra stability when lifting directly over an outrigger jack. The system also includes an automatic counterweight detection function and for the first time offers the possibility of working with the IC-1 Plus when using the 1.3 metre runner for loads up to 25 tonnes and when telescoping under load.

Other features include an axle load and hook height indicator, cruise control, cameras for the load, hook and hoist monitoring and reversing. Remote control and storage boxes are also standard. The crane should be available next July.

#### AC 300-6

Replacing the AC 250-6 the new 300 tonne Demag AC 300-6 has an 80 metre main boom and can lift 15 tonnes to a height of 75 metres at a radius of between 18 and 22 metres making it ideal for tower crane erection. The AC 300-6 will be the smallest Demag crane to be equipped with a new luffing jib, which provides a maximum system length of 118 metres. Other models with the luffing jib option include the AC 350-6 and AC 1000-9.





As with the AC 45 City, the AC 300-6 features the IC-1 Plus control system and a single engine with stop/start function to reduce idle times and total engine hours. Overall length is 17.3 metres with a three metre overall width. The carrier has three drive variants and active all-wheel steering. On the road, axle weights range from below 12 tonnes to 16 tonnes with 800kg of extra payload for lifting accessories. Maximum road speed is 85kph. Delivery will start at the end of March 2018.

#### AC 55-3 and AC 60-3

Announced earlier this year, the three axle AC 55-3 and AC 60-3 are now in serial production. Both use the 50 metre main boom with the AC 60-3 capable of taking a 16 metre extension which Terex claims provides the longest reach in its class. The boom can also be lowered to five degrees below horizontal avoiding working at height when reeving/setting up. The IC-1 Plus system allows asymmetrical outrigger positioning and at 11.5 metres long and 2.55 metres wide the cranes have axle loads from less than 12 to 15.5 tonnes. When necessary the AC 55-3 can be configured to meet 10 tonne axle weight restrictions. Other improvements include a new outrigger monitoring system, reduced weight and new engine. AC 100-4(L)

More of a makeover than a new crane, Terex's most popular crane - the four axle Demag AC 100-4

(L) - has been updated with improved lifting performance, particularly between 20 and 25 metres radius with gains of up to 22 percent. As well as the IC-1 Plus control system the AC 100-4(L) has a similar design features to the new five axle cranes, simplifying servicing and boosting component commonality. The crane is still 2.55 metres wide with a 59.4 metre main boom.

The new cranes certainly appear to have the design and features demanded by today's more discerning end users and rental companies, but reliability and customer service will be the final arbiter. However sales figures over the past few months suggest that it has started winning back disgruntled customers.



